



सत्यमेव जयते

**State Finances Audit Report
of the
Comptroller and Auditor General of India
for the year ended 31 March 2021**



लोकहितार्थं सत्यनिष्ठा
Dedicated to Truth in Public Interest



**Government of Uttar Pradesh
Report No. 2 of the year 2022**

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PREFACE

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

2. Chapter I of this Report describes the basis and approach to the Report and the underlying data and provides an overview of structure of government accounts, budgetary processes, macro-fiscal analysis of key indices and State's fiscal position including the deficits/surplus.
3. Chapter II of this Report provides a broad perspective of the finances of the State and analyses the critical changes in major fiscal aggregates relative to the previous year, overall trends during the period from 2016-17 to 2020-21, debt profile of the State and key Public Account transactions, based on the Finance Accounts of the State.
4. Chapter III of this Report is based on the Appropriation Accounts of the State and reviews the appropriations and allocative priorities of the State Government and reports on deviations from constitutional provisions relating to budgetary management.
5. Chapter IV of this Report provides a broad perspective on the quality of accounts rendered by various authorities of the State Government and status of compliance with prescribed financial rules, procedures and directives.
6. Chapter V of this Report discusses the financial performance of State Public Sector Undertakings (PSUs), investment in PSUs, budgetary support to PSUs, Return on Equity, Return on Capital employed, etc.
7. Chapter VI of this Report provides position of submission of accounts by State PSUs, impact of not finalising accounts of PSUs, significant comments issued as a result of supplementary/sole audit of the financial statements of the PSUs conducted by CAG, etc.
8. The Reports containing the findings of performance audits and audit of transactions in various departments and observations arising out of audit of Statutory Corporations, Boards and Government Companies and the Report containing observations on Revenue Receipts are presented separately.

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

EXECUTIVE SUMMARY

This Report on the finances of the Government of Uttar Pradesh (GoUP) intends to assess the financial performance of the State during the year 2020-21 and to provide the State Legislature with inputs based on audit analysis of the financial data. In order to put this analysis in a proper perspective, a broad comparison of targets envisaged by the Uttar Pradesh Fiscal Responsibility and Budget Management (UPFRBM) Act, 2004 as amended from time to time, the Fourteenth and Fifteenth Finance Commission Reports and the Budget Estimates of the year 2020-21 have been attempted. The Report is structured in six Chapters:

Chapter I is an overview of the finances of the State at a glance.

Chapter II is based on the audit of the Finance Accounts and makes an assessment of the fiscal position of GoUP as on 31 March 2021. It provides an insight into trends in expenditure on interest payments, salaries and wages, pensions, capital expenditure and debt management.

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

Chapter IV is an inventory of the GoUP's compliance to various reporting requirements and financial rules.

Chapters V and VI discuss the financial performance of State Public Sector Undertakings (PSUs), investment in PSUs, budgetary support to PSUs, Return on Capital employed, position of submission of accounts by State PSUs, significant comments issued as a result of supplementary/sole audit of the financial statements of the PSUs conducted by CAG, etc.

Audit Findings

Fiscal position of the State

The COVID-19 pandemic adversely affected the resources of the States and the Centre. The Gross State Domestic Product (GSDP) of Uttar Pradesh grew by 1.05 *per cent* during the year 2020-21 as compared to growth of 6.50 *per cent* during the year 2019-20. These had a negative impact on State's own tax revenue and Central tax transfers with concomitant impact on fiscal parameters of the State. The State had Revenue Deficit of ₹ 2,367.13 crore during the year 2020-21 after 14 successive years of Revenue Surplus since the year 2006-07.

To raise additional resources, the Government of India (GoI) allowed an additional borrowing limit of two *per cent* of GSDP to the State Governments for the year 2020-21. Accordingly, the UPFRBM Act, 2004 was amended (August 2020) to increase the limit of fiscal deficit for the year 2020-21 from three *per cent* of GSDP to five *per cent* of GSDP. The fiscal deficit (₹ 54,622.11 crore) of the State during the year 2020-21 was contained at 3.20 *per cent* of GSDP. However, the ratio of total outstanding debt to GSDP (32.77 *per cent*) during the year 2020-21 was above the target (32.00 *per cent*) set out in the UPFRBM (Second Amendment) Act, 2020.

Goods and Services Tax (GST) Compensation is the revenue of the State Government under GST (Compensation to States) Act, 2017. In addition to receiving the GST compensation of ₹ 9,324 crore as revenue receipts during the year 2020-21, State Government also received debt receipts (back-to-back loan) of ₹ 6,007 crore from GoI in lieu of GST compensation shortfall due to inadequate balance in GST Compensation Fund. The debt servicing of this loan would be done from the collection of cess in the GST Compensation Fund and hence, the repayment obligation will not be met from the other resources of the State. Due to this arrangement, the revenue deficit of ₹ 2,367.13 crore and fiscal deficit of ₹ 54,622.11 crore during the year 2020-21 may be read in conjunction with debt receipts of ₹ 6,007.00 crore in lieu of GST compensation.

(Paragraphs 1.1.1, 1.4.1 and 1.5)

Sources and Application of Funds

Revenue Receipts of ₹ 2,96,176 crore during the year 2020-21 consists of Own Tax Revenue (₹ 1,19,897 crore), Non-Tax Revenue (₹ 11,846 crore), Share of Union Taxes and Duties (₹ 1,06,687 crore) and Grants-in-aid from GoI (₹ 57,746 crore).

The financial year 2020-21 started with the onset of COVID-19 pandemic and strict lockdown restrictions, which adversely impacted State's Revenue Receipts during the year 2020-21. As compared to Budget Estimates 2020-21, there were shortfall in actual receipts by 27.78 per cent in Own Tax Revenue, 62.01 per cent in Non-Tax Revenue, 30.21 per cent in Central Transfer of Taxes and 20.35 per cent in Grants-in-aid from GoI.

The overall decrease of 2.38 per cent in Own Tax Revenue during 2020-21 over previous year was mainly due to decrease in receipts under State Goods and Services Tax, Taxes and Duties on Electricity, Taxes on Vehicles and Land Revenue.

During the year 2020-21, transfers from GoI (Tax Devolution and Grants-in-aid) was 1.59 per cent (₹ 2,571 crore) higher as compared to the year 2019-20 and it constituted 55.52 per cent of Revenue Receipts of the State. The receipts under State's share of Union taxes and duties decreased by ₹ 11,131 crore (9.45 per cent) as compared to year 2019-20. However, Grants-in-aid from GoI increased by 31.11 per cent (₹ 13,702 crore) in the year 2020-21 over the previous year.

(Paragraphs 2.3.1, 2.4.1, 2.4.2.1, 2.4.3, 2.4.3.1 and 2.4.3.2)

Revenue expenditure (₹ 2,98,543 crore) continued to be the dominant component of the total expenditure and its share increased from 75.56 per cent in the year 2016-17 to 84.83 per cent in the year 2020-21. Committed expenditure (₹ 1,83,223 crore) on salary, wages, pension and interest payments was 61.87 per cent of revenue receipts and 61.37 per cent of Revenue Expenditure. Financial assistance of ₹ 98,888.38 crore was provided by the State Government to Local bodies and other grantee institutions by way of grants-in-aid during the year 2020-21, which was 5.95 per cent higher as compared to the year 2019-20.

(Paragraphs 2.7.1, 2.7.2, 2.7.4 and 2.7.4.5)

Capital expenditure (₹ 52,237 crore) decreased by 12.94 *per cent* during the year 2020-21 as compared to the year 2019-20. Capital Expenditure under General Services Sector and Economic Services Sector had a decline of 38.96 *per cent* and 18.43 *per cent* respectively, though it increased by 17.80 *per cent* under Social Services Sector during the year 2020-21 as compared to the year 2019-20. The percentage of State's capital expenditure to Aggregate Expenditure declined in the year 2020-21 as compared to the year 2016-17, but it was higher than All India average of General Category States (i.e., States other than North Eastern and Himalayan States) during the year 2020-21.

(Paragraphs 2.7.5 and 2.7.6)

Consolidated Sinking Fund

The State Government constituted (March 2020) Consolidated Sinking Fund as an amortisation fund for redeeming outstanding liabilities, which came into force from the year 2020-21. The Fund is administered by Reserve Bank of India. According to the guidelines of the Fund, the State Government may contribute to the Fund at least 0.50 *per cent* of the outstanding liabilities as at the end of the previous year. During the year 2020-21, the State Government contributed ₹ 1,000.00 crore as against stipulated contribution of at least ₹ 2,454.42 crore in view of outstanding liabilities of ₹ 4,90,883.27 crore at the end of the year 2019-20. This short contribution of ₹ 1,454.42 crore could not become the part of Consolidated Sinking Fund investment during the year 2020-21.

Recommendation

The State Government should ensure that annual contribution to the Consolidated Sinking Fund is at least 0.50 per cent of the outstanding liabilities at the end of the previous year as provided under the Consolidated Sinking Fund Scheme, so that adequate balance should be available in the Fund for its further investment by the Reserve Bank of India and for future redemption of outstanding liabilities.

(Paragraph 2.8.2.1)

Depreciation Reserve Fund

The State Government created (March 2005) the Uttar Pradesh Public Works Department Depreciation Reserve Fund to purchase plant and machineries for renewal and replacement of unserviceable plant and machinery, carrying out special repair of plant and machineries and purchase of plant and machineries with latest technology. During the period 2016-21, State Government charged ₹ 216.31 crore on works as contribution to Depreciation Reserve Fund and transferred it as non-tax revenue of the State. However, no amount was transferred to Depreciation Reserve Fund. Thus, the Government had increased its revenue receipts by increasing the cost of work. Besides, the Fund had a negative balance of ₹ 17.20 crore at the end of the year 2020-21 due to disbursement from the Fund without any contribution to it.

Recommendation

Instead of keeping the amount charged on works for Depreciation Reserve Fund as revenue receipts, the State Government should transfer it to this Fund since the present accounting of the Fund only increases the revenue receipts

and revenue expenditure of the State. Further, State should immediately regularise the negative balance under Depreciation Reserve Fund.

(Paragraph 2.8.2.2)

State Disaster Response Fund (SDRF)

Contrary to GoI guidelines that the SDRF should be operated under the category 'Reserve Funds bearing Interest', State Government operates its SDRF under the category 'Reserve Funds not bearing Interest'. Further, the balances in the Fund are not invested in the manner as laid down in the SDRF guidelines.

The State Government did not transfer ₹ 966.50 crore of Central share received by it to SDRF during the year 2020-21. The State Government had also not credited interest of ₹ 91.91 crore for the year 2020-21 on uninvested balances of the Fund. Further, the accounting heads for State Disaster Mitigation Fund were not operated and required contribution was not transferred to State Disaster Mitigation Fund as per recommendations of XV Finance Commission and Disaster Management Act, 2005.

Recommendation

The State Government should transfer the SDRF balances to MH 8121-General and Other Reserve Funds under the category 'Reserve Funds bearing Interest' and remit to the Fund accrued interest as per SDRF guidelines. The State Government is also required to invest the fund balances in the manner prescribed in the SDRF guidelines. State Government should also operate State Disaster Mitigation Fund as per recommendations of XV Finance Commission and the Disaster Management Act, 2005.

(Paragraph 2.8.2.3)

Contingent Liabilities – Status of Guarantees

There was an outstanding guarantee of ₹ 1,50,554 crore at the end of the year 2020-21 given by the State Government in respect of 25 entities, viz., statutory corporation, Government Companies and other institutions for borrowings by them. In order to sudden discharge of State's obligation on guarantees, the State Government was required to create a Guarantee Redemption Fund as per the recommendations of XII Finance Commission. However, State Government has not created a Guarantee Redemption Fund.

Recommendation

The State Government should create the Guarantee Redemption Fund as per the recommendations of XII Finance Commission.

(Paragraphs 2.8.2.4 and 2.9.5)

Excess expenditure requiring regularisation

There was an excess disbursement of ₹ 8.10 crore over the authorisation made by the State Legislature under two Grants and one Appropriation during the financial year 2020-21. Excess disbursements of ₹ 32,525.36 crore under 102 Grants and 47 Appropriations pertaining to the years 2005-06 to 2019-20 are yet to be regularised by the State Legislature. This is in violation of Articles 204 and 205 of the Constitution which provides that no money shall be withdrawn from the Consolidated Fund except under appropriation made by

Law by the State Legislature. This vitiates the system of budgetary and financial control and encourages financial indiscipline in management of public resources.

Recommendation

The State Government should ensure that all the existing cases of excess expenditure are placed before the State Legislature for regularisation in term of the provisions contained in Article 205 of the Constitution.

(Paragraphs 3.2.1 and 3.2.1.1)

Misclassification of expenditure

Misclassification of expenditure between Revenue as Capital and Capital as Revenue was noticed in a number of cases during the year 2020-21. The net impact of misclassification of expenditure resulted in understatement of revenue deficit by ₹ 85.38 crore.

Recommendation

Classification of some expenditure items as Capital or Revenue nature included in certain Object Heads, as pointed out in Paragraph 3.2.2, needs review and redressal to align it with Uttar Pradesh Budget Manual (UPBM).

(Paragraphs 3.2.2, 3.2.2.1 and 3.2.2.2)

Savings

There was overall savings of ₹ 1,48,547.50 crore which was 27.28 per cent of the total budgetary provisions of ₹ 5,44,571.20 crore during the year 2020-21. The budgetary provisions increased consistently during the last five years (2016-21) but utilisation of budget had reducing trend between 2018-19 and 2020-21. In 28 cases involving 24 grants, there were persistent savings (₹ 100 crore and above) during the last five years. These are indicative of wide gap between planning and execution by the State Government.

Recommendation

The Finance Department should review the reasons due to which the provisions under various Grants/Appropriations remained unutilised and take steps to make more judicious budget provisions in future years.

(Paragraphs 3.3.1, 3.3.2, 3.3.3 and 3.3.4)

Unnecessary Re-appropriation

In 52 sub-heads involving 20 Grants, further augmentation of fund was made through re-appropriation of ₹ 1,298.55 crore. However, re-appropriation proved unnecessary, as in each case, expenditure was within the original budget provision under these sub-heads. This was indicative of absence of adequate justification for resorting to re-appropriation under these Grants

Recommendation

Re-appropriations should be based on careful assessment of fund requirements. Finance Department may advice line departments to improve accuracy in cost estimation of Schemes/Projects at the time of submitting Revised Estimates in order to optimise utilisation of funds.

(Paragraph 3.3.5)

Rush of expenditure

Rush of expenditure in the last month of the financial year is against the principles of sound management of public funds. No specific instructions have been given in UPBM to prevent rush of expenditure. In 12 Grants, 50 per cent and above expenditure of their total budgeted provisions were incurred in the last month of the financial year 2020-21, i.e., March 2021.

Recommendation

The Government may consider issuing guidelines to control rush of expenditure towards the closing months of the financial year especially in the month of March in order to maintain a steady pace of expenditure.

(Paragraph 3.3.6)

Delayed surrender of Savings

UPBM provides that the Controlling Officers should surrender all final Savings to the Finance Department by 25th March. However, only ₹ 1,477.51 crore was surrendered out of total Savings of ₹ 1,48,547.50 crore on the last day of the financial year and the remaining amount of ₹ 1,47,069.99 crore lapsed.

Recommendation

The Finance Department should monitor trend of expenditure by Departmental Controlling Officers, so that funds are not retained unnecessarily and are surrendered at the earliest, without resorting to last minute surrenders and lapse of allocations.

(Paragraph 3.3.8)

Contingency Fund

The State Government sanctioned (January 2021) ₹ 100 crore from the Contingency Fund for advance soil work for plantation in rainy season 2021. However, money withdrawn from the Contingency Fund was not recouped during the year 2020-21.

Recommendation

The State Government should ensure timely recoupment of advances taken from the Contingency fund.

(Paragraph 3.4)

Government receipts kept out of Government Accounts

The sums collected against labour cess are being deposited directly in bank accounts of U.P. Building and Other Construction Workers Welfare (UPBOCW) Board without bringing it into Government Accounts. In the absence of accounting of cess through Government Accounts, it was not ascertainable from the accounts of the State Government as to how much money was collected on account of cess, fee, etc., and how much money was transferred to the Board by various Cess Collectors. As per provisional data provided by the Board, ₹ 6,159.62 crore was available with the Board as on 31 March 2021 and the expenditure on welfare of workers ranged from 3.81 to 12.34 per cent of available funds covering 5.55 to 66.66 per cent of registered workers during the period 2016-21.

Recommendation

Sums collected against labour cess by UPBOCW Board should be part of Public Account of the State and from there it may be transferred to the Board Account. UPBOCW Board should fulfil its mandate of improving the working condition of building and other construction workers and providing adequate financial assistance to them.

(Paragraph 4.1.1)

The State Government did not constitute the State Electricity Regulatory Commission Fund as required under Electricity Act, 2003. Receipts of ₹ 96.14 crore of the Uttar Pradesh Electricity Regulatory Commission were kept outside the Public Account of the State.

Recommendation

The State Government should constitute the State Electricity Regulatory Commission Fund and credit the fund balance in the Public Account of the State.

(Paragraph 4.1.2)

Extra-budget borrowings through State owned PSUs/Authorities

The State Government resorted to extra-budget borrowings through State owned PSUs/Authorities for meeting expenditure having implication on debt parameters of the State. Since these extra-budget borrowings do not form part of the Debt-Stock of the State, the debt position as reflected in Finance Accounts does not depict actual debt position. As a result, Debt-stock increases by ₹ 1,636.89 crore and stood at ₹ 5,66,608.57 crore as against ₹ 5,64,971.68 crore reported at the end of the year 2020-21.

Recommendation

The State Government should avoid extra-budget borrowings and credit all loans taken by PSUs/ Authorities on behalf of State Government but serviced by the State Government, to the Consolidated Fund.

(Paragraph 4.2)

Undischarged liabilities in Defined Contribution Pension Scheme

The State Government did not remit ₹ 385.08 crore for the Defined Contribution Pension Scheme in respect of State Government employees to the designated fund manager for its further investment during the year 2020-21. As a result, non-remitted fund did not yield any value appreciation as it could not become the part of corpus of investment of the subscribers. Further, State Government did not furnish the balances in respect of employees of aided educational institutions and autonomous bodies.

Recommendation

The State Government should transfer the entire amount of Defined Contribution Pension Scheme to the designated fund manager through the National Securities Depository Limited (NSDL)/Trustee Bank so that the untransferred amount could become the part of corpus of investment of the subscribers and yield value appreciation.

(Paragraph 4.3)

Uttar Pradesh Road Transport Accident Relief Fund

The State Government did not establish Uttar Pradesh Road Transport Accident Relief Fund (UPRTARF) for the purpose of providing relief to the passengers or heirs of such passengers or other persons suffering casualty, as mandated by the Uttar Pradesh Motor Vehicle Taxation Act, 1997. As a result, a sum of ₹ 636.81 crore has not been credited to UPRTARF during the period 2015-21.

Recommendation

Being the statutory requirement, the Government should create the 'Uttar Pradesh Road Transport Accident Relief Fund' so that the fund could be utilised for benefit of the affected persons.

(Paragraph 4.4)

Delay in submission of Utilisation Certificates (UCs)

There were 39,587 UCs aggregating ₹ 26,237.08 crore outstanding as on 31 March 2021 for grants-in-aid released during the period 2001-02 to 2019-20 (up to September 2019). In the absence of UCs, there is no assurance that moneys disbursed have been used for the purposes for which they were sanctioned/authorised by the Legislature. Moreover, high pendency of UCs was fraught with the risk of embezzlement, diversion and misappropriation of funds.

Recommendation

The Government may ensure timely submission of utilisation certificates by the departments in respect of the grants-in-aid released for specific purposes and all pendencies may be reviewed before release of fresh grants to defaulting grantees.

(Paragraph 4.6)

Abstract Contingent (AC) Bills

In violation of codal provisions for adjustment of AC bills by the end of next month of drawal, 1,178 AC bills involving advance of ₹ 16.21 crore were pending for adjustment as on 31 March 2021 which included 1,155 AC bills drawn up to the year 2019-20.

Recommendation

The Finance Department should ensure that all controlling officer adjust Abstract Contingent bills within stipulated period, as required under the Rules.

(Paragraph 4.7)

Indiscriminate use of Minor Head-800 and Object Head-42

A sum of ₹ 47,404.47 crore under 78 Heads of Accounts on the expenditure side and on the receipt side, ₹ 6,105.30 crore was recorded under minor head '800-Other Expenditure/Receipts' under concerned Major Heads during the year 2020-21. The booking of large amounts under the Minor Head '800-Other Expenditure' affects the transparency in financial reporting. Further, expenditure of ₹ 16,127.62 crore was made under Object Head '42-Other Expenditure' which was 4.26 per cent of total expenditure of ₹ 3,78,710.66 crore under the Consolidated Fund of the State during the year

2020-21. The classification of large amounts under the Object Head '42- Other Expenditure' does not give a clear picture in financial reporting.

Recommendation

The Finance Department should, in consultation with the Accountant General (A&E), conduct a comprehensive review of all items presently appearing under minor head 800 and ensure that all such receipts and expenditure are in future booked under the appropriate heads of account. Further, at object head level, indiscriminate use of object head 42-Other expenditure should be minimised.

(Paragraphs 4.9 and 4.10)

Submission of Accounts of Autonomous Bodies/ Authorities

266 annual accounts of 63 Autonomous Bodies/Authorities (due up to 2020-21) for audit as on 30 September 2021 have not been submitted by the concerned entities. In the absence of annual accounts and their audit, proper utilisation of grants and loans disbursed to these Autonomous Bodies/Authorities cannot be vouched.

Recommendation

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

(Paragraphs 4.14 and 4.15)

Pending cases of misappropriations, losses, thefts, etc.

There were 135 cases of misappropriation, losses and theft involving an amount of ₹ 930.78 crore on which final action was pending as on 31 March 2021.

Recommendation

The Government may consider preparing a time bound framework for taking prompt action in cases of misappropriation, loss, theft, etc. and strengthening the internal control system to prevent recurrence of such cases.

(Paragraph 4.16)

Functioning of State Public Sector Undertakings

As on 31 March 2021, Uttar Pradesh had 115 State PSUs (94 Government Companies, 15 Government controlled other Companies and six Statutory Corporations) including 44 Non-functional PSUs under the audit jurisdiction of the Comptroller and Auditor General of India. This Report covers financial performance of 38 PSUs whose accounts were not in arrears for three years or more and were functional/not under liquidation. These 38 functional PSUs registered an annual turnover of ₹ 73,042 crore as per their latest finalised accounts. This turnover was equal to 4.28 per cent of GSDP of Uttar Pradesh for the year 2020-21.

(Paragraphs 5.1.3 and 5.1.4)

Stake of Government of Uttar Pradesh and performance of PSUs

As on 31 March 2021, the total investment (equity and long-term loans) in 38 PSUs, whose financial performance is covered in this report, was ₹ 2,72,542.84 crore. The investment consisted of 53.08 *per cent* towards equity and 46.92 *per cent* in long-term loans. Out of this, GoUP has investment of ₹ 1,42,978.52 crore in these PSUs consisting of equity of ₹ 1,37,357.27 crore and long-term loans of ₹ 5,621.25 crore.

Out of 38 PSUs, 22 PSUs earned profit of ₹ 699.72 crore and 16 PSUs incurred loss of ₹ 7,411.34 crore as per their latest finalised accounts up to the year 2020-21. The major profit-making PSUs were Uttar Pradesh Power Transmission Corporation Limited (₹ 351.89 crore) and Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited (₹ 116.91 crore). The major loss-making PSUs were Uttar Pradesh Power Corporation Limited (₹ 3,158.92 crore), Purvanchal Vidyut Vitran Nigam Limited (₹ 1,204.30 crore) and Paschimanchal Vidyut Vitran Nigam Limited (₹ 1,067.87 crore).

Recommendation

The State Government may review the performance of loss making PSUs and invest cautiously in these PSUs.

(Paragraphs 5.2, 5.3.1 and 5.6.1)

Reconciliation with Finance Accounts of Government of Uttar Pradesh

As on 31 March 2021, differences in equity, loans and guarantee existed in respect of 66 PSUs. These differences between the figures are persisting since last many years, though the issue of reconciliation of differences was also taken up by the audit with the concerned PSUs and the Departments from time to time.

Recommendation

The Finance Department of GoUP and the respective PSUs should reconcile the differences in figures of equity, loans and guarantees outstanding as per records of the PSUs and as per the Finance Accounts of GoUP in a time bound manner.

(Paragraph 5.2.2.1)

Arrears of accounts

Out of 71 functional State PSUs, only four PSUs had submitted their annual accounts for the year 2020-21 and remaining 67 PSUs had arrears of 274 accounts. Out of 44 non-functional PSUs, 40 PSUs had arrears of 699 accounts. GoUP had provided ₹ 27,359.34 crore (Equity: ₹ 10,859.11 crore, Loan: ₹ 2,476.54 crore, Grants-in-aid: ₹ 4,086.35 crore and Subsidies: ₹ 9,937.34 crore) to 46 State PSUs during the period for which their accounts were in arrears.

Recommendation

The Administrative Departments should strictly monitor and issue necessary directions to liquidate the arrears in accounts of the PSUs. The Government may also look into the constraints in preparing the accounts of the PSUs and take necessary steps to liquidate the arrears.

(Paragraphs 6.3.2 and 6.3.2.3)

CHAPTER - I

Overview

CHAPTER-I

OVERVIEW

1.1 Profile of the State

Uttar Pradesh in northern India is the most populous State and the third largest State economy of the country. Two in every three workers in the State works in agriculture sector¹. Uttar Pradesh is a major producer of pulses, dairy, wheat, paddy, sugarcane, maize, potatoes, mangoes, leather and handicrafts. During 2019-20, per capita income of the State² stood at ₹ 65,704 at current prices which was 51 *per cent* lower than the per capita income (₹ 1,34,226) of India.

Table 1.1: General Data

Sl. No.	Particulars		Figures
1	Area		2,40,928 Sq. Km.
2	Population		
	a.	Census 2011 (As on 1 March 2011)	19.98 crore
	b.	Projected for the year 2021 (As on 1 March 2021)	23.09 crore
3	Density of Population (as per 2011 Census) (All India Density = 382 persons per Sq. Km)		829 persons per Sq. Km.
4	Decadal Population Growth ³ (2011-2021)	Uttar Pradesh	15.17 <i>per cent</i>
		All India (inclusive of UTs)	12.30 <i>per cent</i>
5	Literacy (as per 2011 Census) (All India Average = 73 <i>per cent</i>)		67.7 <i>per cent</i>
6	Infant mortality rate ⁴ (per 1000 live births) (All India Average = 30 per 1000 live births)		41
7	Life Expectancy at birth ⁵ (All India Average =69.4 years)		65.3 years
8	Gross State Domestic Product (GSDP) at current prices		₹ 17,05,593 crore
9	Per capita GSDP Compound Annual Growth Rate (CAGR) (2011-12 to 2020-21)	Uttar Pradesh	8.27 <i>per cent</i>
		All India (inclusive of UTs)	8.08 <i>per cent</i>
10	GSDP CAGR (2011-12 to 2020-21)	Uttar Pradesh	9.99 <i>per cent</i>
		All India (inclusive of UTs)	9.48 <i>per cent</i>
11	Population below poverty line (BPL) ⁶ (2011-12) (All India Average = 21.92 <i>per cent</i>)		29.43 <i>per cent</i>

¹ <http://up.gov.in/Social-Demography.pdf> (the strength of work force in the State is 23.7 *per cent*, out of which 65.9 *per cent* are farmers and 5.6 *per cent* are industrial workers)

² Quick Estimates as per Statistical Diary Uttar Pradesh 2020 published by Economic and Statistics Division, State Planning Institute, Planning Department, Uttar Pradesh.

³ Projected population of the State increased from 20.17 crore in October 2011 to 23.23 crore in October 2021: Population Projections for India and States 2011-2036, Table 14 of the Report of the Technical Group on Population Projections (July 2020), National Commission on Population

⁴ Sample Registration System (SRS) Bulletin, October 2021 (for the year 2019), office of the Registrar General, India.

⁵ SRS Based Abridged Life Table 2014-18 published by the Office of the Registrar General & Census Commissioner, India (September 2020).

⁶ Reserve Bank of India, Handbook of Statistics on Indian Economy 2020-21 (Table 151).

1.1.1 Gross State Domestic Product of the State

Gross State Domestic Product (GSDP) is the value of all goods and services produced within the boundaries of the State in a given time period. Growth of GSDP is an important indicator of the State's economy, as it denotes the extent of changes in the level of economic development of the State over a period of time. The trends in annual growth of Gross Domestic Product (GDP) of India and GSDP of the State at current prices are given in **Table 1.2**.

Table: 1.2: GDP of India and GSDP of the State at current prices (2011-12 series)⁷

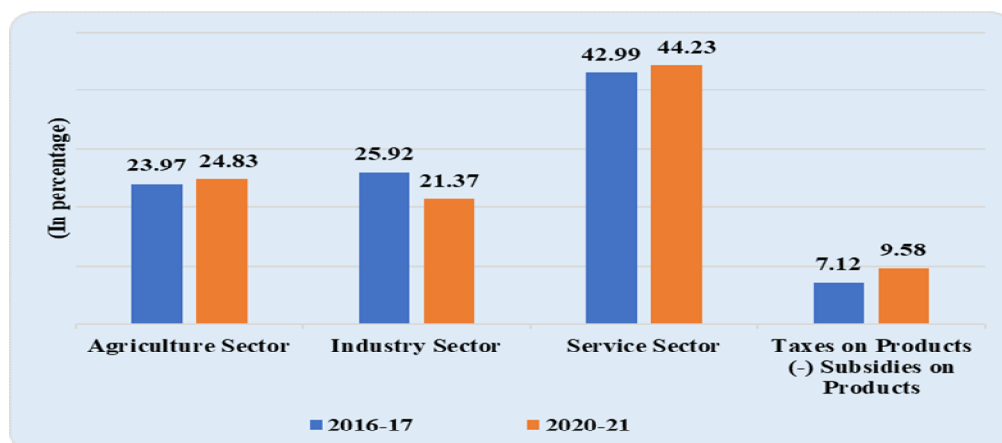
	(₹ in crore)				
Year	2016-17	2017-18	2018-19	2019-20	2020-21
GDP of India	1,53,91,669	1,70,90,042	1,88,86,957	2,03,51,013	1,97,45,670
Growth rate of GDP over previous year (in per cent)	11.76	11.03	10.51	7.75	(-)2.97
State's GSDP	12,88,700	14,16,006	15,84,764	16,87,818	17,05,593
Growth rate of GSDP over previous year (in per cent)	13.26	9.88	11.92	6.50	1.05

Source: Ministry of Statistics and Programme Implementation, Government of India

The growth rate of GSDP of the State showed a decreasing trend from 11.92 per cent in the year 2018-19 to 1.05 per cent in the year 2020-21.

Changes in sectoral contribution to the GSDP is important to understand the changing structure of the economy. Economic activity is generally divided into Primary, Secondary and Tertiary sectors, which correspond to Agriculture, Industry and Service sectors respectively. Comparative position of sectoral contribution to GSDP in 2020-21 with that of 2016-17 and sectoral growth rates during this period are given in **Chart 1.1** and **Chart 1.2** respectively.

Chart 1.1 Change in sectoral contribution to GSDP during the period 2016-21

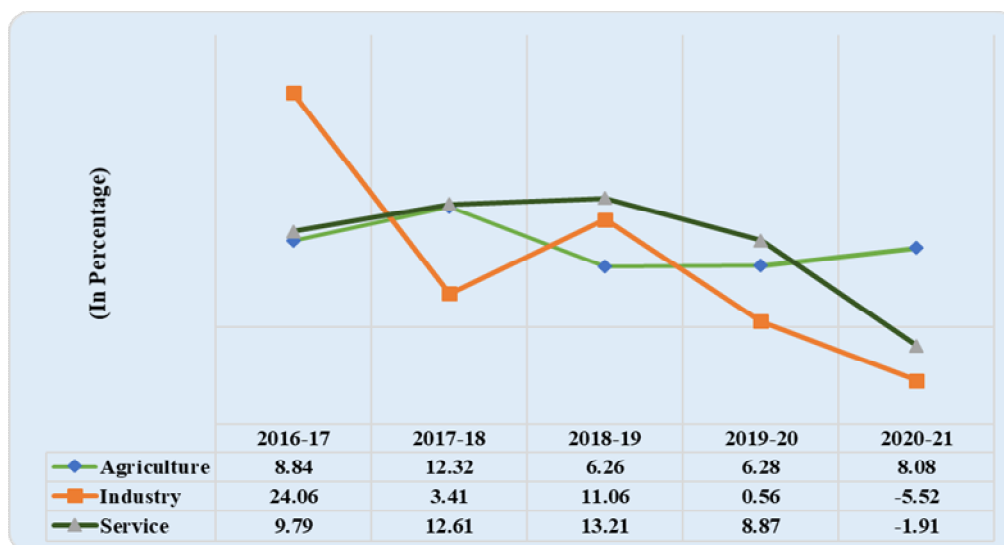


Source: Ministry of Statistics and Programme Implementation, Government of India (GSVA/NSVA by economic activities 2011-12 series as on 02.08.2021)

Note: **Agriculture (Primary) Sector** includes Agriculture, Animal Husbandry, Forestry, Fishing and Mining and quarrying; **Industry (Secondary) Sector** includes Manufacturing, Electricity, Gas, Water supply & other utility services and Construction and **Service (Tertiary) Sector** includes Trade, Hotels and restaurants, Transport, Storage, Communication, Financial services, Real estate, Public administration and Other services.

⁷ GDP and GSDP at current prices for the years 2016-17 to 2019-20 are revised by the Central/State Government, hence, percentage ratio/buoyancies of various parameters with reference to GDP/GSDP for 2016-17 to 2019-20 indicated in earlier State Finances Audit Reports have also been revised.

Chart 1.2 Sectoral growth rate during the period 2016-21



Source: Ministry of Statistics and Programme Implementation, Government of India

It is evident from the above charts that Service sector was the largest contributor (44.23 per cent) to State's GSDP followed by Agriculture sector (24.83 per cent) and Industry sector (21.37 per cent). However, the growth rate of Service Sector and Industry sector showed a declining trend after the year 2018-19, which led to decreasing trend in GSDP growth of the State in the years 2019-20 and 2020-21.

During the year 2020-21, the economy of the country was severely affected due to COVID-19 pandemic and GDP of the country contracted by 2.97 per cent. The impact of COVID-19 pandemic on the economic scenario also adversely affected State's GSDP growth rate during the year 2020-21, though the State's GSDP grew by 1.05 per cent. These had a negative impact on State's own tax revenue and Central tax transfers with concomitant impact on fiscal parameters of the State. The State recorded Revenue Deficit of ₹ 2,367.13 crore during the year 2020-21 after 14 successive years of Revenue Surplus since the year 2006-07, as detailed in **Paragraph 1.4.1** and **Chapter II** of this report.

1.2 Basis and Approach to State Finances Audit Report

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

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

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

- Results of audit carried out by the Office of the Accountant General (Audit);
- Other data with Departmental Authorities and Treasuries (accounting as well as MIS); and
- GSDP data and other State related statistics.

The analysis was also carried out in the context of recommendations of the XIV and XV Finance Commissions, Uttar Pradesh Fiscal Responsibility and Budget Management (UPFRBM) Act, 2004 as amended from time to time, Budget Estimates along with Medium Term Fiscal Restructuring Policy (MTFRP), best practices and guidelines of the Government of India (GoI). The draft Report was forwarded to the State Government for comments on 27 October 2021. Replies of the State Government are awaited (March 2022).

1.3 Report Structure

The SFAR is structured into the following six Chapters:

Chapter - I	Overview This Chapter describes the basis and approach to the Report and the underlying data, provides an overview of structure of government accounts, budgetary processes, macro-fiscal analysis of key indices and State's fiscal position including the deficits/surplus.
Chapter - II	Finances of the State This chapter provides a broad perspective of the finances of the State, analyses the critical changes in major fiscal aggregates relative to the previous year, overall trends during the period from 2016-17 to 2020-21, debt profile of the State and key Public Account transactions, based on the Finance Accounts of the State.
Chapter - III	Budgetary Management This chapter is based on the Appropriation Accounts of the State and reviews the appropriations and allocative priorities of the State Government and reports on deviations from constitutional provisions relating to budgetary management. Observations with respect to integrity and effectiveness of budgetary and accounting process, viz., misclassification of expenditure between capital and revenue and <i>vice versa</i> , excess expenditure and its regularisation, persistent savings, delayed surrender of savings, unnecessary re-appropriation have been included.
Chapter - IV	Quality of Accounts and Financial Reporting Practices This chapter comments on the quality of accounts rendered by various authorities of the State Government and issues of non-compliance with prescribed financial rules and regulations by various departmental officials of the State Government. Observations with respect to completeness, transparency and measurement of accounts along with issues related to disclosures have been included.

Chapter-V	Financial Performance of State Public Sector Undertakings This chapter discusses the financial performance of State Public Sector Undertakings (PSUs), investment in PSUs, budgetary support to PSUs, Return on Equity, Return on Capital employed, erosion of Net Worth of PSUs, etc.
Chapter-VI	Oversight Role of Comptroller and Auditor General of India This chapter discusses position of submission of accounts by State PSUs, impact of not finalising accounts of PSUs, significant comments issued as a result of supplementary/sole audit of the financial statements of the PSUs conducted by CAG, etc.

1.4 Overview of Government Accounts Structure and Budgetary Processes

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

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

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

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

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

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

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

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

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

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

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

Capital receipts consist of:

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

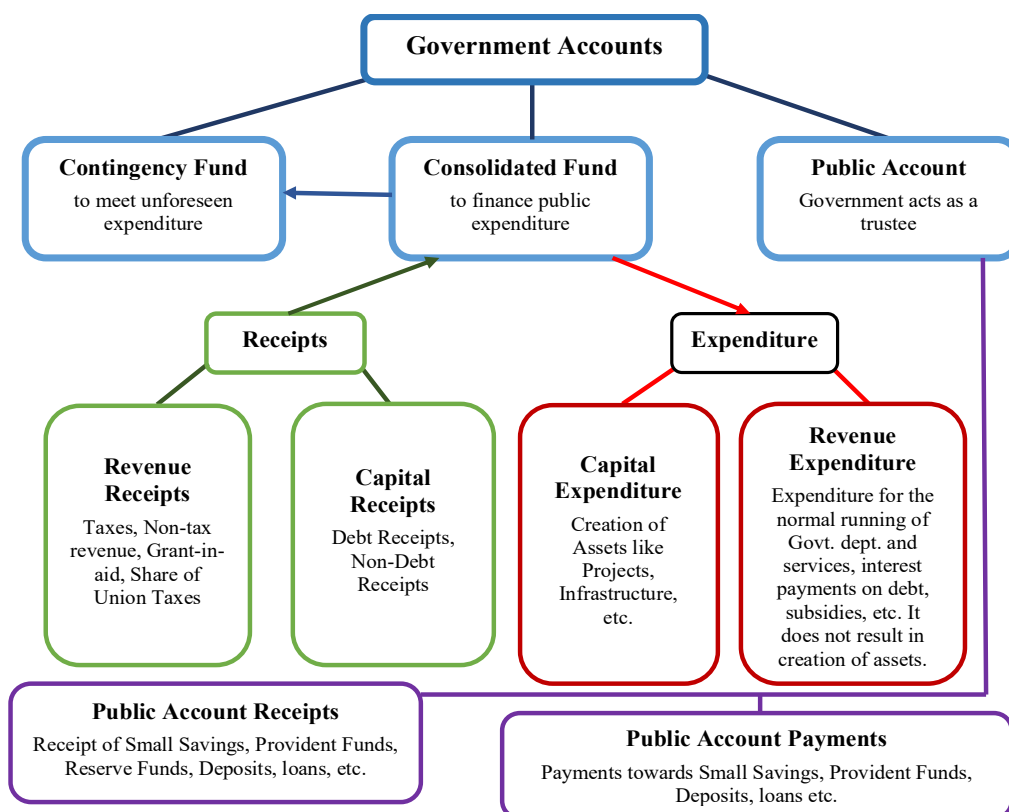
Capital Expenditure includes expenditure on the acquisition of land, building, machinery, equipment, investment in shares and loans and advances by the government to PSUs and other parties.

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

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

The functional classification helps in identifying the department, function, scheme or programme and object of the expenditure. Economic classification helps organise these payments as revenue, capital, debt, etc. Economic classification is achieved by the numbering logic embedded in the first digit of 4-digit Major Heads. Object head is the primary unit of appropriation in the budget documents.

Chart 1.3: Structure of Government Accounts



Finance Accounts and Appropriation Accounts

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

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

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

Budgetary Processes

In terms of Article 202 of the Constitution of India, the Governor of the State shall cause to be laid before the State Legislature, a statement of the estimated receipts and expenditure of the State for the year, referred to as the **Annual Financial Statement**. In terms of Article 203, the Statement is submitted to

the State Legislature in the form of Demands for Grants/ Appropriations and after approval of these, the Appropriation Bill is passed by the Legislature under Article 204 to provide for appropriation of the required money out of the Consolidated Fund.

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

1.4.1 Snapshot of Finances

Table 1.3 provides the details of actual financial results *vis-à-vis* Budget Estimates for the year 2020-21 *vis-à-vis* actuals of 2019-20.

Table 1.3: Budget Estimates *vis-à-vis* actuals of 2020-21

(₹ in crore)						
Sl. No.	Components	2019-20 (Actuals)	2020-21 (Budget Estimates)	2020-21 (Actuals)	2020-21 Percentage of Actuals to Budget Estimates	2020-21 Percentage of Actuals to GSDP
1.	Own Tax Revenue	1,22,825.83	1,66,021.00	1,19,897.30	72.22	7.03
2.	Non-Tax Revenue	81,705.08	31,178.93	11,846.15	37.99	0.69
3.	Share of Union taxes/duties	1,17,818.30	1,52,863.17	1,06,687.01	69.79	6.26
4.	Grants-in-aid from GoI	44,043.97	72,504.73	57,745.87	79.64	3.39
5.	Revenue Receipts (1+2+3+4)	3,66,393.18	4,22,567.83	2,96,176.33	70.09	17.37
6.	Recovery of Loans and Advances (Non-Debt Capital Receipt)	5,640.58	2,200.00	1,134.73	51.58	0.07
7.	Public Debt Receipts	73,808.69	75,790.70	86,858.87	114.60	5.09
8.	Capital Receipts (6+7)	79,449.27	77,990.70	87,993.60	112.83	5.16
9.	Total Receipts (5+8)	4,45,842.45	5,00,558.53	3,84,169.93	76.75	22.52
10.	Revenue Expenditure of which	2,98,833.04	3,95,116.95	2,98,543.46	75.56	17.50
11.	Interest payments	34,813.02	38,091.26	37,428.48	98.26	2.19
12.	Capital Expenditure of which	62,118.03	82,846.34	53,389.71	64.44	3.13
13.	Capital Outlay	59,998.03	81,209.49	52,237.10	64.32	3.06
14.	Disbursement of Loans and advances	2,120.00	1,636.85	1,152.61	70.42	0.07
15.	Total Expenditure (10+12)	3,60,951.07	4,77,963.29	3,51,933.17	73.63	20.63

Sl. No.	Components	2019-20 (Actuals)	2020-21 (Budget Estimates)	2020-21 (Actuals)	2020-21 Percentage of Actuals to Budget Estimates	2020-21 Percentage of Actuals to GSDP
16.	Revenue Deficit (-)/ Surplus (+) (5-10)	67,560.14	27,450.88	(-)2,367.13	-	0.14
17.	Fiscal Deficit (-)/ Surplus (+) (5+6-15)	11,082.69	(-)53,195.46	(-)54,622.11	102.68	3.20
18.	Primary Deficit (-)/ Surplus ⁸ (+) {(5+6) – (15-11)}	45,895.71	(-)15,104.20	(-) 17,193.63	113.83	1.01

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

The revenue surplus of ₹ 67,560.14 crore and fiscal surplus of ₹ 11,082.69 crore during the year 2019-20 was mainly due to transfer of book balance of ₹ 71,180.23 crore from Sinking Fund to revenue receipts of the State without actual cash receipt. During the year 2020-21, the State had registered revenue deficit and fiscal deficit of ₹ 2,367.13 crore and ₹ 54,622.11 crore respectively. It is pertinent to mention here that the State was in revenue surplus since the year 2006-07. While submitting the revised estimates for the year 2020-21 (Budget Document 2021-22), State Government has attributed lockdown in the State as a main reason that affected State's revenue during the year 2020-21. Further, State had borrowed more fund (17.68 per cent increase) as compared to previous year 2019-20 whereas the total expenditure of the State was a shade less (2.50 per cent) than the previous year.

As detailed in **Paragraph 2.4.2.2**, Goods and Services Tax (Compensation to States) Act, 2017 provides for compensation to the States in case of loss of revenue arising on account of implementation of Goods and Services Tax (GST), which is a revenue receipt of the State. However, in addition to receiving the GST compensation of ₹ 9,323.98 crore as revenue receipts during the year 2020-21, State Government also received debt receipts (back-to-back loan) of ₹ 6,007.00 crore from GoI in lieu of GST compensation shortfall due to inadequate balance in GST Compensation Fund. The debt servicing of this loan would be done from the collection of cess in the GST Compensation Fund⁹ and hence, the repayment obligation will not be met from the other resources of the State. Due to this arrangement, the revenue deficit of ₹ 2,367.13 crore and fiscal deficit of ₹ 54,622.11 crore during the year 2020-21 may be read in conjunction with debt receipts of ₹ 6,007.00 crore in lieu of GST compensation.

1.4.2 Snapshot of Assets and liabilities of the Government

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

⁸ Primary Deficit/Surplus refers to the fiscal deficit *minus* the interest payments.

⁹ GST Compensation Fund forms part of the Public Account of India as provided in Section 10(1) of the Goods and Services Tax (Compensation to States) Act, 2017.

An abstract of liabilities and the assets as on 31 March 2021 compared with the corresponding position on 31 March 2020 is given in **Table 1.4**.

Table 1.4: Summarised position of Assets and Liabilities

(₹ in crore)

Liabilities				Assets					
Particulars	As on 31 March 2020	As on 31 March 2021	Per cent increase/decrease	Particulars	As on 31 March 2020	As on 31 March 2021	Per cent increase/decrease		
Consolidated Fund									
A	Internal Debt	4,05,048.84	4,58,552.23	13.21	A	Gross Capital Outlay	5,81,865.12	6,34,102.22	8.98
B	Loans and Advances from GoI	11,528.75	18,106.74	57.06	B	Loans and Advances	27,188.98	27,206.86	0.07
Contingency Fund									
	Contingency Fund (Corpus)	600.00	600.00	0.00		Contingency Fund (unrecouped)	0.00	100.00	-
Public Account									
A	Small Savings, Provident Funds, etc.	57,727.01	58,789.41	1.84	A	Advances	58.43	58.58	0.26
B	Deposits	23,581.17	25,496.10	8.12	B	Remittance	0.00	125.05	-
C	Reserve Funds	4,526.25	5,027.19	11.07	C	Suspense and Miscellaneous Balances	4,909.54	3,212.06	(-34.58)
D	Remittances	200.41	0.00	(-100.00)		Cash balance (including investment from Earmarked Fund)	21,443.36	31,652.77	47.61
E	Cumulative Excess of Receipt over expenditure	1,32,253.00	1,29,885.87	(-1.79)		Cumulative Excess of Expenditure over Receipts	-	-	-
Total		6,35,465.43	6,96,457.54		Total		6,35,465.43	6,96,457.54	

Source: Finance Accounts 2020-21

According to UPFRBM Act, 2004, the total liabilities means the liabilities under the Consolidated Fund of the State and the Public Account of the State. The total liabilities of the State stood at ₹ 5,02,412.02 crore as on 31 March 2020 which increased to ₹ 5,64,971.68 crore as on 31 March 2021. Net increase in liabilities on market loans by 22 per cent (₹ 63,499.68 crore) and Loans and Advances from GoI by 57 per cent (₹ 6,578 crore) as compared to previous year was the main contributing factor. However, the increase in Loans and Advances from GoI included back-to-back loan of ₹ 6,007.00 crore in lieu of GST compensation shortfall, with no repayment liability to the State as it is to be repaid from the collection of cess in the GST Compensation Fund. Debt management of the State Government is detailed in **Chapter II** of this report.

1.5 Fiscal Balance: Achievement of deficit and total debt targets

The Government of Uttar Pradesh enacted the Uttar Pradesh Fiscal Responsibility and Budget Management (UPFRBM) Act, 2004 with the objective of ensuring prudence in fiscal management by eliminating revenue deficit, reducing fiscal deficit, establishing improved debt management,

improving transparency in fiscal operations of the State Government and using a medium term fiscal framework. In this context, the Act provides quantitative targets to be adhered by the State with regard to deficit measures and debt level.

The performance of the State during the period 2016-21 under key fiscal indicators provided in the UPFRBM Act as amended from time to time is depicted in **Table 1.5**.

Table 1.5: Compliance with provisions of UPFRBM Act

Fiscal Parameters	Fiscal targets set in the Act	Achievement (₹ in crore)				
		2016-17	2017-18	2018-19	2019-20	2020-21
Revenue Deficit (-)/ Surplus (+) (₹ in crore)	Reduce Revenue Deficit to Nil by year ending on 31 March 2009	20,283	12,552	28,250	67,560	(-) 2,367
		✓	✓	✓	✓	✗
Fiscal Deficit (-)/ Surplus (+) (as percentage of GSDP)	Not more than three <i>per cent</i> of estimated GSDP up to 2019-20 and five <i>per cent</i> for 2020-21	(-) 41,187 ¹⁰ (3.20)	(-) 27,810 (1.96)	(-) 35,203 (2.22)	11,083 (0.66)	(-) 54,622 (3.20)
		✗	✓	✓	✓	✓
Ratio of total outstanding debt to GSDP (in <i>per cent</i>)	Not more than 31 <i>per cent</i> during 2016-17, 30.50 <i>per cent</i> during 2017-18 and 2018-19 and 30.00 <i>per cent</i> during 2019-20 and 32.00 <i>per cent</i> during 2020-21.	31.69	33.04	32.69	29.77	32.77*
		✗	✗	✗	✓	✗

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

*Back-to-back loan of ₹ 6,007 crore received from GoI during the year 2020-21 in lieu of GST compensation shortfall has been excluded for computing the ratio of outstanding debt to GSDP. As per GoI clarification¹¹, this borrowing would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission, etc.

Since COVID-19 pandemic adversely affected the resources of the States and the Centre, GoI allowed an additional borrowing limit of two *per cent* of GSDP to the State Governments for the year 2020-21. Accordingly, the UPFRBM Act, 2004 was amended (August 2020) to increase the limit of fiscal deficit for the year 2020-21 from three *per cent* of GSDP to five *per cent* of GSDP.

As indicated in the Accounts, the ratio of fiscal deficit to GSDP was within the targets of five *per cent* set out in the UPFRBM (Second Amendment) Act, 2020. However, the State could not maintain its target of revenue surplus during the year 2020-21. Further, the ratio of total outstanding debt to GSDP (32.77 *per cent*) was not within the limit (32.00 *per cent* of GSDP) stipulated in the UPFRBM (Second Amendment) Act, 2020 for the year 2020-21.

¹⁰ Fiscal deficit and Total outstanding debt during 2016-17 excludes borrowings of ₹ 14,801 crore under Ujjwal Discom Assurance Yojna (UDAY) as guidelines of UDAY stipulate that the debt taken over by the State under UDAY would not be counted against the fiscal deficit limit of the State. Fiscal deficit and total outstanding debt as percentage to GSDP were 4.34 *per cent* and 32.84 *per cent* respectively after including UDAY borrowings.

¹¹ Government of India, Ministry of Finance, Department of Expenditure letter no. F. No. 40 (1) PF-S/2021-22 dated 10 December 2021.

1.5.1 Medium Term Fiscal Restructuring Policy

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

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

Comparison of targets for fiscal parameters projected in MTFRP 2020 presented to the State Legislature with actuals for the year 2020-21 are depicted in **Table 1.6**.

Table 1.6: Projection in MTFRP vis-à-vis Actuals for 2020-21

(₹ in crore)				
Sl. No.	Fiscal Variables	Projection as per MTFRP	Actuals (2020-21)	Variation (in per cent)
1	Own Tax Revenue	1,66,021.00	1,19,897.30	(-)27.78
2	Non-Tax Revenue	31,178.93	11,846.15	(-)62.01
3	Share of Union taxes/duties	1,52,863.17	1,06,687.01	(-)30.21
4	Grants -in-aid from GoI	72,504.73	57,745.87	(-)20.36
5	Revenue Receipts (1+2+3+4)	4,22,567.83	2,96,176.33	(-)29.91
6	Revenue Expenditure	3,95,116.95	2,98,543.46	(-)24.44
7	Revenue Deficit (-)/ Surplus (+)	27,450.88	(-) 2,367.13	(-)108.62
8	Fiscal Deficit (-)/ Surplus (+)	(-)53,195.46	(-) 54,622.11	2.68
9	Primary Deficit (-)/ Surplus (+)	(-)15,104.20	(-) 17,193.63	13.83
10	Debt stock-GSDP ratio (per cent)	28.82	32.77*	13.71
11	GSDP growth rate at current prices (per cent) ¹²	6.00	1.05	(-) 82.50

Source: Finance Accounts 2020-21 and budget documents of State Government

*Debt stock-GSDP ratio has been arrived at after excluding back-to-back loan of ₹ 6,007 crore received from GoI during the year 2020-21 in lieu of GST compensation.

As detailed in **Table 1.6**, against the projection for Revenue Surplus of ₹ 27,450.88 crore in MTFRP for 2020-21, State has registered Revenue Deficit of ₹ 2,367.13 crore during the year. There was a shortfall of Revenue Receipts by ₹ 1,26,391.50 crore (29.91 per cent) from MTFRP projections, which was due to less receipts of Own Tax Revenue (₹ 46,123.70 crore), Share of Union Taxes/Duties (₹ 46,176.16 crore) and Grants-in-aid from GoI (₹ 14,758.86 crore) as compared to MTFRP projections. Further analysis revealed that shortfalls in Own Tax Revenue vis-à-vis budget projections were mainly under State Goods and Services Taxes (₹ 20,421 crore) followed by State excise (₹ 7,439 crore), Stamps and Registration fee (₹ 6,722 crore), Taxes on sales, trade etc. (₹ 6,160 crore), Taxes and duties on electricity (₹ 2,663 crore), Taxes on vehicles (₹ 2,167 crore) and Land Revenue (₹ 559 crore).

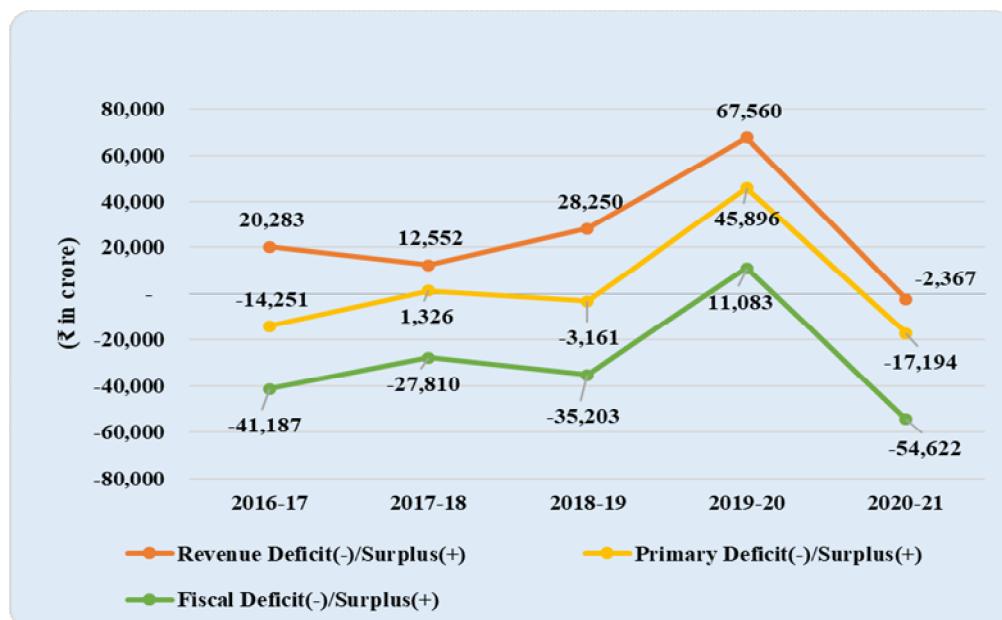
Less revenue expenditure (₹ 96,573 crore) as compared to MTFRP projections were due to lower expenditure in all the four sectors: General Services (₹ 50,658 crore), Social Services (₹ 27,752 crore), Economic Services (₹ 16,871 crore) and Grants-in-aid & contributions (₹ 1,292 crore). The trend of revenue expenditure has been analysed in **Paragraph 2.7.2** of the Report.

¹² In MTFRP 2020, the State Government had projected GSDP of ₹ 17,91,263 crore for the year 2020-21 and Revised Estimates for the year 2019-20 was ₹ 16,89,871 crore.

1.5.3 Trend analysis of Key Fiscal Indicators

Trend analysis for the period 2016-21 of key fiscal indicators viz. deficit parameters (fiscal deficit/surplus, revenue deficit/surplus and primary deficit/surplus), ratio of surplus/deficit to GSDP and fiscal liabilities to GSDP are depicted in the following **Charts 1.4 to 1.6**.

Chart 1.4: Trends in Surplus/Deficit Parameters

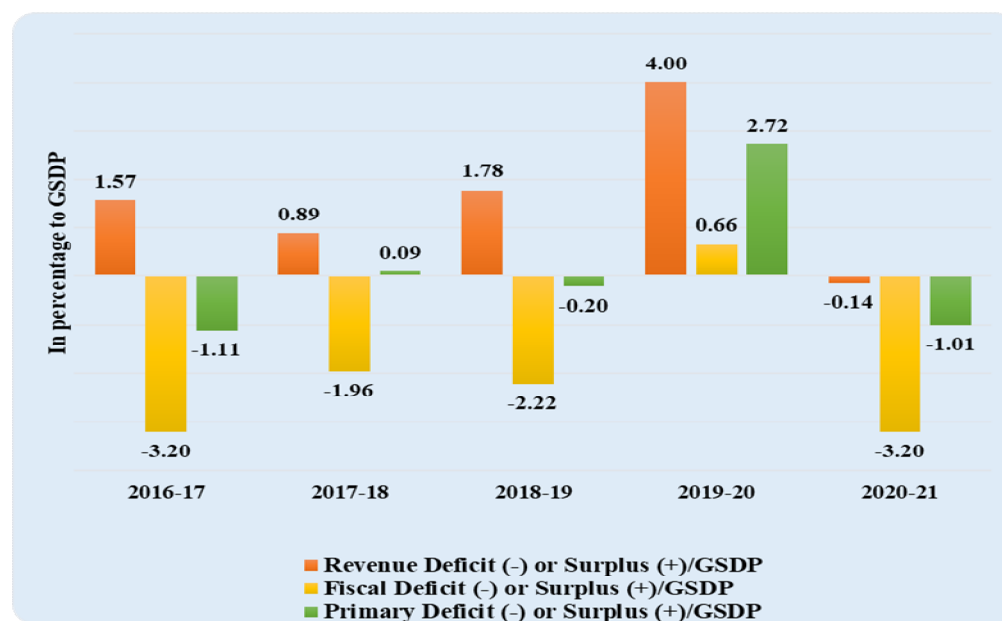


Source: Finance Accounts of the respective years

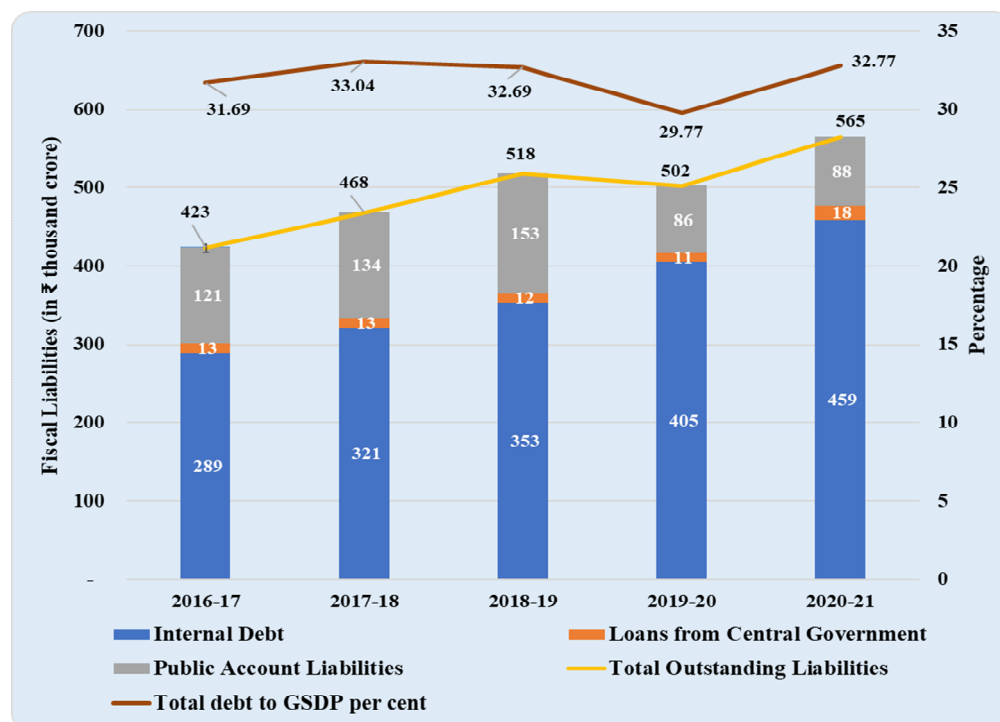
Note: (i) Revenue Deficit and Fiscal Deficit during the year 2016-17 exclude the expenditure on UDAY, as the debt taken over by the State Government would not be counted against the fiscal deficit limit of the State

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

Chart 1.5: Trends in Surplus/Deficit relative to GSDP



Source: Finance Accounts of the respective years

Chart 1.6: Trends in Fiscal Liabilities¹³ and GSDP

Source: Finance Accounts of the respective years

The outstanding fiscal liabilities of the State increased by ₹ 94,871 crore (22.42 per cent) during the period 2016-19. During the year 2019-20, it however decreased by 3.03 per cent (₹ 15,683 crore) from ₹ 5,18,095 crore to ₹ 5,02,412 crore over the previous year. Further during the year 2020-21, outstanding fiscal liabilities of the state increased by ₹ 62,560 crore (12.45 per cent) over the previous year. The average per capita debt¹⁴ increased significantly by 26.57 per cent during the period 2016-21 from ₹ 19,432 (2016-17) to ₹ 24,596 (2020-21). However, as against the outstanding fiscal liabilities of ₹ 5,64,972 crore as on 31 March 2021, the effective outstanding fiscal liabilities of the State would be ₹ 5,58,965 crore after excluding back-to-back loan of ₹ 6,007 crore received from GoI during the year 2020-21 in lieu of GST compensation shortfall with no repayment liability for the State.

1.6 Deficits and Total Debt after examination in audit

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

¹³ Fiscal liabilities include borrowings on account of UDAY during the year 2016-17 and back-to-back loan in lieu of GST compensation shortfall during the year 2020-21 so as to match Finance Accounts figures for the respective years. However, total debt to GSDP per cent in the Chart excludes UDAY borrowings during the year 2016-17 and back-to-back loan in lieu of GST compensation shortfall during the year 2020-21.

¹⁴ Debt divided by the population of previous calendar year; the population in a particular calendar year is as on the first day of October of that year.

1.6.1 Post audit – Deficits/surplus

Certain issues, viz., misclassification of revenue expenditure as capital and vice versa, amount not transferred to ‘Uttar Pradesh Road Transport Accident Relief Fund’, interest not credited in interest-bearing reserves, etc., which are discussed in the Report in succeeding Chapters have had an impact on revenue deficit and fiscal deficit indicated in Finance Accounts 2020-21. In order to arrive at actual deficit figures, the impact of the aforesaid issues needs to be addressed and appropriately factored in to ascertain actual deficit.

The impact of the above issues has resulted in understatement of revenue deficit and fiscal deficit by ₹ 1,650.70 crore and ₹ 1,565.32 crore respectively during the year 2020-21 which has been worked out in **Table 1.7** and result of audit impact has been depicted in **Table 1.8**.

Table 1.7: Revenue and Fiscal Deficits post examination by Audit

(₹ in crore)

Particulars	Impact on Revenue Deficit		Impact on Fiscal Deficit	
	Over-statement	Under-statement	Over-statement	Under-statement
(1)	(2)	(3)	(4)	(5)
Short transfer to State Disaster Response Fund and not crediting interest due to the Fund (Refer to Paragraph 2.8.2.3)	-	1,380.24	-	1,380.24
Interest not credited in State Compensatory Afforestation Fund (Refer to Paragraph 2.8.2.5)	-	59.75	-	59.75
Misclassification of expenditure between Revenue to Capital and vice-versa. (Refer to Paragraph 3.2.2.1 and 3.2.2.2)	1.19	86.57	-	-
Interest not credited on balances of Defined Contributory Pension scheme (Refer to Paragraph 4.3)	-	24.90	-	24.90
Uttar Pradesh Road Transport Accident Relief Fund not established due to which amount not transferred to the Fund (Refer to Paragraph 4.4)	-	100.43	-	100.43
Total	1.19	1,651.89	-	1,565.32
Net Impact	₹ 1,650.70 crore (Understatement of revenue deficit)		₹ 1,565.32 crore (Understatement of fiscal deficit)	

Source: Finance Accounts 2020-21 and audit analysis

Table 1.8: Result of audit impact

(₹ in crore)

Sl. No.	Particular	As per Accounts	Understated by	Actual/ Post audit examination
1	2	3	4	5 = 3-4
1	Revenue Surplus (+)/ Deficit (-)	(-)2,367.13	1,650.70	(-) 4,017.83
2	Fiscal Surplus (+)/ Deficit (-)	(-)54,622.11	1,565.32	(-)56,187.43

Source: Audit analysis

1.6.2 Post audit – Total Public Debt

Apart from usual components of debts viz. market borrowings, borrowings from Financial Institutions/Banks, etc., the broader definition of ‘total outstanding public debt’ also includes the extra-budget borrowings. Extra-budget borrowings or extra-budget financing generally refer to use of those financial resources by the Government for meeting expenditure requirements in a particular year or years, which are not reflected in the budget for that year/those years for seeking grant/appropriation, and hence remaining outside legislative control. These are financed through Government owned or controlled public sector enterprises or departmental commercial undertakings, which raise the resources through market borrowings on behalf of the Government. However, the Government has to repay the debt and/or service the debt from its budget. Therefore, extra-budget borrowings/financing involve payment of interest and repayment of the borrowings from budget as and when it is due.

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

Examination of Audit revealed that during the period 2017-19, the State Government resorted to extra-budget borrowings of ₹ 8,716.40 crore. This issue is discussed in detail in **Paragraph 4.2** of the Report. Out of this extra-budget borrowings, ₹ 7,079.51 crore was repaid by respective PSUs/Authorities during the period 2017-21 through financial assistance received from State Government. The outstanding extra-budget debt of ₹ 1,636.89 crore has impact on the overall debt stock of the State as given in **Table 1.9**.

Table 1.9: Overall debt, post examination by Audit

Sl. No	Particulars	Amount (₹ in crore)	Percentage of GSDP
1.	Overall Debt as per Accounts (as on 31.03.2021)	5,64,971.68*	32.77*
2.	Understated debt due to extra-budget borrowings (Refer to Paragraph 4.2)	1,636.89	0.10
	Total	5,66,608.57	32.87

Source: Finance Accounts 2020-21 and information provided by respective PSUs/Authorities

* After excluding back-to-back loan of ₹ 6,007 crore received from GoI during the year 2020-21 in lieu of GST compensation shortfall which has no repayment liability for the State, the effective outstanding overall debt would be ₹ 5,58,964.68 crore.

It is evident from **Table 1.9** that due to extra-budget borrowings the ratio of debt stock to GSDP has increased to 32.87 per cent from 32.77 per cent.

CHAPTER - II

Finances of the State

CHAPTER-II

FINANCES OF THE STATE

2.1 Major changes in Key fiscal aggregates of the State

This section gives a bird's eye view of the major changes in key fiscal aggregates of the State during the financial year 2020-21, compared to 2019-20. The analysis of the following indicators is discussed in the succeeding paragraphs.

Changes in key fiscal aggregates in 2020-21 compared to the year 2019-20

Revenue Receipts	<ul style="list-style-type: none">✓ Revenue receipts of the State decreased by 19.16 <i>per cent</i>✓ Own Tax receipts of the State decreased by 2.38 <i>per cent</i>✓ Non-tax receipts decreased by 85.50 <i>per cent</i>✓ State's Share of Union Taxes and Duties decreased by 9.45 <i>per cent</i>✓ Grants-in-Aid from Government of India increased by 31.11 <i>per cent</i>
Revenue Expenditure	<ul style="list-style-type: none">✓ Revenue expenditure decreased by 0.10 <i>per cent</i>✓ Revenue expenditure on General Services increased by 1.17 <i>per cent</i>✓ Revenue expenditure on Social Services increased by 5.66 <i>per cent</i>✓ Revenue expenditure on Economic Services decreased by 11.56 <i>per cent</i>✓ Expenditure on Grants-in-Aid decreased by 2.01 <i>per cent</i>
Capital Expenditure	<ul style="list-style-type: none">✓ Capital expenditure decreased by 12.94 <i>per cent</i>✓ Capital expenditure on General Services decreased by 38.96 <i>per cent</i>✓ Capital expenditure on Social Services increased by 17.80 <i>per cent</i>✓ Capital expenditure on Economic Services decreased by 18.43 <i>per cent</i>
Loans and Advances	<ul style="list-style-type: none">✓ Disbursement of Loans and Advances decreased by 45.61 <i>per cent</i>✓ Recoveries of Loans and Advances decreased by 79.88 <i>per cent</i>
Public Debt	<ul style="list-style-type: none">✓ Public Debt Receipts increased by 17.68 <i>per cent</i>✓ Repayment of Public Debt increased by 19.54 <i>per cent</i>
Public Account	<ul style="list-style-type: none">✓ Public Account Receipts decreased by 1.67 <i>per cent</i>✓ Disbursements from Public Account decreased by 18.13 <i>per cent</i>
Cash Balance and Investment	<ul style="list-style-type: none">✓ Cash balance and Investment increased by ₹ 10,209.41 crore (47.61 <i>per cent</i>) as on 31 March 2021 as compared to 31 March 2020.

2.2 Sources and Application of Funds

Receipts of the State Government can be divided into two categories namely Revenue Receipts and Capital Receipts. Besides, the funds available in the Public Account net of disbursement made from it are also utilised by the Government to finance its deficit. Thus, resources of the State are:

- i. **Revenue receipts** consist of own tax revenue, non-tax revenue, State's share of Union taxes and duties and grants-in-aid from GoI.
- ii. **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.

Both Revenue and Capital receipts form part of the Consolidated Fund of the State.

- iii. **Net Public Account receipts:** There are receipts and disbursements in respect of Deposits, Suspense, Remittances, etc., which do not form part of the Consolidated Fund. These 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. Here, the Government acts as a banker. The balance after disbursements is the fund available with the Government for use.

A time series data on the State Government finances for the period 2016-21 has been given in *Appendix-2.1. Table 2.1* depicts the components and sub-components of the State's financial resources and application of funds during the year 2020-21 as compared to the year 2019-20.

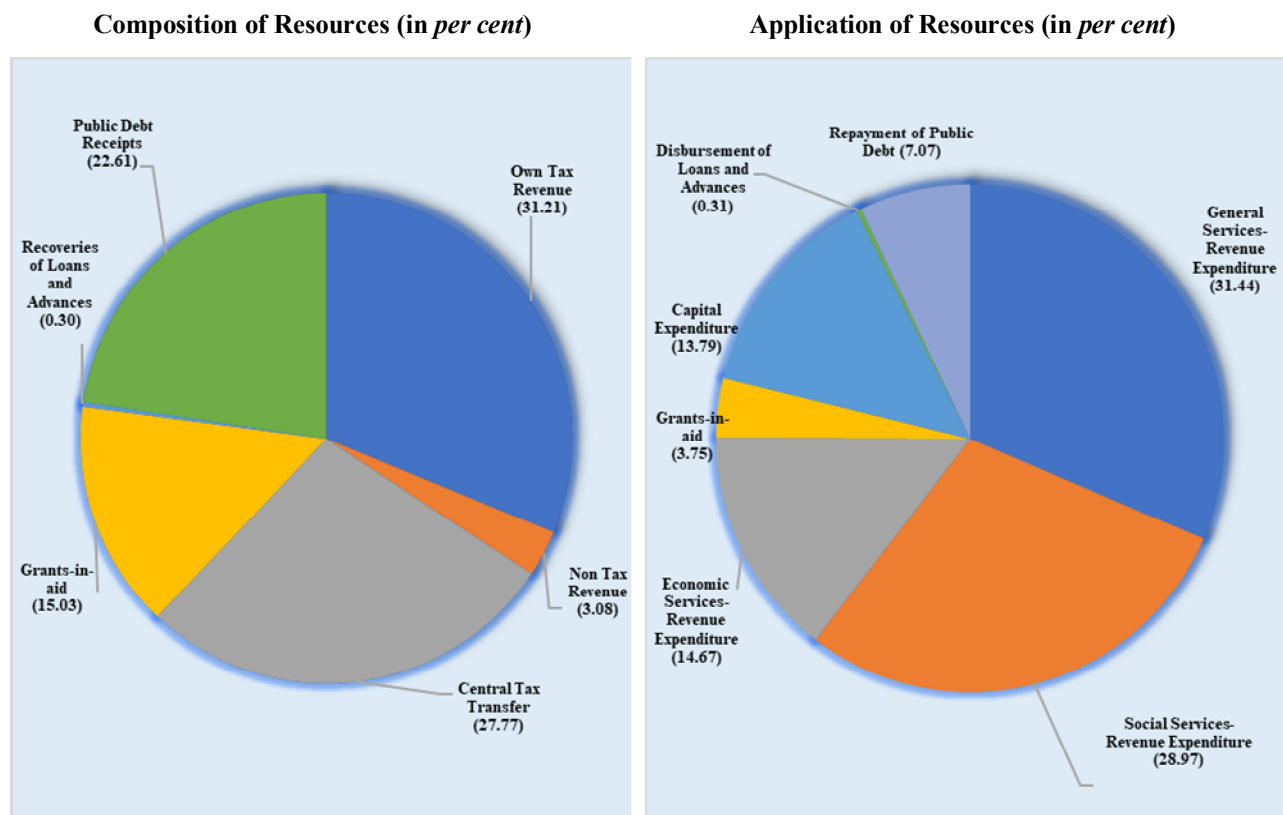
Table 2.1: Comparison of Sources and Application of funds during the years 2019-20 and 2020-21

	Particulars	2019-20 (₹ in crore)	2020-21 (₹ in crore)	Increase/ Decrease (in percentage)
Sources	Opening Cash Balance and Investment	26,912	21,443	(-) 20.32
	Revenue Receipts	3,66,393	2,96,176	(-) 19.16
	Recoveries of Loans and Advances	5,641	1,135	(-) 79.88
	Public Debt Receipts (Net)	51,408	60,082	16.87
	Miscellaneous Capital Receipts	0	0	-
	Public Account Receipts (Net)	(-) 68,590	4,850	107.07
	Contingency Fund	662	0	(-) 100.00
	Total	3,82,426	3,83,686	0.33
Application	Revenue Expenditure	2,98,833	2,98,543	(-) 0.10
	Capital Expenditure	59,998	52,237	(-) 12.94
	Disbursement of Loans and Advances	2,120	1,153	(-) 45.61
	Contingency Fund	32	100	212.50
	Closing Cash Balance and Investment	21,443	31,653	47.61
	Total	3,82,426	3,83,686	0.33

Source: Finance Accounts of the respective years

2.2.1 Component wise sources and applications of funds under Consolidated Fund of the State during the year 2020-21 have been depicted in **Chart 2.1**.

Chart 2.1: Composition and Application of Resources during the year 2020-21



Source: Finance Accounts 2020-21

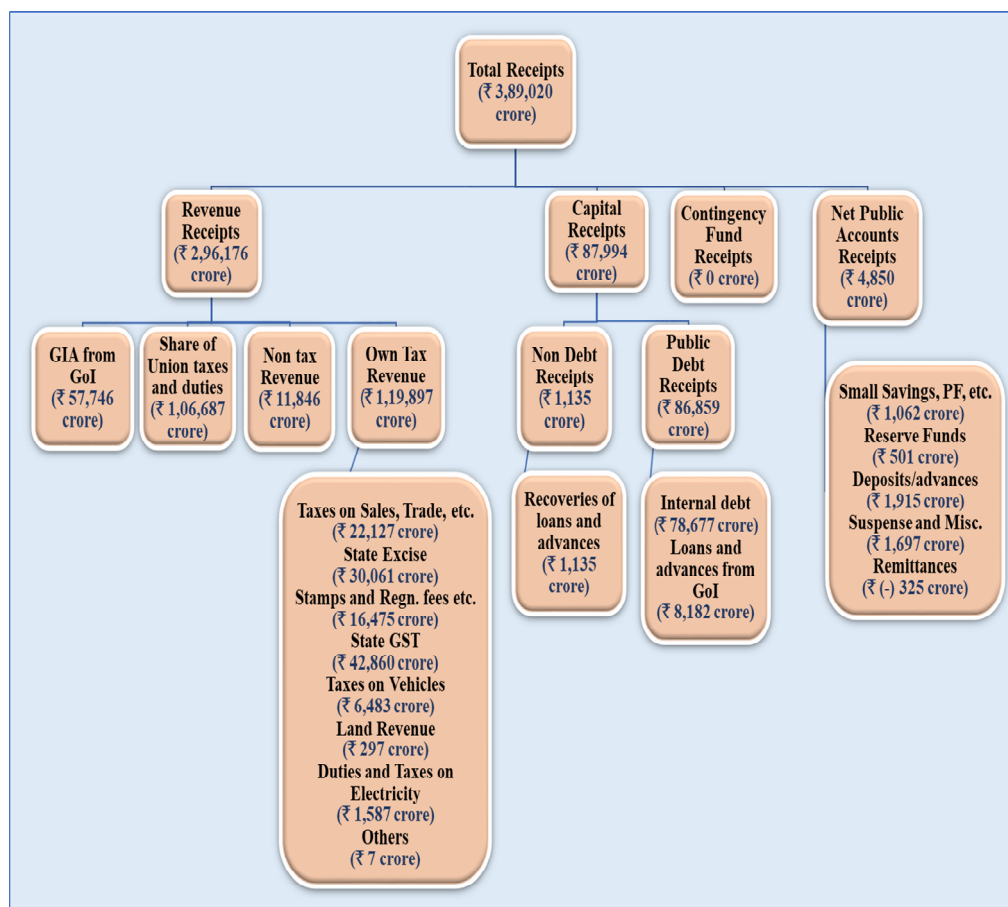
2.3 Resources of the State

This section analyses resources of the State and their trends during the years 2016-17 to 2020-21.

2.3.1 Receipts of the State

The composition of receipts of the State during the year 2020-21 is shown in **Chart 2.2**.

Chart 2.2: Details of composition of receipts during the year 2020-21



Source: Finance Accounts 2020-21

The total receipts of the State during the year 2020-21 was ₹ 3,89,020 crore. It constitutes of Revenue Receipts of ₹ 2,96,176 crore, Capital Receipts of ₹ 87,994 crore and Net Public Account Receipt¹⁵ of ₹ 4,850 crore. Revenue Receipts consists of Own Tax Revenue of ₹ 1,19,897 crore, Non-Tax Revenue of ₹ 11,846 crore, Share of Union Taxes and Duties of ₹ 1,06,687 crore and Grants-in-Aid (GIA) from GOI of ₹ 57,746 crore. Capital Receipts constitutes of Non-debt Receipts of ₹ 1,135 crore and Public Debt Receipts of ₹ 86,859 crore.

2.4 Revenue Receipts

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

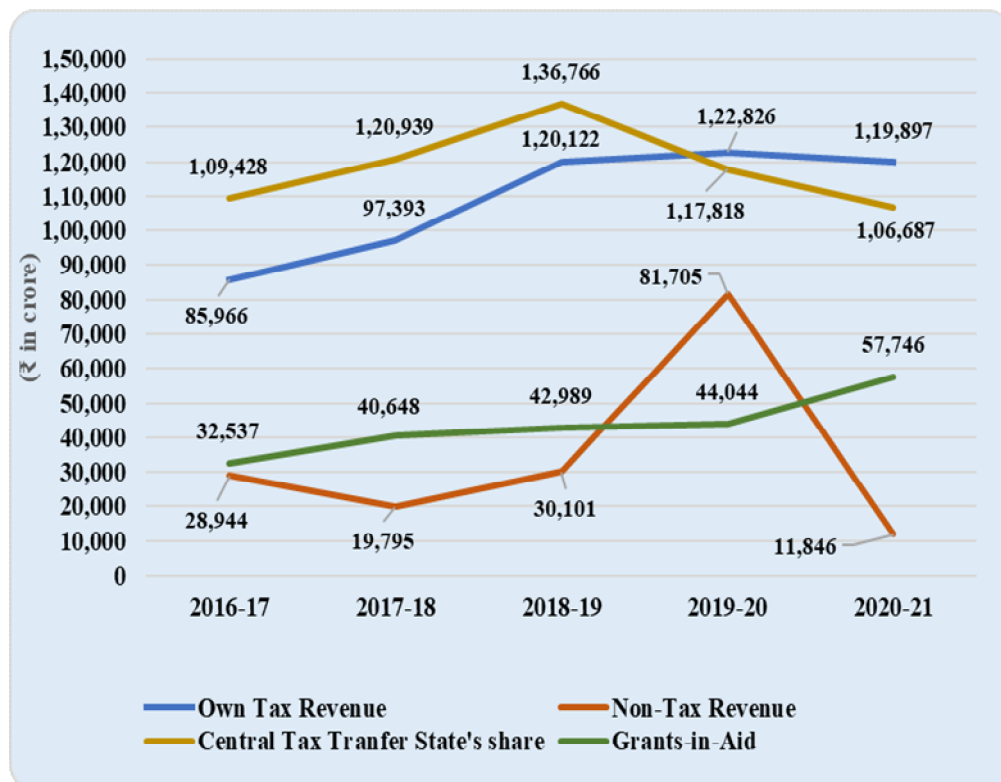
2.4.1 Trends and growth of Revenue Receipts

Statement 14 of the Finance Accounts gives details of the Revenue Receipts of the Government. The trends and composition of Revenue Receipts as per

¹⁵ Net Public Account Receipts is the net balance at the end of the financial year of Small Savings & Provident Fund, Reserve Funds, Deposit/Advances, Suspense & Miscellaneous and Remittances.

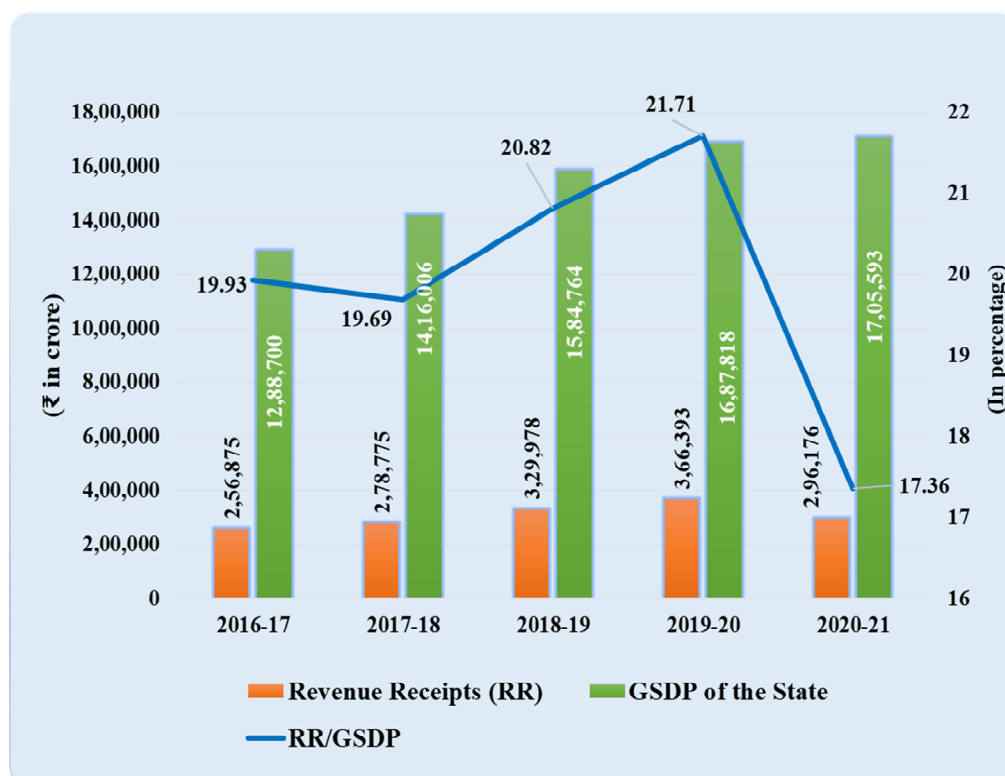
Finance Accounts during the period 2016-21 are depicted in **Chart 2.3**, **Chart 2.4** and **Table 2.2**.

Chart 2.3: Trend of Revenue Receipts during the period 2016-21



Source: Finance Accounts of the respective years

Chart 2.4: Revenue Receipts as a percentage of GSDP during the period 2016-21



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

Table 2.2: Trend in Revenue Receipts, Own Tax and Non-Tax Revenues of the State

Parameters	2016-17	2017-18	2018-19	2019-20	2020-21
Revenue Receipts (RR) (₹ in crore)	2,56,875	2,78,775	3,29,978	3,66,393	2,96,176
Rate of growth of RR (per cent)	13.12	8.53	18.37	11.04	(-)19.16
Own Revenue (₹ in crore) of which	1,14,910	1,17,188	1,50,223	2,04,531	1,31,743
Own Tax Revenue (₹ in crore)	85,966	97,393	1,20,122	1,22,826	1,19,897
Non-Tax Revenue (₹ in crore)	28,944	19,795	30,101	81,705	11,846
Rate of growth of Own Revenue (per cent)	10.23	1.98	28.19	36.15	(-)35.59
Rate of growth of Own Tax Revenue (per cent)	5.99	13.29	23.34	2.25	(-)2.38
Gross State Domestic Product (₹ in crore) (2011-12 Series at current price)	12,88,700	14,16,006	15,84,764	16,87,818	17,05,593
Rate of growth of GSDP (per cent)	13.26	9.88	11.92	6.50	1.05
Buoyancy Ratio¹⁶					
Revenue Buoyancy with respect to (w.r.t.) GSDP	0.99	0.86	1.54	1.70	(-)18.25
State's Own Revenue Buoyancy w.r.t GSDP	0.77	0.20	2.36	5.56	(-)33.90
States Own Tax Revenue Buoyancy w.r.t GSDP	0.45	1.35	1.96	0.35	(-)2.27

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

Analysis based on Figures of Finance Accounts as detailed in **Table 2.2** revealed that:

- Revenue Receipts of the State of Uttar Pradesh during the year 2020-21 was ₹ 2,96,176 crore. The compound annual growth rate was 3.62 per cent during the period 2016-21. It declined by 19.16 per cent in the year 2020-21 as compared to previous year (2019-20).

As reported in the State Finances Audit Report for the year ended 31 March 2020-Government of Uttar Pradesh (Report No. 4 of the year 2021), during the year 2019-20, Revenue Receipts (₹ 3,66,393 crore) were substantially higher due to transfer of ₹ 71,180 crore from Sinking Fund under Public Account to Revenue Receipts under Consolidated Fund without actual cash receipts. After excluding this book transfer of Sinking Fund, the actual Revenue Receipts of the State was ₹ 2,95,213 crore during the year 2019-20 recording a decline of 10.54 per cent as compared to the year 2018-19.

Thus, Revenue Receipts of the State during the year 2020-21 (₹ 2,96,176 crore) was a shade higher (0.33 per cent) than the year 2019-20 (excluding Sinking Fund transfer). This was on account of higher receipts (31 per cent) of grants-in-aid from GoI, despite a decline in own tax revenue (2.38 per cent) and central tax transfers (9.45 per cent) as compared to the year 2019-20 due to adverse effect of COVID-19 pandemic on economic scenario.

- The financial year 2020-21 started with the onset of COVID-19 pandemic and strict lockdown restrictions. This adversely impacted State's Revenue Receipts during the year 2020-21. State Government had projected Revenue Receipts of ₹ 4,22,568 crore in Budget Estimates 2020-21 which

¹⁶ Buoyancy ratio indicates the degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For example, revenue buoyancy with respect to GSDP at 1.85 implies that Revenue receipts tend to increase by 1.85 per cent, if the GSDP increases by one per cent.

was reduced to ₹ 3,06,802 crore in Revised Estimates 2020-21. As compared to Budget Estimates 2020-21, there were shortfall in actual receipts by 27.78 *per cent* in Own Tax Revenue, 62.01 *per cent* in Non-Tax Revenue, 30.21 *per cent* in Central Transfer of Taxes and 20.35 *per cent* in Grants-in-aid from GoI. State could also not meet Revised Estimates projections due to shortfall of 3.98 *per cent* in Own Tax Revenue and 20.35 *per cent* in Grants-in-aid from GoI from Revised Estimates 2020-21.

- Revenue buoyancy measures the percentage change in the revenue receipts to the percentage change in GSDP. As can be seen from **Table 2.2**, Revenue buoyancy which was 1.70 during the year 2019-20 has decreased to (-)18.25 in the year 2020-21, this shows that during the year 2020-21 when GSDP has grown by one basis point, Revenue Receipts of the State showed a negative growth of 18.25 basis points. Further, Own Tax Revenue buoyancy was (-) 2.27 during the year 2020-21 which implies that during the year 2020-21 when GSDP of the State has grown by 1 basis point, Own Tax Revenue showed a negative growth by 2.27 basis points.

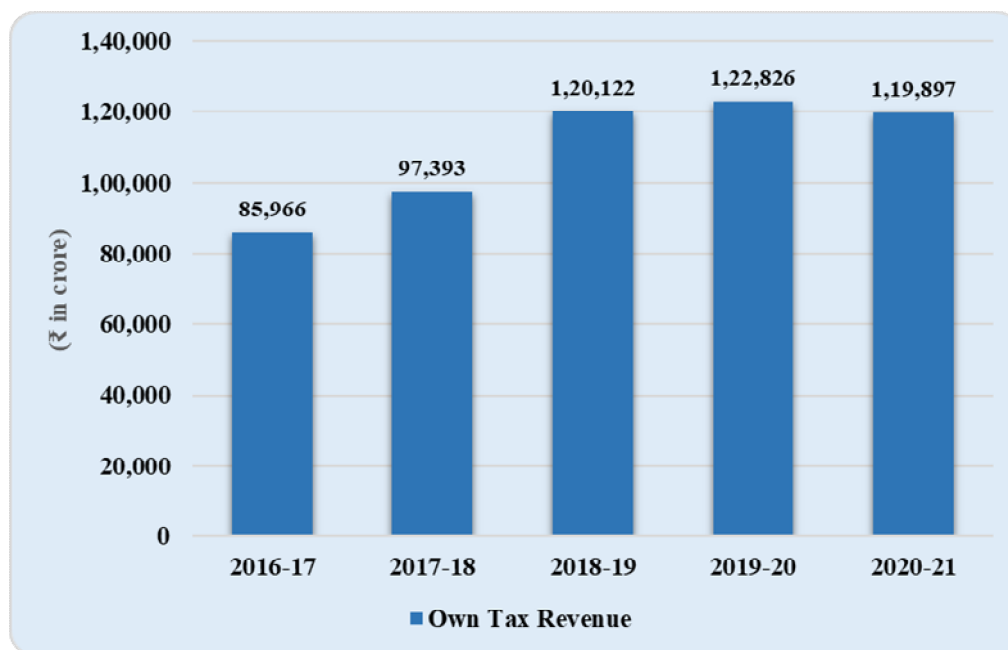
2.4.2 State's Own Resources

State's Own Resources comprises of Own Tax Revenue and Non-Tax Revenue. Components of Own Tax Revenue of the State of Uttar Pradesh are State GST (SGST), State Excise, Taxes on Vehicles, Stamps and Registration Fees, Land Revenue, Taxes and Duties on Electricity, Taxes on Goods and Passengers, etc. The sources of Non-Tax Revenue include receipts from fiscal services like interest receipts from outstanding loans and advances given by Government and investment of cash balance, dividends and profits from equity investments, royalty fees for allowing use of assets held as custodian like minerals, forests and wild life, or other such services and user charges for various social and economic services provided through the apparatus of the Government. The details of collection of Own Tax / Non-Tax Revenue during the period 2016-21 is given in **Appendix-2.2**.

2.4.2.1 Own Tax revenue

Own tax revenue of the State was ₹ 1,19,897 crore during the year 2020-21. During the period 2016-21, it increased by 39.47 *per cent* (₹ 33,931 crore) from ₹ 85,966 crore in 2016-17 to ₹ 1,19,897 crore in 2020-21. Major trends of growth of Own Tax Revenue are given in **Chart 2.5**.

Chart 2.5: Own Tax Revenue during the period 2016-21



Source: Finance Accounts of the respective year

During the period 2016-21, receipts under components of State's Own Tax Revenue are given in Table 2.3.

Table 2.3: Receipts of Tax Revenue during the period 2016-21

							(₹ in crore)
Sl. No.	Revenue Head	2016-17	2017-18	2018-19	2019-20	2020-21	Sparkline
1	Taxes on Sales, Trade, etc.	51,883	31,113	23,798	20,517	22,127	
2	State Goods and Service Tax (SGST)	-	25,374	46,108	47,232	42,860	
3	State Excise	14,274	17,320	23,927	27,325	30,061	
4	Taxes on Vehicles	5,148	6,404	6,929	7,715	6,483	
5	Stamps and Registration fees	11,564	13,398	15,733	16,070	16,475	
6	Land Revenue	760	1,336	631	504	297	
7	Taxes and duties on Electricity	1,556	2,124	2,978	3,453	1,587	
8	Other Taxes	781	324	18	10	7	
	Total	85,966	97,393	1,20,122	1,22,826	1,19,897	

Source: Finance Accounts of the respective year

It is evident from Table 2.3 that:

- The overall decrease of 2.38 per cent in Own Tax Revenue during 2020-21 over previous year was mainly due to decrease in receipts of State Goods and Services Tax (₹ 4,372 crore), Taxes and Duties on Electricity (₹ 1,866 crore), Taxes on Vehicles (₹ 1,232 crore) and Land Revenue (₹ 207 crore). However, there were higher receipts in Taxes on Sales, Trade (₹ 1,610 crore), State Excise (₹ 2,736 crore) and Stamps and Registration Fees (₹ 405 crore) as compared to the year 2019-20.
- State Goods and Services Tax (SGST) which is the largest component of tax revenue of the State comprised 35.75 per cent of the own tax revenue

receipts for the year 2020-21. During the year 2020-21, the estimated SGST was ₹ 63,281 crore against which actual collection was ₹ 42,860 crore which was 32.27 *per cent* below the estimation. Less receipts under SGST was mainly due to less receipt under the minor heads ‘input tax credit gross utilization of SGST and IGST’ (₹ 4,879.95 crore) and ‘receipt awaiting transfer to other minor heads’ (₹ 4,504.63 crore).

- Less receipts under Taxes and duties on Electricity was due to less receipts from taxes on consumption and sale of electricity (₹ 1,796.83 crore) and fees (₹ 83.03 crore).
- Collection under Taxes on Sales, Trade, etc., increased due to more receipt under Central Sales Tax Act (₹ 42.71 crore) and Value Added Tax (₹ 1,303.56 crore). Increase in State Excise was mainly due to increase in receipts on account of sale of country spirits (₹ 2,226.14 crore) and foreign liquors and spirits (₹ 978.64 crore) and other receipt (₹ 188.50 crore). The receipts under Stamp and Registration fee increased mainly due to higher receipts on account of court fees realised in judicial stamps (₹ 106.56 crore) and sales of non-judicial stamps (₹ 714.64 crore).
- Other Taxes include Taxes on Goods and Passengers, Taxes on Hotel Receipt, Entertainment Tax, Betting Tax, Taxes on Advertisement exhibited in cinema theaters, etc. The reduction is mainly on account of subsuming of these taxes under Goods and Service Tax since July 2017.

2.4.2.2 State Goods and Services Tax (SGST)

The State Government implemented the Goods and Services Tax (GST) Act, which became effective from 1 July 2017. Under GST (Compensation to States) Act, 2017 the Central Government will compensate the States for loss of revenue arising on account of implementation of GST for a period of five years. A base year (2015-16) revenue figures of taxes subsumed under GST was finalized under GST Act. The projected revenue for any year in a State was to be calculated by applying the projected growth rate (14 *per cent* per annum) over the base year revenue of the State.

Revenue figure under GST for the year 2020-21 has been depicted in the Finance Accounts as per nature of receipts i.e. State Goods and Services Tax (SGST), Input Tax Credit Cross Utilization of SGST and Integrated Goods and Services Tax (IGST), apportionment of IGST-transfer-in of Tax Component to SGST and advance apportionment from IGST. In case of Uttar Pradesh, the revenue from subsumed taxes was ₹ 33,359 crore during the base year (2015-16). Thus, projected revenue for the year 2020-21 in accordance with the base year figure was ₹ 64,230 crore against which SGST amounting to ₹ 42,860 crore was collected. This includes ₹ 3,168 crore as State’s share in advance apportionment of IGST. The State received ₹ 31,611 crore as its share of net proceeds assigned to the State under Central Goods and Services Tax. The total receipts under GST were ₹ 74,471 crore. State Government also received compensation of ₹ 9,324 crore from GoI for loss of revenue arising out of implementation of GST. Besides, due to inadequate balance in GST compensation fund, State Government also received back-to-back loan (debt receipts) of ₹ 6,007 crore from GoI in lieu of GST compensation shortfall.

2.4.2.3 Non-Tax Revenue

Major sources of Non-Tax revenue and their trend analysis during the period 2016-21 is given in Table 2.4:

Table 2.4: Trends of Non-Tax Revenue during the period 2016-21.

						(₹ in crore)
Particulars	2016-17	2017-18	2018-19	2019-20	2020-21	Sparkline
(i) Interest receipts	1,165	1,093	1,712	1,469	1,116	
(ii) Dividends and Profits	86	31	175	39	105	
(iii) Other Non-tax Receipts:						
(a) Miscellaneous General Services	4,460	4,841	13,678	72,044	572	
(b) Non-ferrous Mining and Metallurgical Industries	1,548	3,259	3,165	2,181	3,113	
(c) Power	2,939	4,696	5,735	1,044	1,309	
(d) Irrigation (Major, Medium and Minor)	783	953	908	1,024	1,174	
(e) Roads and Bridges	929	366	932	707	997	
(f) Education, Sports, Art and Culture	14,092	432	381	480	505	
(g) Others and Miscellaneous	2,942	4,124	3,415	2,717	2,955	
Total	27,693	18,671	28,214	80,197	10,625	
Grand Total [(i), (ii) and (iii)]	28,944	19,795	30,101	81,705	11,846	

Source: Finance Accounts of the respective years.

The total receipts under Non-Tax Revenue were ₹ 11,846 crore in 2020-21, representing a decrease of 85.50 per cent over the previous year. Significant decrease in the Non-Tax revenue during 2020-21 in comparison to 2019-20 was due to the fact that in the year 2019-20, a sum of ₹ 71,180.23 crore was transferred from the Sinking Fund Reserve to Non-Tax revenue without any cash receipt. After excluding this transfer, the Non-Tax Revenue was ₹ 10,525 crore during the year 2019-20. With comparison to it, Non-Tax Revenue during the year 2020-21 was ₹ 11,846 crore representing an increase of 12.55 per cent. During the year 2020-21, increase in the Non-Tax Revenue was mainly due to higher receipts in Non-Ferrous Mining and Metallurgical Industries by ₹ 932 crore (42.73 per cent), Road and Bridges by ₹ 290 crore (41.02 per cent), Power by ₹ 265 crore (25.38 per cent) and Irrigation by ₹ 150 crore (14.65 per cent).

2.4.3 Transfers from the Union Government

The two main components of transfers from the GoI are Central tax transfers, i.e., State's share in Union taxes and duties and Grants-in-aid. During the year 2020-21, transfers from GoI (Tax Devolution and Grants-in-aid) constituted 55.52 per cent of Revenue Receipts of the State, which was 1.59 per cent (₹ 2,571 crore) higher as compared to the year 2019-20.

2.4.3.1 Central Tax Transfers

Components of the State's share of the State Government in Union taxes and duties are Corporation Tax, Taxes on Income other than Corporation Tax, Service Tax, Union Excise Duties, Central Goods and Service Tax and Integrated Goods and Service Tax, etc. XIV Finance Commission (2015-20) had recommended tax devolution of 42 per cent of the divisible pool of net

proceeds of Union taxes and duties for sharing with the States, out of which State of Uttar Pradesh was given 17.959 *per cent* share. XV Finance Commission had recommended for an aggregate share of 41 *per cent* of the net proceeds of Union taxes (divisible pool) to be devolved to States in the year 2020-21, of which 17.931 *per cent* share was recommended for Uttar Pradesh. The trend of receipts under Uttar Pradesh's share in Union Taxes and Duties during the five-year period 2016-21 is given in **Table 2.5**.

Table 2.5: Central Tax Transfers during the period 2016-21

(₹ in crore)					
Head	2016-17	2017-18	2018-19	2019-20	2020-21
Central Goods and Services Tax (CGST)	-	1,718	33,757	33,434	31,611
Integrated Goods and Services Tax (IGST)	-	12,212	2,694	0	0
Corporation Tax	35,099	37,043	47,563	40,171	32,258
Taxes on Income other than Corporation Tax	24,394	31,280	35,028	31,477	33,080
Customs	15,098	12,208	9,695	7,468	5,606
Union Excise Duties	17,241	12,761	6,442	5,192	3,577
Service Tax	17,515	13,719	1,252	0	475
Other Taxes ¹⁷	81	(-)2*	335	76	80
Central Tax transfers	1,09,428	1,20,939	1,36,766	1,17,818	1,06,687
Percentage of increase over previous year	20.28	10.52	13.09	(-)13.85	(-)9.45
Percentage of Central tax transfers to total Revenue Receipts of State	42.60	43.38	41.45	32.16	36.02

Source: Finance Accounts of the respective years.

*During the year 2017-18, minus figure under the head 'Other Taxes' was due to refunds.

Table 2.5 shows that during the year 2020-21, the receipts under State's share of Union taxes and duties decreased by ₹ 11,131 crore (9.45 *per cent*) as compared to year 2019-20. State's share of Union taxes and duties constituted 36.02 *per cent* of total revenue receipts of the State Government.

2.4.3.2 Grants-in-aid from Government of India

The State Government received Grants-in-aid from GoI under sub major heads such as Grants for Centrally Sponsored Schemes (CSS), Finance Commission Grants and other transfers from GoI. During the period 2016-21, position of grants-in-aid from GoI are depicted in **Table 2.6**.

Table 2.6: Grants-in-aid from Government of India during the period 2016-21

(₹ in crore)					
Head	2016-17	2017-18	2018-19	2019-20	2020-21
Non-Plan Grants ¹⁸	9,335	-	-	-	-
Grants for State Plan Schemes ¹⁸	232	-	-	-	-

¹⁷ Include Taxes on Wealth, Other Taxes on Income and Expenditure, Other Taxes and Duties on commodities and Services.

¹⁸ There are no figures in 2017-18 onwards under this head, since the nomenclature of plan and non-plan grants was removed with effect from the year 2017-18 and replaced by Grants for CSS, Finance Commission Grants and Other Transfer/Grants to States.

Head	2016-17	2017-18	2018-19	2019-20	2020-21
Grants for Central Plan Schemes ¹⁸	56	-	-	-	-
Grants for Centrally Sponsored Plan Schemes ¹⁸	22,914	-	-	-	-
Grants for Centrally Sponsored Schemes (CSS)	-	27,731	31,250	25,824	32,342
Finance Commission Grants	-	8,849	9,318	12,965	16,023
Other Transfers/Grants to States/Union Territories with Legislature	-	4,068	2,421	5,255	9,381
Total	32,537	40,648	42,989	44,044	57,746
Percentage of increase over the previous year	2.12	24.93	5.76	2.45	31.11
Percentage of GIA to Revenue Receipts	12.67	14.58	13.03	12.02	19.50

Source: Finance Accounts of respective years

It is evident from **Table 2.6** that overall increase during the period 2016-21 under different components of Grants-in-aid from GoI was 77.48 per cent from ₹ 32,537 crore in 2016-17 to ₹ 57,746 crore in 2020-21. Further, in the year 2020-21, there was a increase of 31.11 per cent (₹ 13,702 crore) in Grants-in-aid over the previous year. The State Government received ₹ 32,342 crore under Centrally Sponsored Schemes which was 25.24 per cent higher in comparison to the year 2019-20. There was also an increase of ₹ 3,058 crore (23.59 per cent) and ₹ 4,126 crore (78.52 per cent) in Finance Commission Grants and in other transfers respectively compared to the year 2019-20.

2.4.3.3 Fourteenth/Fifteenth Finance Commission Grants

XIV FC and XV FC recommended for grants-in-aid to State Government for Local Bodies and State Disaster Response Fund. The details of amounts awarded and received during the period 2016-21 are shown in **Table 2.7**.

Table 2.7: Grants from GoI during the period 2016-21

(₹ in crore)

Particulars	Recommendation of			Grant received from GoI			Grants transferred by State Government		
	XIV-FC	XV-FC	Total	2016-17 to 2019-20	2020-21	Total	2016-17 to 2019-20	2020-21	Total
	2016-17 to 2019-20	2020-21							
Local Bodies (Basic and Performance Grants)									
(i) Grants to PRIs	31,913.97	9,752.00	41,665.97	37075.01	9,752.00	51,165.01	35,662.66	9,752.00	49,752.66
(ii) Grants to ULBs	9,265.62	4,695.00	13,960.62		4,338.00			4,338.00	
Total for Local Bodies	41,179.59	14,447.00	55,626.59	37,075.01	14,090.00	51,165.01	35,662.66	14,090.00	49,752.66
State Disaster Response Fund	3,054.00	2,578.00	5,632 ¹⁹	2,290.51	1,933.00	4,223.51	2,290.51	966.50	3,257.01
Grand Total	44,233.59	17,025.00	61,258.59	39,365.52	16,023.00	55,388.52	37,953.17	15,056.50	53,009.67

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

¹⁹ Including State share of 25 per cent of total grant.

During the period 2016-21, against the total grants of ₹ 55,626.59 crore recommended by XIV/XV Finance Commission under grants-in-aid for Local Bodies, the State Government received ₹ 51,165.01 crore from the GoI. Out of this, the State Government released ₹ 49,752.66 crore to Urban and Rural Local Bodies during the period 2016-21. Thus, the State Government short released ₹ 1,412.35 crore, which pertains to the years 2016-17 and 2017-18. During the years 2018-19 to 2020-21, the State Government released entire amount of grants-in-aid received from GoI to Urban/Rural Local Bodies.

Further, during the period 2016-17 to 2020-21, the State Government was eligible for grants-in-aid of ₹ 4,223.50 crore from GoI for State Disaster Response Fund under sharing pattern of 75:25 ratio between Central and State shares. During the period 2016-21, the State Government received ₹ 4,223.51 crore as Central share for SDRF, out of which State Government transferred ₹ 3,257.01 crore to SDRF. Thus, there was a short transfer of ₹ 966.50 crore which pertains to the year 2020-21. In addition, the State Government also deposited its share of ₹ 1,072.34 crore in the Fund during the period 2016-21.

2.5 Capital Receipts

Capital receipts comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions, etc.) and loans and advances from GoI. Trends in growth and composition of Capital Receipts are shown in **Table 2.8**.

Table 2.8: Trends in growth and composition of capital receipts during the period 2016-21

Sources of State's Receipts	2016-17	2017-18	2018-19	2019-20	2020-21
Capital Receipts	67,944	47,653	56,908	79,450	87,994
(i) Miscellaneous Capital Receipts	0	0	0	0	0
(ii) Recovery of Loans and Advances (Non Debt Receipt)	259	236	5,313	5,641	1,135
(iii) Public Debt Receipts of which	67,685	47,417	51,595	73,809	86,859
Internal Debt	66,654	46,314	50,791	72,554	78,677
Growth rate of Internal Debt (in percentage)	(-)9.83	(-)30.52	9.67	42.85	8.44
Loans and advances from GoI	1,031	1,103	804	1,255	8,182
Growth rate of Loans and advances from GoI (in percentage)	73.57	6.98	(-)27.11	56.09	551.95*
Growth rate of debt Capital Receipts	(-)9.16	(-)29.94	8.81	43.05	17.68
Growth rate of non-debt Capital Receipts	(-)64.33	(-)8.88	2,151.27	6.17	(-)79.88
Growth rate of GSDP	13.26	9.88	11.92	6.50	1.05
Growth rate of Capital Receipts (per cent)	(-)9.70	(-)29.86	19.42	39.61	10.75

Source: Finance Accounts of respective years

*The increase in Loans and advances from GoI included back-to-back loan of ₹ 6,007 crore in lieu of GST compensation shortfall, with no repayment liability to the State.

As evident from **Table 2.8** that Capital Receipts of the State increased by ₹ 8,544 crore in the year 2020-21 representing a growth rate of 10.75 per cent in comparison to the year 2019-20.

During the year 2020-21, receipts under internal debt had increased by 8.44 per cent (₹ 6,123 crore) over the previous year. Trend of internal debt receipts fluctuated during the period 2016-21 and were highest at ₹ 78,677 crore in the year 2020-21 and lowest at ₹ 46,314 crore in the year 2017-18. Loans and advances from GoI also fluctuated during the period 2016-21 and during 2020-21, it was highest at ₹ 8,182 crore due to back-to-back loan of ₹ 6,007 crore in lieu of GST compensation shortfall with no repayment liability to the State as it is to be repaid from the collection of cess in the GST Compensation Fund.

The recovery of loans and advances showed an increasing trend during 2017-20 and downward trend in 2020-21. During the year 2020-21, it decreased by 79.88 per cent (₹ 1,135 crore) over the previous year (₹ 5,641 crore). However, higher recoveries of loans and advances during the years 2018-19 and 2019-20 was mainly on account of conversion of loan amounting to ₹ 4,891.72 crore in each year under UDAY scheme to grants-in-aid to PSUs.

2.6 State's performance in mobilisation of resources

State's performance in mobilisation of resources is assessed in terms of own tax revenue and non-tax revenue, without including State's share in Central taxes and grants-in-aid from GoI. During the year 2020-21, the realisation of State's own tax revenue was lower than the projection made by the Medium Term Fiscal Restructuring Policy (MTFRP) 2020 and XV FC by 27.78 and 21.09 per cent respectively as presented in **Table 2.9**.

Table 2.9: Tax and non-tax receipts vis-à-vis projections in the year 2020-21

Particulars	XV Finance Commission projections	Budget Estimates /MTFRP	Actual	Percentage variation of actual over	
				FC projections	Budget estimates/ MTFRP
Own tax revenue	1,51,941	1,66,021	1,19,897	(-)21.09	(-)27.78
Non-tax revenue	19,851	31,179	11,846	(-)40.33	(-)62.01

Source: XV Finance Commission Report, Budget documents 2020-21 of the State Government and Finance Accounts 2020-21

The Own tax revenue of the State in 2020-21 stood significantly lower than the projections made in the XV FC and budget estimates/MTFRP 2020. This was mainly due to less collection of SGST (₹ 20,421 crore), State Excise (₹ 7,439 crore), Stamps and Registration fees (₹ 6,722 crore) and Taxes on sales, trade, etc. (₹ 6,160 crore) as compared to MTFRP 2020 projections. Non-tax revenue witnessed less receipts as compared to the budget estimates/MTFRP 2020 projections mainly under Miscellaneous General Services (₹ 12,013 crore), Power (₹ 2,228 crore), Interest receipts (₹ 984 crore), Major Irrigation (₹ 592 crore), etc. In MTFRP 2021, the State Government has attributed the lower receipts of own tax revenue during the year 2020-21 to revenue affected by the lockdown due to COVID-19 pandemic.

2.7 Application of resources

The State Government is vested with the responsibility of incurring expenditure within the framework of fiscal responsibility legislations, while at the same time ensuring that the ongoing fiscal correction and consolidation process of the State is not at the cost of expenditure directed towards

development of capital infrastructure and social sector. This paragraph along with sub-paragraphs analyses allocation of expenditure in the State.

2.7.1 Growth and composition of expenditure

Expenditure relating to Revenue heads, Capital Outlay and Loans and Advances constitutes total expenditure of the State Government. During the period 2016-21, total expenditure of the State increased by 12.39 *per cent* from ₹ 3,13,122 crore in 2016-17 to ₹ 3,51,933 crore in 2020-21. The increase was mainly due to increase in revenue expenditure (₹ 61,951 crore), which was counterbalanced by less expenditure under Capital outlay (₹ 17,552 crore) and disbursement of Loan and Advances (₹ 5,588 crore). During the period 2016-21, revenue expenditure stood at an average of 82.31 *per cent* of the total expenditure and capital expenditure including disbursement of loan and advances was 17.69 *per cent*. During the year 2020-21, of the total expenditure, Revenue Expenditure was 84.83 *per cent* and Capital Expenditure including loans and advances was 15.17 *per cent*. Thus, Revenue expenditure had a predominant share in total expenditure.

Total expenditure and its composition under revenue, capital and loan and advances during the period 2016-21 have been summarised in **Table 2.10** and also depicted in the **Chart 2.6**.

Table 2.10: Total expenditure and its composition during the period 2016-21

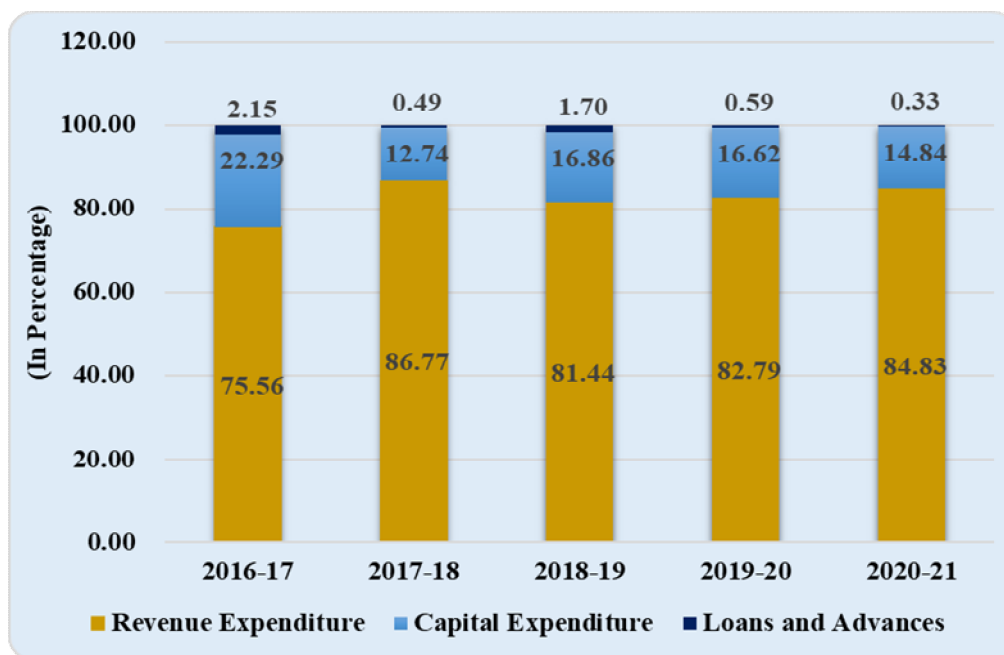
(₹ in crore)

Parameters	2016-17	2017-18	2018-19	2019-20	2020-21
Total Expenditure (TE)	3,13,122	3,06,821	3,70,494	3,60,951	3,51,933
Revenue Expenditure (RE)	2,36,592	2,66,224	3,01,728	2,98,833	2,98,543
Capital Expenditure (CE)²⁰	69,789	39,088	62,463	59,998	52,237
Capital Expenditure (without UDAY)	66,089	39,088	62,463	59,998	52,237
Loans and Advances	6,741	1,509	6,303	2,120	1,153
As a percentage of GSDP					
TE/GSDP	24.30	21.67	23.38	21.39	20.63
RE/GSDP	18.36	18.80	19.04	17.71	17.50
CE/GSDP	5.42	2.76	3.94	3.55	3.06
Loans and Advances/GSDP	0.52	0.11	0.40	0.13	0.07

Source: Finance Accounts of respective years

²⁰ Capital expenditure during the year 2016-17 included capital expenditure under UDAY to the tune of ₹ 3,700 crore. During the year 2017-18, UP Government made substantial budget provision of ₹ 36,000 crore for farm loan waiver schemes for small/marginal farmers. As a result, the capital expenditure was reduced during the year 2017-18 with compared to 2016-17.

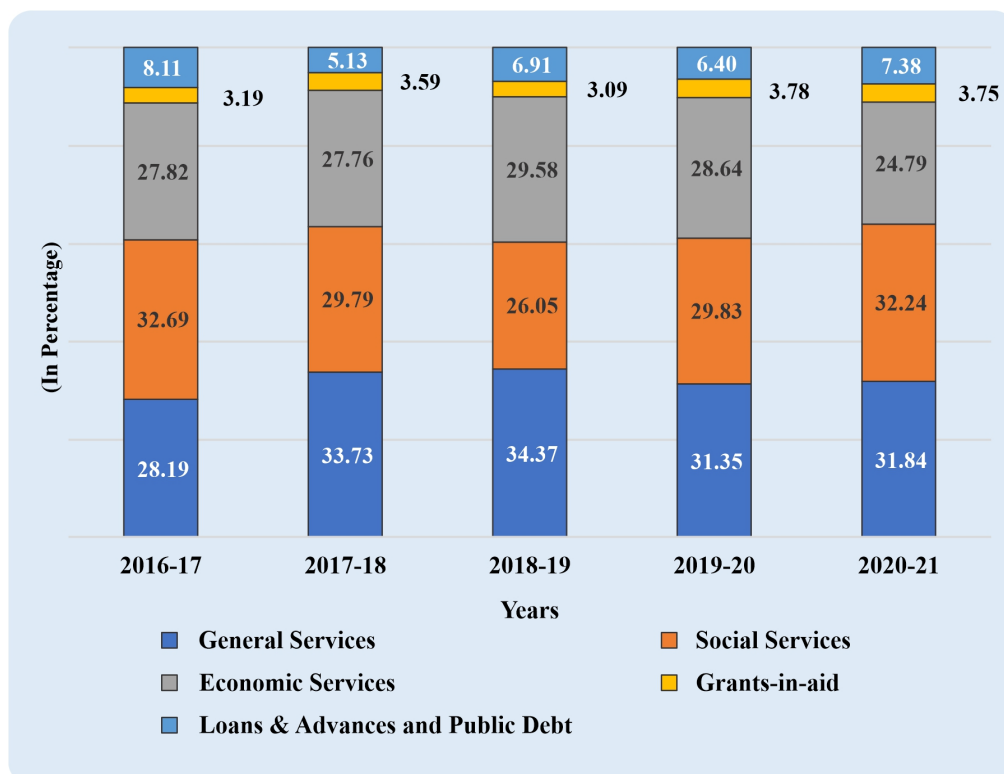
Chart 2.6: Trends in components wise expenditure during the period 2016-21



Source: Finance Accounts of respective years

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

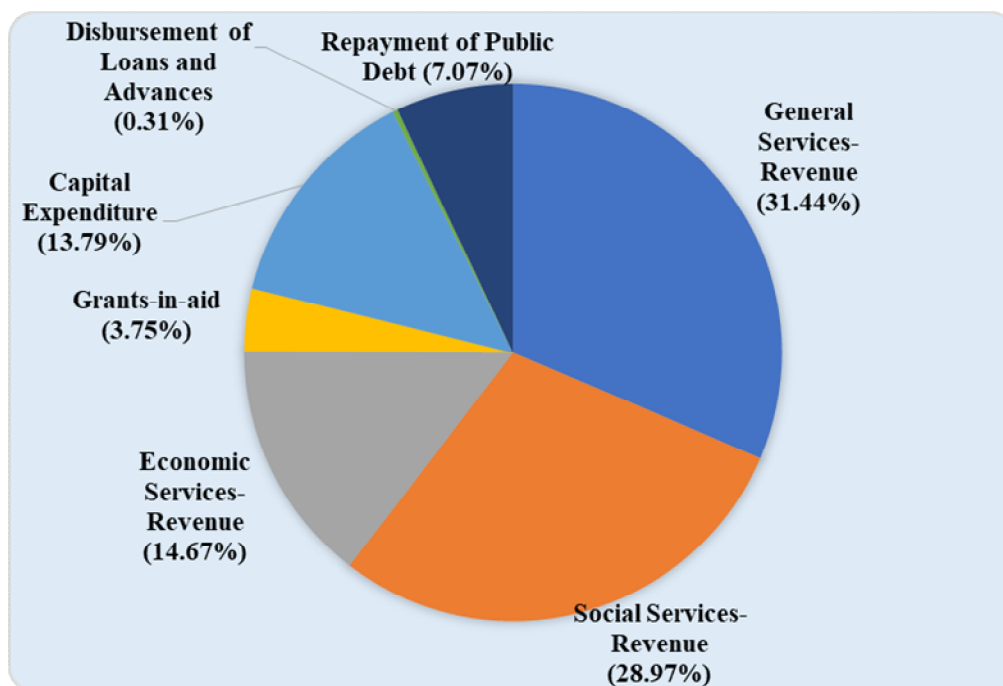
Chart 2.7: Percentage of sector wise expenditure during the period 2016-21



Source: Finance Accounts of respective years

The component wise expenditure under Consolidated Fund of the State during 2020-21 is depicted in **Chart 2.8**.

Chart 2.8: Component wise expenditure during the year 2020-21

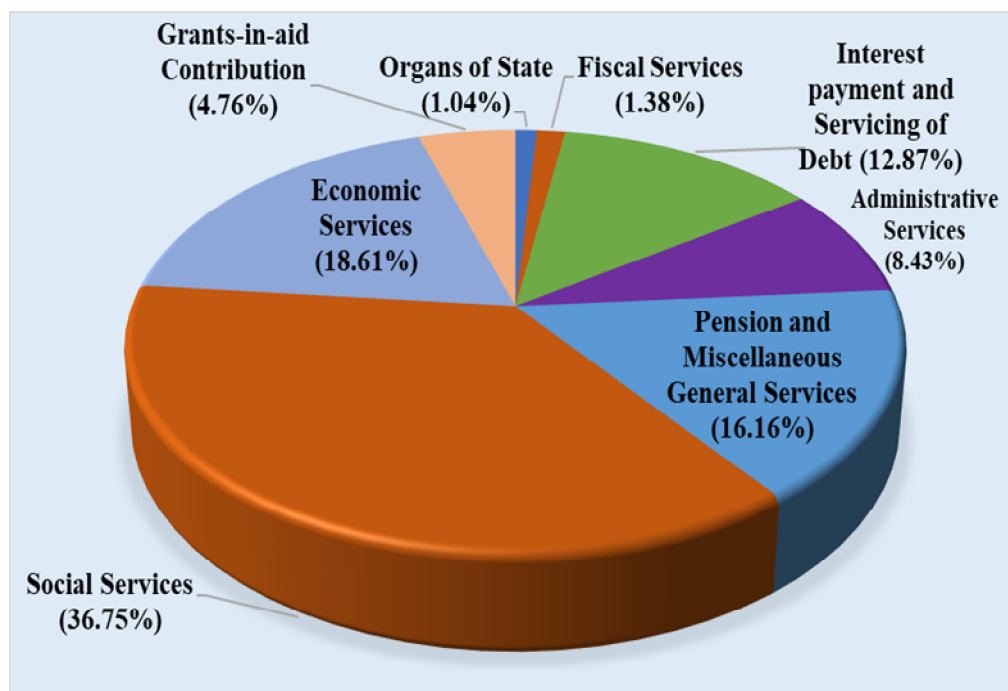


Source: Finance Accounts 2020-21

Chart 2.8 presents that during the year 2020-21, the revenue expenditure under General Services was highest at 31.44 *per cent* of total expenditure which includes expenditure on Organs of State, Fiscal Services, Interest Payment, Administrative Services and Pensions. The revenue expenditure on Social Services was 28.97 *per cent* of the total expenditure which includes expenditure on Education, Sports, Art and Culture, Health and Family Welfare, Social Welfare and Nutrition, Water Supply and Sanitation, Urban Development, etc. The revenue expenditure on Economic Services was 14.67 *per cent* which includes expenditure on Agriculture and allied services, Rural Development, Irrigation and Flood Control, Energy, Industry and Minerals, Transport, etc. The Capital expenditure (excluding debt servicing) was 13.79 *per cent* of the total expenditure.

Component of General Services and Social as well Economic Service wise revenue expenditure during year 2020-21 is presented in **Chart 2.9**.

Chart 2.9: Sector-wise distribution of revenue expenditure during year 2020-21



Source: Finance Accounts 2020-21

2.7.2 Revenue Expenditure

Revenue expenditure is incurred to maintain the current level of services and payment for the past obligation. As such, it does not result in any addition to the State's infrastructure and service network. Revenue expenditure comprises wages and salaries, interest payments, pensions, expenditure on operation and maintenance of capital works, subsidies and transfers to local bodies, co-operatives, non-government organisations (NGOs) and others. Basic parameters of Revenue Expenditure are given in **Table 2.11**.

Table 2.11: Basic parameters of Revenue Expenditure during the period 2016-21

(₹ in crore)

Parameters	2016-17	2017-18	2018-19	2019-20	2020-21
Total Expenditure (TE)	3,13,122	3,06,821	3,70,494	3,60,951	3,51,933
Revenue Expenditure (RE)	2,36,592	2,66,224	3,01,728	2,98,833	2,98,543
Rate of Growth of RE (per cent)	11.21	12.52	13.34	(-)0.96	(-)0.10
Revenue Expenditure as percentage of TE	75.56	86.77	81.44	82.79	84.83
RE/GSDP (per cent)	18.36	18.80	19.04	17.71	17.50
RE as percentage of RR	92.10	95.50	91.44	81.56	100.80
Buoyancy of Revenue Expenditure with					
GSDP (ratio)	0.85	1.27	1.12	(-)0.15	(-)0.10
Revenue Receipts (ratio)	0.85	1.47	0.73	(-)0.09	0.01

Source: Finance Accounts of respective years

Revenue expenditure continued to be the dominant component of the total expenditure and its share increased from 75.56 per cent in the year 2016-17 to 84.83 per cent in the year 2020-21. The rate of growth of revenue expenditure fluctuated widely between (-) 0.10 per cent in the year 2020-21 to a high of 13.34 per cent in the year 2018-19. The decreases in the revenue expenditure during the year 2020-21 were mainly on Pension and other Retirement

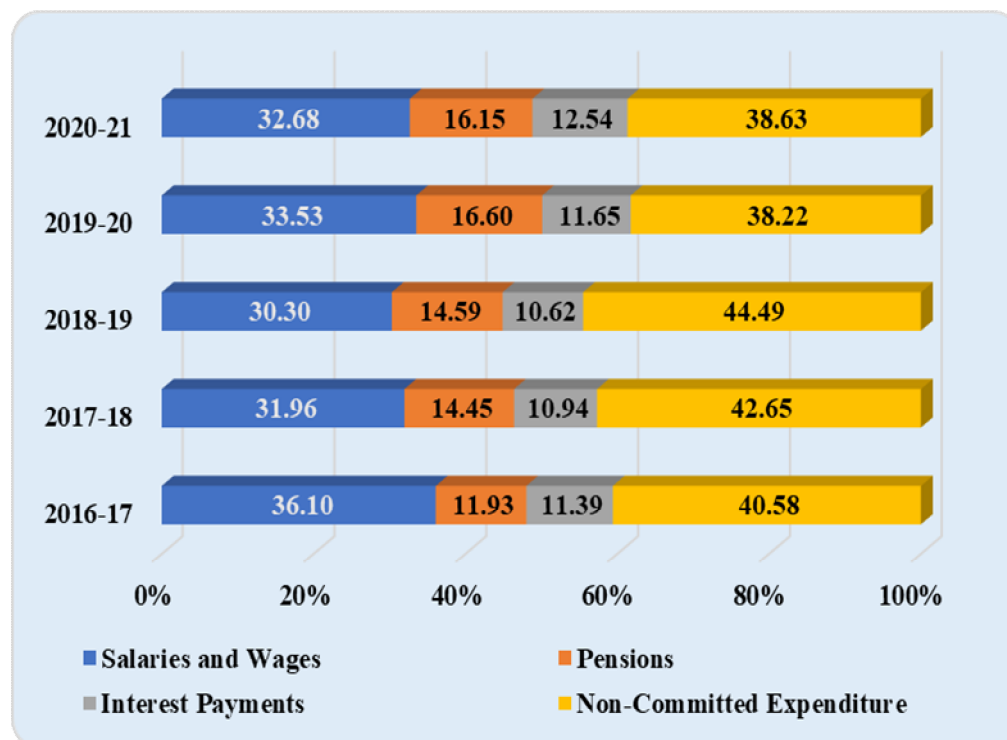
benefits (₹ 1,384.09 crore) under General Services, General Education (₹ 862.62 crore), Welfare of Scheduled Caste, Scheduled Tribes and Other Backward Classes (₹ 1,353.83 crore) under Social Services, Power (₹ 8,499.84 crore) and Other Rural Development Programme (₹ 1,842.92 crore) under the Economic Services, the less expenditure was counterbalanced by increased expenditure mainly under Interest payment (₹ 2,615.46 crore) under General Services, Urban Development (₹ 6,116.56 crore) under Social Services and Roads and Bridges (₹ 4343.85 crore) under Economic Services.

Revenue expenditure as a percentage of GSDP showed a fluctuating trend during the period 2016-21. It was highest (19.04 *per cent*) in the year 2018-19 and lowest (17.50 *per cent*) in the year 2020-21. Revenue Expenditure buoyancy with GSDP measures the percentage change in the revenue expenditure to the percentage change in GSDP. As can be seen from **Table 2.11**, revenue expenditure buoyancy was negative during the years 2019-20 and 2020-21 due to contraction in revenue expenditure as compared to previous year.

2.7.3 Committed and Non-Committed Expenditure

Expenditure of the State Government on revenue account can be classified into committed and non-committed expenditure. The committed expenditure of the State Government on revenue account mainly consists of expenditure on salaries and wages, pension payments and interest payments on which the present executive has limited control. Expenditure other than committed expenditure can be classified into non-committed expenditure. Trend of share of committed and non-committed expenditure during the period 2016-21 is depicted in **Chart 2.10**.

Chart 2.10: Share of committed and non-committed expenditure in Revenue Expenditure



Source: Finance Accounts of respective years

2.7.4 Committed Expenditure

Component-wise Committed Expenditure during the period 2016-21 is given in the **Table 2.12**.

Table 2.12: Component-wise expenditure on Committed Expenditure during the period 2016-21

(₹ in crore)					
Components of Committed Expenditure	2016-17	2017-18	2018-19	2019-20	2020-21
Salaries	85,416	85,076	91,413	1,00,188	97,576
(i) Salary	37,547	43,490	50,471	53,508	50,333
(ii) Wages	824	921	1,062	1,357	2,363
(iii) Grants-in-aid (Salary)	47,045	40,665	39,880	45,323	44,880
Pensions	28,227	38,476	44,024	49,603	48,219
Interest Payments	26,936	29,136	32,042	34,813	37,428
Total	1,40,579	1,52,688	1,67,479	1,84,604	1,83,223
As a percentage of Revenue Receipts (RR)					
<i>Salaries</i>	33.25	30.52	27.70	27.34	32.95
<i>Pensions</i>	10.99	13.80	13.34	13.54	16.28
<i>Interest Payments</i>	10.49	10.45	9.71	9.50	12.64
Total	54.73	54.77	50.75	50.38	61.87
As a percentage of Revenue Expenditure (RE)					
<i>Salaries</i>	36.10	31.96	30.30	33.53	32.68
<i>Pensions</i>	11.93	14.45	14.59	16.60	16.15
<i>Interest Payments</i>	11.39	10.94	10.62	11.65	12.54
Total	59.42	57.35	55.51	61.78	61.37

Source: Finance Accounts of respective years

The committed expenditure affects the State in prioritising expenditure and in meeting capital investments to meet growing needs of social and economic infrastructure. The high proportion of committed expenditure to revenue receipts and revenue expenditure indicates that the State has limited flexibility in allocation of its resources for new schemes. **Table 2.12** shows that committed expenditure has increasing trend during the period 2016-20 but it is decreased by 0.75 per cent (₹ 1,381 crore) in the year 2020-21 over the year 2019-20. The component-wise details of committed expenditure are discussed below.

2.7.4.1 Expenditure on Salaries

There were 12,76,375 sanctioned post in State Government on 31 March 2020. During the year 2020-21, expenditure on salaries with respect to the employees of the State Government was ₹ 50,333 crore. This was 16.99 per cent of the Revenue Receipts (₹ 2,96,176 crore) and 16.86 per cent of the Revenue Expenditure (₹ 2,98,543 crore). However, taking into account the expenditure under the object heads 'Subsidiary Grant-General (Salary)',

‘Arrear of revised salary (State Aid)’²¹ and ‘Wages’ amounting to ₹ 44,844 crore, ₹ 36 crore and ₹ 2,363 crore respectively, total expenditure on salary was ₹ 97,576 crore representing 32.95 *per cent* of Revenue Receipts and 32.68 *per cent* of Revenue Expenditure.

The total expenditure on salary has decreased by 2.61 *per cent* (₹ 2,612 crore) over the previous year 2019-20 mainly due to less disbursement of arrears of salary (₹ 5,647 crore) which was counterbalanced by higher disbursements on account of pay, dearness allowance, non-practicing allowance, etc.

2.7.4.2 Interest payments

The interest payments by the State Government on internal debt, small savings, provident funds, loans and advances from Central Government, etc., are accounted under Major Head 2049-Interest Payments. During the period 2016-21, expenditure on account of payment of interest increased from ₹ 26,936 crore to ₹ 37,428 crore with compound annual growth rate of 8.57 *per cent*. As compared to 2019-20, interest payments increased by 7.51 *per cent* in 2020-21 mainly due to increased interest payment on market loans (by ₹ 3,625 crore).

Further the State Government paid interest of ₹ 11.35 crore under the head ‘2071-01-117-09-payment of interest on late depositing subscriber contribution’ under Defined Contribution Pension Scheme (DCPS). Besides, expenditure of ₹ 150.81 crore was incurred under the head ‘2071-01-117-08-interest on due residual employer contribution up to 31.03.2019/late deposited employer contribution’. As per the List of Major and Minor Heads of Account of Union and States (LMMH), interest on DCPS is required to be booked under the head 2049-03-117. Budgeting and payment of interest on DCPS under Major Head 2071 was in violation of LMMH, besides it understated interest expenditure under Major Head 2049.

In addition, State Government had provided financial assistance (Grants-in-aid) of ₹ 536.27 crore to State PSUs during the year 2020-21 for the payment of interest on servicing of extra-budget borrowings taken by PSUs as discussed in **Paragraph 4.2**.

2.7.4.3 Pension payments

There were 11.32 lakh pensioners in the State as of 31 March 2021. During the period 2016-21, yearly expenditure on account of pension payment ranged between ₹ 28,227 crore and ₹ 49,603 crore. In the year 2020-21, expenditure on pension was ₹ 48,219 crore, which was 2.79 *per cent* lower than the previous year (₹ 49,603 crore). The decreases were mainly under the heads ‘pension to employees of state aided educational institutions’ (₹ 1,021.06 crore), ‘superannuation and retirement allowances’ (₹ 533.55 crore) ‘commuted value of pensions’ (₹ 323.65 crore), ‘family pensions’ (₹ 242.67 crore), ‘gratuities’ (₹ 222.97 crore) though there was more expenditure under ‘Government contribution for Defined Contribution Pension Scheme’ (₹ 1,653.32 crore) as compared to previous year 2019-20. Expenditure on pension in the year 2020-21 accounted for 16.28 *per cent* of the total revenue receipts and 16.15 *per cent* of the total revenue expenditure.

²¹ Related to the employees of Primary Education, Secondary Education, Aided Institutes, Autonomous Bodies, etc.

2.7.4.4 Subsidies

State Government provides subsidy under various schemes implemented by Agriculture and Other Allied Departments, Industries Department, Power Department, Science and Technology Department and Social Welfare Department, which is detailed in Appendix II of Finance Accounts. The details of subsidies provided during the period 2016-21 are given in **Table 2.13**.

Table 2.13: Expenditure on subsidies during the period 2016-21

Particular	2016-17	2017-18	2018-19	2019-20	2020-21
Subsidies (₹ in crore)	8,045	9,284	14,053	14,092	11,677
<i>Subsidies as a percentage of Revenue Receipts</i>	3.13	3.33	4.26	3.85	3.94
<i>Subsidies as a percentage of Revenue Expenditure</i>	3.40	3.49	4.66	4.72	3.91

Source: Finance Accounts of respective years

Expenditure on subsidy increased from ₹ 8,045 crore in the year 2016-17 to ₹ 11,677 crore in the year 2020-21. During the year 2020-21, subsidy of ₹ 11,677 crore was 3.94 per cent and 3.91 per cent of revenue receipts and revenue expenditure respectively. It also includes central assistance of ₹ 2,032.05 crore for subsidy under Centrally Sponsored Schemes. The overall decrease (₹ 2,415.41 crore) during the year 2020-21 as compared to previous year 2019-20 was mainly due to less subsidies under 'Revenue compensatory grant against amount paid on electricity tax to Uttar Pradesh Power Corporation Limited (₹ 1,880 crore)', 'Subsidiary Grant to UP Power Corporation Limited (₹ 1,010 crore)' and 'Implementation of Infrastructure and Industrial Investment Policy, 2012 (₹ 323.45 crore), which was counterbalanced by increased subsidies under 'National Crop Insurance Programme (₹ 197.01 crore)' 'Swarn Jayanti Gram Swarajgar Yojana (₹ 142.35 crore)', Grants for providing Agriculture Loan at low interest rate through Primary Cooperative Agricultural Loan Committee (₹ 133.97 crore).

The departments with major portion of subsidy during the year 2020-21 are given in **Table 2.14**.

Table 2.14: Departments with major portion of subsidy during 2020-21

Grant No	Name of the Recipient Department	Amount of Subsidy (₹ in crore)	Percentage of total Subsidy	Main Purpose
09	Power	6,057.35	51.87	Compensatory grant to UP Power Corporation Ltd. (₹ 4,817.35 crore) and Revenue Compensatory Grant against amount paid for electric tax to UPPCL (₹ 1,240 crore).
83	Social Welfare	966.71	8.28	Special component Plan for Scheduled Caste (₹ 717.13 crore) and Schedule Tribes (₹ 249.58 crore)
11	Agriculture	2,365.97	20.26	On account of grant to UP Power Corporation Ltd for electricity supply to private tube-wells of farmers for improvement in agriculture production (₹ 1,200 crore) and National Crop Insurance Programme (₹ 610 crore).

Source: Finance Accounts 2020-21

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

Financial assistance is provided by the State Government to Local Bodies and other institutions by way of grants and loans. The quantum of assistance provided by way of grants to local bodies and other institutions during the period 2016-21 is presented in **Table 2.15**.

Table 2.15: Financial Assistance to Local Bodies and other institutions during 2016-21
(₹ in crore)

Financial Assistance to Institutions	2016-17	2017-18	2018-19	2019-20	2020-21
(A) Panchayati Raj Institution (Zila Parishads and Gram Panchayats)	7,572.31	10,096.44	16,209.80	12,517.71	10,412.00
(B) Urban Local Bodies (Municipal Corporations and Municipalities)	1,002.05	1,208.46	3,081.35	9,059.97	15,115.15
Total (A+B)	8,574.36	11,304.90	19,291.15	21,577.68	25,527.15
(C) Public Sector Undertakings (Government Companies and Statutory Corporations)	8,440.26	133.41	7,053.03	8,940.17	7,018.39
(D) Autonomous Bodies (Universities, Development Authorities, Cooperative Institutions & Others)	2,295.33	5,405.83	6,436.96	37,393.78	35,251.87
(E) Non-Government Organisations	30,260.69	26,038.26	181.61	7,140.75	7,040.51
(F) Miscellaneous	32,806.92	49,338.56	58,801.38	18,282.08	24,050.46
Total (C+D+ E+ F)	73,803.20	80,916.06	72,472.98	71,756.78	73,361.23
Grand Total (A+B + C+D+ E+ F)	82,377.56	92,220.96	91,764.13	93,334.46	98,888.38
Revenue Expenditure	2,36,592	2,66,224	3,01,728	2,98,833	2,98,543
<i>Assistance as percentage of Revenue Expenditure</i>	<i>34.82</i>	<i>34.64</i>	<i>30.41</i>	<i>31.23</i>	<i>33.12</i>

Source: Finance Accounts of respective years

Financial assistance of ₹ 98,888.38 crore was provided by the State Government to Local bodies and other grantee institutions by way of grants-in-aid during the year 2020-21, which was 5.95 per cent (₹ 5,553.92 crore) higher as compared to the year 2019-20. It increased by ₹ 16,510.82 crore (20.04 per cent) during the year 2020-21 as compared to the year 2016-17. However, as a percentage of revenue expenditure it decreased from 34.82 per cent in the year 2016-17 to 33.12 per cent in the year 2020-21.

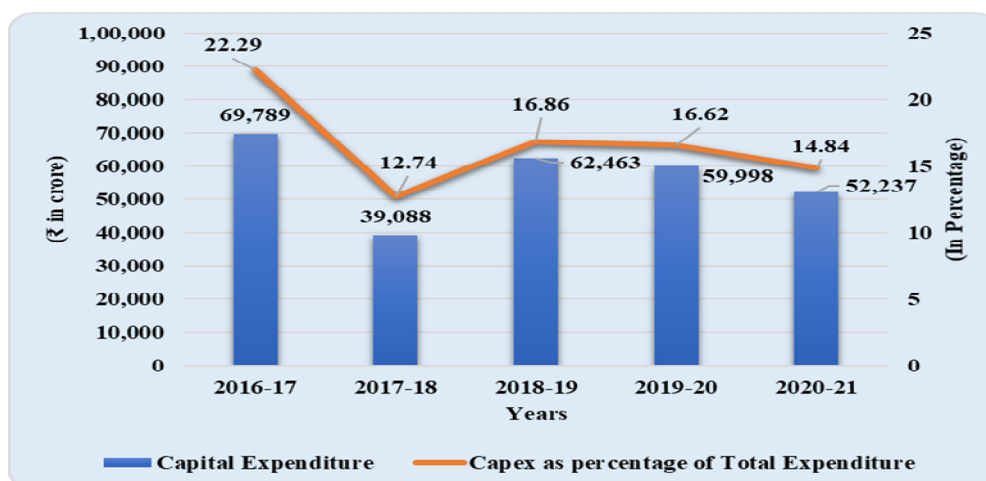
The assistance to PRIs increased from ₹ 7,572.31 crore in the year 2016-17 to ₹ 10,412.00 crore in the year 2020-21. However, as compared to the year 2019-20, it decreased by 16.82 per cent (₹ 2,105.71 crore) during the year 2020-21. Grants-in-aid released to PRIs by the State Government during the year 2020-21 was mainly transfers of grants-in-aid received from GoI under XV FC grants for Rural Local Bodies (₹ 9,752 crore) and Central assistance for Centrally Sponsored Schemes (₹ 660 crore). The grants-in-aid released to PRIs under Centrally Sponsored Schemes decreased by ₹ 2,072.44 crore during the year 2020-21 as compared to the year 2019-20 mainly due to lower grants-in-aid under Swachh Bharat Mission (Rural).

Financial assistance to Urban Local Bodies increased from ₹ 1,002.05 crore in 2016-17 to ₹ 15,115.15 crore in 2020-21. During the year 2020-21, it increased by ₹ 6,055.18 crore (66.83 per cent) as compared to grants-in-aid released during the year 2019-20. The increases were mainly due to grants-in-aid of ₹ 6,075.12 crore under PM Awas Yojna (under Normal and Scheduled Caste Sub Plan) and ₹ 1,380.63 crore under Smart City Mission Programme. The assistance to ULBs included ₹ 10,840.64 crore towards creation of capital assets.

2.7.5 Capital Expenditure

Capital expenditure (capex) is primarily expenditure on creation of fixed infrastructure assets such as roads, buildings, etc. The State Government needs to initiate measures to earn adequate return on its investments, recover cost of borrowed funds and take requisite steps to infuse transparency in financial operations. Capital expenditure and its percentage to total expenditure during the period 2016-21 is presented in the **Chart 2.11**.

Chart 2.11: Capital expenditure in the State during the period 2016-21



Source: Finance Accounts of respective years

As evident from **Chart 2.11**, the capital expenditure as a percentage of total expenditure ranged between 12.74 per cent and 22.29 per cent during the period 2016-21. Some of the Major Heads where Capital expenditure was significantly high during the year 2020-21 are depicted in **Table 2.16**.

Table 2.16 : Major Head wise capital expenditure during the year 2020-21

Sl.No.	Major Head and its Nomenclature	Major Activity/Scheme	Amount (₹ in crore)
1	5054-Capital Outlay on Roads and Bridges	Ganga Expressway (₹ 1,635 crore), transfer to State Road Fund (₹ 1,500 crore), Purvanchal Expressway (₹ 1,319 crore), construction of rural roads (₹ 1,244 crore) and Railway overhead bridges (₹ 880 crore)	18,021
2	4801-Capital Outlay on Power Projects	Share capital to U.P. Power Transmission Corporation for Transmission work (₹ 1,423 crore) and for Distribution activities (₹ 4,932 crore), and investment in Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited (₹ 1,345 crore)	10,570

Sl.No.	Major Head and its Nomenclature	Major Activity/Scheme	Amount (₹ in crore)
3	4515-Capital Outlay on other Rural Development Programmes	National Rural Employment Guarantee Programme (₹ 4,958 crore)	5,164
4	4216-Capital Outlay on Housing	Rural Housing - Special Component Plan Schedule Castes (₹ 2,247 crore) and PM Awas Yojna-Rural (₹ 1,597 crore)	4,360
5	4700-Capital Outlay on Major Irrigation	Saryu canal project (₹ 1,114 crore) and Middle Ganaga canal project (₹ 767 crore)	3,142
6	4215- Capital Outlay on Water Supply and Sanitation	National Rural Drinking Water Programme (₹ 1,956 crore)	2,473
7	4210-Capital Outlay on Medical and Public Health	Medical Education, Training and Research (₹ 1,399 crore)	1,813

Source: Finance Accounts 2020-21

During the year 2020-21, capital expenditure was ₹ 52,237 crore against the capital expenditure of ₹ 59,998 crore in the year 2019-20. The decrease of ₹ 7,761 crore (12.94 per cent) during the year 2020-21 in comparison with the year 2019-20 was mainly in General Services Sector by ₹ 972.20 crore (38.96 per cent) and Economic Services Sector by ₹ 8,660.32 crore (18.43 per cent) counterbalanced by increase in capital expenditure of ₹ 1,871.59 crore (17.80 per cent) in Social Services Sector.

2.7.5.1 Major changes in Capital Expenditure

The details of major changes in the Capital Expenditure under various Major Heads for the year 2020-21 as compared to 2019-20 are given in **Table 2.17**.

Table 2.17: Major changes in Capital Expenditure during the year 2020-21 under various Major Heads

Major Heads of Accounts	(₹ in crore)		
	2019-20	2020-21	Increase (+)/ Decrease (-)
5054-Capital Outlay on Roads and Bridges	21,376.18	18,020.63	(-)15.70
5053-Capital Outlay on Civil Aviation	1,328.79	528.26	(-)60.25
4408-Capital Outlay on Food Storage and Warehousing	3,890.04	(-)2,539.95	(-)165.29
4801-Capital Outlay on Power Projects	8,248.83	10,570.01	28.14
4216-Capital Outlay on Housing	2,111.56	4,359.78	106.47
4515-Capital Outlay on other Rural Development Programmes	3,706.35	5,163.71	39.32

Source: Finance Accounts of respective years

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

Major Head 5054 (Capital Outlay on Roads and Bridges): Expenditure decreased during the year 2020-21, on road works, viz., Agra to Lucknow Expressway project (by ₹ 100 crore), State Highways (by ₹ 594.92 crore), Purvanchal Expressway (₹ 1,480.02 crore) and Bundelkhand Expressway (by ₹ 1,235 crore). However, there was increase in expenditure on Ganga Expressway Project- Prayagraj to Meerut (by ₹ 1,628.33 crore) and for development of industrial corridor on both sides of Gorakhpur Link Expressway (by ₹ 200 crore).

Major Head 5053 (Capital Outlay on Civil Aviation): Decrease in expenditure was mainly due to refunds of ₹ 1,200.02 crore under the head. However, more expenditure incurred on establishment of International Airport

at Jewar in Gautam Buddha Nagar (by ₹ 273.35 crore) and Airport in Ayodhya (by ₹ 149.94 crore).

Major Head 4408 (Capital outlay on Food Storage and Warehousing): Decrease was mainly due to recovery of ₹ 8,106.21 crore against expenditure of ₹ 5,486.43 crore in Food Grains Supply Scheme under the head 4408-01-101-03, which resulted in net expenditure of (-) ₹ 2,619.78 crore during the year 2020-21 as against net expenditure of ₹ 3,889.48 crore during the year 2019-20.

Major Head 4801 (Capital Outlay on Power Projects): Increase was mainly due to investment in Public Sector and other undertaking (by ₹ 3,816.29 crore), viz., share capital for work under Integrated Power Development Scheme (by ₹ 143.68 crore), share capital to UPPCL for various works, i.e., transmission strengthening of distribution network, etc. (by ₹ 3,672.61 crore). However, there was less (₹ 1,550.05 crore) investment during the year 2020-21 in Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited as compared to the previous year.

Major Head 4216 (Capital Outlay on Housing): Increases were mainly due to increase in expenditure on Centrally Sponsored Schemes under urban and rural housing sector (by ₹ 2,380.43 crore) and Prime Minister Awas Yojana (by ₹ 51.14 crore). However, there was less expenditure of ₹ 120.57 crore under C.M. Housing Scheme (Rural).

Major Head 4515 (Capital Outlay on other Rural Development Programmes): Increase was mainly due to increase of ₹ 2,697.55 crore in expenditure under National Rural Employment Guarantee Scheme.

2.7.5.2 Quality of capital expenditure

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

Quality of investments in PSUs

Capital expenditure, investments made and loan given to PSUs which are loss making or where net worth is completely eroded is not sustainable and affected the quality of capital expenditure. Return on investment in share capital invested in PSUs is an important determinant of quality of capital expenditure. Issues related to quality of investments in PSUs, viz., budgetary support to PSUs, return on equity, return on capital employed, erosion of net worth, etc., have been discussed in detail under various paragraphs in **Chapter V** of the Report.

Capital blocked in incomplete projects

Appendix IX of the Finance Accounts presents the overall status of incomplete works. The Appendix includes the list of incomplete works in Public Works Department and Irrigation Department of U.P. Government, though the list is not inclusive of all the incomplete works of the State Government of other Departments. Blocking of funds on incomplete projects/ works impinges negatively on the quality of expenditure and deprives the State of the intended benefits for prolonged periods. Further, the funds borrowed for implementation of these projects during the respective years leads to the extra burden in terms of servicing of debt and interest liabilities. As per the Appendix IX, the status of Department-wise incomplete works and capital blocked therein as of 31 March 2021 are given in **Table 2.18**.

Table 2.18: Department-wise incomplete projects as on 31 March 2021**(₹ in crore)**

Department	No. of incomplete projects	Expenditure
Public Works	572	5,789.98
Irrigation	15	3,415.27
Total	587	9,205.25

Source: Finance Accounts 2020-21

From **Table 2.18**, it could be seen that in two major Departments (PWD and Irrigation) of the State Government, 587 projects (572 projects in PWD and 15 projects in Irrigation) were incomplete. Thus, expenditure of ₹ 9,205.25 crore, which had been incurred on these 587 projects as on 31 March 2021, did not yield any return in terms of amenities to the people of the State and as an aid towards the economic growth of the State.

2.7.5.3 Implementation of Ujwal DISCOM Assurance Yojana (UDAY)

The Ministry of Power, Government of India (GoI) had launched (November 2015) the Ujwal DISCOM Assurance Yojana (UDAY) Scheme for the financial turnaround of State owned Power Distribution Companies (DISCOMs) which were reeling under severe financial stress.

With an objective to improve the operational and financial efficiency of the State DISCOMs, a tripartite Memorandum of Undertaking (MoU) was executed between Ministry of Power (GoI), Government of Uttar Pradesh and UP Power Corporation Limited, for and on behalf of UP DISCOMs. This scheme provides State Governments to take over 75 per cent of DISCOM's outstanding debt as on 30 September 2015 over a period of two years (50 per cent in 2015-16 and 25 per cent in FY 2016-17). Accordingly, outstanding debt of the DISCOMs amounting to ₹ 44,403 crore²² was taken over by the State Government in the form of equity, loan and grant/subsidy. The debt taken over by the State Government were transferred to DISCOMs as a mix of grant, loan and equity, as detailed in **Table 2.19**.

Table 2.19: Status of Equity/Loan/ Subsidy under UDAY as of 31 March 2021**(₹ in crore)**

Year	Equity Investment	Loan	Grant	Total
2015-16	11,353 ²³	6,083	12,166	29,602
2016-17	3,700	3,700	7,401	14,801
Total	15,053	9,783	19,567	44,403

Source: Finance Accounts of respective years

Further, as per MoU, the State Government shall takeover future losses, if any, of the DISCOMs in a graded manner as follows:

Year	2017-18	2018-19	2019-20	2020-21
Loss to be taken over by State	5% of loss of 2016-17	10% of loss of 2017-18	25% of loss of 2018-19	50% of loss of previous year

²² The effective outstanding debt of DISCOMs as on 30 September 2015 was ₹ 59,205 crore, which consisted of outstanding debt of ₹ 53,935 crore as on 30 September 2015 and bond of ₹ 5,270 crore issued under Financial Restructuring Plan 2012 issued by the State Government during 2015-16 (before 30 September 2015).

²³ ₹ 5,270 crore issued under Financial Restructuring Plan 2012 issued by the State Government during 2015-16 (before 30 September 2015).

During the year 2020-21, the State Government took over the losses of ₹ 2,200 crore in power distribution companies under UDAY Scheme as per the MoU.

2.7.5.4 Resource availability of the State under Public Private Partnership Projects

Public Private Partnership (PPP) is an arrangement between the government or statutory entity and a private sector entity, to provide a framework that enables them to work together to meet the rising demand of the public for infrastructure development.

As per information furnished (October 2021) by Pradeshiya Industrial & Investment Corporation of UP Ltd. (PICUP), a government financial institution, the sector/department-wise detail of projects under PPP mode are given in *Appendix-2.3* and summarised in **Table 2.20**.

Table 2.20: Sector/department-wise details of PPP projects up-to 2020-21

(₹ in crore)

Sl. No.	Sector/Department	Completed/ongoing	
		No.	Estimated Cost
1.	Energy	18	68,910.03
2.	Civil Aviation	1	29,561.00
3.	Industrial Development	1	13,782.00
4.	Transport	2	3,869.00
5.	Medical & Health	10	2,541.28
6.	Public Works	3	2,319.84
7.	Information Technology	1	1,500.00
8.	Urban Development	22	367.55
9.	Housing and Urban Planning	1	360.00
10.	Tourism	2	123.36
	Total	61	1,23,334.06

Source: Information provided by PICUP

2.7.6 Expenditure priorities

Low fiscal priority (ratio of expenditure under a category to aggregate expenditure) is stated to be attached to a particular sector, if the allocation is below the respective national average. The higher the ratio of these components to total expenditure, the quality of expenditure is considered to be better. Expenditure priority of the State is presented in **Table 2.21**.

Table 2.21: Expenditure priority of the State with regards to Health, Education and Capital expenditure

(In percentage)

Particulars	Health/AE	Education/AE	CE/AE
All India Average of General Category States ²⁴ (2016-17)	5.49	14.93	19.77
Uttar Pradesh	5.15	17.39	22.78
All India Average of General Category States (2020-21)	6.74	15.00	13.03
Uttar Pradesh	6.14	15.53	14.89

(AE – Aggregate Expenditure, CE- Capital Expenditure)

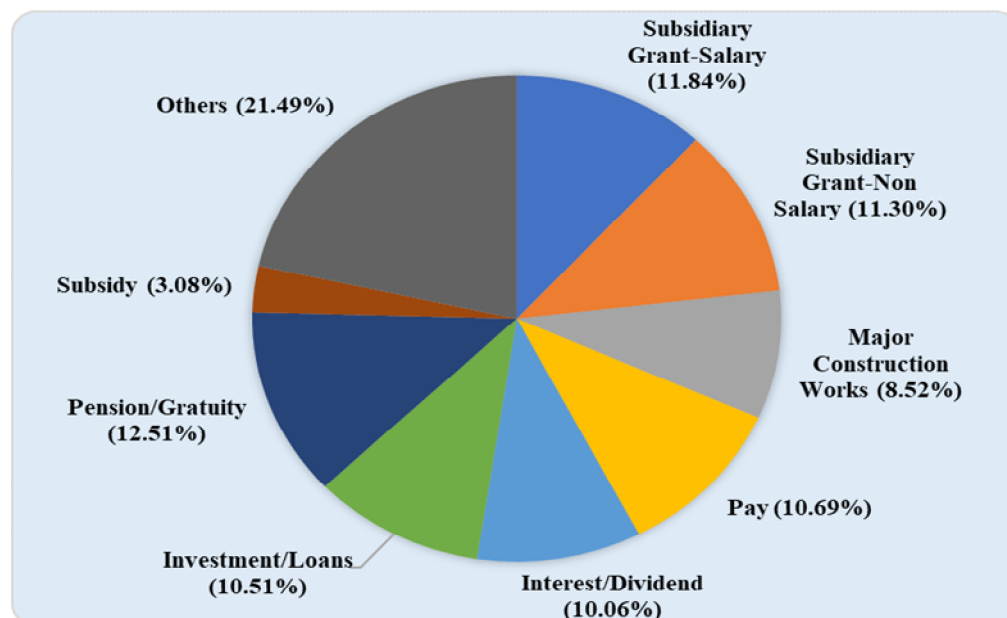
²⁴ States other than North Eastern (NE) and Himalayan States

It is evident from **Table 2.21** that though the percentage of State's capital expenditure as well as expenditure on Education to Aggregate Expenditure declined in the year 2020-21 as compared to the year 2016-17 but it was higher than All India average of General Category States during the year 2020-21. Further, the percentage of expenditure on health to Aggregate Expenditure has improved in the year 2020-21 as compared to the year 2016-17. However, it was lower than all India average of General Category States during the year 2020-21.

2.7.7 Object head wise expenditure

Object Heads are the primary units of appropriation showing the economic nature of expenditure such as pay and wages, office expenses, travel expenses, professional services, grants-in-aid, etc. Object head wise expenditure during the year 2020-21 is depicted in the **Chart 2.12**.

Chart 2.12: Object Head wise expenditure (in per cent) during the year 2020-21



Source: Finance Accounts 2020-21

As evident from **Chart 2.12**, the expenditure under object heads pay, grants-in-aid for salary and pension & retirement benefits constituted 35.04 per cent of overall expenditure (₹ 3,78,711 crore) under Consolidated Fund of the State. Besides, grants-in-aid (non-salary), interest/dividend and subsidy constituted 11.30 per cent, 10.06 per cent and 3.08 per cent of the Consolidated Fund expenditure respectively. Expenditure on account of investment and loans and major construction works, which are capital in nature, constituted 10.51 per cent and 8.52 per cent of the Consolidated Fund expenditure respectively.

2.8 Public Account

Receipts and Disbursements in respect of certain transactions such as Small Savings, Provident Funds, Reserve Funds, Deposits, Suspense, Remittances etc., which do not form part of the Consolidated Fund, are kept in the Public Account set up under Article 266(2) of the Constitution and are not subject to vote by the State Legislature. The Government acts as a banker in respect of

these. The balance after disbursements during the year is the fund available with the Government for use for various purposes.

2.8.1 Net Public Account Transactions

The status of receipts and disbursement under Public Accounts are shown in Statement-21 of the Finance Accounts and the details of Public Account (Net) transactions during the period 2016-21 are given in **Table 2.22**.

Table 2.22: Component-wise Public Account (Net) transactions during the period 2016-21

(₹ in crore)

Sector	Sub Sector	2016-17	2017-18	2018-19	2019-20	2020-21
Small Savings, Provident Funds, etc.	Small Savings, Provident Funds, etc.	1,619	2,530	3,646	3,314	1,062
Reserve Funds	(a) Reserve Funds bearing Interest	0	0	0	1757	(-)252
	(b) Reserve Funds not bearing Interest	7,225	8,265	13,545	(-)70,056	(-) 247
Deposits and Advances	(a) Deposits bearing Interest	187	220	184	883	607
	(b) Deposits not bearing Interest	(-)405	1,189	2,000	(-)2,990	1,308
	(c) Advances	(-)83	4	12	17	(-) 0.15
Suspense and Miscellaneous	(a) Suspense	152	(-)1,436	(-)236	(-)1,743	1,859
	(b) Other Accounts	440	(-)778	459	(-)85	(-)162
	(c) Accounts with Governments of Foreign Countries	0	0	0	0	0
	(d) Miscellaneous	0	0	0	0	0
Remittances	(a) Money Orders and other Remittances	750	(-)3,910	329	308	(-)323
	(b) Inter-Governmental Adjustment Account	(-)2	4	(-)16	5	(-)2
Total		9,883	6,088	19,923	(-)68,590	4,850

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

2.8.2 Reserve Funds

Reserve Funds are created for specific and defined purposes under the Public Account of the State Government. These funds are met from contributions or grants from the Consolidated Fund of the State as well as GoI. Detailed information on Reserve Funds and the investment from the earmarked funds is available in Statements 21 and 22 of the Finance Accounts, which is summarised in **Appendix-2.4**.

As on 31 March 2021, there were 17 Reserve Funds with total accumulated balance of ₹ 5,027.19 crore. Out of these, ₹ 1,505.26 crore was under one Reserve Fund bearing interest²⁵, viz., State Compensatory Afforestation Fund and ₹ 3,521.93 crore under 16 Reserve Funds not bearing interest which

²⁵ A Fund where the State Government is required to pay interest on deposits in the Fund on such rate as may be fixed by the Government.

included two inoperative funds with a balance of ₹ 9.92 crore. Further, State Government had invested ₹ 1,045.20 crore of Reserve Fund balances in GoI securities. Detail of some of the major reserve funds are discussed below:

2.8.2.1 Consolidated Sinking Fund

The Twelfth Finance Commission (2005-10) recommended (November 2004) that all States should set up sinking funds for amortization of all loans including loans from banks, liabilities on account of NSSF, etc. The fund should be maintained outside the Consolidated Fund of the States and the Public Account and should not be used for any other purpose, except for redemption of loans. Reserve Bank of India (RBI) maintains Consolidated Sinking Fund (CSF) on behalf of the State Governments to provide a cushion for amortisation of market borrowings/liabilities.

In accordance with the recommendations of the Twelfth Finance Commission, State Government created the ‘Consolidated Sinking Fund of Government of Uttar Pradesh’ in March 2020, which was to come into force with effect from financial year 2020-21. The Fund was to be utilised as an amortisation fund for redemption of outstanding liabilities of the Government commencing from the financial year 2020-21. As per the State Government notification (17 March 2020), the Government may contribute to the Fund at least 0.50 *per cent* of the outstanding liabilities, i.e., internal debt and public account liabilities, of the Government as at the end of the previous year. The corpus of the Fund comprising of periodic contributions as well as the income accruing to the Fund shall be kept outside the general revenue of the Government. The Fund shall be administered by RBI subject to directions/instructions as the Government may issue from time to time. The accretions to the Fund shall be invested in GoI dated Securities, Treasury bill, Special Securities of GoI and State Development Loans of other States of such maturities as the Bank may determine from time to time in consultation with the Government.

Prior to operation of ‘Consolidated Sinking Fund of Government of Uttar Pradesh’ with RBI, the State Government was maintaining another Sinking Fund in Public Account of the State. As per the State Government notification (17 March 2020), the outstanding balance under the existing Sinking Fund at end-March 2020 was to be transferred to the Consolidated Sinking Fund. However, the State Government transferred (30 March 2020) the entire balance of the existing Sinking Fund under Public Account amounting to ₹ 71,180.23 crore to the Consolidated Fund of the State. As a result, the opening balance of ‘Consolidated Sinking Fund of Government of Uttar Pradesh’ as on 1 April 2021 was nil.

During the year 2020-21, State Government appropriated only ₹ 1,000.00 crore (under the head 2048-00-101- Appropriation for reduction or avoidance of debt) and transferred the same amount to the head 8222-01-101-Sinking Fund. RBI invested this amount in government securities and earned an accrued income of ₹ 32.93 crore on it.

In view of guidelines of Consolidated Sinking Fund, Government was required to contribute at least ₹ 2,454.42 crore (0.50 *per cent* of internal debt and public account liabilities of ₹ 4,90,883.27 crore at the end of the year 2019-20) in the consolidated Sinking fund. Thus, there was short contribution

of ₹ 1,454.42 crore (₹ 2,454.42 crore - ₹ 1,000.00 crore) which could not become the part of sinking fund investment during the year 2020-21.

2.8.2.2 Depreciation Reserve Fund

The State Government created (March 2005) the Uttar Pradesh Public Works Department (PWD) Depreciation Reserve Fund (DRF) to purchase plant and machineries for renewal and replacement of unserviceable plant and machinery, carrying out special repair of plant and machineries and purchase of plant and machineries with latest technology. DRF is maintained in the Public Account under head 8226-102. During the year 2020-21, the fund had opening balance of (-) ₹ 7.99 crore and an amount of ₹ 9.21 crore was disbursed from it, as a result, the closing balance of DRF was (-) ₹ 17.20 crore.

The Government prescribed that 1.50 *per cent* amount on account of DRF would be debited to work and credited to receipt head 1054-800-04. This amount would be transferred to DRF under Public Account for intended purposes. Audit noticed that during the period 2016-21, State Government had transferred ₹ 216.31 crore²⁶ as non-tax revenue under the head 1054-800-04 in respect of DRF. However, no amount was transferred to DRF (head 8226-102). Thus, the Government had increased its revenue receipts by increasing the cost of work.

On being pointed out in Audit, Engineer-in-Chief, PWD stated (October 2021) that the transfer/adjustment of amount received towards DRF was under process at the Government level.

2.8.2.3 State Disaster Response Fund

The State Disaster Response Fund (SDRF) is a fund constituted under Section 48 (1) (a) of the Disaster Management Act, 2005. SDRF replaced the erstwhile Calamity Relief Fund with effect from 1 April 2010. As per the guidelines issued (September 2010 and July 2015) by GoI under the Act, SDRF is to be used only for meeting the expenditure for providing immediate relief to the victims of notified disasters, viz., cyclone, drought, earthquake, fire, flood, tsunami, hailstorm, landslide, avalanche, cloudburst, pest attack and cold waves/frost. The guidelines of SDRF further stipulate the following:

- The Fund will be constituted in the Public Account under the 'Reserve Funds bearing Interest' below Major Head-8121-General and Other Reserve Funds-122- State Disaster Response Fund in the accounts of the State Governments concerned.
- The amount of annual contribution to SDRF of each State would be as recommended by the Finance Commission. Of the total size of SDRF indicated, GoI will contribute 75 *per cent* for general category States of the total yearly allocation in the form of a non-plan grant and the balance 25 *per cent* will be contributed by the State Government concerned.
- The State Government shall pay interest to the SDRF at the interest applicable to overdrafts under Overdraft Regulation Guidelines of the RBI. The interest is to be credited on a half yearly basis. The accretions to the

²⁶ ₹ 2.98 crore during 2016-17, ₹ 6.32 crore during 2017-18, ₹ 72.03 crore during 2018-19, ₹ 55.07 crore during 2019-20 and ₹ 79.91 crore during 2020-21

SDRF together with the income earned on the investment of SDRF is to be invested in Central Government dated Securities, auctioned Treasury Bills and other interest earning deposits with scheduled commercial banks.

However, the State Government operates SDRF under the category 'Reserve Funds not bearing Interest' below Major Head 8235- General and Other Reserve Funds-111- State Disaster Response Fund. The balances in the Fund are also not invested in the manner specified by GoI.

The Disaster Management Act, 2005 further stipulates the constitution of mitigation funds in addition to disaster response funds. In this context, XV Finance Commission recommended to set up State Disaster Mitigation Fund (SDMF) in accordance with the Disaster Management Act, 2005. These mitigation funds shall be used for those local level and community-based interventions which reduce the risks and promote environment-friendly settlements and livelihood practices. The funds for disaster mitigation along with disaster response has been called as State Disaster Risk Management Funds (SDRMF). For the year 2020-21, ₹ 2,578 crore was allocated for Uttar Pradesh under SDRMF, out of which, share of SDRF was 80 *per cent* and the share of SDMF was 20 *per cent*. The funding window of SDRF and SDMF are not inter-changeable.

Audit noticed that State Government received ₹ 1,933.00 crore from GoI towards SDRMF. However, entire receipt has been booked under the head 1601-07-104-SDRF. The accounting heads for SDMF²⁷ were not operated in Consolidated Fund (heads 1601-07 and 2245-08) and in Public Account (Head 8121-130) of the State during the year 2020-21.

Audit further noticed that State Government transferred ₹ 1,289.00 crore (₹ 966.50 crore Central share and ₹ 322.50 crore State share) to SDRF under the head 8235-111. Thus, State Government did not transfer ₹ 966.50 crore (i.e., ₹ 1,933.00 crore - ₹ 966.50 crore) of Central share received by it during the year 2020-21. As a result, there was a short transfer of ₹ 1,288.33 crore to the fund including short transfer of State share amounting to ₹ 321.83 crore in the ratio of 75:25.

At the beginning of 2020-21, the SDRF had a balance of ₹ 1,527.00 crore and received ₹ 1,305.62 crore during the year 2020-21 including NDRF/ Miscellaneous receipts. The expenditure of ₹ 1,601.61 crore incurred on natural calamities was set off (Major Head 2245-05-901) against the fund balances. Thus, the balance at the end of 31 March 2021 was ₹ 1,231.01 crore. However, State Government did not credit interest of ₹ 91.91 crore (computed on six monthly basis at the average rate of interest on overdraft as applicable in the year 2020-21) on the balances available under SDRF.

Due to short transfer to SDRF (₹ 1,288.33 crore) and not crediting interest (₹ 91.91 crore) to SDRF, State's Revenue as well as Fiscal Deficit during the year 2020-21 was understated by ₹ 1,380.24 crore.

²⁷ The new accounting heads for SDMF were opened by the Controller General of Accounts, Ministry of Finance vide correction slip numbers 958, 959 and 962 dated 01.06.2021 to List of Major and Minor Heads of Accounts of Union and States.

2.8.2.4 Guarantee Redemption Fund

Twelfth Finance Commission recommended (November 2004) that States should constitute Guarantee Redemption Fund through earmarked guarantee fees in order to provide for sudden discharge of State's obligations on guarantees. It further recommended for a ceiling on guarantees through the mechanism of fiscal responsibility legislation. However, GoUP has not constituted the Guarantee Redemption Fund. Further, State Government has also not fixed any limit for giving guarantees.

The position of guarantees given by the State Government on the loans availed by various institutions is given in Statement 9 and 20 of Finance Accounts, which is based on information received from the State Government. As per Finance Accounts 2020-21, outstanding guarantees executed by the State Government at the end of the year 2020-21 was ₹ 1,50,554 crore to 25 entities, viz., statutory corporations, Government companies and other institutions. This included net increase of guarantees of ₹ 36,131.84 crore in the year 2020-21, which was 2.12 *per cent* of GSDP. Further, no guarantee fee was received during the year 2020-21.

2.8.2.5 State Compensatory Afforestation Fund

State Compensatory Afforestation Fund (SCAF) was established under the Compensatory Afforestation Fund Act, 2016. Compensatory Afforestation Fund (Accounting Procedure) Rules, 2018 provides that the monies realised by the State Governments from the user agencies²⁸ are to be credited in 'State Compensatory Afforestation Deposits' under interest bearing section in Public Account of the State at Minor head-103 below Major Head 8336-Civil Deposits. Out of this, 90 *per cent* shall be transferred to Minor Head 129-SCAF below Major Head 8121-General and Other Reserve Funds in Public Account of State and balance 10 *per cent* shall be credited into the National Fund on yearly basis as per Section 3 (4) of the Compensatory Afforestation Fund Act, 2016.

During the year 2020-21, the State Government did not receive any amount from the user agencies. Hence, no amount was credited to SCAF. As on 31 March 2021, the balance in the Fund was ₹ 1,505.26 crore.

The interest on balances available under State Compensatory Afforestation Deposits under the head 8336-Civil Deposits and SCAF under the head 8121-General and other Reserve Funds is to be paid as per the applicable rate declared by the Central Government on year-to-year basis. During the year 2020-21, the State Government was required to pay interest at the rate of 3.40 *per cent*²⁹ per annum. However, the State Government did not pay interest of ₹ 59.75 crore on the opening balance of the Fund amounting to ₹ 1,757.31 crore for the year 2020-21. This understated the Revenue Deficit as well as Fiscal Deficit of the State Government by ₹ 59.75 crore during the year 2020-21.

²⁸ 'user agency' means any person, organisation or company or department of the Central Government or State Government making a request for diversion or de-notification of forest land for non-forest purpose or using forest land for non-forest purpose in accordance with the provisions contained in the Forest (Conservation) Act, 1980 and the rules made and guidelines issued, thereunder.

²⁹ As notified by Ministry of Environment, Forest and Climate Change

2.9 Debt Management

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

2.9.1 Debt profile: Components

Total debt of the State Government typically constitutes of Internal debt of the State (market loans, ways and means advances from RBI, special securities issued to National Small Savings Fund and loans from financial institutions, etc.), loans and advances from the Central Government and Public Account Liabilities. Statement 6 of the Finance Accounts gives the status of outstanding liabilities of the State Government which is presented in **Table 2.23**.

Table 2.23: Component wise debt trends during the period 2016-21

		(₹ in crore)				
		2016-17	2017-18	2018-19	2019-20	2020-21
Outstanding Overall Debt		4,23,224	4,67,842	5,18,095	5,02,412	5,64,972*
Public Debt	Internal Debt	2,88,627	3,21,479	3,53,190	4,05,049	4,58,552
	Loans from GoI	13,250	12,812	11,980	11,529	18,107*
Liabilities on Public Account		1,21,347	1,33,551	1,52,925	85,834 ³⁰	88,313
Rate of growth of outstanding Overall debt (percentage)		15.24	10.54	10.74	(-)3.03	12.45
Gross State Domestic Product (GSDP)		12,88,700	14,16,006	15,84,764	16,87,818	17,05,593
Debt/GSDP (per cent)		32.84	33.04	32.69	29.77	32.77*
Receipts under Public Debt and Other Liabilities		1,13,172	90,052	1,13,504	1,12,696	1,23,555
Repayments (Principal and interest) under Public Debt and Other Liabilities		84,099	74,570	95,293	1,63,192	98,424
Net Fund available		29,073	15,482	18,211	(-)50,496	25,131
Percentage of net funds available to receipts under public debt & other liabilities		25.69	17.19	16.04	(-) 44.81	20.34

Source: Finance Accounts of respective years

* This includes back-to-back loan of ₹ 6,007 crore received from GoI during the year 2020-21 in lieu of GST compensation shortfall. The debt servicing of this loan would be done from the collection of cess in the GST compensation fund and hence, the repayment obligation will not be met from the other resources of the State. As per GoI clarification, this borrowing would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission, etc. After excluding this back-to-back loan, effective overall outstanding debt of the State at the end of the year 2020-21 was ₹ 5,58,965 crore, which included ₹ 12,100 crore of Loans from GoI. Thus, debt-GSDP ratio during the year 2020-21 was 32.77 per cent.

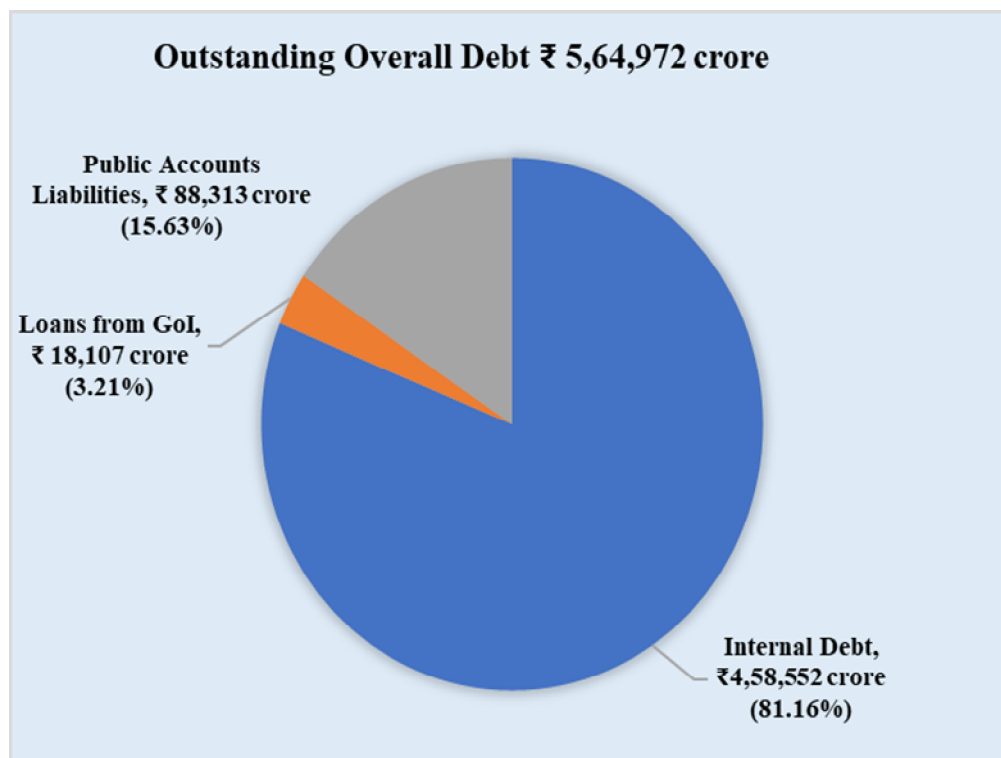
³⁰ Decrease in 2019-20 was primarily due to transfer of outstanding book balance of ₹ 71,180.23 crore of Sinking Fund in March 2020 to Non Tax Revenue.

As shown in **Table 2.23**, during the period 2016-21, the Internal Debt under overall Debt of the State Government increased by 58.87 *per cent* from ₹ 2,88,627 crore in 2016-17 to ₹ 4,58,552 crore in 2020-21. During the year 2020-21, it increased by 13.21 *per cent* over the previous year which was necessitated to finance the fiscal deficit of ₹ 54,622 crore as detailed in **Paragraph 2.9.2**. Loans and advances from the Central Government have shown a decreasing trend during the period 2016-20 but in the year 2020-21, it increased by ₹ 6,578 crore primarily due to back-to-back loan of ₹ 6,007 crore received from GoI in lieu of GST compensation shortfall, with no repayment liability of the State. As a result, overall debt of the State increased by 12.45 *per cent* during 2020-21 over the previous year 2019-20.

The percentage of net fund available under Public Debt and other liabilities to their receipts had a fluctuating trend during the year 2016-17 (25.69 *per cent*) to the year 2020-21 (20.34 *per cent*). The net fund available under Public Debt and other liabilities became negative, i.e., (-) ₹ 50,496 crore during the year 2019-20 mainly due to book transfer of Sinking Fund balance to Revenue Receipts without actual cash receipts.

Chart 2.13 presents the status of Outstanding Overall debt of the State Government at the end of the year 2020-21.

Chart 2.13: Break up of Outstanding Overall Debt at the end of the year 2020-21

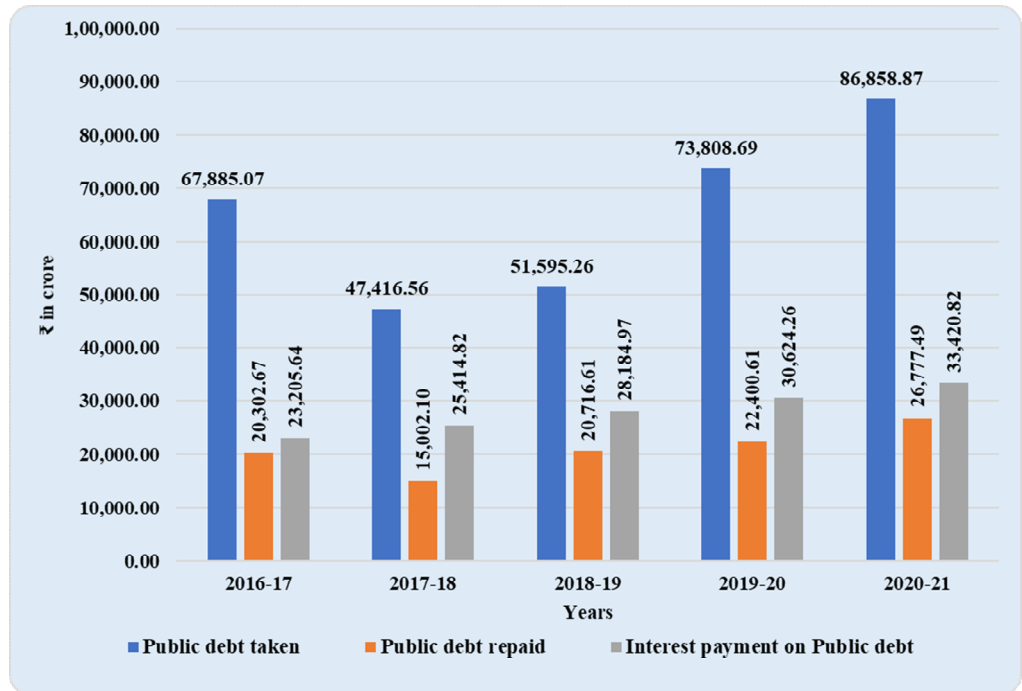


Source: Finance Accounts 2020-21

Trends of Public debts taken and its repayment during the period 2016-21 is depicted in **Chart 2.14**.

Chart 2.14: Public debt taken *vis-à-vis* repaid during the period 2016-21

(₹ in crore)



Source: Finance Accounts of respective years

It is evident from **Chart 2.14** that during the period 2016-17 to 2020-21, the State Government utilised 64 per cent to 95 per cent of its Public debt receipt amount in repayment of previous debts and interest liabilities, resultantly, only 5 per cent to 36 per cent of public debt was available for capital expenditure. This availability was lowest in the year 2018-19 and maximum in the year 2016-17. In the year 2020-21, the State Government utilised 69 per cent of its debt receipt amount in re-payment of previous debts and interest payment resultantly, only 31 per cent was available for capital expenditure.

2.9.2 Components of fiscal deficit and its financing pattern

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

Revenue Surplus represents the difference between revenue receipts and revenue expenditure. Revenue surplus helps to decrease the borrowings. Fiscal Deficit is the excess of Revenue and Capital Expenditure including loans and advances, over revenue and non-debt capital receipts. Fiscal Deficit represents the net incremental liabilities of the Government or its additional borrowings. Break-up of Fiscal Deficit reveals the extent of various borrowings resorted to by the State to meet its requirement of funds over and above revenue and non-debt receipts. Further, the manner in which the deficit is financed and the resources are applied, are important pointers to its fiscal health. This section presents trends, nature, magnitude and the manner of financing these deficits. The overall position of key fiscal parameters is given in **Table 2.24**.

Table 2.24: Components of fiscal deficit and its financing pattern

(₹ in crore)

Particulars		2016-17	2017-18	2018-19	2019-20	2020-21
Composition of Fiscal Deficit (-)/ Surplus (+)*		(-) 55,988	(-) 27,810	(-)35,203	(+) 11,083	(-) 54,622
1	Revenue Deficit(-) / Surplus(+)	(+) 20,283	(+) 12,552	(+)28,250	(+)67,560	(-)2,367
2	Net Capital Expenditure ³¹	(-) 69,789	(-) 39,088	(-) 62,463	(-) 59,998	(-) 52,237
3	Net Loans and Advances ³²	(-) 6,482	(-) 1,274	(-) 990	(+) 3,521	(-)18
Financing Pattern of Fiscal Deficit (Net)						
1	Market Borrowings	36,904.42	37,178.00	33,306.67	55,825.80	63,499.68
2	Loans from GOI	(-) 408.59	(-) 437.81	(-) 832.22	(-) 450.84	6,577.99
3	Special Securities issued to NSSF	(-) 4,531.58	(-) 4,643.05	(-) 4,871.64	(-) 5,122.07	(-) 5,122.07
4	Loans from Financial Institutions	15,418.15	317.32	3,275.84	1,155.20	(-) 4,874.22
5	Small Savings, PF, etc.	1,619.10	2,530.12	3,645.59	3,313.67	1,062.40
6	Deposits and Advances	(-) 300.62	1,413.38	2,196.34	(-) 2,089.80	1,914.78
7	Suspense and Miscellaneous	591.36	(-) 2,214.62	222.67	(-) 1,828.11	1,697.48
8	Remittances	747.79	(-) 3,906.31	312.67	313.50	(-)325.46
9	Reserve Fund	7,225.02	8,264.72	13,544.71	(-) 68,298.52	500.94
10	Contingency Fund	(-) 176.04	(-) 154.96	(-) 166.65	629.73	(-) 100.00
11	Overall Deficit	57,089.01	38,346.79	50,633.98	(-) 16,551.44	64,831.52
12	Increase (-) / Decrease (+) in cash balance	(-) 1,100.99	(-) 10,537.00	(-) 15,431.00	5,468.75	(-)10,209.41
13	Gross Fiscal Deficit	55,988.02	27,809.79	35,202.98	(-) 11,082.69	54,622.11

Source: Finance Accounts of respective years

*The fiscal deficit figures are based on the Finance Accounts of the respective years. It is inclusive of UDAY expenditure during 2016-17. The fiscal deficit after excluding UDAY expenditure was ₹ 41,187 crore during 2016-17.

During the period 2016-20, the Revenue Surplus of the State had fluctuating trend. It was minimum ₹ 12,552 crore in 2017-18 and maximum ₹ 67,560 crore in the year 2019-20. However, the State could not maintain Revenue Surplus during 2020-21 and it registered Revenue Deficit of ₹ 2,367 crore.

Fiscal Deficit had also shown a volatile trend during the period 2016-21. It decreased from ₹ 55,988 crore in the year 2016-17 to ₹ 27,810 crore in 2017-18 then increased to ₹ 35,203 crore in 2018-19. State's revenue surplus (₹ 67,560 crore) and fiscal surplus (₹ 11,083 crore) during 2019-20 was mainly due to transfer of book balance of ₹ 71,180 crore of Sinking Fund to revenue receipt account without any actual cash receipt to State exchequer. If this transfer of Sinking Fund balance is excluded from revenue receipt, in reality, there was revenue deficit of ₹ 3,620 crore and fiscal Deficit of ₹ 60,097 crore during 2019-20.

³¹ Net Capital Expenditure = Miscellaneous Capital Receipts *minus* Capital Expenditure; minus figure indicate that the capital expenditure was more than the capital receipt during the year.

³² Net Loans and advances = Recoveries of Loans and Advances *minus* disbursement of loans and advances; minus figure indicate that disbursement of loans and advances was more than the recovery during the year.

During the year 2020-21, State registered Fiscal Deficit of ₹ 54,622 crore. However, as detailed in **Paragraph 1.4.1**, State's Fiscal Deficit and Revenue Deficit during the year 2020-21 should be read in conjunction with debt receipt of ₹ 6,007.00 crore in lieu of GST compensation due to inadequate balance in GST compensation fund.

2.9.3 Debt profile: Maturity and Repayment

Debt maturity and repayment profile indicates commitment on the part of the Government for debt repayment or debt servicing. Out of the outstanding overall debt/total outstanding Fiscal Liabilities of ₹ 5,64,972 crore as on 31 March 2021, ₹ 88,313 crore pertained to Liabilities on Public Account/Other Liabilities. The maturity profile of the remaining public debt (₹ 4,76,659 crore) is shown in **Table 2.25** and **Chart 2.15**.

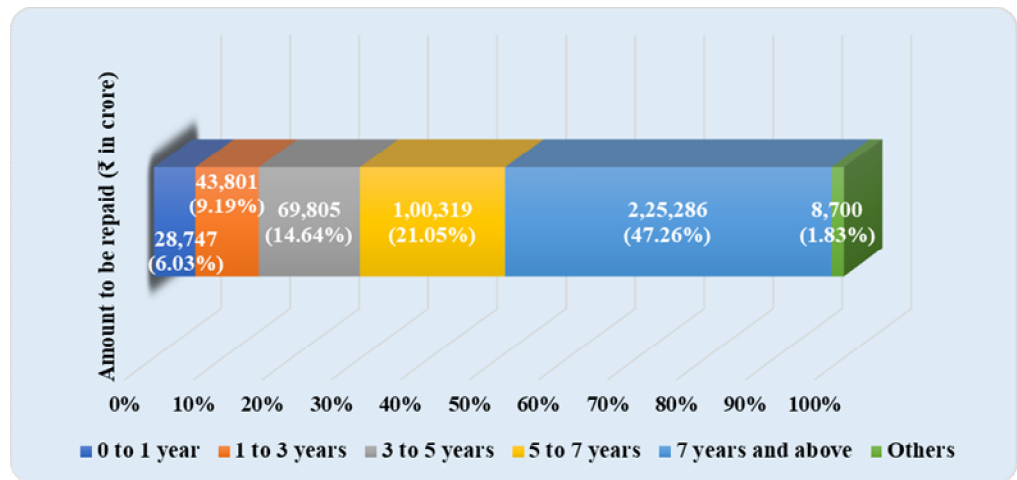
Table 2.25: Debt Maturity profile of repayment of State debt

Period of repayment (Years)	Amount (₹ in crore)	Percentage (w.r.t. Public debt)
0 – 1	28,747.42	6.03
1 – 3	43,801.18	9.19
3 – 5	69,805.38	14.64
5 – 7	1,00,319.25	21.05
7 and above	2,25,285.64	47.26
Others (Under reconciliation with the State Government/ loan repayment details awaited)	8,700.10*	1.83
Total	4,76,658.97	100.00

Source: Finance Accounts 2020-21

*This includes ₹ 6,007 crore received as back-to-back loan from GoI in lieu of GST compensation shortfall. The debt servicing of this loan would be done from the collection of cess in the GST compensation fund and hence, the repayment obligation will not be met from the other resources of the State.

Chart 2.15: Debt Maturity Profile



Source: Finance Accounts 2020-21

The maturity profile of public debt indicates that the liability of the State to repay the debt during the periods 2021-22, 2022-24, 2024-26 and 2026-28 would be ₹ 28,747.42 crore (6.03 per cent), ₹ 43,801.18 crore (9.19 per cent), ₹ 69,805.38 crore (14.64 per cent) and ₹ 1,00,319.25 (21.05 per cent) respectively. Further, ₹ 2,25,285.64 crore (47.26 per cent) of the total public debt would be repayable after seven years.

2.9.4 Debt sustainability

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

Debts Sustainability indicators of State's Public Debt are depicted in **Table 2.26** and **Chart 2.16**.

Table 2.26: Trend in Debt Sustainability Indicators

Debt Sustainability Indicators	2016-17	2017-18	2018-19	2019-20	2020-21
Outstanding Public Debt³³ (in ₹ crore)	3,01,877	3,34,291	3,65,170	4,16,578	4,76,659*
Rate of Growth of Outstanding Public Debt (in per cent)	18.62	10.74	9.24	14.08	14.42
GSDP (in ₹ crore)	12,88,700	14,16,006	15,84,764	16,87,818	17,05,593
Rate of Growth of GSDP (in per cent)	13.26	9.88	11.92	6.50	1.05
Public Debt/GSDP	23.42	23.61	23.04	24.68	27.59
Average interest Rate of Outstanding Public Debt (in per cent)	8.34	7.99	8.06	7.83	7.48
Percentage of Interest payment on Public Debt to Revenue Receipt	9.03	9.12	8.54	8.36	11.28
Percentage of Public Debt Repayment to Public Debt Receipt	30.00	31.64	40.15	30.35	30.83
Net Public Debt available to the State³⁴	24,177	7,000	2,694	20,784	26,661
Net Public Debt available as per cent to Public Debt Receipts	35.72	14.76	5.22	28.16	30.69
Primary Deficit (-)/Surplus (+)	(-)29,052**	1,326	(-)3,161	45,896	(-)17,194
Debt Stabilisation (in ₹ crore)* (Quantum spread³⁵ + Primary Deficit)	14,56,183	6,33,136	14,06,395	(-)5,08,153	(-)30,67,019

Source: Finance Accounts of respective years

* Public Debt stabilisation has been worked out after excluding ₹ 6,007 crore received from GoI during the year 2020-21 as back-to-back loan for GST compensation shortfall with no repayment liability for the State. Thus, at the end of year 2020-21, the effective Public Debt was ₹ 4,70,652 crore with growth rate of 12.98 per cent over previous year, Public Debt to GSDP was 27.59 and average interest rate of public debt was 7.53.

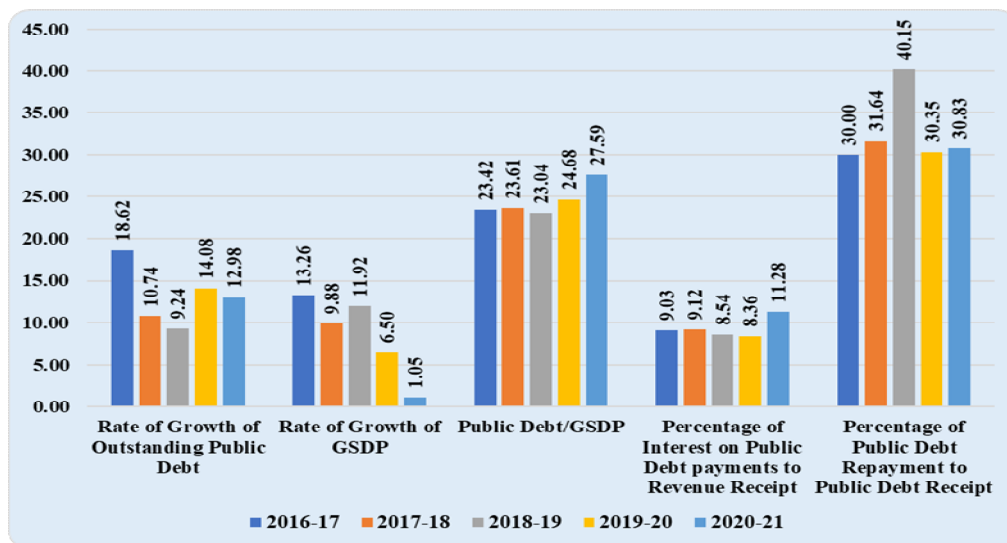
**Primary Deficit during the year 2016-17 includes expenditure on UDAY so as to match figures in Finance Accounts.

³³ Outstanding Public Debt is the sum of outstanding balances under the Major heads 6003-Internal Debt and 6004- Loans and Advances from the Central Government.

³⁴ Net debt available to the State Government is calculated as excess of Public debt receipts over Public debt repayment and interest payment on Public Debt.

³⁵ Quantum spread= (Debt stock x Interest spread) and Interest Spread= (GSDP Growth Rate – Average Interest Rate)

Chart 2.16: Debt Sustainability indicators



Source: Finance Accounts of respective years

Analysis of **Table 2.26** and **Chart 2.16** indicates the following:

- The total outstanding Public Debt of the State grew from ₹ 3,01,877 crore in the year 2016-17 to ₹ 4,76,659 crore in the year 2020-21. It grew at 14.42 *per cent* in the year 2020-21 over the previous year. However, outstanding Public Debt during 2020-21 also includes ₹ 6,007 crore received as back-to-back loan from GoI in lieu of GST compensation shortfall with no repayment liability for the State. Excluding this back-to-back loan, the State's Public Debt growth rate during 2020-21 was 12.98 *per cent*, which was lower than the previous year's growth rate of 14.08 *per cent* in Public Debt.
- Debt sustainability condition states that if quantum spread together with primary deficit is zero, debt-GSDP ratio would tend to be constant or debt would stabilise eventually. In case it is positive, debt-GSDP ratio would eventually be falling and on the other hand, if primary deficit together with quantum spread turns out to be negative, debt-GSDP ratio would be rising. As computed in **Table 2.26**, Debt Stabilisation was negative during the years 2019-20 and 2020-21, while it was positive during the year 2016-17 to 2018-19. This was due to the higher average interest rate on public debt as compared to State's GSDP growth rate during the year 2019-20 and 2020-21.
- Higher percentage of interest payments leaves less funds for priority areas. Percentage of interest payments to revenue receipt measures the margin of safety a government has for paying interest on its debt during a given period. There was increasing trend in the percentage of interest payment on public debt to revenue receipt since the year 2018-19. During the year 2020-21, the interest payments on public debt increased by 9.37 *per cent* over the previous year and it constituted 11.28 *per cent* of revenue receipt of the State.
- The net fund available from borrowings for current operations after providing for interest and repayment of Public Debt decreased continuously from ₹ 24,177 crore in 2016-17 to ₹ 2,694 crore in 2018-19,

but it increased in the year 2019-20 to ₹ 20,784 crore and in the year 2020-21 to ₹ 26,661 crore. However, the net Public Debt available to the State was only 30.69 per cent of total public debt taken during the year 2020-21.

- The average expenditure on debt servicing during the period 2016-21 was ₹ 49,176.13 crore, which accounted for 75.11 per cent of average public debt receipts (₹ 65,472.89 crore) during the same period, implying that a large percentage of debt was being used for debt servicing.

2.9.4.1 Utilisation of borrowed funds

Borrowed funds should ideally be used to fund capital creation and developmental activities. The status of utilisation of borrowed fund is given in the **Table 2.27**.

Table 2.27: Utilisation of borrowed funds

Sl. No	Year	₹ in crore)				
		2016-17	2017-18	2018-19	2019-20	2020-21
1	Public Debt receipt	67,685	47,417	51,595	73,809	86,859
2	Repayment of earlier Public Debt (Principal) (percentage of Public Debt receipt)	20,303 (30.00)	15,002 (31.64)	20,717 (40.15)	22,401 (30.35)	26,778 (30.83)
3	Net Capital Expenditure (percentage of Public Debt receipt)	69,789 (103.11)	39,088 (82.43)	62,463 (121.06)	59,998 (81.29)	52,237 (60.14)
4	Net Loans and Advances disbursed (percentage of Public Debt receipt)	6,482 (9.58)	1,274 (2.69)	990 (1.92)	(-3,521) (-4.77)	18 (0.02)
5	Portion of revenue expenditure met out of net available borrowings Sl. No. 5 = Sl. No. (1-2-3-4) (percentage of Public Debt receipt)	(-28,889) (-42.68)	(-7,947) (-16.76)	(-32,575) (-63.14)	(-5,069) (-6.87)	7,826 (9.01)

Source: Finance Accounts of respective years

Table 2.27 shows that borrowings (Public Debt) during 2016-17 to 2019-20 was less than the expenditure on capital account, i.e., repayment of public debt, capital expenditure and loans and advances disbursed, thereby, implying that a portion of expenditure on capital account were met from revenue surplus of the State during the years 2016-17 to 2019-20. However, State had utilised ₹ 7,826 crore of borrowings to meet its revenue expenditure in the year 2020-21, since the revenue receipts of the State was not sufficient to meet its revenue expenditure. Using borrowed funds for meeting current consumption and repayment of interest on outstanding loans is not sustainable.

2.9.5 Status of Guarantees – Contingent Liabilities

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

Statement No. 9 and 20 of the Finance Accounts gives details of guarantees given by the State Government. Details in this compilation are prepared directly from the information furnished by the State Government. The maximum amount for which guarantees were given by State Government and outstanding guarantees for the last five years are given in **Table 2.28**.

Table 2.28: Status of Guarantees given by the State Government**(₹ in crore)**

Guarantees	2016-17	2017-18	2018-19	2019-20	2020-21
Maximum amount of guarantee	66,702.20	74,303.03	90,662.48	1,32,499.27	1,75,469.24
Outstanding amount of guarantee	55,825.49	74,841.22	1,10,032.12	1,18,696.49	1,50,554.00

Source: Finance Accounts of respective years

The outstanding guarantees increased by 26.84 per cent from ₹ 1,18,696.49 crore in the year 2019-20 to ₹ 1,50,554 crore in the year 2020-21 and these were 50.83 per cent of the Revenue Receipts (₹ 2,96,176 crore) and 8.83 per cent of GSDP of the State Government during the year. The outstanding guarantee as on 31 March 2021 were mainly pertained to four power sector companies (₹ 1,16,312 crore), Infrastructure and Industrial Development Department (₹ 24,381 crore), Sugar Industries Department (₹ 3,356 crore) and Food & Supply Department (₹ 3,000 crore).

The outstanding guarantees included ₹ 474.17 crore for U.P. Co-operative Rural Development Bank Ltd., which was more than the maximum amount guaranteed (₹ 45 crore) to the entity by the State Government during the year. As disclosed in the Finance Accounts 2020-21, the State Government did not furnish the reason for this inconsistency. Further, there was a difference to ₹ 4,274.33 crore between outstanding guarantees at the beginning of the year 2020-21 and that at the end of the year 2019-20 which was under reconciliation between the Accountant General (Accounts & Entitlements) Uttar Pradesh and the State Government.

2.10 Management of Cash Balances

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

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

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

During the year 2020-21 the cash balances and investments made by the State Government out of cash balances is presented in **Table 2.29**.

Table 2.29: Cash Balances and their investment during the year 2020-21

(₹ in crore)

	Opening balance on 1 April 2020	Closing balance on 31 March 2021
A. General Cash Balance		
Cash in Treasuries	0.00	0.00
Deposits with Reserve Bank of India	236.04	137.10
Deposits with other Banks	0.00	0.00
Remittances in transit – Local	0.00	0.00
Investments held in Cash Balance investment account	21,150.71	30,459.45
Total (A)	21,386.75	30,596.55
B. Other Cash Balances and Investments		
Cash with departmental officers viz., Public Works, Forest Officers	10.91	10.52
Permanent advances for contingent expenditure with department officers	0.50	0.50
Investment in earmarked funds	45.20	1,045.20
Total (B)	56.61	1,056.22
Total (A + B)	21,443.36	31,652.77

Source: Finance Accounts 2020-21

The State Government's cash balances at the end of the current year amounted to ₹ 31,652.77 crore. This has increased by ₹ 10,209.41 crore (47.61 per cent) when compared with balances at the end of the year 2019-20. During 2020-21, the opening balance of investment held in Cash Balance Investment Account was ₹ 21,150.71 crore. Treasury Bills amounting to ₹ 4,64,321.11 crore were purchased and these instruments amounting to ₹ 4,55,012.37 crore were sold, leaving a balance of ₹ 30,459.45 crore in the account at the end of the year. The amounts of ₹ 235.75 crore and ₹ 13.92 crore were received as interest on investment under Treasury Bills and Long-Term Government of India's Securities respectively.

Under the Cash Balance Investment Account, the transactions of the State Government in investing in Treasury bills had consistently increased from ₹1,93,630 crore during 2016-17 to ₹ 5,44,061 crore during 2018-19 but decreased to ₹ 4,93,843 crore during the year 2019-20 and ₹ 4,64,321 crore in the year 2020-21. Corresponding to Cash Balance Investment Account, the cash surplus (General Cash Balances) increased during the period 2016-17 to 2018-19 from ₹ 887.58 crore (31 March 2017) to ₹ 26,855 crore (31 March 2019) which decreased to ₹ 21,387 crore in the year 2019-20 (31 March 2020) and again increased to ₹ 30,597 crore in the year 2020-21 (31 March 2021). Status of Cash Balance Investment Account and interest earned thereon for the period 2016-21 is shown in Table 2.30.

Table 2.30: Cash Balance Investment Account (Major Head 8673)

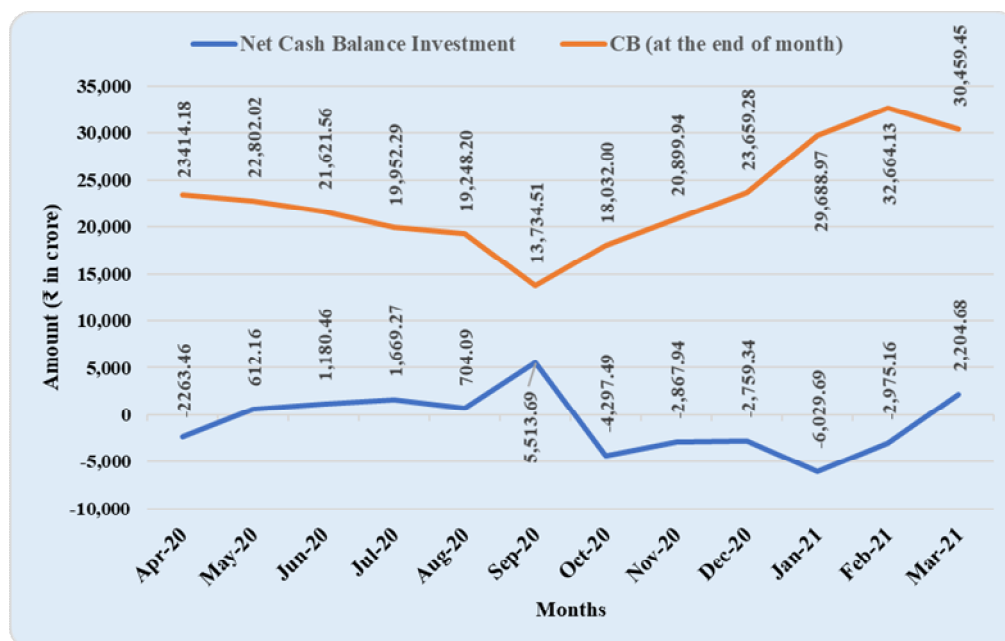
(₹ in crore)

Year	Opening Balance	Closing Balance	Increase (+) / decrease (-) (CB-OB)	Interest earned
2016-17	1,196.44	2,168.23	971.79	578.36
2017-18	2,168.23	11,159.38	8,991.15	486.61
2018-19	11,159.38	26,684.36	15,524.98	1,088.56
2019-20	26,684.36	21,150.71	(-),5,533.65	596.15
2020-21	21,150.71	30,459.45	9,308.74	249.67

Source: Finance Accounts of respective years

Month wise movement of Cash Balances and Net Cash Balance Investments during the year 2020-21 is presented in **Chart 2.17**.

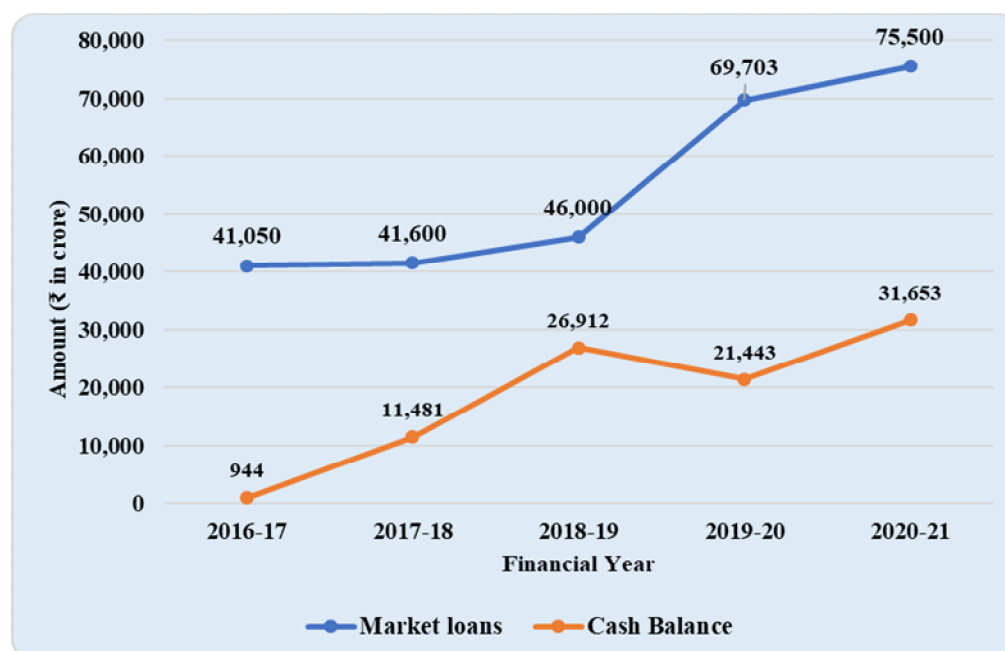
Chart 2.17: Month wise movement of Cash Balances and net cash balance investments during the year 2020-21



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

The status of Market loan taken by the State Government and Cash balance available with the State Government is presented in **Chart 2.18**.

Chart 2.18: Market Loan vis-à-vis Cash Balance during the period 2016-21



Source: Finance Accounts of respective years

The XIII Finance Commission had recommended for a directed effort by States with large cash balances towards utilising their existing cash balances before resorting to fresh borrowings. Reserve Bank of India had also reiterated

the fact that build-up of large surplus cash balances increases the interest cost burden for State Governments, if it is built up from borrowed resources³⁶.

2.10.1 Variation in Cash Balance

As per the Certificate of confirmation of balances issued by the Reserve Bank of India, the State had a credit balance of ₹ 81.41 crore while the closing cash balance (debit) of the State for the month of 31 March 2021 as certified by the Accountant General (A&E) was ₹ 137.10 crore. Thus, there was a difference of ₹ 55.69 crore between the cash balance of the State Government, as worked out by the Accountant General (A&E) and as reported by the Reserve Bank of India (as on 31 March 2021), which was under reconciliation.

2.11 Conclusion

Positive Indicators

- Fiscal Deficit (₹ 54,622 crore) was 3.20 *per cent* of GSDP, which was within the fiscal target of five *per cent* set in the UPFRBM (Second Amendment) Act, 2020.
- Committed Expenditure to Revenue Expenditure in the year 2020-21 decreased to 61.37 *per cent* from 61.78 *per cent* in the year 2019-20.

Parameters requiring close watch

- State was revenue surplus since 2006-07, however, it registered revenue deficit of ₹ 2,367 crore during the year 2020-21. The Fiscal Surplus of ₹ 11,083 crore during the year 2019-20 turned into Fiscal Deficit of ₹ 54,622 crore during the year 2020-21.
- Debt-GSDP ratio of the State increased from 29.77 *per cent* in the year 2019-20 to 32.77 *per cent* in the year 2020-21 against the target of 32 *per cent* under the UPFRBM (Second Amendment) Act, 2020.
- State's Own tax revenue decreased by 2.38 *per cent* during the year 2020-21 as compared to the year 2019-20.
- Debt Stabilisation decreased during the year 2020-21 due to the higher average interest rate on public debt as compared to State's GSDP growth rate. The percentage of Interest Payment on Public Debt to Revenue Receipts also increased to 11.28 *per cent* in the year 2020-21 from 8.36 *per cent* in the year 2019-20.
- During the year 2020-21, State Government transferred less contribution to the Consolidated Sinking Fund, which was 0.20 *per cent* of the outstanding internal debt and public account liabilities as against its guidelines for contribution of at least 0.50 *per cent*.
- State Government did not transfer the amount charged for Depreciation Reserve Fund to this Fund instead it was kept as revenue receipts of the State Government. The Fund had a negative balance of ₹ 17.20 crore at the end of the year 2020-21 due to disbursement from the Fund without any contribution to it.

³⁶ Paragraphs 4.40 and 4.41 of XIV FC Report

- State Government did not transfer ₹ 966.50 of Central share received by it to State Disaster Response Fund during the year 2020-21. The State Government had also not credited interest of ₹ 91.91 crore for the year 2020-21 on un-invested balances of the Fund. Further, the accounting heads for State Disaster Mitigation Fund were not operated and required contribution was not transferred to State Disaster Mitigation Fund as per recommendations of XV Finance Commission and Disaster Management Act, 2005.
- State Government has not constituted Guarantee Redemption Fund for meeting the debt servicing obligation arising in the event of default by the borrowing agency out of guarantees issued by the Government.

2.12 Recommendations

- *The State Government should ensure that annual contribution to the Consolidated Sinking Fund is at least 0.50 per cent of the outstanding liabilities at the end of the previous year as provided under the Consolidated Sinking Fund Scheme, so that adequate balance should be available in the Fund for its further investment by the Reserve Bank of India and for future redemption of outstanding liabilities.*
- *Instead of keeping the amount charged on works for Depreciation Reserve Fund as revenue receipts, the State Government should transfer it to this Fund since the present accounting of the Fund only increases the revenue receipts and revenue expenditure of the State. Further, State should immediately regularise the negative balance under Depreciation Reserve Fund.*
- *The State Government should transfer the SDRF balances to MH 8121-General and Other Reserve Funds under the category “Reserve Funds bearing Interest” and remit to the Fund accrued interest as per SDRF guidelines. The State Government is also required to invest the fund balances in the manner prescribed in the SDRF guidelines. State Government should also operate State Disaster Mitigation Fund as per recommendations of XV Finance Commission and the Disaster Management Act, 2005.*
- *The State Government should create the Guarantee Redemption Fund as per the recommendations of XII Finance Commission.*

CHAPTER - III

Budgetary Management

CHAPTER-III

BUDGETARY MANAGEMENT

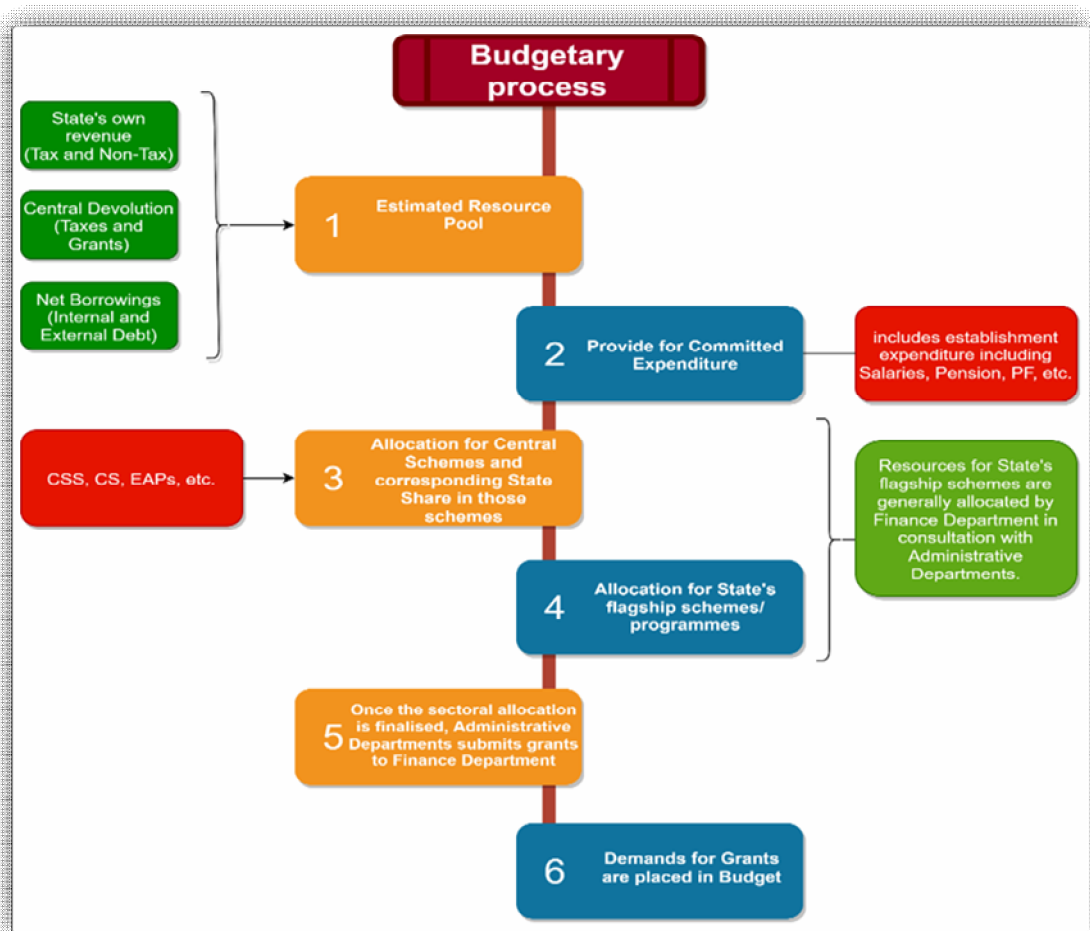
This Chapter deals with the integrity, transparency and effectiveness of the budgetary process and allocative priorities, including supplementary grants, and the concomitant financial management, assessing whether decisions taken at the policy level are implemented at the administrative level without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

3.1 Budget Process

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

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

Chart 3.1: Budget preparation process

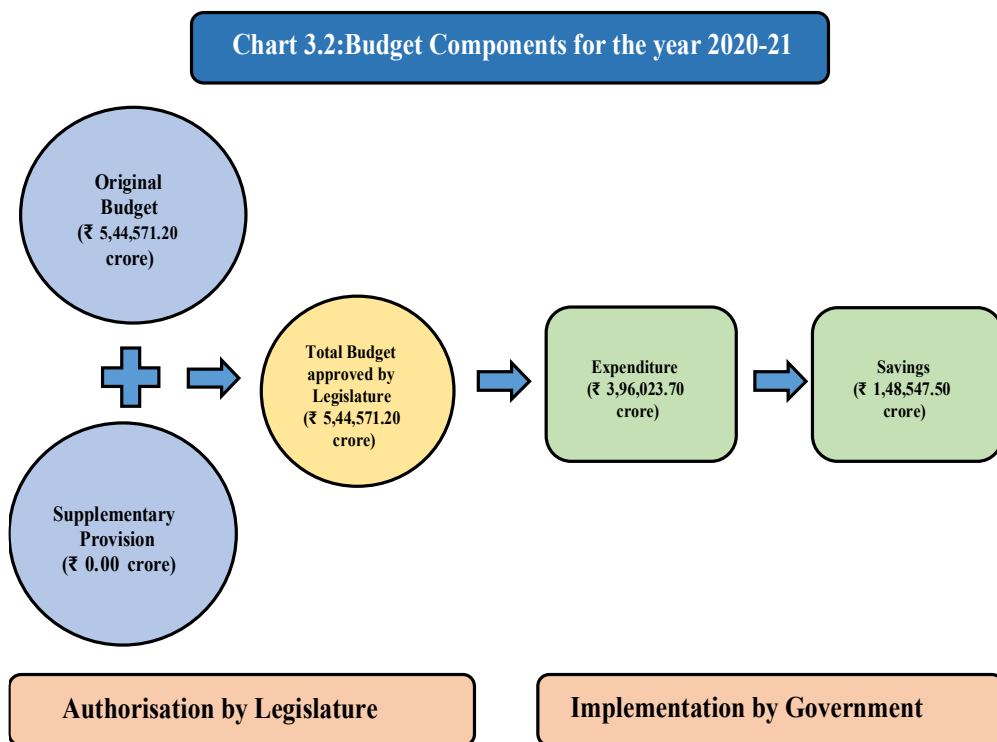


CSS: Centrally Sponsored Schemes; CS: Central Schemes; EAPs: Externally Aided Projects.

After the finalisation of the Budget with the inclusion of provision therein for new expenditure, it is presented, under Article 202 of the Constitution, to both the Houses of the State Legislature on the recommendation of the Governor. After the Grants have been voted by the Legislative Assembly, a Bill to provide for the appropriation out of the Consolidated Fund of the State of all moneys required to meet the Voted as well as the Charged expenditure is introduced in the Legislative Assembly. When the Appropriation Bill is passed by both the Houses of the Legislature and it has also received the assent of the Governor, the amounts shown therein can be expended during the financial year concerned.

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

Apart from supplementary grant, re-appropriation can also be used to re-allocate funds within the same Grant or Charged Appropriation. Re-appropriation is the transfer, by competent authority, of savings from one unit of appropriation to meet additional expenditure on existing service under another unit within the same section (*viz.*, Revenue-Voted, Revenue-Charged, Capital-Voted, Capital-Charged) of the Grant or Charged Appropriation. The various components of budget for the year 2020-21 are depicted in **Chart 3.2**.



Source: Uttar Pradesh Annual Financial Statement and Appropriation Accounts for the year 2020-21.

Appropriation Accounts depict the original budget provision, 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 Act under Articles 204 and 205 of the Constitution of India in respect of both Charged and Voted items of budget. Audit of appropriations by the CAG seeks to ascertain whether the 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.

3.1.1 Summary of total provisions, actual expenditure and savings during 2020-21

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

Table 3.1: Budget provision, expenditure and savings during 2020-21

(₹ in crore)

	Total Budget provision		Expenditure		Savings	
	Voted	Charged	Voted	Charged	Voted	Charged
Revenue	3,45,100	64,127	2,63,323	39,047	81,777	25,080
Capital	1,00,407	34,937	66,856	26,798	33,551	8,139

Source: Appropriation Accounts 2020-21

During the financial year 2020-21, the actual expenditure was substantially lower than the budget provisions both under Revenue and Capital Sections which witnessed savings of 26.11 per cent and 30.80 per cent. The total expenditure against the budget provision was 76.30 per cent in Revenue Voted section, 60.89 per cent in Revenue Charged section, 66.58 per cent in Capital Voted section and 76.70 per cent in Capital Charged section of Grants/Appropriations.

3.1.2 Charged and Voted expenditure

Break-up of total expenditure into Charged and Voted and savings thereon during the period 2016-21 is detailed in **Table 3.2**.

Table 3.2: Expenditure under Voted and Charged during the period 2016-21

(₹ in crore)

Year	Revenue				Capital			
	Expenditure		Savings		Expenditure		Savings	
	Voted	Charged	Voted	Charged	Voted	Charged	Voted	Charged
2016-17	2,01,666	38,072	28,724	510	89,186	20,309	14,129	4,767
2017-18	2,26,083	41,806	59,686	4,111	51,973	15,014	23,000	6,972
2018-19	2,47,287	58,976	51,703	433	82,792	20,729	27,377	9,838
2019-20	2,66,083	35,367	64,113	22,640	75,556	22,420	27,637	12,993
2020-21	2,63,323	39,047	81,777	25,080	66,856	26,798	33,551	8,139

Source: Appropriation Accounts of respective years

Table 3.2 shows that during the period 2016-20, the expenditure under Revenue Voted Section has consistently risen from ₹ 2,01,666 crore during the year 2016-17 to ₹ 2,66,083 crore up to the year 2019-20 which decreased marginally to ₹ 2,63,323 crore in the year 2020-21. However, savings under Revenue Voted section has increased from 14.24 per cent in 2016-17 to 31.06 per cent in the year 2020-21, which is reflecting widened gap between planning and execution.

Similarly, expenditure under Capital Voted section was volatile during the period 2016-21 and it was highest during the year 2016-17 and lowest during the year 2017-18. During the year 2020-21, the expenditure under Capital Voted Section was ₹ 66,856 crore which was 11.51 per cent less than the expenditure during 2019-20.

3.2 Comments on integrity of budgetary and accounting process

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

3.2.1 Excess expenditure and its regularisation

No money shall be withdrawn from the Consolidated Fund of the State except under appropriation made by law passed in accordance with the provisions of Article 204 of the Constitution.

Audit noticed that there was an excess disbursement of ₹ 8.10 crore over the authorisation made by the State Legislature under two Grants and one Appropriation during the financial year 2020-21 as detailed in **Table 3.3**.

Table 3.3: Excess disbursement over the authorisation from the Consolidated Fund of State during the year 2020-21

(₹ in crore)			
Description of grant/ appropriation	Total grant/ appropriation	Actual Expenditure	Excess disbursement
57-Public Works Department (Bridges)- Revenue Voted	575.31	575.54	0.23
55- Public Works Department (Buildings)-Capital Voted	52.14	58.56	6.42
55- Public Works Department (Buildings)-Capital Charged	0.70	2.15	1.45
Total			8.10

Source: Appropriation Accounts 2020-21

As disclosed in the Appropriation Accounts 2020-21, the reason for excess expenditure was not intimated by the State Government. The excess expenditure over the budgetary provision was indicative of ineffective monitoring on the part of budget controlling authority while preparing both Budget Estimates. The excess disbursement needs to be regularised through the State Legislature.

3.2.1.1 Regularisation of excess expenditure of previous financial years

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

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

Excess disbursements amounting to ₹ 32,525.36 crore under 102 grants and 47 appropriations pertaining to the years 2005-06 to 2019-20, as commented

in the Appropriation Accounts of respective years, are yet to be regularised by the State Legislature as detailed in **Table 3.4**.

Table 3.4: Excess expenditure of previous financial years**(₹ in crore)**

Year	Description of Grant/ Appropriation	Amounts of excess expenditure required to be regularised
2005-06	Revenue Voted- 8,12,53,55,57,58,72 Capital Voted-15,16,18,23, 33, 34,37,38,40, 55,56, 57,58,73,75,96 Revenue Charged-1,52; Capital Charged-52,55	869.05
2006-07	Revenue Voted-9,13,55,58,61,62,73,91,95 Capital Voted-3,16,31, 37, 55,57,58,89,96 Revenue Charged-2,3,10,52,62,89	2,484.47
2007-08	Revenue Voted-51,55,57,58,62; Capital Voted-13,16,55,58,63,83,96 Revenue Charged-51,66	3,610.65
2008-09	Revenue Voted-62,96; Capital Voted-55,58,96 Revenue Charged-52	3,399.42
2009-10	Revenue Voted-58; Capital Voted-1,16,55,58,59 Revenue Charged-3,10,16,48,52,66	1,250.16
2010-11	Revenue Voted-30,51,91; Capital Voted-10,55,58 Revenue Charged-10,23,61,82	1,702.62
2011-12	Revenue Voted-21,62,91; Capital Voted-1,55,58 Revenue Charged-13,18,23,61,62,82	1,889.66
2012-13	Revenue Voted-51,57; Capital Voted-55,58 Revenue Charged-55,62,89	2,380.23
2013-14	Capital Voted - 55, 58 Capital Charged - 52	2,608.18
2014-15	Revenue Voted - 57,91; Capital Voted -1,40,55,57,58 Revenue Charged -13	2,225.32
2015-16	Capital Voted - 55,57,58,87 Revenue Charged - 2,23,52,62	1,566.71
2016-17	Capital Voted - 55,58,87 Revenue Charged - 89; Capital Charged – 61	5,662.17
2017-18	Revenue Voted- 62; Capital voted-55 Revenue Charged-91; Capital Charged-58	1,337.17
2018-19	Revenue Voted -57; Capital Voted – 55, 57, 58 Revenue Charged – 52; Capital Charged – 10, 21, 55	1,539.44
2019-20	Capital Charged – 55	0.11
Total excess expenditure relating to previous years requiring regularisation		32,525.36

Source: Appropriation Accounts of respective years

Excess expenditure vitiates the system of budgetary and financial control and encourages financial indiscipline in management of public money and its non-regularisation is an infringement of the constitutional provision. The excess expenditure over the authorisation and non-regularisation of excess expenditure have been regularly reported in previous State Finance Audit Reports of Uttar Pradesh. However, the cases of excess expenditure pertaining to the years 2005-06 to 2019-20 are yet to be placed before State Legislature for regularisation by the Finance Department. This is in violation of Articles 204 and 205 of the Constitution, which provides that no money shall be withdrawn from the Consolidated Fund except under appropriation made by Law by the State Legislature.

3.2.2 Misclassification of expenditure

As per the Uttar Pradesh Budget Manual (UPBM), the classification of expenditure between Capital and Revenue is as follows:

(a) Capital Expenditure: Capital expenditure may be broadly defined as expenditure incurred with the object of increasing concrete assets of material and permanent character. Capital bears all charges for the first construction of a project as well as charges for intermediate maintenance of the work while not opened for service and also bears charges for such further additions and improvements as may be sanctioned under the rules made by competent authority.

(b) Revenue Expenditure: Revenue expenditure is recurring in nature and is intended to be met from revenue receipts. Further, as per Indian Government Accounting Standard-2 (IGAS-2), expenditure on grants-in-aid is recorded as revenue expenditure in the books of the grantor and as revenue receipts in the books of recipients. Revenue expenditure also covers the expenses on maintenance and upkeep of capital projects.

However, misclassification of expenditure were noticed in a number of cases during the year 2020-21, as discussed in succeeding paragraphs:

3.2.2.1 Classification of Revenue Expenditure as Capital Expenditure

The Finance Department has adopted a list of Object heads as primary unit of appropriation showing economic nature of expenditure. As such, certain Object heads correspond only to Revenue nature of expenditure as they do not result in creation of assets as defined in UPBM. However, expenditures of revenue nature as summarised in **Table 3.5** were booked as Capital expenditure.

Table 3.5: Classification of Revenue expenditure as Capital Expenditure

(₹ in crore)				
Sl. No.	Object Head	Object Head Nomenclature	Major Head	Expenditure in 2020-21
1.	15	Maintenance of Vehicles and Purchase of Petrol etc.: This includes provision for petrol/diesel and maintenance related to motor vehicles for the use of government offices/ functional establishments/guest houses, etc. The expenditure on the arrangement of motor vehicles on the contract basis for government purpose is also included under this item.	4406	0.12
2.	16	Payment for commercial and special services: This includes expenses on legal/ expert services, fee for consultancy services, dues to examiners, etc.	4059 and 5054	11.44
3.	25	Minor construction works: As provided in Financial Hand Book Vol-VI para 314, works costing more than ₹ 1.00 lakh but not more than ₹ 2.00 lakh are minor works	4055, 4058, 4059, 4070, 4202, 4210, 4216, 4225, 4235, 4250, 4406, 4702, 4851 and 4853	74.39
4.	47	Computer Maintenance / Purchase of relevant Stationery: This includes expenditure on maintenance of computers and on the purchase of computer stationery, printer ribbon/cartridges etc.	4202 and 5054	0.62
Total				86.57

Source: Finance Accounts 2020-21

Thus, due to misclassification, expenditure of ₹ 86.57 crore has been booked as Capital expenditure instead of Revenue expenditure. This also resulted in understatement of Revenue Deficit of the State during 2020-21 by ₹ 86.57 crore.

3.2.2.2 Classification of Capital Expenditure as Revenue Expenditure

Certain Object heads can only be associated with capital nature of expenditure since assets are created from these provisions and need to be budgeted and accounted for accordingly. Audit scrutiny revealed that out of total expenditure of ₹ 83.28 crore under Object Head 14 – Purchase of Vehicle, ₹ 1.19 crore was classified under revenue expenditure instead of capital expenditure as summarised in **Table 3.6**.

Table 3.6: Classification of Capital expenditure as Revenue expenditure

(₹ in crore)

Sl. No.	Object Head	Object Head Nomenclature	Major Head	Expenditure in 2020-21
1.	14	Purchase of Vehicles: This includes expenses on purchase of Motor vehicles for use of government offices/functional units/guest houses, etc.	2012 and 2014	1.19
Total				1.19

Source: Finance Accounts 2020-21

Revenue Deficit of the State during the year 2020-21 was overstated by ₹ 1.19 crore due to misclassification of expenditure under Object Head 14 – Purchase of Vehicle.

3.2.3 Lump sum budgetary provisions

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

As per Para 31 of UPBM, lump sum provisions should not, as a rule, be made in the estimates except in cases where urgent measures are to be provided for meeting emergent situations or for meeting preliminary expenses of a project/scheme which has been accepted in principle for being taken up in the financial year. Detailed explanations justifying provisions proposed are required to be given in the budget note accompanying the lump sum estimates.

During the year 2020-21, lump sum provisions of ₹ 6,821.68 crore were made under various Heads of 22 Grants without indicating scheme details (**Appendix-3.1**). Out of these lump sum provisions, actual expenditure of ₹ 3,471.10 crore (50.88 per cent of the provision) was incurred.

In case of Capital (Voted) section of Grant No. 58-Public Works Department (Communications-Roads), the lump sum provisions of ₹ 2,396.50 crore were made for road works, which constituted 19.28 per cent of the budgeted provisions under Capital (Voted) section of the Grant. Out of this, the actual expenditure was ₹ 2,357.93 crore. Lump sum provisions without identifying the exact object of expenditure is against transparent budgetary practices.

3.2.4 Sub-Head/Detailed Head not created for accountal of Green Tax

The State Government did not create/operate distinct sub-head/detailed head for accountal of collected Green tax which resulted into receipt of ₹ 17.35 crore on account of Green Tax not being shown in the Government account distinctly and the collected revenue was also not utilised for intended purpose.

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

Information provided (October 2021) by Transport Commissioner, Government of Uttar Pradesh revealed that the Transport Department had realised Green Tax amounting to ₹ 17.35 crore³⁷ during the period 2015-16 to 2020-21. The information on the number of renewal of registration of other than transport vehicles was awaited (March 2022) from the office of Transport Commissioner. Audit scrutiny revealed that no separate sub-head/detailed head has been created for accounting of Green Tax and therefore, the same was deposited in the Major Head-0041-Vehicle Tax along with other taxes levied by the State Government. The office of Transport Commissioner could not provide the status of actual utilisation of Green Tax for protection of the environment and only stated that Green Tax is State's revenue and funds are allocated by the Government for expenditure on various schemes in the Department. Thus, the stated objective of controlling environmental pollution by utilising revenue so received from the Green tax was not being met.

The matter was also highlighted in Paragraph 3.2.5 of the State Finances Audit Report for the year ended 31 March 2020 but no corrective action was taken by the Government. The matter was again reported to the Government (October 2021); their reply was awaited (March 2022).

3.2.5 Operation of Major Head 2043-Collection Charges under State Goods and Service Tax

Para 21 of UPBM states that the List of Major and Minor heads of account of State receipts and disbursements, as prescribed by the Controller General of Accounts (CGA), Department of Expenditure, Ministry of Finance, Government of India on the advice of the Comptroller and Auditor General of India in terms of Article 150 of the Constitution of India should be used for the classification of heads of account. Further, Rule 26 of Government Accounting Rules 1990 prescribes that the classification prescribed in the List

³⁷ Year-wise Green Tax realised was: year 2015-16 - ₹ 1.49 crore, year 2016-17 - ₹ 1.72 crore, year 2017-18 - ₹ 2.12 crore, year 2018-19 - ₹ 2.66 crore, year 2019-20 - ₹ 4.40 crore and year 2020-21 - ₹ 4.96 crore.

of Major and Minor Heads of Accounts of Union and States (including the code number assigned up to the major heads and minor heads thereunder) should be strictly followed.

The CGA opened (June 2017) new Major Head 2043-Collection Charges under State Goods and Service Tax for booking of expenditure related to State Goods and Service Tax (SGST) with effect from financial year 2017-18. However, it was observed that the State Government had not operated MH 2043 and instead, the expenditure related to SGST collection were being incorrectly booked under MH 2040 (Taxes on Sales, Trades, etc) in Grant No. 89 (Institutional Finance Department – Commercial Tax), which is in violation of Rule 26 of Government Accounting Rules 1990. The matter was also highlighted in Paragraph 3.2.6 of the State Finances Audit Report for the year ended 31 March 2020 but no corrective action was taken by the Government.

3.2.6 Discrepancy in depiction of Central Schemes/Centrally Sponsored Schemes

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

Scrutiny of Budget Documents for 2020-21 revealed that the aforesaid criteria for recording funding pattern was not adhered. In case of 17 programmes under Central schemes/ Centrally Sponsored Schemes (*Appendix-3.2*) funding pattern (Central share/ State share/ Financial Institution) was not mentioned with detailed head. Further, in case of six programmes under Central schemes/ Centrally Sponsored Schemes (*Appendix-3.3*) the sum total of Central share and State share was either more, or less than 100 *per cent* without specifying any reason and funding share of other Financial Institution/grantee was not recorded in applicable cases.

The matter was also highlighted in Paragraph 3.2.7 of the State Finances Audit Report for the year ended 31 March 2020 but no corrective action was taken by the Government.

3.3 Comments on effectiveness of budgetary and accounting process

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

3.3.1 Budget projection and gap between expectation and actual

The summarised position of Budget provisions, Supplementary provisions, actual expenditure against total budget provisions and savings under Revenue Voted, Revenue Charged, Capital Voted and Capital Charged sections for the financial year 2020-21 is detailed in **Table 3.7**.

Table 3.7: Summarised position of Actual Expenditure vis-à-vis Budget provisions during the year 2020-21

(₹ in crore)

Nature of expenditure		Original Grant /Appropriation*	Actual Expenditure	Savings	Surrender	
					Amount	Percentage
Voted	I. Revenue	3,45,100.06	2,63,323.16	81,776.90	238.54	0.29
	II. Capital	98,769.67	65,703.21	33,066.46	1,238.74	3.75
	III. Loans & Advances	1,636.85	1,152.61	484.24	0	0.00
	Total	4,45,506.58	3,30,178.98	1,15,327.60	1,477.28	1.28
Charged	V. Revenue	64,127.32	39,046.73	25,080.59	0.15	0.00
	VII. Capital	39.87	20.50	19.37	0.08	0.41
	VIII. Public Debt-Repayment	34,897.43	26,777.49	8,119.94	0	0.00
	Total	99,064.62	65,844.72	33,219.90	0.23	0.00
Grand Total		5,44,571.20	3,96,023.70	1,48,547.50	1,477.51	0.99

Source: Appropriation Accounts 2020-21

*No supplementary provision was made during the year 2020-21, therefore, original grant/appropriation represents total provision during the year.

During 2020-21, actual expenditure was ₹ 3,96,023.70 crore against the total provision of ₹ 5,44,571.20 crore. The overall savings of ₹ 1,48,547.50 crore was 27.28 per cent of total provision, which included savings under Revenue Voted (23.70 per cent), Capital Voted (33.41 per cent), Revenue Charged (39.11 per cent) and Capital Charged (23.30 per cent) sections. This indicated wide gap between planning and execution by the State Government.

3.3.2 Budget Provision, Actual Expenditure and Savings during the last five years (2016-21)

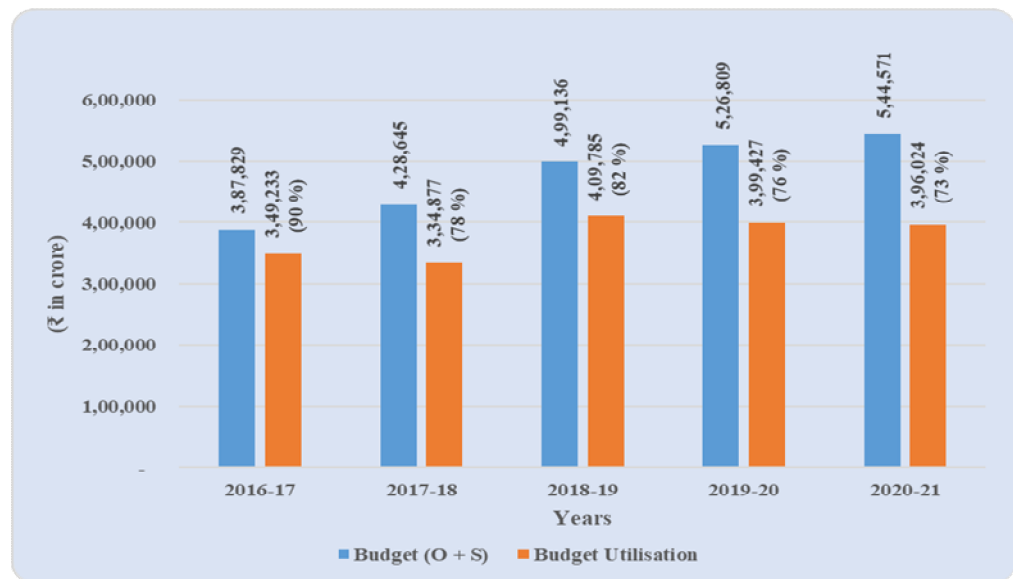
The budget provision, actual expenditure and savings during the last five years (2016-21) is presented in **Table 3.8**.

Table 3.8: Budget provisions, actual expenditure and savings during the period 2016-21
(₹ in crore)

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21
Original Budget	3,60,797.65	4,17,256.95	4,56,248.38	5,09,003.49	5,44,571.20
Supplementary Budget	27,030.98	11,388.17	42,887.73	17,805.73	0.00
Total Budget Provision	3,87,828.63	4,28,645.12	4,99,136.11	5,26,809.22	5,44,571.20
Actual Expenditure	3,49,232.60	3,34,876.62	4,09,784.50	3,99,426.75	3,96,023.70
Savings	38,596.03	93,768.50	89,351.61	1,27,382.47	1,48,547.50
Percentage of Saving to total Budget Provision	9.95	21.88	17.90	24.18	27.28

Source: Appropriation Accounts of respective years

Table 3.8 indicates that during the period 2016-21, savings varied between 9.95 per cent (2016-17) to 27.28 per cent (2020-21) of budget provisions. Pattern of lower budget utilisation against provision during the last five years (2016-21) can also be visualised in **Chart 3.3**.

Chart 3.3: Budget provisions and utilisation of budget during last five years (2016-21)

Source: Appropriation Accounts of respective years

Chart 3.3 shows that the budgetary provisions increased consistently during the last five years (2016-21) but utilisation of budget had reducing trend between 2018-19 and 2020-21. There was a reduction of ₹ 13,760.80 crore (3.36 per cent) in actual expenditure during 2020-21 over 2019-20. Thus, the benefit of higher provisions for the year 2020-21 was neutralised by lower budget utilisation.

3.3.3 Unspent budget provisions

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

Persistent savings (₹ 100 crore and above) had been commented upon in previous State Finances Audit Reports of Uttar Pradesh and the State Government was recommended to review the reasons for non-utilisation of provisions under various schemes for more judicious provision in future years. Audit scrutiny of budget provision vis-à-vis Savings with regards to 91 grants under Appropriation Accounts for the year 2020-21 revealed that in 45 cases pertaining to 45 Grants under Revenue-Voted and in 25 cases pertaining to 25 Grants under Capital-Voted sections (where savings in each case were more than ₹ 100 crore), savings of ₹ 80,922.06 crore and ₹ 32,802.79 crore respectively were recorded. Similarly, in three cases pertaining to three Grants under Revenue Charged Section and in one case pertaining to one Grant under Capital Charged Sections (where savings in each case were more than ₹ 100 crore), savings of ₹ 24,975.52 crore and ₹ 10,142.61 crore respectively were recorded. Thus, there were total savings amounting to ₹ 1,48,842.98 crore in 74 cases of 52 Grants (exceeding ₹ 100 crore in each case) as detailed in *Appendix-3.4* and summarised in **Table 3.9**.

Table 3.9: Summary of grants having large savings above ₹ 100 crore during the period 2020-21

(₹ in crore)

Sl. No	Section of Grant	Number of Cases	Original Provision	Expenditure	Savings	Savings over total provisions (per cent)
1	Revenue Voted	45	3,19,517.49	2,38,595.43	80,922.06	25.33
2	Capital Voted	25	93,648.03	60,845.24	32,802.79	35.03
Total Voted		70	4,13,165.52	2,99,440.67	1,13,724.85	27.53
1.	Revenue Charged	03	63,687.27	38,711.75	24,975.52	39.22
2.	Capital Charged	01	30,485.01	20,342.40	10,142.61	33.27
Total Charged		04	94,172.28	59,054.15	35,118.13	37.29
Grand Total		74	5,07,337.80	3,58,494.82	1,48,842.98	29.34

Source: Appropriation Accounts 2020-21

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

3.3.4 Persistent Savings

In 28 cases involving 24 grants, it was noticed that there were persistent savings (₹ 100 crore and above) during the last five years ranging between ₹ 100.12 crore and ₹ 17,493.77 crore. The persistent savings is detailed in *Appendix-3.5* and summarised in **Table 3.10**.

Table 3.10: Summary of grants having persistent savings during the period 2016-21

(₹ in crore)

Nature of expenditure	No. of Grants	Amount of Savings				
		2016-17	2017-18	2018-19	2019-20	2020-21
Revenue Voted	23	23,622.92	56,198.83	37,825.43	47,801.39	53,290.45
Capital Voted	05	4,844.76	6,720.57	11,031.78	12,483.18	10,924.60
Total	28	28,467.68	62,919.40	48,857.21	60,284.57	64,215.05

Source: Appropriation Accounts of respective years

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

3.3.5 Unnecessary Re-appropriation

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

Audit noticed that during 2020-21, in 52 sub-heads involving 20 Grants (*Appendix-3.6*), the original budget provision was ₹ 10,288.94 crore and further augmentation of ₹ 1,298.55 crore was made through re-appropriation. However, re-appropriation proved unnecessary, as in each case, expenditure

was within the original budget provision under these sub-heads. There were overall savings of ₹ 5,887.91 crore in these 52 sub-heads as summarised in **Table 3.11**.

Table 3.11: Summarised position of unnecessary re-appropriation

(₹ in crore)						
Grants	Sub Head	Original Provision	Re-appropriations	Total provision	Expenditure	Savings
20	52	10,288.94	1,298.55	11,587.49	5,699.58	5,887.91

Source: Appropriation Accounts 2020-21

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

3.3.6 Rush of expenditure

Maintaining a steady pace of expenditure has universally been accepted as a sound public financial management practice. In General Financial Rules applicable in the Central Government, rush of expenditure, particularly in the closing month of financial year, has been regarded as a breach of financial propriety. However, no specific instructions have been given in the UPBM to prevent rush of expenditure.

From the Appropriation Accounts for the year 2020-21, it was noticed that in 12 grants, 50 per cent and above expenditure of their total budgeted provisions were incurred in the last month of the financial year 2020-21 i.e., March 2021. The details of budget provision, and expenditure thereon is given in **Table 3.12**.

Table 3.12: Grants with more than 50 per cent of expenditure in March 2021

(₹ in crore)										
Sl. No	Grant No.	Description of Grant	1st Quarter	2nd Quarter	3rd Quarter	4 th Quarter	Total Expenditure	Expenditure in March 2021	Expenditure in 4 th Quarter as percentage of total expenditure	Expenditure in March as percentage of total expenditure
1	38	Civil Aviation Department	10.19	15.05	46.21	1,745.43	1,816.88	1,619.88	96.07	89.16
2	53	National Integration Department	0.01	0.00	0.05	0.64	0.71	0.53	90.14	74.65
3	56	Public Works Department (Special Area Programme)	0.00	16.10	37.10	289.71	342.91	227.85	84.49	66.45
4	45	Environment Department	1.08	0.97	0.96	8.02	11.02	7.18	72.78	65.15
5	79	Social Welfare Department (Welfare of the Handicapped & Backward Classes)	319.33	200.92	258.58	1,737.51	2,516.35	1,557.33	69.05	61.89
6	55	Public Works Department (Buildings)	1.25	10.71	31.17	139.65	182.78	111.02	76.40	60.74
7	44	Tourism Department	5.92	19.53	82.07	381.88	489.40	294.15	78.03	60.10

Sl. No	Grant No.	Description of Grant	1st Quarter	2nd Quarter	3rd Quarter	4 th Quarter	Total Expenditure	Expenditure in March 2021	Expenditure in 4 th Quarter as percentage of total expenditure	Expenditure in March as percentage of total expenditure
8	18	Agriculture and Other Allied Departments (Co-operative)	37.57	34.17	136.42	533.81	741.98	444.43	71.94	59.90
9	40	Planning Department	40.07	42.01	74.89	599.90	756.86	437.40	79.26	57.79
10	76	Labour Department (Labour Welfare)	70.54	65.38	76.87	349.80	562.59	306.35	62.18	54.45
11	58	Public Works Department (Communication Roads)	368.60	2,303.50	3,522.26	15,400.86	21,595.22	11,689.05	71.32	54.13
12	57	Public Works Department (Communication-Bridges)	26.61	167.08	433.06	2,178.46	2,805.20	1,505.33	77.66	53.66

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

In case of Grant No. 38-Civil Aviation Department, out of total expenditure of ₹ 1,816.88 crore during the year 2020-21, ₹ 1,619.88 crore (89.16 per cent) were expended in the last month of the financial year and ₹ 1,745.43 crore (96.07 per cent) were incurred in the last quarter of the financial year. Further examination revealed that out of ₹ 1,745.43 crore incurred under Grant No. 38 – Civil Aviation Department during the fourth quarter of financial year 2020-21, ₹ 475.86 crore³⁸ was transferred to Personal Deposit/Personal Ledger Account under the head 8443 (Civil Deposits)-117 (Deposits for work done for public bodies or private individuals). This transfer of money to Personal Deposit was in violation of instructions (March 2018) issued by the State Government to administrative departments to stop the practice of keeping money under Personal Deposit/Personal Ledger Account after withdrawal from Consolidated Fund.

3.3.7 Major policy pronouncements in budget and their actual funding for ensuring implementation

Para 212 of UPBM outlines the Guidelines for formulation and appraisal of schemes and projects as follows: ‘Rigorous project formulation and appraisal have a major bearing on the relevance and impact of projects as well as on their timely implementation. Additional time and effort spent at the project formulation and appraisal stage would result in qualitative improvement in terms of ultimate project impact.’

Audit scrutiny of Appropriation Accounts 2020-21 revealed that there were Schemes for which the Government made Original provisions but did not expend any money without any reason disclosed in the Appropriation

³⁸ ₹ 100.00 crore - Challan No. B50530004 dated 15 February 2021, ₹ 322.00 crore - Challan No. B50530001 dated 05 March 2021 and ₹ 53.86 crore - Challan No. B50530002 dated 31 March 2021

Accounts. Similarly, there were instances where Original provisions were re-appropriated to other projects/schemes with no expenditure on those schemes for which appropriations were originally made. Details of such instances are discussed below:

Scheme for which budget provisions could not be utilised

From Appropriation Accounts 2020-21, it was noticed that the State Government did not incur any expenditure on 251 schemes (**Appendix-3.7**) under 57 Grants for which budget provision of one crore and above were made, as summarised in **Table 3.13**.

Table 3.13: Summary of schemes in which original provisions not utilised
(₹ in crore)

Number of Grants	Number of Schemes	Original Provision	Total Expenditure	Saving
57	251	50,616.51	0.00	50,616.51

Source: Appropriation Accounts 2020-21

Scheme from which budget provisions were re-appropriated to other Schemes

The State Government provisioned ₹ 1,917.65 crore for 22 schemes under nine Grants during the year 2020-21 (**Appendix-3.8**), but no expenditure was incurred and the provisions were re-appropriated (₹ 1,515.99 crore) from these schemes.

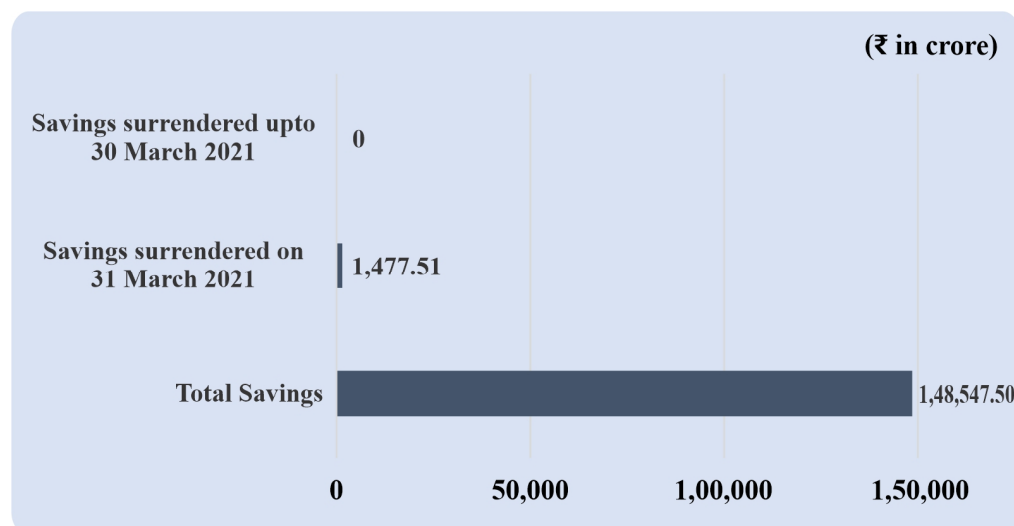
Non-utilisation of funds under above 273 schemes indicated that either the budgeting was done without due prudence or there was serious slippage in programme implementation.

3.3.8 Delayed surrender of Savings

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

The details of savings and surrenders during the year 2020-21 is plotted in **Chart 3.4**.

Chart 3.4: Total Savings and Surrenders during the year 2020-21



Source: Appropriation Accounts 2020-21

It can be seen in **Chart 3.4** that only ₹ 1,477.51 crore (1 per cent) out of total savings of ₹ 1,48,547.50 crore were surrendered on the last day of financial year and the remaining amount of ₹ 1,47,069.99 crore lapsed. Further, all the surrenders were done on the last day of the financial year in gross violation of the directions of UPBM.

3.4 Contingency Fund

Under the Uttar Pradesh Contingency Fund Act, 1950, the State Government maintains Contingency Fund with a corpus of ₹ 600 crore. As per Uttar Pradesh Contingency Fund Rules, advances from the Fund shall be made only to meet unforeseen and emergent expenditure, pending its authorisation by the Legislature following which it is recouped.

The State Government sanctioned (January 2021) ₹ 100 crore from the Contingency Fund (8000-201) for advance soil work for plantation in rainy season 2021, which was finally to be debited on 4406-Capital Outlay on Forestry and Wild Life, 01- Forestry, 102- Social and Farm Forestry, 03- Social Forestry (District Plan), 24- Major Works under grant 60- Forest Department. Audit noticed that money withdrawn from the Contingency Fund was not recouped (March 2021).

3.5 Conclusion

- Out of total budget provision of ₹ 5,44,571.20 crore during the year 2020-21, there were overall savings of ₹ 1,48,547.50 crore. Budgetary provisions increased consistently during the last five years (2016-21) but utilisation of budget had reducing trend between 2018-19 and 2020-21.
- There were cases of misclassification of expenditure, rush of expenditure in the last quarter of the financial year, unutilised provisions under large number of schemes and unnecessary re-appropriation of budget provisions. Besides, Departmental Controlling Officers did not surrender savings and 99 per cent of savings lapsed.
- There was an excess disbursement of ₹ 8.10 crore over the authorisation made by the State Legislature under two Grants and one Appropriation during the financial year 2020-21. Excess disbursements of ₹ 32,525.36 crore under 102 Grants and 47 Appropriations pertaining to the years 2005-06 to 2019-20 are yet to be regularised by the State Legislature. Excess expenditure require regularisation under Article 205 of the Constitution of India.
- State Government had not recouped advance of ₹ 100 crore taken from the Contingency Fund.

3.6 Recommendations

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

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

CHAPTER - IV

Quality of Accounts and Financial Reporting Practices

CHAPTER-IV

QUALITY OF ACCOUNTS AND FINANCIAL REPORTING PRACTICES

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

Issues related to completeness of accounts

4.1 Funds outside Consolidated Fund or Public Account of the State

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

4.1.1 Building and Other Construction Workers Welfare Cess

The Building and Other Construction Workers (BOCW) Welfare Cess Act, 1996 and the BOCW (Regulation of Employment and Conditions of Service) Act, 1996 covers establishments employing ten or more building workers on any day of the preceding twelve months in any building or other construction work. The acts, *inter alia*, provide for constitution of Welfare Boards with the aim of improving the working conditions of workers and to provide financial aid to them, and to augment the resources of the Welfare Boards through the levy and collection of cess on the cost of construction works. Accordingly, the State Government created (November 2009) the U.P. BOCW Welfare Board and in terms of the Cess Act, levies cess at the rate of one *per cent*. The U.P. BOCW Rules, 2009, as amended from time to time, provides for collection of registration fee of ₹ 20 and annual membership fee of ₹ 20 from registered workers which were subsequently reduced (December 2020) to zero till 31 March 2021 in view of the COVID-19 pandemic. In this connection, the audit findings are as follows:

Funds kept outside Government Accounts

U.P. BOCW Welfare Board has not finalised its accounts since its constitution (November 2009). Details of receipts and utilisation of cess during the period 2016-21, as provided by the Board, are given in **Table 4.1**.

Table 4.1 Status of Registration Fee, Cess realised and utilisation during the period 2016-21

Year	Opening balance	Receipts				Total funds available	Expenditure	Closing balance
		Registration fee and annual membership fee	Labour cess		Interest on deposits			
			Received in Board account	From treasury (State Govt.)				
1	2	3	4	5	6	7 (Col. 2 to 6)	8	9 (Col. 7 – 8)
2016-17	2,457.91	13.00	829.60	10.00	162.23	3,472.74	277.78	3,194.96
2017-18	3,194.96	10.54	789.79	36.96	214.36	4,246.61	324.14	3,922.47
2018-19	3,922.47	07.42	891.31	09.99	247.86	5,079.05	193.85	4,885.20
2019-20	4,885.20	13.15	916.45	08.73	323.18	6,146.71	362.67	5,784.04
2020-21	5,784.04	9.31	878.81	10.00	360.00	7,042.16	882.54	6,159.62

Source: UP BOCW Welfare Board (Provisional data)

The State Government appointed (November 2009 and September 2010) all District Collectors and the officers of 16 departments as Cess Assessment Officer and Cess Collectors under the U.P. BOCW Rules, 2009. The State Government further directed (August 2013 and September 2016) to deposit the collected cess into the nationalised bank account of the Board. It is evident from **Table 4.1** that as on 31 March 2021, ₹ 6,159.62 crore was available with the Board. It was further observed that:

- (i) The mechanism adopted for accounting of the cess is not in conformity with the BOCW Cess Rules, 1998³⁹ which provides that the cess collected shall be transferred to the Board in the head of account of the Board under the accounting procedure of the State. Accordingly, the collected cess should be depicted in Public Account and from there it may be transferred to Board Account. The orders to transfer cess directly to the bank account of the Board without bringing it into Government Accounts violates the provisions of Article 266 of the Constitution of India.
- (ii) In the absence of accounting of cess through Government Accounts, it was also not ascertainable from the accounts of the State Government as to how much money was collected on account of cess, fee, etc., and how much money was transferred to the Board by various Cess Collectors.

Utilisation of Labour cess

The State Government notified various schemes/activities, viz., pension, residential school, advances for purchase/construction of houses, funeral assistance, medical assistance, cash awards for meritorious students, financial assistance for education/marriage of children of beneficiaries, critical illness, solar energy, skill development and technical training, etc., for welfare of the

³⁹ In exercise of the powers conferred by sub-section (1) of section 14 of the Building and Other Construction Workers' Welfare Cess Act, 1996, Central Government made BOCW Cess Rules 1998 which was published in the Gazette of India dated 26th March 1998.

construction workers from the BOCW Welfare Fund. Details of expenditure on these schemes during the period 2016-21 are given in **Table 4.2**.

Table 4.2: BOCW registered, covered and expenditure on schemes by UP BOCW Welfare Board during the period 2016-21

Year	Available funds (₹ in crore)	Scheme Operated		Actual expenditure on scheme (₹ in crore)	Registered workers at the end of the year	Workers covered	Percentage		
		No.	Allotted by BOCWB (₹ in crore)				Workers covered	Funds utilised against allotment	Funds utilised against availability
2016-17	3,472.74	23	752.83	249.88	34,27,104	5,16,851	15.08	33.19	7.20
2017-18	4,246.61	18	514.06	282.57	42,08,744	3,50,384	8.33	54.97	6.65
2018-19	5,079.05	16	361.75	193.62	48,56,323	2,69,424	5.55	53.52	3.81
2019-20	6,146.71	16	696.94	357.25	53,70,729	12,54,380	23.36	51.26	5.65
2020-21	7,042.16	16	1,203.15	868.88	43,74,964	29,16,380	66.66	72.22	12.34

Source: UP BOCW Welfare Board (Provisional data)

It is evident from **Table 4.2** that the expenditure incurred by the Board on welfare of workers against available funds ranged from 3.81 *per cent* to 12.34 *per cent* and covered 5.55 *per cent* to 66.66 *per cent* of registered workers. It was further observed that the increase of expenditure in the year 2020-21 over previous year 2019-20 was mainly due to expenditure of ₹ 245.91 crore under Disaster Relief Assistance Scheme, ₹ 237.11 crore under Girl Marriage Assistance Scheme, ₹ 152.98 crore under Maternity, Infant and Girl Assistance Scheme and ₹ 139.24 crore under Medical Facilitation Scheme.

4.1.2 State Electricity Regulatory Commission Fund

Section 82 (1) of the Electricity Act, 2003 (Act) provides that every State Government shall constitute a Commission for the State to be known as State Electricity Regulatory Commission. Section 103 of the Act further provides that State Government shall constitute a Fund to be called the State Electricity Regulatory Commission Fund and there shall be credited thereto any grants and loans made to the State Commission by the State Government, all fees received by the State Commission under the Act and all sums received by the Commission from such other sources as may be decided upon by the State Government.

Uttar Pradesh Electricity Regulatory Commission was established on 10 September 1998. Audit noted that the GoUP did not constitute State Electricity Regulatory Commission Fund. As a result, fees received by the Uttar Pradesh Electricity Regulatory Commission (UPERC) are deposited in bank accounts maintained by the Commission. As such, as on 31 March 2021, an amount of ₹ 96.14 crore was kept outside the Public Account of the State in violation of Article 266(2) of the Constitution. Pertinently, in a similar case, Central Electricity Regulatory Commission Fund constituted (October 2007) by the Central Government under Section 99 of the Act was being operated under the Public Account of India.

The issue was also highlighted in Paragraph 6.1 of Audit Report on Economic Sector and Public Sector Undertakings, Government of Uttar Pradesh for the

year ended 31 March 2019. The matter was reiterated in Paragraph 4.1.2 of the State Finances Audit Report for the year ended 31 March 2020.

In earlier reply (June 2020), the Finance Department requested the Energy Department to frame rules for the Uttar Pradesh Electricity Regulatory Fund and transfer the amount to the Public Account of the State. Further necessary action in the matter was awaited.

The matter was again reported to the Government (October 2021); their reply is awaited (March 2022).

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

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

The Uttar Pradesh Fiscal Responsibility and Budget Management (UPFRBM) Act, 2004 outlined that the State Government shall take suitable measures to ensure greater transparency in its fiscal operations in public interest by disclosing the contingent liabilities created by way of guarantees; the actual liabilities arising out of borrowings by Public Sector Undertaking and Special Purpose Vehicles and other equivalent instruments where liability for repayment is on the State Government allocations. Further, the Uttar Pradesh Fiscal Responsibility and Budget Management Rules, 2006 provided that the 'Medium Term Fiscal Restructuring Policy (MTFRP) Statement' laid before the Legislature along with Budget documents shall contain the five year rolling targets with respect to Revenue Deficit, Fiscal Deficit and total outstanding debt⁴⁰ of the State Government. For the year 2020-21, debt stock was targeted as 32 per cent of GSDP.

Audit observed that during the period 2017-19, the State Government routed loans outside the budget through various State Government Public Sector Undertakings (PSUs)/ Authorities⁴¹. Against the loan amount of ₹ 9,501.40 crore sanctioned by GoUP, a sum of ₹ 8,716.40 crore was borrowed from the financial institutions by these State PSUs/Authorities as detailed in **Table 4.3**.

Table 4.3: Details of extra-budget borrowings during the period 2017-19

(₹ in crore)				
Year of extra-budget borrowings	Entities borrowed on behalf of Government	Lending F.I.	Loan Sanctioned	Loan disbursed
2017-18	UPSBCL, UPRNN, UPSHA, UPEIDA, UPPCL and UPPTCL	HUDCO and PFC	9,501.40	8,482.40
2018-19	UPEIDA	HUDCO		234.00
Total			9,501.40	8,716.40

Source: Information provided by the respective entities and GoUP sanctions

⁴⁰ Total outstanding debt of the State indicates debt stock position or total indebtedness of the State which includes Internal Debt, Loans and Advances from GoI, Small Savings, Provident Funds, etc., Reserve funds and Deposits.

⁴¹ Uttar Pradesh State Bridge Corporation Limited (UPSBCL), Uttar Pradesh Rajkiya Nirman Nigam Limited (UPRNN), Uttar Pradesh State Highway Authority (UPSHA), Uttar Pradesh Expressways Industrial Development Authority (UPEIDA), Uttar Pradesh Power Corporation Limited (UPPCL) and Uttar Pradesh Power Transmission Corporation Limited (UPPTCL).

These loans are serviced from the budget of the State Government. Out of ₹ 8,716.40 crore of extra-budget borrowings, loan of ₹ 1,834.21 crore was repaid by respective PSUs during the period 2017-20 through financial assistance of the State Government. This included repayment of entire extra-budget loan of ₹ 1,179 crore by UPEIDA.

During the year 2020-21, the State Government provided ₹ 5,781.57 crore (₹ 536.27 crore against interest payment and ₹ 5,245.30 crore against repayment of principal) to these PSUs/Authorities from the State Budget as detailed in **Table 4.4**.

Table 4.4: Details of assistance for payment of Interest and repayment of principal
(₹ in crore)

Sl. No	Name of the Entities	Assistance for payment towards interest Amount	Assistance for re-payment towards principal amount
1	UPSBCCL	37.92	501.42
2	UPRNN	161.16	1,996.70
3	UPSHA	175.46	2,006.38
4	UPPCL	92.35	416.67
5	UPPTCL	69.38	324.13
Total		536.27	5,245.30

Source: Information provided by the respective entities and GoUP sanctions

Since these extra-budget borrowings do not form part of the Debt Stock position of the State, the Debt Stock position does not depict the actual debt position as given in **Table 4.5**.

Table 4.5: Debt Stock position after extra-budget borrowings

Debt Stock as on 31.3.2021 (as per Finance Accounts 2020-21)	Extra-budget borrowings as detailed in Table 4.3	Repayments of extra-budget borrowings		Debts stock as on 31.3.2021 including extra-budget
		during the period 2017-20	during the year 2020-21	
1	2	3	4	5 = 1 + (2-3-4)
5,64,971.68	8,716.40	1,834.21	5,245.30	5,66,608.57

Source: Finance Accounts of respective years and information provided by respective entities

Table 4.5 indicates that Debt-Stock was higher by ₹ 1,636.89 crore in 2020-21 after taking into account extra-budget borrowing as on 31 March 2021. Accordingly, the debt-stock to GSDP ratio including extra-budget borrowings was 32.87 per cent as on 31 March 2021 against the ratio of 32.77 per cent without taking into account the extra-budget borrowings.

The matter was reported to Government (October 2021), the reply of the Government is awaited (March 2022).

4.3 Undischarged liabilities in Defined Contribution Pension Scheme

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

State Government employees recruited on or after 1 April 2005 are covered under the Defined Contribution Pension Scheme (DCPS). It is also applicable to the new entrants of government aided educational institutions and autonomous bodies financed by the State Government. In terms of the

Scheme, the government employees contribute 10 *per cent* of basic pay and dearness allowance whereas State Government contributes 14 *per cent*. As per the procedure prescribed by the Government of Uttar Pradesh, both the contributions are to be initially credited to the Public Account under the concerned Head of Accounts 8342-Other Deposit-117 DCPS for Government employees and 8342-120-Miscellaneous Deposits for Government aided Educational Institutions and Autonomous Bodies. Thereafter, the entire amount (Government's contribution and employees' contribution) so contributed to DCPS is required to be transferred to the designated fund manager through the National Securities Depository Limited (NSDL)/Trustee Bank. Further, the Major Head 8342 comes under the category of 'deposits bearing interest' implying thereby, that the Government is required to pay interest on un-transferred balance.

During the year 2020-21, State Government booked expenditure of ₹ 5,131.88 crore under the head 2071-01-117-Government contribution for DCPS. This included ₹ 4,493.26 crore as Government contribution (₹ 2,634.34 crore for government employees, ₹ 1,858.80 crore for aided educational employees and ₹ 0.12 crore for aided autonomous bodies) and ₹ 638.62 crore for payment of gratuity, family pension and interest on delayed deposits of employees covered under the scheme. Out of this, Government contribution of ₹ 2,791.74 crore was transferred to the heads designated for DCPS under Major Head 8342 in the Public Account. The difference of ₹ 2,340.14 crore between amount booked as revenue expenditure (₹ 5,131.88 crore) and amount actually transferred to designated head (₹ 2,791.74 crore) for DCPS was under reconciliation between the State Government and Accountant General (Accounts & Entitlements).

In respect of State Government employees, Government's contribution of ₹ 2,652.96 crore and employees' contribution of ₹ 1,903.52 crore were transferred during the year 2020-21 to the head 8342-117. As per the information provided by State Government, Government's contribution was ₹ 2,652.61 crore and employees' contribution was ₹ 1,903.02 crore. The difference was under reconciliation between the State Government and Accountant General (Accounts & Entitlements). Further, during the year 2020-21, State Government transferred ₹ 4,522.10 crore to NSDL/Trustee Bank. Thus, the balance amount of ₹ 385.08 crore (including the balance of ₹ 350.71 crore at the end of March 2020) was not transferred to NSDL/Trustee Bank in respect of State Government employees. Such short transfers of contributions of DCPS to the designated fund manager were also reported earlier in the State Finances Audit Reports for the year ended 31 March 2017, 31 March 2018, 31 March 2019 and 31 March 2020.

As disclosed in Finance Accounts 2020-21, in respect of employees of aided educational institutions and autonomous bodies, State Government did not furnish information regarding contributions transferred to the Major Head 8342 and balances under the head. The balance in respect of these employees under the head 8342-120-Other deposits was not ascertainable from the Finance Accounts as it includes miscellaneous deposits also.

Further, on the opening balance of DCPS at the beginning of the year (₹ 350.71 crore) in respect of Government employees, the Government was required to credit interest amounting to ₹ 24.90 crore calculated as per the rate of interest payable to General Provident Fund. However, no interest was paid

on the balance of DCPS in respect of Government employees. This resulted in understatement of revenue deficit as well as fiscal deficit by ₹ 24.90 crore.

Thus, the State Government did not discharge its liability towards DCPS and the current liability stands deferred to future year(s). As a result, the non-remitted fund did not yield any value appreciation as it could not become part of the corpus of investment of the subscribers. Further, the State Government has created uncertainty in respect of benefits due to the employees/avoidable financial liability to the Government in future, and, thus, leading to possible failure of the scheme itself.

The matter was reported to Government (October 2021), the reply of the Government is awaited (March 2022).

4.4 Uttar Pradesh Road Transport Accident Relief Fund

The State Government did not establish Uttar Pradesh Road Transport Accident Relief Fund (UPRTARF) which resulted in a sum of ₹ 636.81 crore not being credited to UPRTARF.

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

A mention was made in the State Finances Audit Report for the year ended 31 March 2016 (Para No. 1.9.3.2 of Report No. 4 of the year 2016 – Government of Uttar Pradesh) regarding non-establishment of the UPRTARF by the State Government, which negated the very purpose of the provision in the UPMVT Act. In reply, the State Government had stated that the process of creation of the UPRTARF was in progress. The matter was reiterated in Paragraph 4.4 of the State Finances Audit Report for the year ended 31 March 2020. However, it was observed that the State Government had not yet established the UPRTARF.

During the period 2015-21, Transport Department realised tax of ₹ 31,840.13 crore under Section 4 and Section 6 of UPMVT Act as detailed in **Table 4.6**.

Table 4.6: Details of tax to be credited to the UPRTARF during the period 2015-21
(₹ in crore)

Year	Tax realised under Section 4			Addl. Tax realised under Section 6 0041-102-01	Total Tax realised under Section 4 and Section 6	Two <i>per cent</i> to be transferred to the UPRTARF
	0041-102-01	0041-102-03	Total			
1	2	3	4 = 2+3	5	6 = 4+5	7= 2% of col. 6
2015-16	3,710.60	159.40	3,870.00	213.00	4,083.00	81.66
2016-17	4,357.84	168.27	4,526.11	243.67	4,769.78	95.40
2017-18	5,186.72	186.02	5,372.74	270.73	5,643.47	112.87
2018-19	5,585.21	199.77	5,784.98	259.01	6,043.99	120.88
2019-20	5,843.87	203.25	6,047.12	231.25	6,278.37	125.57
2020-21	4,809.33	153.75	4,963.08	58.44	5,021.52	100.43
Total	29,493.57	1,070.46	30,564.03	1,276.10	31,840.13	636.81

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

It is evident from **Table 4.6** that a sum of ₹ 636.81 crore was to be credited to the UPRTARF for the period 2015-21 but could not be credited as the Fund was not established. Out of ₹ 636.81 crore, ₹ 100.43 crore pertains to the year 2020-21. This also had an impact on the Revenue Deficit and Fiscal Deficit of the State, which was understated by ₹ 100.43 crore during the year 2020-21.

Transport Commissioner, Uttar Pradesh stated (October 2021) that the creation of UPRTARF was under process at the Government level. It was further intimated that a sum of ₹ 1.23 crore⁴² was provided as financial assistance to the concerned entitled persons suffering from casualty during the period 2015-21 from the Major Head 2235-Social Security and Welfare under the Transport Department Grant Number 43. Thus, financial assistance to the entitled persons due to casualty was not being provided from the UPRTARF which was required to be established under the UPMVT Act, 1997. Also, there was large difference in money required to be credited to fund (₹ 636.81 crore) and financial assistance provided to victims (₹ 1.23 crore) during the years 2015-21. The Government needs to comply with the provisions of the Act by establishing the UPRTARF in the Public Account of the State.

The Government stated in its earlier reply (July 2021) that the matter of establishing UPRTARF was under process. The matter was again reported to the Government (October 2021); the reply is awaited (March 2022).

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

Appendix VI of Volume II of the Finance Accounts exhibits the direct transfer of central scheme funds to Implementing Agencies in the State, i.e., fund routed outside State Budget, which is compiled from PFMS portal of GoI. During the year 2020-21, GoI directly transferred ₹ 182.46 crore to State Implementing Agencies (State Government PSUs: ₹ 20.94 crore, State Government Institutions: ₹ 160.09 crore and statutory bodies: ₹ 1.43 crore). However, the direct transfer of Central Scheme funds to the State Government Implementing Agencies has decreased by 66.39 *per cent* in the year 2020-21 as compared to the year 2019-20 (from ₹ 542.82 crore in 2019-20 to ₹ 182.46 crore in 2020-21).

Issues related to Transparency

4.6 Delay in submission of Utilisation Certificates

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

⁴² Year 2015-16- ₹ 5.85 lakh (41 casualties), year 2016-17- ₹ 19.35 lakh (77 casualties), year 2017-18- ₹ 24.00 lakh (121 casualties), year 2018-19- ₹ 19.15 lakh (143 casualties), year 2019-20- ₹ 33.07 lakh (176 casualties) and year 2020-21- ₹ 21.60 lakh (164 casualties).

The purpose for which grants-in-aid were utilised can be confirmed only on receipt of UCs which would safeguard against diversion of funds for other purposes. Thus, expenditure shown in the accounts cannot be treated as final to the extent of non-receipt of UCs. The position of outstanding UCs as on 31 March 2021 for grants given up to 30 September 2019 is given in **Table 4.7**.

Table 4.7: Arrears in submission of Utilisation Certificates

Year*	Number of UCs awaited (as on 31 st March)	Amount (₹ in crore)
Up to 2018-19	38,154	14,530.12
2019-20	1,433	11,706.96
Total	39,587	26,237.08

Source: Finance Accounts 2020-21

*The year mentioned in the table is release year for which UCs were due but not received by March 2021.

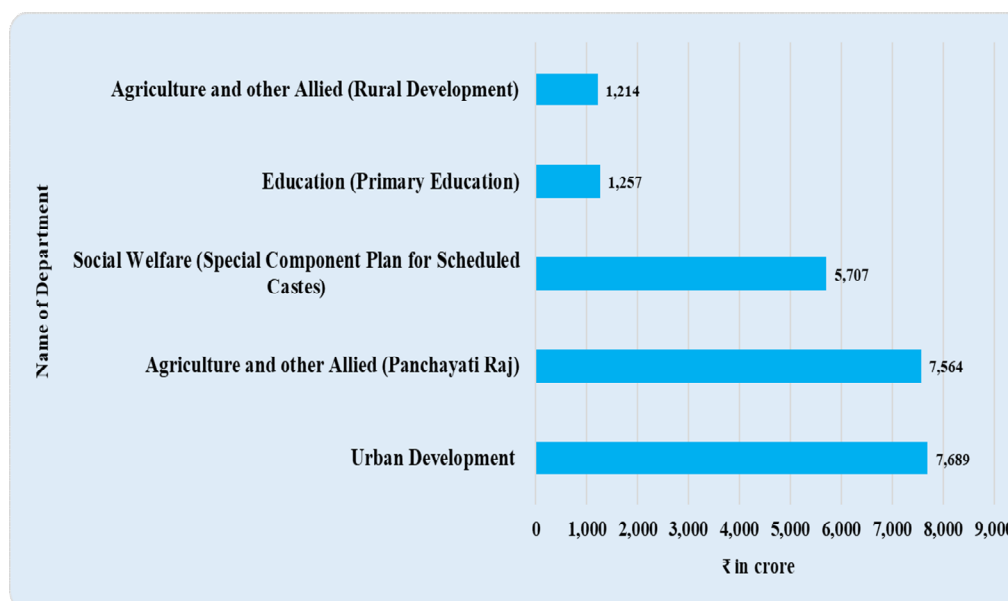
Table 4.7 shows that 39,587 UCs aggregating ₹ 26,237.08 crore were outstanding as on 31 March 2021 for grants released during the period 2001-02 to 2019-20 (up to September 2019). Though, outstanding UCs amounting to ₹ 9,089.88 crore for the period up to 30 September 2019 were cleared during the year 2020-21. The age-wise status of pendency of UCs is summarised in **Table 4.8**.

Table 4.8: Year wise break up of outstanding UCs

Year	Number of UCs	Amount (₹ in crore)
2001-02 to 2009-10	25,932	5,393.07
2010-11	936	573.08
2011-12	708	336.73
2012-13	722	415.46
2013-14	1,711	1,197.05
2014-15	1,973	954.37
2015-16	1,135	441.12
2016-17	1,163	637.88
2017-18	1,256	963.12
2018-19	2,618	3,618.24
2019-20	1,433	11,706.96
Total	39,587	26,237.08

Source: Finance Accounts 2020-21 and information maintained by Accountant General (A&E) U.P.

Of the total outstanding UCs, 18,068 UCs (45.64 *per cent*) amounting to ₹ 23,430.75 crore (89.30 *per cent*) pertained to five departments: Urban Development Department, Agriculture and other Allied Departments (Panchayati Raj), Social Welfare Department (Special Component Plan for Scheduled Castes), Education Department (Primary Education) and Agriculture and other Allied Departments (Rural Development), as presented in **Chart 4.1**.

Chart 4.1: Department wise amount of outstanding UCs

Source: Finance Accounts 2020-21

In the absence of UCs, there is no assurance that grants-in-aid disbursed have actually been incurred for the purpose for which these were sanctioned/ authorised by the Legislature. Moreover, high pendency of UCs was fraught with the risk of embezzlement, diversion and misappropriation of funds.

4.7 Abstract Contingent Bills

The drawal of contingent charges on items of expenditure by a State Government, for which final classification and supporting vouchers is not available at the time of drawal are made on Abstract Contingent (AC) Bills. As per para 183 of Financial Hand Book (Volume V) Part I, in the case of contingent charges countersigned after payment, Detailed Countersigned Contingent (DCC) bills are required to be submitted by the Head of the Office to the controlling officer or if there is no controlling officers, to the Accountant General directly by the end of the next month. Delayed submission or prolonged non-submission of supporting DCC bills renders expenditure through AC Bills opaque. The details of pending DCC bills as on 31 March 2021 are given in **Table 4.9**.

Table 4.9: Year wise status of pending DCC bills as on 31 March 2021

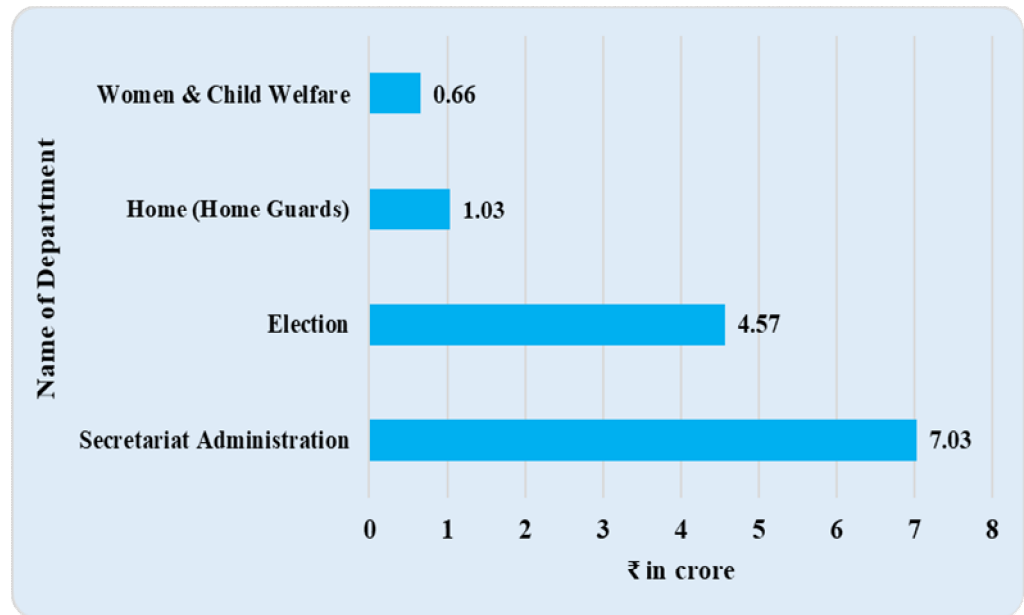
Year	Number of pending DCC Bills	Amount (₹ in crore)
Up to 2018-19	1,108	10.81
2019-20	47	5.09
2020-21	23	0.31
Total	1,178	16.21

Source: Finance Accounts 2020-21

As evident from **Table 4.9**, 1,155 DCC bills amounting to ₹ 15.90 crore were pending for long periods from the year 2001-02 to 2019-20 and 23 outstanding DCC bills amounting to ₹ 0.31 crore pertains to the year 2020-21. Of the total outstanding AC bills, 247 bills (20.97 per cent) amounting to ₹ 13.29 crore (81.99 per cent) pertained to four departments: Secretariat Administration Department (127 AC bills amounting to ₹ 7.03 crore); Election Department (79 AC bills amounting to ₹ 4.57 crore); Home Department (Home Guards)

(11 AC bills amounting to ₹ 1.03 crore) and Women & Child Welfare Department (30 AC bills amounting to ₹ 0.66 crore) as depicted in **Chart 4.2**.

Chart 4.2: Pending DCC Bills of major defaulting departments



Source: Finance Accounts 2020-21

Delay in submission of detailed contingent bills indicates that funds were drawn without requirement for immediate payment. The withdrawal of money through an AC bill is accounted for against the functional Major Head in the Consolidated Fund. Unless the accounts are settled within the time specified, the expenditure stands inflated to that extent. Further, non-submission of DCC bills within the prescribed time not only breaches financial discipline but also increases the possibility of wastage/misappropriation/malfeasance, etc.

4.8 Personal Deposit Accounts

Under the List of Major and Minor Heads of Accounts of Union and States, Personal Deposits are of the nature of deposits not bearing interest opened under 8443-Civil Deposits-106-Personal Deposits. As per para 4 of Uttar Pradesh Personal Ledger Account (UPPLA) Rules 1998, the State Government is authorised to open Personal Deposit (PD) accounts/PLA for specific purposes in consultation with the Accountant General. Designated Administrators are authorised to operate these PD accounts by transfer of funds from the Consolidated Fund of the State. Further, under Rule 10(2) of UPPLA Rules, 1998 further provides that if there is no transaction in any PD Account for three years, the Treasury Officer would make a written request to the competent authority for closer of such accounts and if no reply is received within three months, the PD Account would be closed after transfer of the balance, if any, to the corresponding head of account on the advice of the Accountant General and it would be communicated to the competent authority.

During the year 2020-21, an amount of ₹ 1.19 crore was transferred from the Consolidated Fund of the State to PD Accounts under head 8443-106. This includes ₹ 0.04 crore constituting 3.36 *per cent* of the total credit to PD Accounts, transferred in March 2021 from the Consolidated Fund of the State. Details of PD accounts as on 31 March 2021 are given in **Table 4.10**.

Table 4.10: Status of PD Accounts during the year 2020-21

Opening Balance (As on 01-04-2020)		Receipts during the year	Disbursement during the year	Closing Balance (As on 31-03-2021)	
No. of Administrators	Amount	Amount	Amount	No. of Administrators	Amount
12	9.99	1.16	0.62	12	10.53

(₹ in crore)

Source: Finance Accounts 2020-21

There was a difference of ₹ 0.03 crore between the amount transferred from the Consolidated Fund (₹ 1.19 crore) and that intimated by State Government (₹ 1.16 crore). As per Finance Accounts 2020-21, the closing balance under the MH 8443-106-Personal Deposits was ₹ 5.54 crore, which also differs with the balance (₹ 10.53 crore) informed by the State Government. Further, PD accounts were also operated under heads other than the head 8443-106. However, the State Government did not furnish the segregated details of PD accounts.

During the year 2020-21, out of 12 Administrators of PD accounts of the State, only two Administrators have reconciled and verified their balances with the treasury figures and two annual verification certificates were furnished by them to the Treasury Officer for onward submission to Accountant General office.

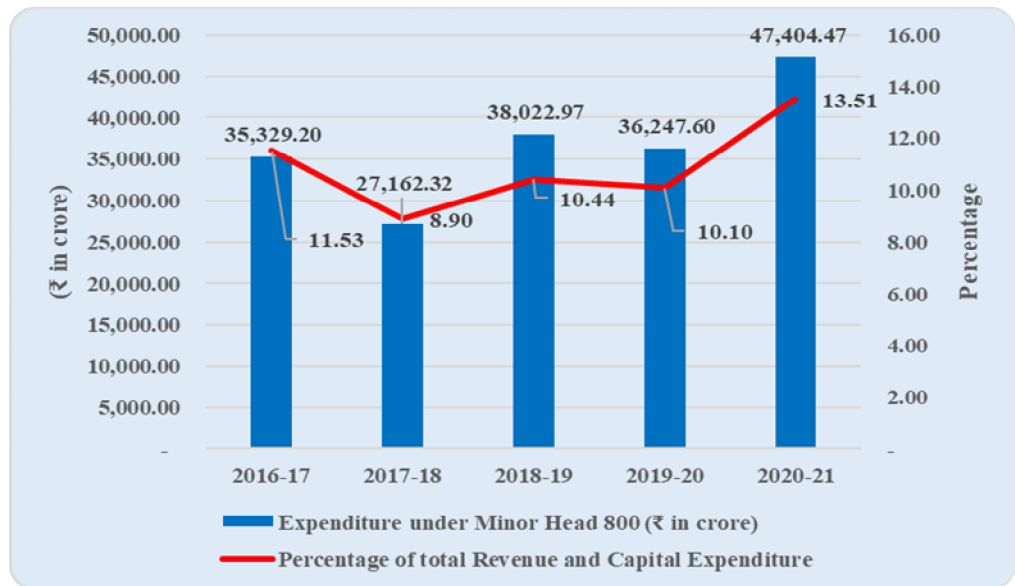
The difference in balances under PD Accounts as well as total number of PD accounts were under reconciliation between the office of the Accountant General (A&E) Uttar Pradesh and the State Government.

4.9 Indiscriminate use of Minor Head 800

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

During the year 2020-21, ₹ 47,404.47 crore under 78 Major Heads of accounts on the expenditure side, constituting 13.51 *per cent* of the total Revenue and Capital expenditure of ₹ 3,50,780.56 crore, was classified under Minor Head 800-Other Expenditure. The trend of expenditure booked under Minor Head 800-Other Expenditure during the period 2016-21 and its percentage to total expenditure is depicted in **Chart 4.3**.

Chart 4.3: Operation of Minor Head 800 - Other Expenditure during the period 2016-21



Source: Finance Accounts of respective years

Instances where a substantial proportion (50 per cent or more of the total expenditure under the Major Head) of the expenditure was classified under minor head 800-Other Expenditure are listed in **Table 4.11**.

Table 4.11: Significant expenditure booked under Minor Head 800 – Other Expenditure during the year 2020-21

(₹ in crore)				
Major Head	Major Head Description	Expenditure under Minor Head 800	Total Expenditure	Percentage
2245	Relief on account of Natural Calamities*	1,607.85	1,321.51	121.67
2801	Power	8,790.29	8,790.29	100.00
2040	Taxes on Sales, Trade etc.	787.55	787.55	100.00
5053	Capital outlay on Civil Aviation	528.25	528.25	100.00
4070	Capital outlay on other Administrative Services	215.99	215.99	100.00
2885	Other outlays on Industries and Minerals	183.08	183.08	100.00
2705	Command Area Development	88.21	88.21	100.00
4859	Capital outlay on Telecommunication and Electronic Industries	8.20	8.20	100.00
2407	Plantations	4.97	4.97	100.00
4853	Capital outlay on Non-ferrous Mining and Metallurgical Industries	3.50	3.50	100.00
4047	Capital outlay on Other Fiscal Services	2.20	2.20	100.00
2041	Taxes on Vehicles	0.76	0.76	100.00
3053	Civil Aviation	49.97	52.73	94.77
2575	Other Special Area Programmes	3.76	4.03	93.30
2216	Housing	526.15	625.74	84.08
2075	Miscellaneous General Services	19.66	25.13	78.23
4575	Capital outlay on Other Special Areas Programmes	445.39	622.22	71.58
4235	Capital Outlay on Social Security and Welfare	211.29	300.92	70.21

Major Head	Major Head Description	Expenditure under Minor Head 800	Total Expenditure	Percentage
2852	Industries	398.04	578.73	68.78
2700	Major Irrigation	441.89	682.38	64.76
2515	Other Rural Development Programmes	10,482.27	16,508.83	63.49
4401	Capital Outlay on Crop Husbandry	160.04	267.71	59.78
3054	Roads and Bridges	5,416.11	9,330.08	58.05
3452	Tourism	30.17	54.43	55.43
2211	Family Welfare	4,359.09	7,971.73	54.68
2501	Special Programmes for Rural Development	809.3	1,574.94	51.39

Source: Finance Accounts 2020-21

*Out of total expenditure of ₹2,923.12 crore booked under Major Head 2245, ₹1601.61 crore was adjusted against State Disaster Response Fund. As a result, net total expenditure under Major Head 2245 was ₹1,321.51 crore which was less than the expenditure of ₹1,607.85 crore under the minor head 800 below Major Head 2245.

Similarly, during the year 2020-21, revenue receipts aggregating ₹6,105.30 crore were booked under Minor Head 800-Other Receipts in 52 Major Heads of accounts on the receipt side constituting 2.06 per cent of the total revenue receipts of the State of ₹2,96,176.33 crore. Instances where a substantial proportion (50 per cent or more of the total receipts under the Major Head) of the revenue receipts was classified under minor head 800-Other Receipts during the year 2020-21 are listed in **Table 4.12**.

Table 4.12: Significant receipts booked under Minor Head 800 – Other Receipts during the year 2020-21

(₹ in crore)

Major Head	Major Head Description	Receipts under Minor Head 800	Total Receipts	Percentage
0801	Power	1,308.99	1,308.99	100.00
0217	Urban Development	22.13	22.13	100.00
0810	Non-Conventional Sources of Energy	12.89	12.89	100.00
0425	Co-operation	6.16	6.16	100.00
1456	Civil Supplies	2.89	2.89	100.00
0506	Land Reforms	2.35	2.35	100.00
0023	Hotel Receipts Tax	0.99	0.99	100.00
0875	Other Industries	0.08	0.08	100.00
0047	Other Fiscal Services	0.02	0.02	100.00
0575	Other Special Area Programmes	0.01	0.01	100.00
0415	Agricultural Research and Education	0.01	0.01	100.00
1053	Civil Aviation	19.53	19.57	99.80
0235	Social Security and Welfare	35.23	35.49	99.27
1054	Roads and Bridges	985.12	997.34	98.77
0700	Major Irrigation	68.14	70.02	97.32
0211	Family Welfare	3.16	3.27	96.64
0056	Jails	4.59	4.90	93.67
0220	Information and Publicity	0.48	0.53	90.57
0059	Public Works	48.76	53.98	90.33
0029	Land Revenue	260.08	297.18	87.52
1055	Road Transport	0.15	0.18	83.33
0070	Other Administrative Services	487.17	589.95	82.58

Major Head	Major Head Description	Receipts under Minor Head 800	Total Receipts	Percentage
0230	Labour and Employment	42.83	54.15	79.10
0406	Forestry and Wild Life	231.79	316.96	73.13
0515	Other Rural Development Programmes	54.68	79.61	68.68
0401	Crop Husbandry	105.97	158.64	66.80
0403	Animal Husbandry	17.96	28.96	62.02
0435	Other Agricultural Programme	0.88	1.62	54.32

Source: Finance Accounts 2020-21

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

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

With a view to bringing greater transparency in the budget of the State Government and effecting adequate security and control in planning and implementing, there is a need for budgeting provision under the appropriate heads instead of the omnibus object head ‘42- Other Expenditure’. As defined in budget documents, ‘Other Expenditure’ pertains to residual items and it also includes remuneration and award related expenses and expenditure from discretionary funds.

Scrutiny of the Accounts revealed that expenditure of ₹ 16,127.62 crore was made under Object Head ‘42- Other Expenditure’ which was 4.26 per cent of the total disbursements of ₹ 3,78,710.66 crore out of the Consolidated Fund of the State during 2020-21. Further, it was observed that in 20 grants, the expenditure under Object Head: ‘42- Other Expenditure’ was more than five per cent of the total expenditure of these grants and this contributed to 30.68 per cent of total expenditure of these grants as given in **Table 4.13**.

Table 4.13: Showing expenditure under Object Head ‘42 – other expenditure’ and Total Expenditure in various Grants

(₹ in crore)					
Sl. No.	Grant No.	Grant Description	Total Expenditure	Expenditure under Object Head 42	Percentage of expenditure under OH 42 to Total Expenditure
1	35	Medical Department (Family Welfare)	6,030.46	4,363.02	72.35
2	91	Institutional Finance Department (Stamps & Registration)	299.01	181.85	60.82
3	28	Home Department (Political Pension and Other Expenditure)	284.36	145.82	51.28
4	76	Labour Department (Labour Welfare)	562.59	284.85	50.63
5	03	Industries Department (Small Industry and Export Promotion)	492.67	248.51	50.44
6	13	Agriculture and Other Allied Departments (Rural Development)	12,021.05	5,108.41	42.50

Sl. No.	Grant No.	Grant Description	Total Expenditure	Expenditure under Object Head 42	Percentage of expenditure under OH 42 to Total Expenditure
7	78	Secretariat Administration Department	853.60	277.54	32.51
8	69	Vocational Education Department	757.11	218.28	28.83
9	53	National Integration Department	0.71	0.19	26.76
10	33	Medical Department (Ayurvedic and Unani)	915.72	219.63	23.98
11	81	Social Welfare Department (Tribal Welfare)	950.04	211.50	22.26
12	52	Revenue Department (Board of Revenue and other expenditure)	3,266.11	496.14	15.19
13	83	Social Welfare Department (Special Component Plan for Scheduled castes)	19,236.56	2,727.66	14.18
14	45	Environment Department	11.02	1.21	10.98
15	38	Civil Aviation Department	616.21	67.57	10.97
16	34	Medical Department (Homoeopathy)	387.27	40.66	10.50
17	66	Finance Department (Group Insurance)	232.01	22.00	9.48
18	29	Confidential Department (Governor's Secretariat)	15.90	1.37	8.62
19	89	Institutional Finance Department (Commercial Tax)	806.54	60.76	7.53
20	92	Cultural Department	122.11	9.01	7.38
Total (Above 5 per cent)			47,861.05	14,685.98	30.68

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

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

Issues related to Measurement

4.11 Outstanding balances under major Suspense and Remittance Heads

The Finance Accounts reflect the net balances under Suspense and Remittance Heads. The outstanding balances under these heads are worked out by aggregating the outstanding debit and credit balances separately under various heads. Clearance of suspense and remittance items depends on the details furnished by the State Treasuries/Works, Forest Divisions, etc. The outstanding balances under certain major suspense heads of accounts are indicated in **Table 4.14**.

Table 4.14: Balances under Suspense and Remittance Heads

(₹ in crore)

Suspense Head	2018-19		2019-20		2020-21	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
Major Head 8658 - Suspense						
101 - PAO suspense	238.98	5.51	427.72	181.76	305.56	711.90
Net	Dr. 233.47		Dr. 245.96		Cr. 406.34	
102 - Suspense Account-Civil	424.01	(-)31.62	17,250.45	15,426.11	15,856.65	16,415.75
Net	Dr. 455.63		Dr. 1,824.34		Cr. 559.10	
109 - Reserve Bank Suspense -Headquarters	0.00	0.00	0.00	0.00	0.00	0.00

Suspense Head	2018-19		2019-20		2020-21	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
Net		0.00 ⁴³		0.00 ⁴⁴		0.00 ⁴⁴
110 - Reserve Bank Suspense – Central Accounts Office	11.69	11.89	(-)88.84	(-)83.08	(-)84.60	(-)827.29
Net		Cr. 0.20		Cr. 5.76		Dr. 742.69
Major Head 8782-Cash remittances and adjustments between officers rendering accounts to the same Accounts Officer						
102 - P.W. Remittances	(-)0.41	2.47	1,41,969.51	1,44,127.12	1,80,269.09	1,82,097.49
Net		Cr. 2.88		Cr. 2,157.61		Cr. 1,828.40
103 - Forest Remittances	125.65	390.18	3,100.31	3,293.99	3,206.05	3,405.87
Net		Cr. 264.53		Cr. 193.68		Cr. 199.82
8793-Inter State Suspense Account	2.09	0.16	60.46	(-)0.09	62.96	0.01
Net		Dr. 1.93		Dr. 60.55		Dr. 62.95

Source: Finance Accounts 2020-21

The implications of balances under these heads are discussed in the succeeding paragraphs.

Pay and Accounts Office Suspense

(i) This Minor Head is operated for settlement of inter-departmental and inter-governmental transactions arising in the books of Pay and Accounts Offices (PAOs) and the AG (A&E). Outstanding debit balance under the Minor Head would mean that payments have been made by the AG (A&E) on behalf of another Accounts Officer, which are yet to be recovered. Outstanding credit balance would mean that payments have been received by the AG (A&E) on behalf of another Accounts Officer, which are yet to be repaid/adjusted.

The net credit balance under this head was ₹ 406.34 crore as on 31 March 2021.

Suspense Accounts (Civil)

(ii) This transitory Minor Head is operated for accounting of transactions, which for want of certain information/documents, viz., vouchers, challans, etc. cannot be taken to the final head of expenditure or receipt. This Minor Head is credited for recording receipts and debited for expenditure incurred. On receipt of the requisite information/documents, the Minor Head is cleared by minus debit or minus credit by per contra debit or credit to the concerned Major/Sub-Major/ Minor Heads of accounts.

As on 31 March 2021, there was a net credit balance of ₹ 559.10 crore, indicating that classification of final receipt and expenditure could not be done due to want of details.

Reserve Bank Suspense-Central Accounts Office

(iii) This Head is operated for recording inter-governmental transactions where monetary settlement between cash balances of two Governments is done by sending advice to the Central Accounts Section of RBI. This Head is cleared by transferring the amount to the final Head of account on receipt of intimation of the monetary settlement having been carried out by RBI. The main transaction which gets settled through this Suspense Head are

⁴³ Dr. 0.40 lakh

⁴⁴ Cr. 0.02 lakh

grants/loans received from the GoI and their repayments and discharge of securities and interest paid thereon by the Public Debt Offices of RBI.

As on 31 March 2021, net debit balance under this Head was ₹ 742.69 crore.

4.12 Adverse balances of Loans and Advances

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

Finance Accounts for the year 2020-21 contained the following adverse balances of Loans and Advances as on 31 March 2021: Loans to Uttar Pradesh State Electricity Board for construction of inter-State transmission lines (₹ 356.18 crore under the Accounts Head 6801-205), Advances for purchase of motor conveyances (₹ 15.40 crore under the Accounts Head 7610-202), Advances for purchase of other conveyances (₹ 25.31 crore under the Accounts Head 7610-203), Other advances (₹ 3.02 crore under the Accounts Head 7610-800) and Depreciation/Renewal Reserve Fund of Government Non-Commercial Departments (₹ 17.20 crore under the Accounts Head 8226-102).

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

4.13 Non-reconciliation of Departmental figures

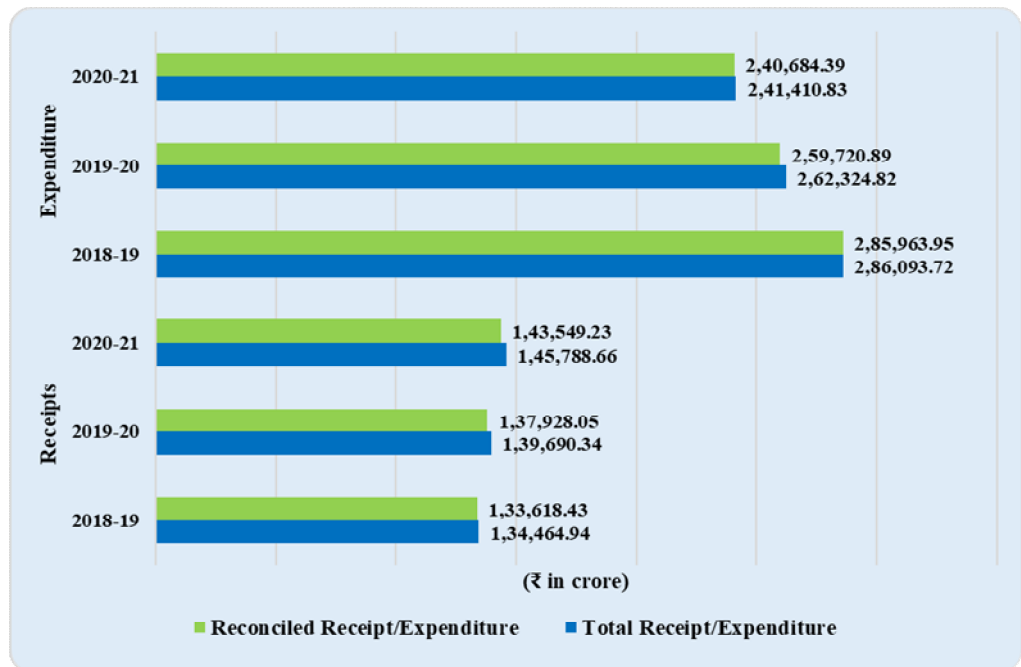
To exercise effective budgetary control over revenue/expenditure and to ensure accuracy in accounts, as per para 124 of UP Budget Manual, Chief Controlling Officers (CCOs)/Controlling Officers (COs) are required to reconcile every month, the receipts and expenditure recorded in their books with the figures of the Accountant General (A&E). The status of reconciliation of figures by the Controlling Officers is given in **Table 4.15**.

Table 4.15: Status of Reconciliation of Receipts and Expenditure by Controlling Officers

Year	Total No. of Controlling Officers	No. of controlling officers reconciled their receipts/ expenditure		
		Fully Reconciled	Partially Reconciled	Not reconciled at all
Receipts				
2018-19	48	45	--	03
2019-20	48	43	--	05
2020-21	48	45	--	03
Expenditure				
2018-19	179	178	--	01
2019-20	179	166	--	13
2020-21	179	173	--	06

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

Reconciliation of receipts was completed by 45 out of 48 CCOs, as they reconciled receipts of ₹ 1,43,549.23 crore (98.46 per cent of total receipts of ₹ 1,45,788.66 crore due for reconciliation) during 2020-21. Further out of 179 CCOs, 173 CCOs had reconciled their expenditure figures of ₹ 2,40,684.39 crore (99.70 per cent of total expenditure of ₹ 2,41,410.83 crore due for reconciliation) as shown in **Chart 4.4**.

Chart 4.4: Status of Reconciliation of Receipts and Expenditure during the year 2018-21

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

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

Issues related to Disclosure

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

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

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

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

It was observed that 266 annual accounts of 63 Autonomous Bodies and Authorities (due up to 2020-21) for audit as on 30 September 2021 have not been submitted by the concerned entities. The Department-wise details of accounts due from Autonomous Bodies and Authorities are given in **Appendix 4.1**. Age wise pendency of these 266 accounts is given in **Table 4.16**.

Table 4.16: Age-wise analysis of Annual Accounts due for audit but not submitted

Delay in number of years	No. of Bodies/Authorities	No. of Accounts
1-2	21	39
3-4	36	142
5-10	01	06
More than 10	05	79
Total	63	266

In the absence of annual accounts and their audit, proper utilisation of grants-in-aid and loans disbursed to these Bodies/Authorities and their accounting cannot be vouched. Audit has been taking up the matter of non-submission of accounts of the defaulting bodies with the authorities concerned from time to time, but without perceivable improvement.

4.15 Proforma Accounts of Departmental Commercial Undertakings

Departmental Commercial Undertakings are required to finalise proforma annual accounts in the prescribed format and submit the same to the Accountant General for audit within three months of closure of accounts. However, out of the nine Departmental Commercial Undertakings in the State, three had not finalised their accounts for many years (**Appendix 4.2**).

4.16 Pending cases of misappropriations, losses, thefts, etc.

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

The State Government reported 135 cases⁴⁵ of misappropriation/ losses/thefts, etc., of Government material/money involving ₹ 9.31 crore on which final action was pending as on 31 March 2021. The department-wise break up of pending cases of misappropriation, losses, theft, etc., and reasons for the delay in final disposal are given in **Table 4.17**.

Table 4.17: Pending cases of misappropriation, losses, theft etc.

(₹ in lakh)

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

⁴⁵ Pertaining to period January 1967 to 2020-21.

Name of Department	Cases of misappropriation/ losses /theft of Government material		Reasons for the delay in final disposal of pending cases of misappropriation, losses, theft, etc.					
			Awaiting departmental and criminal investigation		Departmental action initiated but not finalised		Criminal proceedings finalised but recovery of the amount pending	
	Number of cases	Amount	Number of cases	Amount	Number of cases	Amount	Number of cases	Amount
Rural Development	9	3.28	1	0.74	7	2.34	1	0.20
Education	8	171.16	2	101.08	4	55.55	2	14.53
Technical Education	1	11.59	-	-	-	-	1	11.59
Animal Husbandry	16	6.55	7	5.20	9	1.35	-	-
Fisheries	3	2.61	-	-	3	2.61	-	-
Agriculture	3	7.62	2	2.17	1	5.45	-	-
Irrigation	41	121.03	4	16.07	35	36.95	2	68.01
Cooperative	2	1.45	-	-	1	0.17	1	1.28
Medical Health and Family Welfare	11	15.89	1	0.30	9	14.22	1	1.37
Home (Police)	8	56.09	7	8.61	-	-	1	47.48
Revenue	5	14.49	3	8.81	2	5.68	-	-
Finance	1	0.67	1	0.67	-	-	-	-
Weight and Measurements	1	1.01	-	-	-	-	1	1.01
Public Works Department	9	147.80	4	27.26	1	0.12	4	120.42
Revenue (Land Acquisition)	3	331.78	-	-	3	331.78	-	-
Judiciary	1	4.44	-	-	1	4.44	-	-
Total	135	930.78	32	170.91	86	491.78	17	268.09

Source: Information received from concerned departments

The age wise analysis of these pending cases is depicted in **Table 4.18**, which indicates that 91 cases involving ₹ 4.60 crore were pending as on 31 March 2021 since more than 20 years:

Table 4.18: Age-wise analysis of pending cases of misappropriation, losses, theft etc.

(₹ in lakh)

Years ranging	Number of cases	Amount involved
0 – 5 Years (2016-17 to 2020-21)	Nil	Nil
5 – 10 Years (2011-12 to 2015-16)	08	108.95
10 – 15 Years (2006-07 to 2010-11)	17	310.31
15 – 20 Years (2001-02 to 2005-06)	19	51.25
20 – 25 Years (1996-97 to 2000-01)	27	60.20
Above 25 Years (1995-96 and before)	64	400.07
Total	135	930.78

Out of a total of 135 pending cases (as on 31 March 2021) involving ₹ 930.78 lakh, departmental and criminal investigation was not initiated in 32 cases amounting to ₹ 170.91 lakh. Departmental action was initiated in 86 cases (involving ₹ 491.78 lakh) which were not finalised. Criminal

proceedings were finalised in 17 cases (involving ₹ 268.09 lakh), but recovery of the amount was pending.

4.17 Conclusion

- The sums collected against labour cess are being deposited directly in bank accounts of U.P. Building and Other Construction Workers Welfare Board without bringing it into Government Accounts. In the absence of accounting of cess through Government Accounts, it was not ascertainable from the accounts of the State Government as to how much money was collected on account of cess, fee, etc., and how much money was transferred to the Board by various Cess Collectors.
- The State Government did not constitute the State Electricity Regulatory Commission Fund as required under Electricity Act, 2003. Fees received by the Uttar Pradesh Electricity Regulatory Commission are being kept in bank accounts instead of in Public Account of the State.
- The State Government resorted to extra-budget borrowings through State owned PSUs/Authorities for meeting expenditure having implication on debt parameters of the State. Since these extra-budget borrowings do not form part of the Debt-Stock of the State, the debt position as reflected in Finance Accounts does not depict actual debt position.
- The State Government did not remit entire amount of employees' and employers' contributions towards the Defined Contribution Pension Scheme to the designated fund manager for its further investment. As a result, the State Government has created uncertainty in respect of benefits due to the employees/avoidable financial liability to the Government in future, and, thus, leading to possible failure of the scheme itself.
- The State Government did not establish Uttar Pradesh Road Transport Accident Relief Fund, as required under Uttar Pradesh Motor Vehicle Taxation Act, 1997, meant to provide relief to the passengers or heirs of deceased passengers or other persons suffering casualty.
- A large number (39,587) of UCs aggregating ₹ 26,237.08 crore were outstanding at the close of the year 2020-21. In the absence of UCs, there is no assurance that grants-in-aid disbursed have actually been incurred for the purpose for which they were sanctioned/authorised by the Legislature.
- As many as 1,178 AC bills amounting ₹ 16.21 crore were awaiting adjustment as on 31 March 2021.
- Classification of large amounts booked under the Minor Heads '800-Other Receipts/Expenditure' does not give a complete picture in the financial reporting. Similarly, in respect of 20 grants, the expenditure under Object Head: '42- Other Expenditure' contributed to 31 *per cent* of total expenditure of these grants, which affects transparency in financial reporting.
- 266 annual accounts of 63 Autonomous Bodies/Authorities (due up to 2020-21) for audit as of 30 September 2021 have not been submitted by the concerned entities. In absence of annual accounts and their audit, proper utilisation of grants and loans disbursed to these Autonomous Bodies/Authorities cannot be vouched.

- There were 135 cases of misappropriation, losses and theft involving an amount of ₹ 930.78 crore oldest pending since January 1967 on which final action was pending as on 31 March 2021.

4.18 Recommendations

- *Sums collected against labour cess by the U.P. Building and Other Construction Workers Welfare Board should be part of Public Account of the State and from there it may be transferred to the Board Account. The U.P. Building and Other Construction Workers Welfare Board should fulfil its mandate of improving the working condition of building and other construction workers and providing adequate financial assistance to them.*
- *The State Government should constitute the State Electricity Regulatory Commission Fund and credit the fund balance in the Public Account of the State.*
- *The State Government should avoid extra-budget borrowings and credit all loans taken by PSUs/ Authorities on behalf of State Government but serviced by the State Government, to the Consolidated Fund.*
- *The State Government should transfer the entire amount of Defined Contribution Pension Scheme to the designated fund manager through the National Securities Depository Limited (NSDL)/Trustee Bank so that the un-transferred amount could become the part of corpus of investment of the subscribers and yield value appreciation.*
- *Being the statutory requirement, the Government should create the 'Uttar Pradesh Road Transport Accident Relief Fund' so that the fund could be utilised for benefit of the affected persons.*
- *The Government may ensure timely submission of utilisation certificates by the departments in respect of the grants-in-aid released for specific purposes and all pendencies may be reviewed before release of fresh grants to defaulting grantees.*
- *The Finance Department should ensure that all controlling officer adjust Abstract Contingent bills within stipulated period, as required under the Rules.*
- *The Finance Department should, in consultation with the Accountant General (A&E), conduct a comprehensive review of all items presently appearing under minor head 800 and ensure that all such receipts and expenditure are in future booked under the appropriate heads of account. Further, at object head level, indiscriminate use of object head 42-Other expenditure should be minimised.*
- *The Finance Department should consider evolving a system for regular review to expedite the process of compilation and submission of annual accounts by Bodies/Authorities/Departmental Commercial Undertakings in order to assess their financial position.*
- *The Government may consider preparing a time bound framework for taking prompt action in cases of misappropriation, loss, theft, etc. and strengthening the internal control system to prevent recurrence of such cases.*

CHAPTER - V

Financial Performance of State Public Sector Undertakings

CHAPTER-V

FINANCIAL PERFORMANCE OF STATE PUBLIC SECTOR UNDERTAKINGS

5.1 Introduction

State Public Sector Undertakings (PSUs) are established to carry out activities of commercial nature keeping in view the welfare of people and occupy an important place in the State economy. PSUs consist of State Government Companies, Government controlled other Companies and Statutory Corporations. This Chapter presents the summary of financial performance of PSUs.

5.1.1 Definition of Government Companies, Government controlled other Companies and Statutory Corporations

A Government Company is defined in Section 2(45) of the Companies Act, 2013 as a company in which not less than 51 *per cent* of the paid-up share capital is held by Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments and includes a company which is a subsidiary of a Government Company. Besides, any other company⁴⁶ owned or controlled, directly or indirectly, by the Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments are referred to in this Chapter as Government controlled other Companies. The Statutory Corporations are those corporations which were set up under Statutes enacted by the Legislature.

5.1.2 Mandate of Audit

Audit of Government Companies and Government controlled other Companies is conducted by the Comptroller and Auditor General of India (CAG) under the provisions of Section 143 (5) to 143 (7) of the Companies Act, 2013 read with Section 19 of the CAG's (Duties, Powers and Conditions of Service) Act, 1971 and the Regulations made thereunder. Under the Companies Act, 2013, the CAG appoints the Chartered Accountants as Statutory Auditors for companies and gives directions on the manner in which the accounts are to be audited. In addition, the CAG conducts a supplementary audit. The statutes governing some Statutory Corporations require their accounts to be audited only by the CAG.

5.1.3 Nature of Public Sector Undertakings and their coverage in the Chapter

As on 31 March 2021, there were 115 PSUs (94 Government Companies, 15 Government controlled other Companies and six Statutory Corporations⁴⁷)

⁴⁶ Companies (Removal of Difficulties), Seventh order 2014 issued vide gazette notification dated 04 September 2014.

⁴⁷ Uttar Pradesh Avas Evam Vikas Parishad, Uttar Pradesh Jal Nigam, Uttar Pradesh Financial Corporation, Uttar Pradesh State Road Transport Corporation, Uttar Pradesh State Warehousing Corporation and Uttar Pradesh Forest Corporation.

including 44 non-functional PSUs⁴⁸ under the audit jurisdiction of the CAG in Uttar Pradesh. During the year 2020-21, two new Government controlled other Companies viz. Noida International Airport Limited (NIAL) and DMIC Integrated Industrial Township Greater Noida Limited were added. None of the State PSUs were listed on the stock exchange.

The financial performance of 38 PSUs (consisting of 11 PSUs of power sector and 27 PSUs of other than power sector, as detailed in *Appendix-5.1*) on the basis of their latest finalised accounts received upto 30 November 2021 is covered in this Chapter. This Chapter does not include analysis of financial performance of 77 PSUs (including 70 Government Companies, four Government controlled other Companies and three Statutory Corporations) as these PSUs have accounts in arrears for three years or more or were defunct/under liquidation or their first accounts were not received as of 30 November 2021, as detailed in *Appendix-5.2*. However, this Chapter covers investment in State PSUs, Budgetary Support and Reconciliation with Finance Accounts of Government of Uttar Pradesh (**Paragraphs 5.2, 5.2.2 and 5.2.2.1**) in respect of all State PSUs.

5.1.4 Turnover of Public Sector Undertakings vis-à-vis Gross State Domestic Product of State

The PSUs play an important role in the economy of the State. Apart from providing critical infrastructure required for development of the State's economy, these PSUs also add significantly to the Gross State Domestic Product (GSDP) of the State. The ratio of PSUs' turnover to GSDP shows the extent of activities of PSUs in the State economy. **Table 5.1** provides the details of turnover of PSUs (PSU-wise details in *Appendix 5.1*) and GSDP of Uttar Pradesh for a period of four years ending 31 March 2021⁴⁹.

Table 5.1: Details of turnover of Public Sector Undertakings vis-à-vis GSDP of Uttar Pradesh

Particulars	(₹ in crore)			
	2017-18	2018-19	2019-20	2020-21
Turnover of 11 Power Sector PSUs	56,651	61,857	66,378	66,378 ⁵⁰
Turnover of 27 Other than power sector PSUs	7,433	7,316	6,752	6,664
Total turnover (38 PSUs)	64,084	69,173	73,130	73,042
GSDP of Uttar Pradesh⁵¹	14,16,006	15,84,764	16,87,818	17,05,593
Percentage of turnover of Power Sector PSUs to GSDP of Uttar Pradesh	4.00	3.90	3.93	3.89
Percentage of turnover of other than Power Sector PSUs to GSDP of Uttar Pradesh	0.52	0.46	0.40	0.39

⁴⁸ Non-functional PSUs are those which have ceased to carry on their operations.

⁴⁹ As per the latest finalised accounts till 30 November 2021.

⁵⁰ Turnover of power sector PSUs for the year 2019-20 and 2020-21 has been considered same, as accounts for the year 2020-21 were not received.

⁵¹ GSDP at current prices for the years 2017-18 to 2019-20 was revised by Central/State Government, hence percentage ratio/buoyancies of various parameters with reference to GSDP for 2017-18 to 2019-20 indicated in earlier Audit Reports have also been revised.

Particulars	2017-18	2018-19	2019-20	2020-21
Percentage change in turnover of Power Sector PSUs as compared to turnover of preceding year	-	9.19	7.31	0.00
Percentage change in turnover of other than power sector PSUs as compared to turnover of preceding year	-	(-)1.57	(-)7.71	(-)1.30
Percentage change in GSDP as compared to GSDP of preceding year	-	11.92	6.50	1.05

Source: Compiled based on turnover figures of PSUs and GSDP figures issued by Ministry of Statistics and Program Implementation, Government of India dated 02 August 2021.

The turnover of 11 power sector PSUs has shown an increasing trend during the years 2018-19 and 2019-20 as compared to the year 2017-18 with growth ranging between 7.31 per cent and 9.19 per cent. Since accounts for the year 2020-21 were not submitted by any power sector PSU, growth rate during the current year could not be analysed.

However, the turnover of 27 other than power sector PSUs has shown a decreasing trend during the period 2018-19 to 2020-21. The decrease in turnover ranged between 1.30 per cent and 7.71 per cent during the period 2018-19 to 2020-21 whereas increase in GSDP of Uttar Pradesh was between 1.05 per cent and 11.92 per cent during 2018-19 to 2020-21.

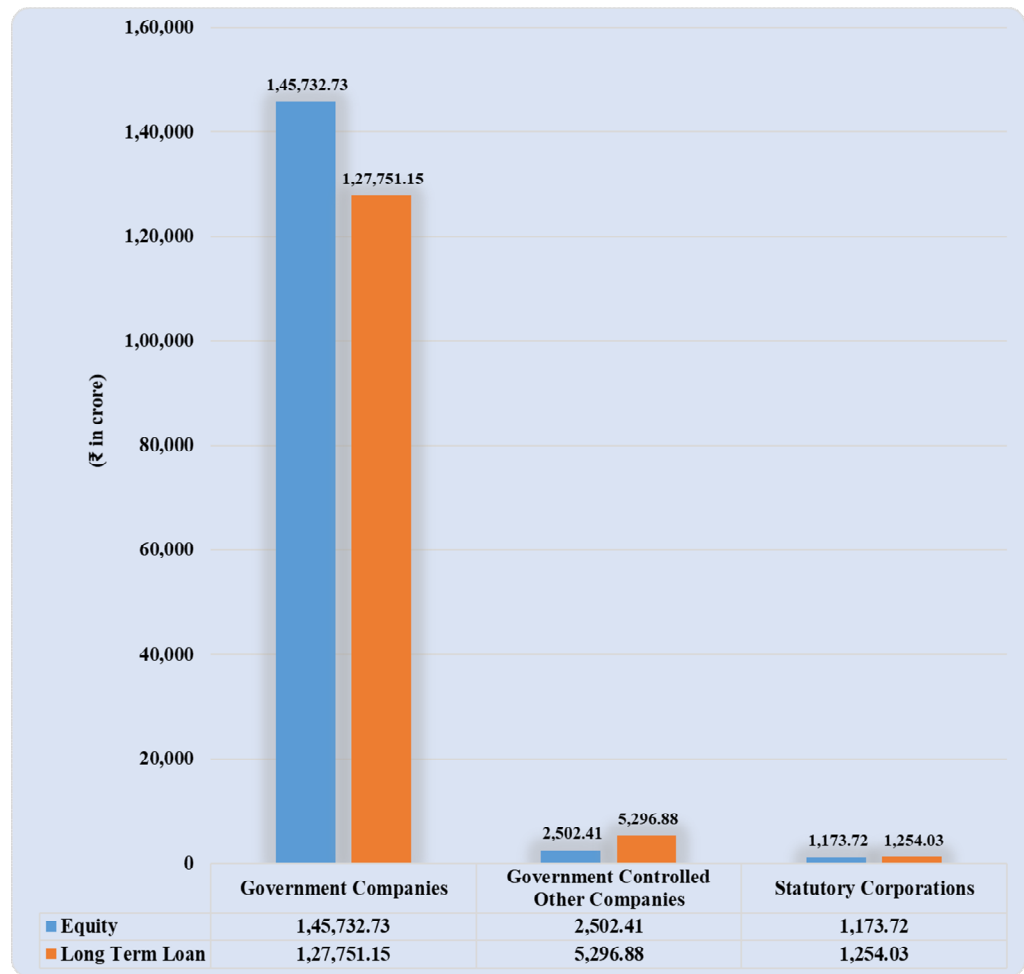
Compounded annual growth is a useful method to measure growth rate over long time periods. Against the compounded annual growth of 6.40 per cent of GSDP, the turnover of 38 PSUs recorded lower compounded annual growth of 4.46 per cent during the last three years. This resulted in decrease in share of turnover of PSUs (11 power sector PSUs and 27 other than power sector PSUs) to GSDP from 4.00 per cent to 3.89 per cent and 0.52 per cent to 0.39 per cent respectively during the period 2017-18 to 2020-21.

5.2 Investment in State Public Sector Undertakings and Budgetary Support

The Capital invested by Central Government, State Government and others⁵² in 115 PSUs (94 Government Companies, 15 Government controlled other Companies and six Statutory Corporations) as on 31 March 2021 is depicted in **Chart 5.1**.

⁵² 'Others' include investment by holding companies, financial institutions, banks, etc.

Chart 5.1: Composition of Investment in Government Companies, Government controlled other Companies and Statutory Corporations



The sector-wise summary of investment (equity and long term loans) in 115 State PSUs as on 31 March 2021 is given in **Table 5.2**.

Table 5.2: Sector-wise investment in Public Sector Undertakings

(₹ in crore)

Sector	No. of PSUs	Investment								Grand Total
		Equity				Long-term loans				
		GoUP	GoI	Others	Total	GoUP	GoI	Others	Total	
PSUs covered in this Chapter										
Power Sector PSUs	11	1,34,515.87	0.00	2,213.50	1,36,729.37	406.11	0.00	1,13,207.97	1,13,614.08	2,50,343.45
Other than Power Sector PSUs	27	2,841.40	2,345.56	2,736.83	7,923.79	5,215.14	4,915.95	4,144.51	14,275.60	22,199.39
Total of PSUs covered in this Chapter	38	1,37,357.27	2,345.56	4,950.33	1,44,653.16	5,621.25	4,915.95	1,17,352.48	1,27,889.68	2,72,542.84
PSUs not covered in this Chapter										
Power Sector PSUs	2	0.00	0.00	2.27	2.27	0.00	0.00	0.00	0.00	2.27
Other than Power Sector PSUs	75	3,468.88	132.56	1,151.99	4,753.43	2,434.15	1.10	3,977.13	6,412.38	11,165.81
Total of PSUs not covered in this Chapter	77	3,468.88	132.56	1,154.26	4,755.70	2,434.15	1.10	3,977.13	6,412.38	11,168.08
Grand Total	115	1,40,826.15	2,478.12	6,104.59	1,49,408.86	8,055.40	4,917.05	1,21,329.61	1,34,302.06	2,83,710.92

Source: Figures compiled based on annual accounts and information received from PSUs.

As on 31 March 2021, the total investment (equity and long-term loans) in 11 power sector PSUs covered in this Chapter was ₹ 2,50,343.45 crore. The investment consisted of 54.62 per cent towards equity and 45.38 per cent in long-term loans. The long-term loans advanced by the State Government

(₹ 406.11 crore) constituted 0.36 *per cent* of the total long-term loans whereas 99.64 *per cent* (₹ 1,13,207.97 crore) of the total long-term loans were availed from financial institutions as detailed in *Appendix-5.3*.

As on 31 March 2021, the total investment (equity and long term loans) in 27 other than power sector PSUs covered in this Chapter was ₹ 22,199.39 crore. The investment consisted of 35.69 *per cent* towards equity and 64.31 *per cent* in long-term loans. The long-term loans advanced by the State Government constituted 36.53 *per cent* (₹ 5,215.14 crore) of the total long-term loans whereas 63.47 *per cent* (₹ 9,060.46 crore) of the total long-term loans were availed from Government of India and financial institutions as detailed in *Appendix-5.3*.

5.2.1 Adequacy of assets to meet loan liabilities

Ratio of total debt to total assets is one of the parameters used to determine whether a company can stay solvent. To be considered solvent, the value of an entity's assets must be greater than the sum of its loans/debts. As per the latest finalised accounts, the coverage of long-term loans by value of total assets in 21 PSUs (18 Government Companies, two Government controlled other Companies and one Statutory Corporation) which had outstanding loans as on 31 March 2021 is given in *Appendix-5.4* and its summarised details are given under **Table 5.3**.

Table 5.3: Coverage of long term loans by total assets

	Positive Coverage				Negative Coverage			
	No. of PSUs	Long term loans	Assets	Percentage of assets to loans	No. of PSUs	Long term loans	Assets	Percentage of assets to loans
		(₹ in crore)				(₹ in crore)		
Government Companies	17	88,812.95	2,55,810.83	288.03	1	101.41	43.19	42.59
Government controlled other Companies	2	3,607.42	3,633.47	100.72	-	-	-	-
Statutory Corporations	1	41.72	3,024.95	7,250.60	-	-	-	-
Total	20	92,462.09	2,62,469.25	-	1	101.41	43.19	-

Out of the 21 PSUs, 20 PSUs had positive coverage while one PSU (Uttar Pradesh State Spinning Company Limited) had assets valuing ₹ 43.19 crore only, against the total outstanding long-term loan of ₹ 101.41 crore which includes interest free loan of ₹ 95.39 crore from State Government for Voluntary Retirement Scheme. This indicates that this PSU is not in a position to pay off its liabilities on its own and is not sustainable.

5.2.2 Budgetary Support to Public Sector Undertakings

Government of Uttar Pradesh (GoUP) provides financial support to PSUs in various forms through the annual budget. The summarised details of budgetary outgo (equity, loans and grants/subsidies) in respect of PSUs for the last three years ending March 2021 are given in **Table 5.4**.

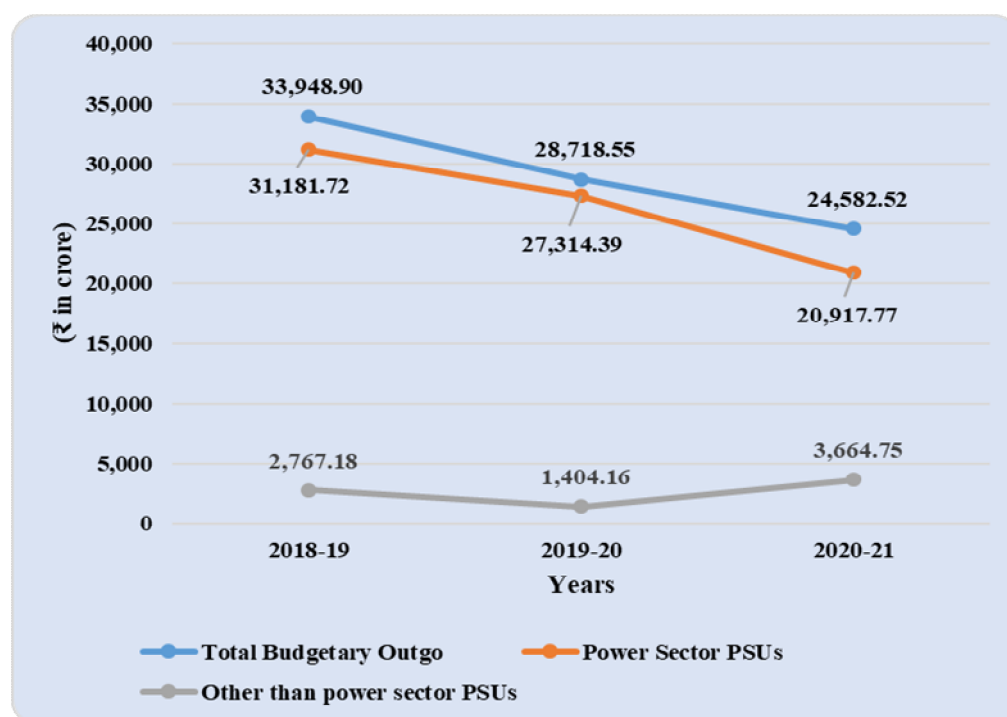
Table 5.4: Details of budgetary support to PSUs during the years 2018-19 to 2020-21

Particulars	2018-19		2019-20		2020-21	
	No of PSUs	Amount ⁵³ (₹ in crore)	No of PSUs	Amount ⁵³ (₹ in crore)	No of PSUs	Amount ⁵³ (₹ in crore)
(A) Power Sector PSUs						
Equity Capital outgo (i)	3 ⁵⁴	13,409.18	3 ⁵⁴	8,248.83	3 ⁵⁴	10,568.47
Loans given (ii)	1	615.45	-	0.00	-	0.00
Grants/Subsidies provided (iii)	2	17,157.09	2	19,065.56	2	10,349.30
Total outgo (i+ii+iii)	3⁵⁵	31,181.72	3⁵⁵	27,314.39	3⁵⁵	20,917.77
(B) Other than Power Sector PSUs						
Equity Capital outgo (i)	3	55.60	4	288.63	7	529.13
Loans given (ii)	8	990.49	8	403.32	6	1,673.16
Grants/Subsidies provided (iii)	15	1,721.09	17	712.21	18	1,462.46
Total outgo (i+ii+iii)	25⁵⁵	2,767.18	27⁵⁵	1,404.16	25⁵⁵	3,664.75

Source: Figures compiled based on annual accounts, Government orders and information received from PSUs

The details regarding budgetary outgo towards equity, loans and grants/subsidies for the last three years ending March 2021 are given in Chart 5.2.

Chart 5.2: Budgetary support towards Equity, Loans and Grants/Subsidies



The annual budgetary assistance received by the power sector PSUs during the years 2018-19, 2019-20 and 2020-21 were ₹ 31,181.72 crore,

⁵³ Amount represents outgo from the State Budget only.

⁵⁴ GoUP infuses equity in Uttar Pradesh Power Corporation Limited, Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited and Uttar Pradesh Electronics Corporation Limited for investment in their subsidiaries. Therefore, for the purpose of infusion of equity, only holding companies on behalf of their subsidiaries have been considered.

⁵⁵ The figure represents number of PSUs which have received outgo from budget under one or more heads i.e., equity, loans, grants/subsidy.

₹ 27,314.39 crore and ₹ 20,917.77 crore respectively. The budgetary assistance of ₹ 20,917.77 crore received during 2020-21 included ₹ 10,568.47 crore and ₹ 10,349.30 crore in the form of equity and grants/subsidy respectively.

Grants/subsidies provided by State Government to power sector PSUs increased in 2019-20 and decreased in 2020-21 as compared to previous years. The increase in grants/subsidies during 2019-20 was primarily on account of increase in subsidy for loss funding under Ujjwal DISCOM Assurance Yojana (UDAY) from ₹ 761.09 crore in 2018-19 to ₹ 2,400 crore in 2019-20. In 2020-21 power sector PSUs have not been provided any assistance under UDAY scheme.

The annual budgetary assistance to other than power sector PSUs during the years 2018-19, 2019-20 and 2020-21 were ₹ 2,767.18 crore, ₹ 1,404.16 crore and ₹ 3,664.75 crore respectively. The budgetary assistance of ₹ 3,664.75 crore received during 2020-21 included ₹ 529.13 crore, ₹ 1,673.16 crore and ₹ 1,462.46 crore in the form of equity, loans and grants/subsidy respectively. Out of total grants of ₹ 1,462.46 crore given by the State Government, grants were mainly provided to Uttar Pradesh Scheduled Caste Finance and Development Corporation Limited (₹ 202.06 crore), Prayagraj Smart City Limited (₹ 220.00 crore) and Agra Smart City limited (₹ 294.00 crore) during 2020-21.

5.2.2.1 Reconciliation with Finance Accounts of Government of Uttar Pradesh

The figures in respect of equity, loans and guarantees outstanding as per records of the State PSUs should agree with that of the figures appearing in the Finance Accounts of the Government of Uttar Pradesh. In case the figures do not agree, the concerned PSUs and the Finance Department should carry out reconciliation of the differences. Audit observed that as on 31 March 2021 such differences existed in respect of 66 PSUs (59 Government Companies, two Government controlled other Companies and five Statutory Corporations) as detailed in *Appendix-5.5* and summarised in **Table 5.5**.

Table 5.5: Equity, loans and guarantees outstanding as per Finance Accounts of Government of Uttar Pradesh vis-à-vis records of State PSUs

(₹ in crore)

Outstanding in respect of	Sector	Amount as per records of State PSUs	Amount as per Finance Accounts	Difference
Equity	Power Sector	32,290.91	29,467.94	2,822.97
	Other than Power Sector	6,272.72	6,184.92	87.80
	Total	38,563.63	35,652.86	2,910.77
Loans	Power Sector	64.65	0.00	64.65
	Other than Power Sector	7,649.29	3,531.60	4,117.69
	Total	7,713.94	3,531.60	4,182.34
Guarantees	Power Sector	28,171.54	28,805.76	(-634.22)
	Other than Power Sector	3,955.23	3,548.44	406.79
	Total	32,126.77	32,354.20	(-227.43)

Source: Information received from PSUs and Finance Accounts

The differences between the figures are persisting for many years in past. The issue of reconciliation of differences has been taken up by Audit with the concerned PSUs and the Departments from time to time. Major difference in

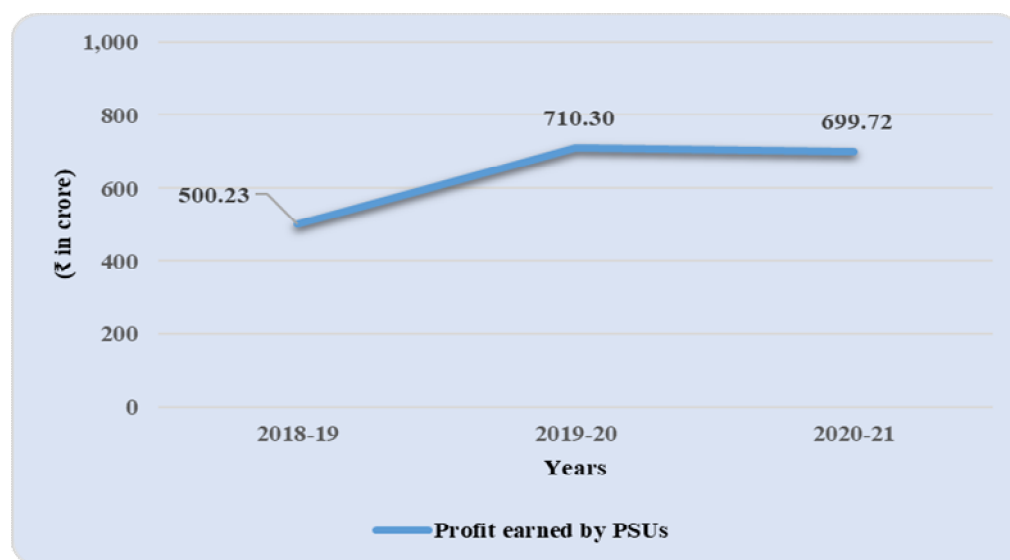
balances was observed in case of two power sector PSUs⁵⁶ and five other than power sector PSUs⁵⁷.

5.3 Returns from Public Sector Undertakings

5.3.1 Profit earning Public Sector Undertakings

The Profit earned by PSUs⁵⁸ during 2018-19 to 2020-21 are depicted in **Chart 5.3**.

Chart 5.3: Profit earned by PSUs



Out of total 38 PSUs, 18 PSUs earned profit in 2018-19. The number of profit-making PSUs increased to 22 during 2020-21. Profit-making PSUs earned profit amounting to ₹ 500.23 crore, ₹ 710.30 crore and ₹ 699.72 crore during 2018-19, 2019-20 and 2020-21 respectively. According to the latest finalised accounts of PSUs, top profit-making PSUs were Uttar Pradesh Power Transmission Corporation (₹ 351.89 crore) and Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited (₹ 116.91 crore) during the year 2020-21 (*Appendix-5.1*).

5.3.2 Dividend payout

The State Government had formulated (October 2002) a dividend policy under which PSUs running in profit are required to pay a minimum dividend of five *per cent* on the share capital contributed by the State Government.

Dividend payout by PSUs where equity was infused by GoUP during the period 2018-19 to 2020-21 is shown in **Table 5.6**.

⁵⁶ Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited and Uttar Pradesh Power Transmission Corporation Limited

⁵⁷ The Pradeshiya Industrial and Investment Corporation of UP Limited, Uttar Pradesh Food and Essential Commodities Corporation Limited, Uttar Pradesh Rajkiya Nirman Nigam Limited, Uttar Pradesh State Bridge Corporation Limited and NOIDA International Airport Limited

⁵⁸ As per the latest finalised accounts upto 30 November 2021.

Table 5.6: Dividend Payout of PSUs during 2018-19 to 2020-21

During the year	Total PSUs where equity infused by GoUP		PSUs running in profit during the year		PSUs which declared/paid dividend during the year		Dividend Payout Ratio (in per cent) (7/5*100)
	Number of PSUs	Equity infused by GoUP (₹ in crore)	Number of PSUs	Equity infused by GoUP (₹ in crore)	Number of PSUs	Dividend declared/paid by PSUs (₹ in crore)	
1	2	3	4	5	6	7	8
I. Power Sector PSUs							
2018-19	4	1,17,911.92	1	12,305.55	-	-	-
2019-20	4	1,26,160.75	2	30,776.70	-	-	-
2020-21	4	1,34,515.87	-	-	-	-	-
II. Other than Power Sector PSUs							
2018-19	11	2,173.58	7	888.89	3 ⁵⁹	0.39	0.04
2019-20	11	2,496.95	2	10.59	1 ⁶⁰	0.02	0.19
2020-21	11	2,841.40	1	0.05	-	-	-

In case of power sector PSUs, Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited was running in profit in 2018-19 as well as 2019-20 while Uttar Pradesh Power Transmission Corporation Limited was running in profit in 2019-20. However, these companies had not declared/paid any dividend to GoUP. Further, none of the power sector PSUs finalised their accounts for the year 2020-21 (till 30 November 2021).

In case of other than power sector PSUs, during the period 2018-19 to 2020-21, the number of PSUs running in profit ranged between one and seven. During the period 2018-19 and 2019-20, the number of PSUs, which declared/paid dividend to GoUP, ranged from one to three. One other than power sector PSU viz. Uttar Pradesh Export Promotion Council has finalised its accounts for the year 2020-21 and earned profit, however, no dividend has been declared by the company.

Thus, no PSU declared/paid any dividend to GoUP in 2020-21.

5.4 Analysis of Long term loans of Public Sector Undertakings (Debt Servicing)

An analysis of the long-term loans of the PSUs which had liability of interest on loan from Government, Banks and other financial institutions etc., during 2018-19 to 2020-21, was carried out to assess the ability of the PSUs to service the debt owed by them. This is assessed through the interest coverage ratio.

5.4.1 Interest Coverage Ratio

Interest coverage ratio is used to determine the ability of a company to pay interest on outstanding debt and is calculated by dividing a company's earnings before interest and taxes (EBIT) by interest expenses of the same period. The lower the ratio, the less is the ability of the company to pay interest on debt. An interest coverage ratio of below one indicates that the company was not generating sufficient revenues even to meet its expenses on

⁵⁹ Uttar Pradesh Development Systems Corporation Limited, Uttar Pradesh Purva Sainik Kalyan Nigam Limited and Uttar Pradesh Projects Corporation Limited

⁶⁰ Uttar Pradesh Purva Sainik Kalyan Nigam Limited

interest. The details of interest coverage ratio of PSUs which had outstanding loans during the period from 2018-19 to 2020-21 are given in **Table 5.7**.

Table 5.7: Interest coverage ratio of the PSUs having liability of interest on Long Term Loans

During the year	Type of PSUs	Interest (₹ in crore)	Earnings before interest and tax (₹ in crore)	Number of PSUs having liability of interest on loans	Number of PSUs having interest coverage ratio more than 1	Number of PSUs having interest coverage ratio less than 1
Power Sector PSUs						
2018-19	All Government Companies	6,405.53	152.90	8	1	7
2019-20	All Government Companies	4,733.42	1,699.28	6	1	5
2020-21	All Government Companies	4,733.42	1,699.28	6	1	5
Other than Power Sector PSUs						
2018-19	Government Companies	24.07	(-)42.69	5	2	3
	Government controlled other Companies	0.02	0.48	1	1	-
	Statutory Corporations	-	-	-	-	-
	Total	24.09	(-)42.21	6	3	3
2019-20	Government Companies	90.72	(-)240.24	5	2	3
	Government controlled other Companies	0.04	(-)0.24	1	-	1
	Statutory Corporations	-	-	-	-	-
	Total	90.76	(-)240.48	6	2	4
2020-21	Government Companies	113.38	(-)283.01	5	2	3
	Government controlled other Companies	0.04	(-)0.24	1	-	1
	Statutory Corporations	-	-	-	-	-
	Total	113.42	(-)283.25	6	2	4

In power sector PSUs, out of six to eight PSUs having liability of interest-bearing loans during the period 2018-19 to 2020-21, only one PSU⁶¹ had interest coverage ratio of more than one whereas the remaining five to seven PSUs had negative/less than one interest coverage ratio. This indicates that these PSUs could not generate sufficient revenue even to meet their expenses on interest during the period.

Of the six other than power sector PSUs having liability of loans during the period 2018-19 to 2020-21, three PSUs⁶² in 2018-19 and two PSUs⁶³ in 2019-20 and 2020-21 had interest coverage ratio of more than one. Three to four PSUs had interest coverage ratio below one, which indicates that these PSUs could not generate sufficient revenue to meet their expenses on interest during the period.

⁶¹ Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited

⁶² The Pradeshiya Industrial and Investment Corporation of UP Limited, Shretron India Limited and Almora Magnesite Limited

⁶³ The Pradeshiya Industrial and Investment Corporation of UP Limited and Shretron India Limited

5.4.2 Age-wise analysis of interest outstanding on Public Sector Undertakings

As on 31 March 2021, interest amounting to ₹ 594.16 crore was outstanding on the long-term loans provided by GoUP to five PSUs. The age wise analysis of interest outstanding on GoUP loans in PSUs is depicted in **Table 5.8**.

Table 5.8: Age – wise analysis of interest outstanding on Public Sector Undertakings

(₹ in crore)				
Name of PSU	Outstanding interest on loans as on 31 March 2021	Outstanding for less than 1 year	Outstanding for 1 to 3 years	Outstanding for more than 3 years
I. Power Sector PSUs				
Uttar Pradesh Jal Vidyut Nigam Limited	235.97	10.60	21.19	204.18
Uttar Pradesh Power Corporation Limited	240.59	54.85	122.07	63.67
Sub Total (I)	476.56	65.45	143.26	267.85
II. Other than Power Sector PSUs				
The Pradeshiya Industrial and Investment Corporation of UP Limited	32.88	-	-	32.88
Uttar Pradesh Electronics Corporation Limited	51.46	2.16	6.47	42.83
Uttar Pradesh State Spinning Company Limited	33.26	4.75	12.08	16.43
Sub Total (II)	117.60	6.91	18.55	92.14
Grand Total	594.16	72.36	161.81	359.99

The above table indicate that out of total interest amount of ₹ 594.16 crore, ₹ 359.99 crore was outstanding for more than three years which indicates that these PSUs were not regular in paying interest.

5.5 Operating efficiency of Public Sector Undertakings

5.5.1 Turnover *vis-à-vis* Total Assets and Capital Employed in PSUs

The value of turnover, total assets and capital employed in respect of Power Sector PSUs and Other than power sector PSUs for the last three years ending 31 March 2021 are given in **Table 5.9**.

Table 5.9: Turnover, Assets and Capital Employed of Power Sector and Other than Power Sector PSUs

(₹ in crore)					
Year	Type of PSUs	No. of PSUs	Turnover	Total Assets	Capital employed
Power Sector PSUs					
2018-19	Government Companies	11	61,857.13	2,99,516.08	27,311.01
2019-20		11	66,378.02	3,29,501.90	30,222.96
2020-21		11	66,378.02	3,29,501.90	30,222.96
Other than Power Sector PSUs					
2018-19	Government Companies	13	1,365.79	18,184.78	10,358.93
	Government controlled other Companies	11	199.12	3,085.30	1,820.46
	Statutory Corporations	3	5,751.44	22,521.78	6,506.44
	Total	27	7,316.35	43,791.86	18,685.83

Year	Type of PSUs	No. of PSUs	Turnover	Total Assets	Capital employed
2019-20	Government Companies	13	1,534.55	18,929.72	11,229.64
	Government controlled other Companies	11	24.73	6,669.90	5,412.32
	Statutory Corporations	3	5,192.22	24,480.48	6,545.38
	Total	27	6,751.50	50,080.10	23,187.34
2020-21	Government Companies	13	1,447.41	20,504.85	12,485.02
	Government controlled other Companies	11	24.73	6,731.43	5,429.74
	Statutory Corporations	3	5,192.22	24,480.48	6,545.38
	Total	27	6,664.36	51,716.76	24,460.14
2018-19	All PSUs	38	69,173.48	3,43,307.94	45,996.84
2019-20	All PSUs	38	73,129.52	3,79,582.00	53,410.30
2020-21	All PSUs	38	73,042.38	3,81,218.66	54,683.10

There was marginal decrease in the turnover while increase in total assets and capital employed in the year 2020-21 compared to the previous year in 38 PSUs covered in the Chapter. PSU-wise details of turnover, total assets and capital employed are given in *Appendix-5.1*.

In respect of 11 power sector PSUs, there was increase in the turnover, total assets and capital employed in the year 2019-20 compared to previous year. This increase was mainly due to increase in turnover of Madhyanchal Vidyut Vitran Nigam Limited and Uttar Pradesh Power Transmission Corporation Limited and increase in the total assets and capital employed of Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited and Uttar Pradesh Power Transmission Corporation Limited.

In respect of 27 other than power sector PSUs, total assets and capital employed has shown an increasing trend while the turnover has shown a decreasing trend during the period 2018-19 to 2020-21 as compared to previous years. Increase in total assets and capital employed was mainly due to increase in total assets as well as capital employed of Uttar Pradesh Metro Rail Corporation Limited and Noida International Airport Limited, whereas decrease in turnover was mainly due to decrease in turnover of Uttar Pradesh Avas Evam Vikas Parishad and DMIC Integrated Industrial Township Greater Noida Limited.

5.5.2 Return on Capital Employed

Return on Capital Employed (RoCE) is a ratio that measures a company's profitability and the efficiency with which its capital is employed.

RoCE is calculated by dividing a company's earnings before interest and taxes (EBIT) by the capital employed⁶⁴. The details of RoCE of 11 Power Sector PSUs (All Government Companies) during the period from 2018-19 to 2020-21 are given in **Table 5.10**.

⁶⁴ Capital employed = Paid up share capital + free reserves and surplus + long term loans – accumulated losses - deferred revenue expenditure.

Table 5.10: Return on Capital Employed for Power Sector PSUs

Year	EBIT (₹ in crore)	Capital Employed (₹ in crore)	RoCE (per cent)
Power Sector PSUs			
2018-19	(-)8,093.59	27,311.01	(-)29.63
2019-20	(-)1,539.02	30,222.96	(-)5.09
2020-21	(-)1,539.02	30,222.96	(-)5.09

The overall RoCE of the power sector PSUs ranged between (-)5.09 per cent and (-)29.63 per cent during the period 2018-19 to 2020-21.

The details of RoCE of 27 Other than power sector PSUs (13 Government Companies, 11 Government controlled other Companies and three Statutory Corporations) during the period from 2018-19 to 2020-21 are given in Table 5.11.

Table 5.11: Return on Capital Employed for other than Power Sector PSUs

Year	Type of PSUs	EBIT (₹ in crore)	Capital Employed (₹ in crore)	RoCE (per cent)
2018-19	Government Companies	27.39	10,358.93	0.26
	Government controlled other Companies	(-)447.15	1,820.46	(-)24.56
	Statutory Corporation	277.27	6,506.44	4.26
	Total	(-)142.49	18,685.83	(-)0.76
2019-20	Government Companies	(-)131.53	11,229.64	(-)1.17
	Government controlled other Companies	26.32	5,412.32	0.49
	Statutory Corporation	91.40	6,545.38	1.40
	Total	(-)13.81	23,187.34	(-)0.06
2020-21	Government Companies	(-)173.58	12,485.02	(-)1.39
	Government controlled other Companies	11.43	5,429.74	0.21
	Statutory Corporation	91.40	6,545.38	1.40
	Total	(-)70.75	24,460.14	(-)0.29

Source: Figures compiled based on latest finalised accounts till 30 November 2021

The overall RoCE of the other than power sector PSUs ranged between (-)0.06 per cent and (-)0.76 per cent during the period 2018-19 to 2020-21. RoCE of Government Companies was 0.26 per cent during 2018-19 and it was negative during 2019-20 and 2020-21, RoCE of Government controlled other Companies were 0.49 per cent and 0.21 per cent during the year 2019-20 and 2020-21 respectively and it was negative during 2018-19 whereas, RoCE of Statutory Corporations remained positive and ranged between 1.40 per cent and 4.26 per cent during 2018-19 to 2020-21.

The RoCE of Government Companies of other than power sector PSUs decreased from 0.26 per cent to (-)1.39 per cent which was mainly due to significant increase in capital employed in Uttar Pradesh Metro Rail Corporation Limited (from ₹ 6,509.65 crore to ₹ 8,073.06 crore) and Noida

Metro Rail Corporation Limited (from ₹ 2,557.59 crore to ₹ 3,030.83 crore) during 2018-19 to 2020-21.

5.5.3 Return on Equity

Return on Equity (RoE)⁶⁵ is a measure of financial performance of a company calculated by dividing net income (i.e. net profit after taxes) by shareholders' fund. It is expressed in terms of percentage of Shareholders' fund and can be calculated for any company if shareholders' fund is positive.

RoE of 11 power sector PSUs (All Government Companies) covered in the chapter during the period from 2018-19 to 2020-21 is given in **Table 5.12**.

Table 5.12: Return on Equity in Power Sector PSUs

		2018-19	2019-20	2020-21
Government Companies	Net Income for the year	(-)14,537.38	(-)6,499.10	(-)6,499.10
	Shareholders' Fund	(-)52,131.87	(-)50,030.35	(-)50,030.35
	RoE (in per cent)	-	-	-

Source: Figures compiled based on latest finalised accounts till 30 November 2021.

In case of power sector PSUs, the net income and shareholders' fund were negative during the last three years ending March 2021. RoE in respect of these years could not be worked out as shareholders' fund was negative which indicates that the liabilities of these PSUs have exceeded the assets and instead of paying returns on the share capital, the accumulated losses have wiped out the entire share capital.

RoE of 27 Other than power sector PSUs (13 Government Companies, 11 Government controlled other Companies and three Statutory Corporations) covered in the chapter during the period from 2018-19 to 2020-21 is given in **Table 5.13**.

Table 5.13: Return on Equity in other than Power Sector PSUs

		(₹ in crore)		
		2018-19	2019-20	2020-21
Government Companies	Net Income/Total earnings for the year	(-)8.28	(-)242.22	(-)306.93
	Shareholders' Fund	3,341.69	3,487.27	3,823.97
	RoE (in per cent)	(-)0.25	(-)6.95	(-)8.03
Government controlled other Companies	Net Income/Total earnings for the year	(-)450.69	14.27	3.01
	Shareholders' Fund	1,820.39	1,804.90	1,822.32
	RoE (in per cent)	(-)24.76	0.79	0.17
Statutory Corporations	Net Income/Total earnings for the year	277.27	91.40	91.40
	Shareholders' Fund	6,464.72	6,503.66	6,503.66
	RoE (in per cent)	4.29	1.41	1.41
Total	Net Income/Total earnings for the year	(-)181.70	(-)136.55	(-)212.52
	Shareholders' Fund	11,626.80	11,795.83	12,149.95
	RoE (in per cent)	(-)1.56	(-)1.16	(-)1.75

Source: Figures compiled based on latest finalised accounts till 30 November 2021.

In case of other than power sector PSUs, overall RoE as well as RoE of Government Companies was negative during the years 2018-19 to 2020-21.

⁶⁵ Return on Equity = (Net Profit after Tax and preference Dividend/Equity) X 100 where equity = paid up capital + free reserves – accumulated losses – deferred revenue expenditure.

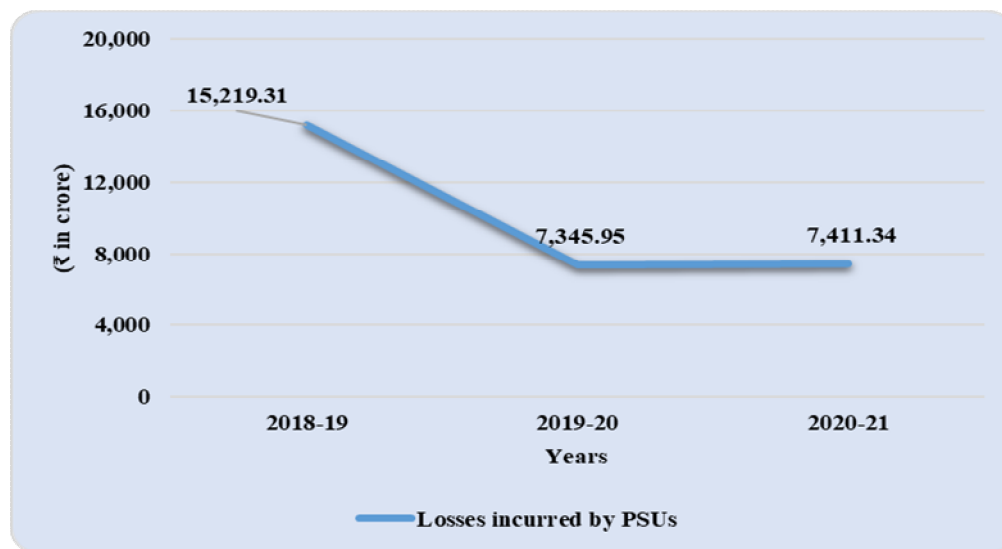
However, the RoE of Statutory Corporations remained positive and ranged between 1.41 per cent and 4.29 per cent. RoE of Government controlled other Companies were 0.79 per cent and 0.17 per cent during 2019-20 and 2020-21 respectively and it was negative in 2018-19.

5.6 Public Sector Undertakings incurring losses

5.6.1 Losses incurred by Public Sector Undertakings

The losses incurred by PSUs during 2018-19 to 2020-21 are depicted in Chart 5.4.

Chart 5.4: Losses incurred by PSUs



Out of total 38 PSUs covered in the Chapter, number of PSUs incurring losses has decreased from 20 to 16 during 2018-19 to 2020-21. These PSUs incurred losses amounting to ₹ 15,219.31 crore, ₹ 7,345.95 crore and ₹ 7,411.34 crore during 2018-19, 2019-20 and 2020-21 respectively. According to the latest finalised accounts of PSUs, top loss incurring PSUs were Uttar Pradesh Power Corporation Limited (₹ 3,158.92 crore), Purvanchal Vidyut Vitran Nigam Limited (₹ 1,204.30 crore) and Paschimanchal Vidyut Vitran Nigam Limited (₹ 1,067.87 crore) (*Appendix-5.1*).

5.6.2 Erosion of Net Worth

Net worth means the sum total of the paid-up capital and free reserves and surplus minus accumulated losses and deferred revenue expenditure. Essentially it is a measure of what an entity is worth to the owners. A negative net worth indicates that the entire investment of the owners has been wiped out by accumulated losses and deferred revenue expenditure.

Table 5.14 indicates paid-up capital, accumulated profit/loss and net worth of the 11 power sector PSUs (all Government Companies) during the period 2018-19 to 2020-21 as per latest finalised accounts till 30 November 2021.

Table 5.14: Net worth of Power Sector PSUs during 2018-19 to 2020-21

(₹ in crore)

Year	Paid-up Capital at the end of the year	Accumulated Profit (+)/Loss (-) at the end of the year	Deferred Revenue Expenditure	Net worth
(1)	(2)	(3)	(4)	(5)=(2)+(3)-(4)
2018-19	1,17,724.33	(-)1,69,856.02	0.18	(-)52,131.87
2019-20	1,25,973.16	(-)1,76,003.33	0.18	(-)50,030.35
2020-21	1,25,973.16	(-)1,76,003.33	0.18	(-)50,030.35

As on 31 March 2021⁶⁶, overall accumulated losses of 11 power sector PSUs were ₹ 1,76,003.33 crore. Of these, seven PSUs incurred losses amounting to ₹ 6,969.96 crore as per their latest finalised accounts. Further, four PSUs earned profit of ₹ 470.86 crore as per their latest finalised accounts. Out of four profit earning PSUs, two PSUs⁶⁷ were having accumulated profit of ₹ 1,294.79 crore while remaining two PSUs⁶⁸ were having accumulated losses of ₹ 808.18 crore.

Net worth of six power sector PSUs had been completely eroded due to accumulated losses. The net worth of these six PSUs⁶⁹ was (-)₹ 84,086.46 crore against equity investment of ₹ 76,465.59 crore in these PSUs as on 31 March 2021 (*Appendix-5.1*). Net worth was less than half of the paid-up capital in respect of two⁷⁰ out of five⁷¹ PSUs, whose net worth was positive at the end of March 2021, indicating their potential financial sickness.

Table 5.15 indicates paid-up capital, accumulated profit/loss and net worth of the 27 Other than power sector PSUs (13 Government Companies, 11 Government controlled other Companies and Three Statutory Corporations) as per latest finalised accounts till 30 November 2021.

Table 5.15: Net worth of Other than Power Sector PSUs during 2018-19 to 2020-21

(₹ in crore)

Year	Type of PSU	Paid up Capital at the end of the year	Accumulated Profit (+)/Loss (-) at the end of the year	Deferred revenue Expenditure	Net worth
(1)		(2)	(3)	(4)	(5)=(2)+(3)-(4)
2018-19	Government Companies	3,696.31	(-)354.62	0.00	3,341.69
	Government controlled other Companies	1,506.66	314.20	0.47	1,820.39

⁶⁶ As per the latest finalised accounts till 30 November 2021.

⁶⁷ Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited and Jawaharpur Vidyut Utpadan Nigam Limited

⁶⁸ Uttar Pradesh Power Transmission Corporation Limited and UCM Coal Company Limited

⁶⁹ Purvanchal Vidyut Vitran Nigam Limited, Paschimanchal Vidyut Vitran Nigam Limited, Dakshinanchal Vidyut Vitran Nigam Limited, Kanpur Electricity Supply Company Limited, Uttar Pradesh Power Corporation Limited and UCM Coal Company Limited

⁷⁰ Uttar Pradesh Jal Vidyut Nigam Limited and Madhyanchal Vidyut Vitran Nigam Limited

⁷¹ Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited, Uttar Pradesh Jal Vidyut Nigam Limited, Jawaharpur Vidyut Utpadan Nigam Limited, Uttar Pradesh Power Transmission Corporation Limited and Madhyanchal Vidyut Vitran Nigam Limited

Year	Type of PSU	Paid up Capital at the end of the year	Accumulated Profit (+)/Loss (-) at the end of the year	Deferred revenue Expenditure	Net worth
	Statutory Corporations	926.19	5,538.53	0.00	6,464.72
	Total	6,129.16	5,498.11	0.47	11,626.80
2019-20	Government Companies	4,102.52	(-)615.25	0.00	3,487.27
	Government controlled other Companies	1,506.66	298.45	0.21	1,804.90
	Statutory Corporations	926.19	5,577.47	0.00	6,503.66
	Total	6,535.37	5,260.67	0.21	11,795.83
2020-21	Government Companies	4,846.32	(-)1,022.35	0.00	3,823.97
	Government controlled other Companies	1,506.66	315.87	0.21	1,822.32
	Statutory Corporations	926.19	5,577.47	0.00	6,503.66
	Total	7,279.17	4,870.99	0.21	12,149.95

In case of other than power sector PSUs, as on 31 March 2021, out of 27 PSUs, nine PSUs had accumulated losses of ₹ 2,678.47 crore. Of these nine PSUs, as per their latest finalised accounts, five PSUs incurred losses amounting to ₹ 428.77 crore and four PSUs had earned profit of ₹ 56.85 crore, though they had an accumulated losses of ₹ 1,425.90 crore.

Net worth of six⁷² other than power sector PSUs had been completely eroded by accumulated losses and their net worth was (-) ₹ 561.47 crore against an equity investment of ₹ 1,157.52 crore as on 31 March 2021. However, out of six PSUs whose net worth had been eroded, three⁷³ PSUs had earned profit of ₹ 56.46 crore as per their latest finalised accounts which included profit of ₹ 39.85 crore earned by the Uttar Pradesh State Road Transport Corporation.

5.7 Conclusion

- As on 31 March 2021, the total investment (equity and long-term loans) in 38 PSUs, whose financial performance is covered in this report, was ₹ 2,72,542.84 crore. The investment consisted of 53.08 *per cent* towards equity and 46.92 *per cent* in long-term loans. Out of this, GoUP has investment of ₹ 1,42,978.52 crore in these PSUs consisting of equity of ₹ 1,37,357.27 crore and long-term loans of ₹ 5,621.25 crore.
- Out of 38 PSUs, 22 PSUs earned profit of ₹ 699.72 crore and 16 PSUs incurred loss of ₹ 7,411.34 crore as per their latest finalised accounts up to

⁷² The Pradesiya Industrial and Investment Corporation of UP Limited, Uttar Pradesh State Spinning Company Limited, Lucknow Smart City Limited, Agra Smart City Limited, Noida International Airport Limited and Uttar Pradesh State Road Transport Corporation

⁷³ UCM Coal Company Limited, The Pradesiya Industrial and Investment Corporation of UP Limited and Noida International Airport Limited

the year 2020-21. The major profit-making PSUs were Uttar Pradesh Power Transmission Corporation Limited (₹ 351.89 crore) and Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited (₹ 116.91 crore). The major loss-making PSUs were Uttar Pradesh Power Corporation Limited (₹ 3,158.92 crore), Purvanchal Vidyut Vitran Nigam Limited (₹ 1,204.30 crore) and Paschimanchal Vidyut Vitran Nigam Limited (₹ 1,067.87 crore).

- As on 31 March 2021, differences in equity, loans and guarantee existed in respect of 66 PSUs. These differences between the figures are persisting since last many years, though the issue of reconciliation of differences was also taken up by the audit with the concerned PSUs and the Departments from time to time.
- Out of 12 PSUs having liability of interest-bearing loans during 2020-21, nine PSUs had negative (less than one) interest coverage ratio which indicates that these PSUs could not generate sufficient revenue even to meet their expenses on interest.
- Net worth of 12 PSUs had been completely eroded due to accumulated losses. The net worth of these PSUs was (-)₹ 84,647.93 crore against equity investment of ₹ 77, 623.11 crore in these PSUs.

5.8 Recommendations

- *The Finance Department of GoUP and the respective PSUs should reconcile the differences in figures of equity, loans and guarantees outstanding as per records of the PSUs and as per the Finance Accounts of GoUP in a time bound manner.*
- *The State Government may review the performance of loss making PSUs and invest cautiously in these PSUs.*

CHAPTER - VI

Oversight role of Comptroller and Auditor General of India

CHAPTER-VI

OVERSIGHT ROLE OF COMPTROLLER AND AUDITOR GENERAL OF INDIA

6.1 Introduction

This Chapter covers significant comments issued as a result of supplementary audit of the financial statements of the State Public Sector Undertakings (PSUs) conducted by the Comptroller and Auditor General of India (CAG) for the year 2020-21 or earlier years finalised during the current year. This Chapter also contains the impact of comments issued by the CAG on the financial statements of the Statutory Corporations where CAG is the sole auditor.

6.1.1 Audit of State Public Sector Undertakings, provisions of law, etc.

The CAG appoints the Statutory Auditors of a Government Company and Government controlled other Company under Section 139 (5) & (7) of the Companies Act, 2013. The CAG has right to conduct a supplementary audit and issue comments upon or supplement the Audit Report of the Statutory Auditor. Statutes governing some corporations require that their accounts be audited by the CAG and a report be submitted to the Legislature.

6.2 Appointment of Statutory Auditors of Public Sector Undertakings by the CAG

Sections 139 (5) of the Companies Act, 2013 provides that the Statutory Auditors in case of a Government Company or Government controlled other Company are to be appointed by the CAG within a period of 180 days from the commencement of the financial year. Further, Section 139 (7) of the Companies Act, 2013 provides appointment of first Statutory Auditors by the CAG within 60 days from the date of registration of Government Company or Government controlled other Company.

6.3 Submission of accounts by Public Sector Undertakings

6.3.1 Need for timely submission

According to Section 394 of the Companies Act, 2013, Annual Report on the working and affairs of a Government Company is to be prepared within three months of its Annual General Meeting (AGM). As soon as may be after such preparation, the Annual Report must be laid before both the Houses of Legislature together with a copy of the Audit Report and comments of the CAG upon or as supplement to the Audit Report. Similar provisions exist in the respective Acts regulating Statutory Corporations. This mechanism provides the necessary legislative control over the utilisation of public funds invested in the companies from the Consolidated Fund of State.

Section 96 of the Companies Act, 2013 requires every company to hold AGM of the shareholders once in every calendar year. It is also stated that not more than 15 months shall elapse between the date of one AGM and that of the next. Further, Section 129 of the Companies Act, 2013 stipulates that the audited Financial Statements for the financial year has to be placed in the said AGM for their consideration.

Section 129 (7) of the Companies Act, 2013 also provides for levy of penalty like fine and imprisonment on the persons including directors of the company responsible for non-compliance with the provisions of the Companies Act, 2013.

Of the total 115 PSUs (94 Government Companies, 15 Government controlled other Companies and six Statutory Corporations), there were 71 functional PSUs (52 Government Companies, 13 Government controlled other Companies and six Statutory Corporations) and 44 non-functional PSUs (42 Government Companies and two Government controlled other Companies) under the purview of CAG audit in Uttar Pradesh as of 31 March 2021. The status of timeliness followed by the PSUs in preparation of accounts is as follows:

6.3.2 Timeliness in preparation of accounts by PSUs

Accounts for the year 2020-21 were required to be submitted by all the PSUs by 30 September 2021. However, Government of India vide its circular⁷⁴ dated 23 September 2021 extended the date for holding AGM of companies for the financial year 2020-21 upto 30 November 2021.

- Out of 65 functional Government Companies (52 Government Companies and 13 Government controlled other Companies), only four PSUs⁷⁵ (three Government Companies and one Government controlled other Company) submitted their accounts upto 30 November 2021 for the year 2020-21 for audit by the CAG. Resultantly, accounts of 61 functional PSUs (49 Government Companies and 12 Government controlled other Companies) were in arrears.
- Out of six Statutory Corporations, the CAG is the sole auditor in four Statutory Corporations (Uttar Pradesh State Road Transport Corporation, Uttar Pradesh Avas Evam Vikas Parishad, Uttar Pradesh Jal Nigam and Uttar Pradesh Forest Corporation). These four Statutory Corporations had eight accounts⁷⁶ in arrears as of 30 November 2021. Further, none of the Statutory Corporations has submitted accounts for the year 2020-21 (upto 30 November 2021) for audit by the CAG.

Details of arrears in submission of accounts by the State PSUs as on 30 November 2021 are given in **Table 6.1**.

⁷⁴ Registrar of Companies, Uttar Pradesh, Ministry of Corporate Affairs, Government of India Circular No. 09/02/Order/AGM Extn/2021/1488

⁷⁵ UP Metro Rail Corporation Limited, NOIDA Metro Rail Corporation Limited, Uttar Pradesh Export Promotion Council (Government Companies) and DMIC Integrated Industrial Township Greater Noida Limited (Government controlled other Company).

⁷⁶ Accounts of (i) Uttar Pradesh State Road Transport Corporation for the year 2019-20 & 2020-21; (ii) Uttar Pradesh Avas Evam Vikas Parishad for the year 2020-21; (iii) Uttar Pradesh Jal Nigam for the years 2017-18, 2018-19, 2019-20 & 2020-21; and (iv) Uttar Pradesh Forest Corporation for the year 2020-21.

Table 6.1: Position relating of submission of accounts by PSUs

Particulars	Position relating to submission of Accounts				
	Government Companies	Government controlled other Companies	Statutory Corporations	Total	
Total number of PSUs under the purview of CAG's audit as on 31 March 2021	94	15	06	115	
Less: New PSUs from which accounts for 2020-21 were not due	-	-	-	-	
Less: PSUs under liquidation from which accounts for 2020-21 were not due	12	01	-	13	
Number of PSUs from which accounts for 2020-21 were due	82	14	06	102	
Number of PSUs which presented the accounts of 2020-21 by 30 November 2021 for CAG's audit	05 ⁷⁷	01	-	06	
Number of PSUs whose accounts were in arrears ⁷⁸	87 ⁷⁹	14	06	107 ⁸⁰	
Number of accounts in arrears	897	57	19	973	
Break-up of Arrears	(i) Under Liquidation	112	08	-	120
	(ii) Non-functional	553	26	-	579
	(iii) First accounts not submitted	48	10	-	58
	(iv) Others	184	13	19	216
Age-wise analysis of arrears against 'Others' category	One year (2020-21)	14	07	02	23
	Two years (2019-20 and 2020-21)	14	06	02	22
	Three years and more	156	-	15	171

Government of Uttar Pradesh (GoUP) had provided ₹ 20,917.77 crore (Equity: ₹ 10,568.47 crore, Grant: ₹ 692.13 crore and Subsidy: ₹ 9,657.17 crore) to nine out of 13 power sector PSUs whose accounts were in arrears whereas no investment was made in the remaining four power sector PSUs during the period for which accounts were in arrears.

Further, the GoUP had also provided ₹ 6,441.57 crore (Equity: ₹ 290.64 crore, Loan: ₹ 2,476.54 crore, Grant: ₹ 3,394.22 crore and Subsidy: ₹ 280.17 crore) to 37 out of 94 other than power sector PSUs whose accounts were in arrears whereas no investment was made in the remaining 57 other than power sector

⁷⁷ It includes two non-functional PSUs (UP State Yarn Co. Ltd. & Southern UP Power Transmission Co. Ltd.).

⁷⁸ Including arrear accounts of PSUs under liquidation

⁷⁹ 94 (Total Government Companies) – 7 (5 Government Companies submitted accounts for 2020-21 and two Government Companies under liquidation whose accounts were not in arrears)

⁸⁰ It excludes two PSUs namely Uttar Pradesh (Poorva) Ganna Beej Evam Vikas Nigam Limited and Uttar Pradesh (Rohilkhand Tarai) Ganna Beej Evam Vikas Nigam Limited which are under liquidation for which no accounts were in arrear upto the date of going into liquidation.

PSUs during the period for which accounts were in arrears. PSU-wise details of investment made by State Government during the years for which accounts were in arrears are shown in *Appendix-6.1*.

The administrative departments have the responsibility to oversee the activities of these PSUs and to ensure that the accounts are finalised and adopted by these PSUs within the stipulated period. The concerned departments were informed regularly regarding arrears in accounts.

6.3.2.1 Impact of non-finalisation of accounts of State Public Sector Undertakings

Delay in finalisation of accounts may result in risk of fraud and leakage of public money apart from violation of the provisions of the Companies Act, 2013. In view of the above status of arrears of accounts, the actual performance including loss incurred/profit earned and contribution of these 107 PSUs⁸¹ to State GDP during the period of arrear accounts could not be ascertained/reported to the State Legislature. In the absence of finalisation of accounts by these PSUs and their subsequent audit, it could not be ensured whether the investments and expenditure incurred had been properly accounted for and the funds were utilised for the purpose for which these were provided by the State Government. This issue is of greater concern in case of those Statutory Corporations where the entire responsibility for certification lies on the CAG as the sole auditor.

6.3.2.2 Non-functional Public Sector Undertakings

As on 31 March 2021, 44 State PSUs (42 Government Companies and two Government controlled other Companies) having a total investment of ₹ 1,815.60 crore in the form of capital (₹ 1,084.07 crore) and long-term loans (₹ 731.53 crore) were non-functional. Of these, significant investments were in Uttar Pradesh State Textile Corporation Limited (₹ 288.88 crore), Nandganj-Sihori Sugar Company Limited (₹ 256.80 crore) and Uttar Pradesh State Handloom Corporation Limited (₹ 206.80 crore). Non-functional PSUs include 13 PSUs (12 Government Companies and one Government controlled other Company) which were under liquidation. The State Government may review the status of these non-functional PSUs.

6.3.2.3 Arrear accounts of non-functional PSUs

Out of 44 non-functional PSUs (including 13 PSUs under liquidation), 699 accounts of 40 non-functional PSUs (38 Government Companies and two Government controlled other Companies) were in arrears as on 30 November 2021. The age-wise analysis of arrear of accounts of these PSUs is given in **Table 6.2**.

⁸¹ 13 power sector PSUs and 94 other than power sector PSUs.

Table 6.2: Age-wise analysis of arrear in accounts of non-functional PSUs

		Age wise analysis of arrears				Total
		1-5 years	6-10 years	11-20 years	21 years and above	
Non-functional PSUs with arrear in accounts	Under liquidation	4	1	5	1	11
	Others	5	5	5	14	29
Number of Accounts in arrear	PSUs under liquidation	9	8	74	29	120
	Other Non-functional PSUs	18	41	82	438	579

6.4 CAG's oversight - Audit of Accounts and Supplementary Audit

6.4.1 Financial reporting framework

Companies are required to prepare the financial statements in the format laid down in Schedule-III to the Companies Act, 2013 and in adherence to the mandatory Accounting Standards prescribed by the Central Government in consultation with National Advisory Committee on Accounting Standards. The Statutory Corporations are required to prepare their accounts in the format prescribed under the rules, framed in consultation with the CAG and any other specific provision relating to accounts in the Act governing such corporations.

6.4.2 Audit of Accounts of Public Sector Undertakings by Statutory Auditors

The Statutory Auditors appointed by the CAG under Section 139 of the Companies Act, 2013, conduct audit of accounts of the Government Companies and submit their report thereon in accordance with Section 143 of the Companies Act, 2013.

The CAG plays an oversight role by monitoring the performance of the Statutory Auditors in audit of PSUs with the overall objective that the Statutory Auditors discharge the functions assigned to them properly and effectively. This function is discharged by exercising the power to:

- issue directions to the Statutory Auditors under Section 143(5) of the Companies Act, 2013 and
- supplement or comment upon the Statutory Auditor's Report under Section 143 (6) of the Companies Act, 2013.

6.4.3 Supplementary Audit of Accounts of Public Sector Undertakings

The prime responsibility for preparation of financial statements in accordance with the financial reporting framework prescribed under the Companies Act, 2013 or other relevant Act is of the management of an entity.

The Statutory Auditors appointed by the CAG under Section 139 of the Companies Act, 2013 are responsible for expressing an opinion on the financial statements under section 143 of the Companies Act, 2013 based on an independent audit in accordance with the Standard Auditing Practices of Institute of Chartered Accountants of India (ICAI) and directions given by the CAG. The Statutory Auditors are required to submit the Audit Report to the CAG under Section 143 of the Companies Act, 2013.

The certified accounts of selected Government Companies along with the report of the Statutory Auditors are reviewed by the CAG by carrying out a supplementary audit. Based on such review, significant audit observations, if any, are reported under Section 143 (6) of the Companies Act, 2013 to be placed before the AGM.

6.5 Result of CAG's oversight role

6.5.1 Audit of accounts of Public Sector Undertakings under Section 143 of the Companies Act, 2013

Financial statements for the year upto 2020-21 were received from 46 PSUs (33 Government Companies, 10 Government controlled other Companies and three Statutory Corporations) by 30 November 2021⁸² as detailed in *Appendix-6.2*. Accounts of 28 PSUs⁸³ (21 Government Companies, three Government controlled other Companies and four Statutory Corporations) were reviewed and commented upon during the above mentioned period in audit by the CAG, as detailed in *Appendix-6.3*. The results of the review are detailed below:

6.5.2 Amendment of Financial Statements

As a result of supplementary audit of the financial statements for the year ended upto 31 March 2021 conducted by the CAG, there were no such cases where any Government company or Government controlled other company or Statutory Corporation amended its Financial Statements before laying the same in the AGM/ before the legislature.

6.5.3 Revision of Auditors' Report

As a result of supplementary audit of the financial statements for the year ended upto 31 March 2021 conducted by the CAG, the Statutory Auditors of one Government Company (Noida International Airport Limited) has revised their Report.

6.5.4 Significant comments of the CAG issued as supplement to the Statutory Auditors' reports on the accounts of Government Companies and Government controlled other Companies and as sole auditor on the accounts of Statutory Corporations

Subsequent to the audit of the financial statements for the year upto 2020-21 by Statutory Auditors, the CAG conducted supplementary audit of the financial statements of the selected Government Companies and Government controlled other Companies. The list of PSUs in respect of whom comments were issued is given in *Appendix-6.3*. Some of the significant comments issued on financial statements of Government Companies and Government controlled other Companies, the financial impact of which on the profitability was ₹ 136.99 crore and on assets/liabilities was ₹ 800.93 crore, are following:

⁸² During the period from 01 January 2021 to 30 November 2021

⁸³ Out of 28 PSUs, 19 PSUs (16 Government Companies, one Government controlled other Company and two Statutory Corporations) submitted its accounts before 01 January 2021.

(A) Government Companies**1. Comments on Profitability**

Sl. No.	Name of the Company	Year of account	Comment
1.	Kanpur Electricity Supply Company Limited	2018-19	Repair and Maintenance expenses include electricity duty of ₹ 2.78 crore on the energy internally consumed which was against the provision of Section 3(5) of UP Electricity Duty (Amendment) Act, 1970 which provides that electricity duty will not be levied on the amount of energy consumed by a licensee. This resulted in overstatement of Repair and Maintenance Expenses as well as Loss by ₹ 2.78 crore each.
2.	U.P. Power Transmission Corporation Limited	2019-20	Employee Benefit Expenses of the company includes ₹ 24.41 crore on account of 7 th Pay Commission Arrears for which liability/provision had already been created in the books of accounts in earlier years. Instead of adjusting existing provision, the Company while making payment charged the same as Employee Benefit Expenses for current year. This resulted in overstatement of Employee Benefit Expenses and Other Current Liabilities by ₹ 24.41 crore each. Consequently, Profit for the year has been understated by the same amount.
3.	Uttar Pradesh Jal Vidyut Nigam Limited	2017-18	<p>1. The Company disclosed that “Sales for Obra HEP, Khara, UGC, Belka, Babail & Sheetla Small Hydro Plant (SHP) has been accounted for as per tariff (03 July 2018) decided by Hon'ble UPERC.”</p> <p>Contrary to the above disclosure, the Company has done sales adjustment for amount of ₹ 60.59 crore and ₹ 6.14 crore in 2017-18. These adjustment of sale done by the Company are not as per terms of the tariff order. As a result, Revenue from Operations, Prior Period income and Trade Receivables are understated by ₹ 6.14 crore, ₹ 60.59 crore and ₹ 66.73 crore respectively whereas loss for the year was overstated by ₹ 66.73 crore.</p> <p>2. The Company has deducted ₹ 13.09 crore and ₹ 14.99 crore from sales during the period 2016-17 and 2017-18 respectively in respect of component of interest on LIC Loan as the same was to be claimed on payment basis according to UPERC's Tariff order. The Company also made provision of ₹ 11.93 crore for 2016-17 and 2017-18 each towards interest payable on LIC Loan under Finance Cost in the Statement of Profit and Loss.</p> <p>Thus, on one hand the Company has not recognised the revenue but provided for expenses towards interest payable on LIC Loan on accrual basis. This treatment contradicts Matching Principle of Accounting which requires to charge an expense in the same period in which the related revenues are earned. As a result, ‘Revenue from</p>

Sl. No.	Name of the Company	Year of account	Comment
			Operations' and 'Trade Receivables' are understated by ₹ 14.99 crore and ₹ 28.08 crore respectively. Further, Loss for the year and Accumulated losses are overstated respectively by ₹ 14.99 crore and ₹ 28.08 crore.

2. Comments on Financial position

Sl. No.	Name of the Company	Year of account	Comment
1.	Kanpur Electricity Supply Company Ltd	2018-19	The current liabilities of the Company do not include an amount of ₹ 51.96 crore being the interest payable to the Government of Uttar Pradesh (GoUP) on account of delayed payment of conversion charges for conversion of nazul land to freehold land. This resulted in understatement of 'Other Financial Liabilities' as well as 'Property, Plant and Equipment' by ₹ 51.96 crore each.
2.	Pichhara Varg Vitta Evam Vikas Nigam Limited	2015-16	Long Term borrowings include loan received and interest payable on loans received from the National Backward Classes Finance and Development Corporation (NBCFDC). As per the statement provided by the NBCFDC, the loan and interest payable thereon for the year was ₹ 54.16 crore whereas the company was showing the balances as ₹ 50.16 crore. Thus, the long-term borrowing and current assets are understated to the extent of ₹ 4.00 crore.
3.	Uttar Pradesh Power Transmission Corporation	2019-20	The Company in contravention of provisions of Ind AS 23 (Borrowing Costs) booked penal interest of ₹ 4.88 crore (paid during 2016-17 due to delay in payment of principal and interest) to the lending agencies under Capital Work-in-Progress (CWIP) instead of charging to Profit and Loss account. Thus, due to capitalisation of penal interest, CWIP and Other Equity is overstated by ₹ 4.88 crore each.
4.	Uttar Pradesh Project Corporation Limited	2017-18	Other Long Term Liabilities did not include an amount of ₹ 32.33 crore on account of Labour Cess payable to the Labour Welfare Board on works executed since February 2009 to March 2017. This has resulted in understatement of Other Long-Term Liabilities and Current Assets (Trade Receivables) by ₹ 32.33 crore each.
5.	Uttar Pradesh Metro Rail Corporation Limited	2020-21	1. Property plant and equipment includes consumable spares amounting to ₹ 6.75 crore which were capitalised along with the value of rolling stock instead of accounting for same as inventory. This resulted in overstatement of 'Property, Plant and Equipment' (Rolling Stock) and understatement of 'Inventory' by ₹ 6.75 crore each.

Sl. No.	Name of the Company	Year of account	Comment
			2. Track work (P-way), Capital work in Progress represents surplus stores (sleepers, rails, clamps etc.) at Lucknow Metro Project. These items were left over items used for laying of new rail tracks and were not required at Lucknow Project as the project was already completed and commissioned. This resulted in overstatement of 'Capital work in Progress (Lucknow)' and understatement of 'Inventory' by ₹ 12.83 crore each.
6.	Uttar Pradesh Police Awas Nigam Limited	2018-19	The balance of 'Advance from Government of Uttar Pradesh' under the head Other Long Term Liabilities has been arrived at after adjusting value of work-in-progress (completed works) amounting to ₹ 688.18 crore. However, as per Schedule-III of the Companies Act, 2013, work-in-progress and finished stock (completed works) should have been shown under "Current Assets-Inventories" till their transfer to the State Government. This has resulted in understatement of Other Long Term Liabilities as well as Current Assets by ₹ 688.18 crore.

3. Comments on Disclosure

Sl. No.	Name of the Company	Year of Account	Comment
1.	Allahabad City Transport Services Limited	2017-18	The Company disclosed in Notes on Accounting Policies regarding "Grant-in-aid" that grant of ₹ 8.89 lakh received from Central Government is being used to set off the losses of previous years. The disclosure is wrong as the grant was received from the State Government and not from the Central Government.
2.	Chhata Sugar Company Limited	2016-17	As per Notes to accounts on Contingent liabilities and explanatory notes, loans and advances include certain expenditure which have been paid by debiting "Suspense account" as the nature of such expenditure are yet to be decided and/or payment have been disputed. Similarly, creditors include certain receipts which have been adjusted by crediting Suspense Account as the nature of such receipts are yet to be determined. Audit observed that ₹ 11.50 lakh was debited and ₹ 2.90 crore was credited under Suspense Account but the financial implication was not disclosed by the Company in aforesaid notes.
3.	Kanpur Electricity Supply Company Limited	2018-19	The Company did not disclose Contingent Liability of ₹ 36.52 lakh towards interest accrued on delayed payment of annual license fee to UPERC inspite of petition filed by UPPCL (holding company) on behalf of subsidiary company for waiver of interest.
4.	Uttar Pradesh State Tourism Development Corporation	2016-17	As per Notification No. G.S.R. 308 (E) dated 30 March 2017 issued by the Ministry of Corporate Affairs (MCA), Government of India, the Company should have disclosed the

Sl. No.	Name of the Company	Year of Account	Comment
			details of Specified Bank Notes (SBN) held and transacted during the period 08 November 2016 to 30 December 2016. The Company, in violation of the above notification, did not disclose the required information in the Notes to Accounts.
5.	Uttar Pradesh Metro Rail Corporation Limited	2019-20	<p>1. Airport Authority of India (AAI) allotted 60,000 square meter of land on lease to the Company for establishment of casting yard and demanded rent payable amounting to ₹ 24.40 crore from the Company. The Company paid an amount of ₹ 2.29 crore to AAI on 29 December 2019 as per calculation based on circle rate which was not acceptable to AAI. This fact has not been disclosed in the Notes to Accounts.</p> <p>2. The Company has utilised 4,000 square meter of land of Rajkiya Mahila Polytechnic, Lucknow and 48.03 square meter Land of Rajkiya Polytechnic, Lucknow for the construction of a receiving substation and viaduct. However, signing of lease and sub-lease agreements related to the above said land is still pending. This material fact has not been disclosed in the Notes to Account.</p>

4. Comments on Statutory Auditor's Report

Sl. No.	Name of the Company	Year of account	Comment
1.	Kanpur Electricity Supply Company Limited	2018-19	The Statutory Auditors' Report states that the Company has received subsidy/grant during 2015-16 to 2018-19 towards repayment of interest and principal and the amount received towards repayment of principal should have been recognised as income instead of Capital Reserve. But the Report did not mention that portion of the subsidy received for repayment of loan and shown as Capital Reserve should have been systematically transferred to credit of the Profit and Loss Account over the useful life of the assets as per provisions of Ind AS 20.
2.	Nandganj Sihori Sugar Company Limited	2016-17	Report under Section 143(5) of the Companies Act, 2013 on the directions issued by the CAG, the action taken and its impact on the financial statements of the Company was not submitted by the Auditor.
3.	The Pradeshiya Industrial and Investment Corporation of UP Limited	2018-19	The Statutory Auditor's Report stated that the Company had a programme of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified by the management during the year. The above comment is factually incorrect as no physical verification of fixed assets has been carried out by the Management during the financial year.

Sl. No.	Name of the Company	Year of account	Comment
4.	Uttar Pradesh State Handloom Corporation Limited	2000-01	In Statutory Auditors' Report it has been stated that staff advances also included some credit balances which should have been shown as current liabilities. However, the Statutory Auditor did not quantify the amount of ₹ 22.46 lakh, which was shown as credit balance of staff advance.
5.	Uttar Pradesh State Tourism Development Corporation	2016-17	Report under Section 143(5) of the Companies Act, 2013 on the directions issued by the CAG, the action taken and its impact on the accounts and financial statements of the Company was not submitted by the Statutory Auditor.
6.	Uttar Pradesh State Bridge Corporation Limited	2016-17	As per Notification No. G.S.R. 308(E) dated 30 March 2017 issued by the Ministry of Corporate Affairs (MCA), Government of India, the Statutory Auditor is required to disclose in their Report whether the Company had provided requisite disclosures in its financial statements as to holding as well as dealing in of Specified Bank Notes (SBN) during the period 08 November 2016 to 30 December 2016. The Company had not disclosed SBN information as per Notification of MCA and Statutory Auditors also failed to report the same in their report.

(B) Government controlled other Companies

1. Comments on Profitability

Sl. No.	Name of the Company	Year of Account	Comment
1.	Aligarh Smart City Limited	2018-19	Other Expenses includes Project Management Consultancy (PMC) charges amounting to ₹ 1.00 crore relating to specific project. Instead of adjusting this expenditure against Project Grant, it has been charged to Profit and Loss account. This resulted in overstatement of Other Expenses, Grant for Project Fund under Reserves and Surplus and loss by ₹ 1.00 crore each.
2.	Bareilly Smart City Limited	2018-19	Revenue from Operations includes interest amounting to ₹ 49.43 lakh earned during the year on unutilised grant received from GoI. The Company instead of accounting the interest earned on the unutilised amount of Government grant as Liability, booked the same as its income resulting in overstatement of Revenue from Operations and understatement of Other Current Liabilities by ₹ 49.43 lakh each. Consequently, Profit for the year was also overstated by ₹ 49.43 lakh.

2. Comments on Financial position

Sl. No.	Name of the Company	Year of Account	Comment
1.	Aligarh Smart City Limited	2018-19	<p>Interest on grant (under Reserves and Surplus) includes interest amounting to ₹ 1.21 crore earned on unutilised Administrative and Operating Expenses (A & OE) Grant and Project Fund Grant received from Government of India and Government of Uttar Pradesh (GoUP).</p> <p>The Company in violation of requirement of General Financial Rules 2017 had booked the same as part of Reserves and Surplus instead of Current Liability in the accounts. This resulted in overstatement of Reserves and Surplus and understatement of Current Liabilities by ₹ 1.21 crore each.</p>
2.	Bareilly Smart City Limited	2018-19	<p>The company received Administrative and Office Expenses (A&OE) grant of ₹ 10 crore (up to 2018-19) for meeting expenses from the stage of Smart City Proposal and its daily operations. However, ₹ 84.40 lakh being the expenditure incurred prior to incorporation of the Company has been treated as deferred expenditure instead of charging it to Profit and Loss Account. Further, the matching amount from A&OE grant was not accounted as Income in Profit and Loss account. This resulted in overstatement of Current Assets and Other Current Liabilities by ₹ 84.40 lakh each.</p>
3.	Moradabad Smart City Limited	2018-19	<p>As per Smart City Mission guidelines, the structure of the Special Purpose Vehicle (SPV) will be established as a Limited Company under the Companies Act 2013 and will be promoted by the State/UT and the Urban Local Body (ULB) jointly, both having 50:50 equity shareholding. The Company was incorporated in the year 2018-19. During the financial year the Company allotted 50,000 equity shares of ₹ 100 each amounting to ₹ 50 lakh and allotted 25,000 equity shares each to ULB and the State Government. The entire amount of ₹ 50 lakh towards allotment was utilised from the Government of India (GoI) grant and the State Government has not contributed its share. However, the amount receivable from the State Government has not been shown as receivables under the head Current Assets. This has resulted in understatement of Other Non-Current Liabilities and Other Current Assets to the extent of ₹ 25 lakh each.</p>

3. Comments on Disclosure

Sl. No.	Name of the Company	Year of Account	Comment
1.	Aligarh Smart City Limited	2018-19	Smart City Guidelines of Ministry of Urban Development (MoUD), Government of India, provides that 'Funds provided by the

Sl. No.	Name of the Company	Year of Account	Comment
			Government of India in Smart City Mission to the SPV will be in the form of tied Grant and kept in a Separate Grant Fund'. However, the Company has kept funds received for A & OE grant and Project fund Grant in same account. Further, Accounting Standard-12 'Accounting for Government Grants' also provides for disclosure of the accounting policy adopted for government grants in the accounts including the methods of presentation in the financial statements. But no Accounting Policy for Government Grant as required by AS-12 has been framed.

Statutory Corporations where CAG is the sole auditor

The significant comments issued by the CAG on the accounts of Statutory Corporations where the CAG is the Sole Auditor are detailed below:

1. Uttar Pradesh Forest Corporation (2018-19)

- Expenditure on 'Forest Development Activities' does not include an amount of ₹ 1.75 crore payable to the Tourism Department for organising International Cycle Rally (ICR). Total budget allocation for ICR was ₹ 3.50 crore against which ₹ 1.75 crore was released to the Tourism Department by the Forest Corporation. Remaining, ₹ 1.75 crore was not released to the Tourism Department for which provision should have been made in the Accounts. This resulted in understatement of Current Liabilities & Provision and overstatement of Profit by ₹ 1.75 crore.

2. Uttar Pradesh Jal Nigam (2012-13)

- Deposit received for Projects is understated by ₹ 76.17 crore being interest earned during 2008-09 to 2012-13 on investment of funds received for execution of deposit works which was treated as income of the Nigam instead of crediting it to Deposits received for Projects under Liabilities. This has also resulted in an overstatement of Surplus for the year by ₹ 76.17 crore.
- Pension and gratuity payable is understated by ₹ 67.64 crore as provision for pension and gratuity payable for the years 2008-09 to 2012-13 was not accounted for in the Accounts. Consequently, Surplus for the year is also overstated to that extent.
- The liability towards Leave Encashment/Arrear Payable is understated by ₹ 55.51 crore as provision for leave encashment/ arrear payable for the years 2008-09 to 2012-13 was not accounted for in the accounts. Consequently, Surplus for the year is overstated to that extent.
- Unsecured Loan from Government of Uttar Pradesh is understated by ₹ 147.67 crore due to exhibition of World Bank loans amounting to ₹ 42.29 crore (received through the State Government during 1990-91 to 1995-96) as Deposit from Others under the head Current Liabilities instead of Unsecured Loans and not accounting of interest amounting to ₹ 105.38 crore payable thereon up to the end of March 2013.

- Work-in-Progress of Construction and Design Services Division includes ₹ 526.28 crore being works executed out of deposits received by the Nigam which have already been completed and handed over to the clients. Not-adjusting the same has resulted in an overstatement of 'Work-in-Progress' and 'Current Liabilities' by ₹ 526.28 crore each.
- Babina (Jhansi) project was completed in 1996-97 at a cost of ₹ 48.29 crore. The same should have been included under the head 'Completed Rural Water Works Project maintained by U.P. Jal Nigam' instead of including it under 'Work-in-Progress'. This has resulted in an understatement of 'Completed Rural Water Works Project maintained by U.P. Jal Nigam' and overstatement in work in progress by ₹ 48.29 crore.
- The amount due from contractors under the head 'Debtors' were overstated by ₹ 148.46 crore due to not providing for bad and doubtful debts against water charges remaining un-recovered for the period 1997-98 to 2010-11 from Jal Sansthan, Jhansi. This has also resulted in an overstatement of Surplus for the year by ₹ 148.46 crore.
- The Balance with Banks was overstated by ₹ 19.98 crore due to not accounting the Flexi FDRs of ₹ 40.10 crore got prepared from the bank balance and also not accounting interest amounting to ₹ 20.12 crore accrued on the FDRs. This has also resulted in understatement of Current Assets: Fixed Deposits with Banks by ₹ 40.10 crore and Surplus for the year by ₹ 20.12 crore.
- The Nigam had requested the U.P. Government for reimbursement of centage on Central Government sponsored schemes under which centage was not allowed by the Central Government while approving the projects. The total centage credited in Income and Expenditure account for 2012-13 was ₹ 302.38 crore. The fact being material in nature should have been disclosed in the Notes on Accounts for the respective years.

3. Uttar Pradesh State Road Transport Corporation (2017-18)

- Sundry Debtors include ₹ 9.56 crore recoverable from Noida Authority: ₹ 5.84 crore and Greater Noida Authority (GNIDA): ₹ 3.72 crore in the books of Regional Manager Noida on account of loss on operation of City Buses in Noida/Greater Noida which was recoverable from these Authorities for the period 2006-07 to 2014-15. During the year 2018-19, Noida and GNIDA Authorities reimbursed ₹ 3.48 crore and ₹ 2.43 crore respectively and refused to reimburse the remaining amount. However, no provision for doubtful debt was made against the outstanding dues. This has resulted in overstatement of Profit for the year and Sundry debtors by ₹ 3.65 crore as well as understatement of provisions for Bad & Doubtful Debts by the same amount.
- Service Tax Department assessed Service Tax of ₹ 12.73 crore on transportation of passengers by air-conditioned buses for the period of June 2016 to June 2017. However, no provision for Service Tax liability was made in the accounts resulting in understatement of Licence and Taxes expenses and Current Liabilities as well as overstatement of Profit by ₹ 12.73 crore.

- Traffic Revenue (Passengers) of the Corporation does not include ₹ 9.56 crore being the amount claimed for reimbursement of fare for special category persons from respective department of the State Government. This resulted in understatement of Traffic Revenue (Passengers) and Sundry Debtors by ₹ 9.56 crore. Consequently, Profit is also understated by ₹ 9.56 crore.
- As per Schedule I to the Balance Sheet, the ‘Issued, Subscribed and Paid up Share Capital’ of the Corporation is ₹ 814.87 crore (State Government) which is more than its ‘Authorised Capital’ of ₹ 700 crore approved by the Transport Department.

6.6 Non-compliance with provisions of Accounting Standards/Ind AS

In exercise of the powers conferred by Section 469 of the Companies Act, 2013, read with Section 129 (1), Section 132 and Section 133 of the Companies Act, 2013, the Central Government prescribed Accounting Standards 1 to 7 and 9 to 29. Besides these, the Central Government notified 41 Indian Accounting Standards (Ind AS) through Companies (Indian Accounting Standards) Rules, 2015 and amendments thereto from time to time.

The Statutory Auditors reported that 16 companies as detailed in **Table 6.3** did not comply with mandatory Accounting Standards/Ind AS:

Table 6.3: Details of Non-compliance with provisions of Accounting Standards/Ind AS commented by Statutory Auditors

Sl. No.	Name of the Company	Year of Account	AS/IndAS not followed
A.	Government Companies:		
1.	Chhata Sugar Company Limited	2016-17	AS-15 & AS-28
2.	Kanpur Electricity Supply Company Limited	2018-19	Ind AS-2, Ind AS-10, Ind AS-16, Ind AS-19, Ind AS-20, Ind AS-36 and Ind AS-115
3.	Meerut City Transport Services	2012-13	AS-22
4.	Pichhara Varg Vitta Evam Vikas Nigam Limited	2015-16	AS-10
5.	Shreetron India Limited	2018-19	AS-13 & AS-15
6.	Southern U P Power Transmission Company Limited	2019-20	AS-1
7.	Uttar Pradesh Power Transmission Company Limited	2019-20	Ind AS-1, Ind AS-16, Ind AS-19, Ind AS-36 & Ind AS-109
8.	Uttar Pradesh State Tourism Corporation Limited	2016-17	AS-9, AS-22, AS-28 & AS-29
9.	Uttar Pradesh Beej Vikas Nigam	2015-16	AS-10
10.	Uttar Pradesh State Bridge Corporation Limited	2016-17	AS-2, AS-7, AS-15 & AS-29
11.	Uttar Pradesh Jal Vidyut Nigam Limited	2017-18	AS-2 & AS-22
12.	Uttar Pradesh Metro Rail Corporation Limited	2020-21	Ind AS-21, Ind AS-23, Ind AS-109 & Ind AS-116
13.	Uttar Pradesh Police Awas Nigam Ltd	2018-19	AS-2, AS-7, AS-15 & AS-29
14.	Uttar Pradesh State Spinning Company Limited	2017-18	AS-9, AS-15 & AS-28

Sl. No.	Name of the Company	Year of Account	AS/IndAS not followed
15.	Uttar Pradesh State Textile Corporation Limited	2017-18	AS-1, AS-2, AS-3, AS-6, AS-9, AS-10, AS-12, AS-13, AS-15, AS-17, AS-18, AS-22 & AS-28
B. Government controlled other Companies:			
1.	Moradabad Smart City Limited	2018-19	AS-12

During the course of supplementary audit, the CAG observed that the following companies had also not complied with the Accounting Standards/Ind AS, which was not reported by their Statutory Auditors as detailed in **Table 6.4**.

Table 6.4: Details of Non-compliance with provisions of Accounting Standards/Ind AS commented by CAG

Accounting Standard/ Ind AS	Name of the Company	Year of Account	Deviation
AS-1	Uttar Pradesh State Construction and Infrastructure Development Corporation Ltd	2017-18	The Company has changed its accounting policy on valuation of inventory, but impact on accounts due to change in accounting policy has not been disclosed.
AS-2	Uttar Pradesh Beej Vikas Nigam	2015-16	Nigam has valued rejected (expired) seeds at the rate of certified seeds (seeds usable or not-expired) while the same were to be valued at its net realisable value.
AS-3	Shretron India Limited	2018-19	Note to Cash Flow Statement was not shown by the Company below the Cash Flow Statement indicating the method used in the preparation of Cash Flow Statement and details showing reconciliation of cash and cash equivalents as shown in the Balance Sheet of the Company.
AS-4	UP State Tourism Corporation Limited	2016-17	As per High Court order dated 08 December 2017 (prior to the approval of the Accounts by the Board), the recoverable amount of License fee / Lease rent from Shivgarh Resort (for the year 2002-03) was ₹ 8.80 lakh, but the company has shown only ₹ 4.73 lakh in the books of account.
AS-12	Aligarh Smart City Limited	2018-19	Accounting Policy for Government Grant has not been framed.
	Shretron India Limited	2018-19	Government Grants has not been disclosed in the Statement of Significant Accounting Policies.

Accounting Standard/ Ind AS		Name of the Company	Year of Account	Deviation
AS-13	Investments	Shretron India Limited	2018-19	Accounting policy for Investments has not been disclosed in the Statement of Significant Accounting Policies.
AS-15	Employees Benefits	UP Project Corporation Ltd.	2017-18	As sum of ₹ 1.60 crore (Gratuity-₹ 0.14 crore and Leave encashment- ₹ 1.46 crore) on account of actuarial valuation of defined benefit gratuity plan and leave encashment plan has not been charged to the Statement of Profit and Loss Account.
AS-20	Earnings Per Share	Uttar Pradesh State Spinning Company Limited	2017-18	The Profit and Loss Account of the Company does not present basic and diluted earnings per share on its face.
AS-26	Intangible Assets	Meerut City Transport Services Limited	2012-13	Preliminary/ pre-operative expenditure have not been written off by the Company.
AS-29	Contingent Liabilities	Chhata Sugar Company Limited	2016-17	According to notes to accounts, claims filed by various parties, employees and ex-employees not yet acknowledged as debt was ₹ 60.64 lakh. Further, an old claim of arbitration award (April 1996) in favour of M/s Alpha Engineering was ₹ 42.15 lakh. But, brief descriptions of its nature as required under AS has not been mentioned.
Ind AS-20	Accounting for Government Grant	Kanpur Electricity Supply Company Limited	2018-19	A portion of the subsidy (amount indeterminate) received for repayment of loan and shown as Capital Reserve has not been systematically transferred to income in the Profit and Loss Account over the useful life of the assets.
Ind AS-23	Borrowing Cost	Uttar Pradesh Power Transmission Company Limited	2019-20	The Company in violation of provisions of Ind AS 23 booked penal interest of ₹ 4.88 crore paid during 2016-17 due to delay in payment of principal and interest as Capital Work-in-Progress instead of charging the same to Profit and Loss Account.

6.7 Management Letters

One of the objectives of financial audit is to establish communication on audit matters arising from the audit of financial statements between the auditor and those charged with the responsibility of governance of the corporate entity.

The material observations on the financial statements of PSUs were reported as comments by the CAG under Section 143 (6) of the Companies Act, 2013. Besides these comments, irregularities or deficiencies observed by CAG in the financial reports or in the reporting process were also communicated to the management through a 'Management Letter' for taking corrective action. During the year, CAG issued 'Management Letters' to PSUs as detailed in **Table 6.5**.

Table 6.5: Details of PSUs to whom Management Letters issued

Sl. No.	Name of the Company	Year of Account
A.	<u>Government Companies:</u>	
1.	Chhata Sugar Company Limited	2016-17
2.	Kanpur Electricity Supply Company Limited	2018-19
3.	Meerut City Transport Services Limited	2012-13
4.	Nandganj Sihori Sugar Company Limited	2016-17
5.	The Pradeshiya Industrial and Investment Corporation of UP Limited	2018-19
6.	Shreetron India Limited	2018-19
7.	Uttar Pradesh Handloom Corporation Limited	2000-01
8.	Uttar Pradesh Power Transmission Corporation Limited	2019-20
9.	Uttar Pradesh Project Corporation Limited	2017-18
10.	Uttar Pradesh State Tourism Corporation Limited	2016-17
11.	Uttar Pradesh Beej Vikas Nigam Limited	2015-16
12.	Uttar Pradesh State Bridge Corporation Limited	2016-17
13.	Uttar Pradesh Jal Vidyut Nigam Limited	2017-18
14.	Uttar Pradesh Metro Rail Corporation Limited	2020-21
15.	Uttar Pradesh State Spinning Company Limited	2017-18
16.	Uttar Pradesh State Textile Corporation Limited	2017-18
B.	<u>Government controlled other Companies:</u>	
1.	Bareilly Smart City Limited	2018-19
2.	Moradabad Smart City Limited	2018-19

The deficiencies generally related to

- application and interpretation of accounting policies and practices;
- adjustments arising out of audit observations that could have minor effect on the financial statements; and
- inadequate disclosure or non-disclosure of certain information on which management of the concerned PSUs gave assurances that corrective action would be taken in the subsequent year.

6.8 Follow up action on State Finances Audit Report

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

6.9 Conclusion

- Out of 71 functional PSUs, only four PSUs had submitted their annual accounts for the year 2020-21 and remaining 67 PSUs had arrears of 274 accounts. Out of 44 non-functional PSUs, 40 PSUs had arrears of 699 accounts. GoUP had provided ₹ 27,359.34 crore (Equity: ₹ 10,859.11 crore, Loan: ₹ 2,476.54 crore, Grant: ₹ 4,086.35 crore and Subsidies: ₹ 9,937.34 crore) to 46 State PSUs during the period in which their accounts were in arrears.

6.10 Recommendation

- *The Administrative Departments should strictly monitor and issue necessary directions to liquidate the arrears in accounts of the PSUs. The Government may also look into the constraints in preparing the accounts of the PSUs and take necessary steps to liquidate the arrears.*

Lucknow

The **02 May 2022**



(TANYA SINGH)

Accountant General (Audit-II),
Uttar Pradesh

Countersigned



New Delhi

The **05 MAY 2022**

(GIRISH CHANDRA MURMU)

Comptroller and Auditor General of India

Appendices

Appendix-2.1

(Referred to in paragraph 2.2)

Time series data on the State Government Finances

(₹ in crore)

(Figures in bracket indicate percentages to total of each sub-heading)

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21
PART A – RECEIPTS					
1. Revenue Receipts	2,56,875	2,78,775	3,29,978	3,66,393	2,96,176
(i) Own Tax Revenue	85,966(33)	97,393(35)	1,20,122(36)	1,22,826(34)	1,19,897(40)
SGST	-	25,374(26)	46,108(38)	47,232(38)	42,860(36)
Taxes on Sales, Trade, etc.	51,883(60)	31,113(32)	23,798(20)	20,517(17)	22,127(18)
State Excise	14,274(17)	17,320(18)	23,927(20)	27,325(22)	30,061(25)
Taxes on Vehicles	5,148(6)	6,404(7)	6,929(6)	7,715(6)	6,483(5)
Stamps and Registration fees	11,564(13)	13,398(14)	15,733(13)	16,070(13)	16,475(14)
Land Revenue	760(1)	1,336(1)	631(1)	504(0.41)	297(0.25)
Taxes and duties on Electricity	1,556 (2)	2,124 (2)	2,978 (2)	3,453(3)	1,587(1)
Other Taxes	781(1)	324(0.33)	18(0.01)	10(0.01)	7(0.01)
(ii) Non Tax Revenue	28,944(11)	19,795(7)	30,101(9)	81,705(22)	11,846(4)
(iii) State's Share of Union Taxes and Duties	1,09,428(43)	1,20,939(43)	1,36,766(42)	1,17,818(32)	1,06,687(36)
(iv) Grants-in-aid from GoI	32,537(13)	40,648(15)	42,989(13)	44,044(12)	57,746(20)
2. Miscellaneous Capital Receipts	0	0	0	0	0
3. Recoveries of Loans and Advances	259	236	5,313	5,641	1,135
4. Total Revenue and Non debt Capital Receipts (1+2+3)	2,57,134	2,79,011	3,35,291	3,72,034	2,97,311
5. Public Debt Receipts	67,685	47,417	51,595	73,809	86,859
Internal Debt (excluding Ways and Means Advances and Overdrafts)	57,959(86)	43,381(92)	50,791(98)	72,554(98)	78,677(91)
Transactions under Ways and Means Advances and Overdrafts	8,695(13)	2,933(6)	0	0	0
Loans and Advances from GoI ¹	1,031(1)	1,103(2)	804(2)	1,255(2)	8,182(9)
6. Total Receipts in the Consolidated Fund(4+5)	3,24,819	3,26,428	3,86,886	4,45,843	3,84,170
7. Contingency Fund Receipts	173	258	230	662	0
8. Public Account Receipts	3,06,406	3,20,471	3,80,994	3,70,692	3,64,493
9. Total Receipts of the State (6+7+8)	6,31,398	6,47,157	7,68,110	8,17,197	7,48,663
PART B - EXPENDITURE/ DISBURSEMENT					
10. Revenue Expenditure	2,36,592(76)	2,66,224(87)	3,01,728(81)	2,98,833(83)	2,98,543(85)
Plan	49,706(21)				
Non Plan	1,86,886(79)				

¹ During the year 2020-21, it includes back-to-back loan of ₹ 6,007 crore received from GoI in lieu of GST compensation shortfall with no repayment liability for the State.

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21
General Services (including interest payments)	88,255(37)	1,05,782(40)	1,31,057(44)	1,17,675(39)	1,19,057(40)
Social Services	91,861(39)	84,252(32)	91,312(30)	1,03,849(35)	1,09,727(37)
Economic Services	45,834(19)	64,635(24)	67,259(22)	62,809(21)	55,551(19)
Grants-in-aid and contributions	10,642(5)	11,555(4)	12,100(4)	14,500(5)	14,208(5)
11. Capital Expenditure	69,789(22)	39,088(13)	62,463(17)	59,998(16)	52,237(15)
Plan	60,573(87)				
Non Plan	9,216(13)				
General Services	5,727(8)	2,776(7)	3,419(5)	2,495(4)	1,523(3)
Social Services	17,151(25)	11,625(30)	10,589(17)	10,515(18)	12,386(24)
Economic Services	46,911(67)	24,687(63)	48,455(78)	46,988(78)	38,328(73)
12. Disbursement of Loans and Advances	6,741(2)	1,509(0)	6,303(2)	2,120(1)	1,153(0.32)
13. Total Expenditure (10+11+12)	3,13,122	3,06,821	3,70,494	3,60,951	3,51,933
14. Repayments of Public Debt	20,303	15,002	20,717	22,401	26,778
Internal Debt (excluding Ways and Means Advances and Overdrafts)	10,168(50)	10,528(70)	19,080(92)	20,695(92)	25,174(94)
Transactions under Ways and Means Advances and Overdraft	8,695(43)	2,933(20)	0	0	0
Loans and Advances from Government of India	1,440(7)	1,541(10)	1,637(8)	1,706(8)	1,604(6)
15. Appropriation to Contingency Fund	0	0	0	0	0
16. Total Disbursement out of Consolidated Fund (13+14+15)	3,33,425	3,21,823	3,91,211	3,83,352	3,78,711
17. Contingency Fund disbursements	349	413	396	32	100
18. Public Account disbursements	2,96,523	3,14,384	3,61,072	4,39,282	3,59,643
19. Total disbursement by the State (16+17+18)	6,30,297	6,36,620	7,52,679	8,27,666	7,38,454
PART C. DEFICITS/SURPLUS					
20. Revenue Deficit(-)/Revenue Surplus(+) (1-10)	(+)20,283	(+)12,552	(+)28,250	(+)67,560	(-)2,367
21. Fiscal Deficit (-) / Fiscal Surplus (+) (4-13)	(-)55,988	(-)27,810	(-)35,203	(+)11,083	(-)54,622
22. Primary Deficit (-)/Primary Surplus (+) (21+23)	(-)29,052	(+)1,326	(-)3,161	(+)45,896	(-)17,194
23. Interest Payment (included in Revenue Expenditure under Major Head 2049)	26,936	29,136	32,042	34,813	37,428

Appendix-2.2

(Referred to in paragraph 2.4.2)

Collection of Own Tax/Non-Tax Revenue during the period 2016-21

(₹ in crore)

Heads	2016-17	2017-18	2018-19	2019-20	2020-21 Budget Estimate	Actual 2020-21
(A) Own Tax Revenue during 2016-21						
State Goods and Services Tax	-	25,374	46,108	47,232	63,281	42,860
Taxes on Sales, Trade etc.	51,883	31,113	23,798	20,517	28,287	22,127
State Excise	14,274	17,320	23,927	27,325	37,500	30,061
Taxes on Vehicles	5,148	6,404	6,929	7,715	8,650	6,483
Stamps and Registration Fees	11,564	13,398	15,733	16,070	23,197	16,475
Land Revenue	760	1,336	631	504	856	297
Taxes and duties on Electricity	1,556	2,124	2,978	3,453	4,250	1,587
Other taxes	781	324	18	10	0	7
Total A	85,966	97,393	1,20,122	1,22,826	1,66,021	1,19,897
(B) Non Tax Revenue during 2016-21						
Interest Receipts, Dividend and Profits	1,251	1,124	1,888	1,508	2,200	1,220
General Services	5,994	6,806	15,366	73,484	14,841	2,239
Social Services	14,653	1,571	872	978	1,635	1,046
Economic Services	7,046	10,294	11,975	5,735	12,503	7,341
Total B	28,944	19,795	30,101	81,705	31,179	11,846
Grand Total (A + B)	1,14,910	1,17,188	1,50,223	2,04,531	1,97,200	1,31,743

Appendix-2.3

(Referred to in paragraph 2.7.5.4)

Projects completed/under progress on Public Private Partnership mode in Uttar Pradesh as on
31 March 2021

(₹ in crore)

Sl. No.	Name of Department / Name of Project	Estimated cost of project
	Industrial Development Department	
1.	Yamuna Express Way Industrial Development Authority-Yamuna Express Way	13,782.00
	Public Works Department	
2.	UP State Highway Authority (UPSHA)-Bareilly-Almora-Bageshwar Road (SH-37)	355.00
3.	UPSHA –Varanasi – Shaktinagar Road (S.H.-5A)	1,211.96
4.	UPSHA – Muzaffarnagar – Saharanpur via Deoband Road (S.H.-59)	752.88
	Tourism Department	
5.	Operation & Development of Tourism Accommodation/Units of Tourism Department/Uttar Pradesh State Tourism Development Corporation on the basis of lease cum Development Management & Management Contract – Rahi Tourist Accomodations at Ramgarh Tal, Deoria, Mahoba and Palia	88.80
6.	Establishment of Ropeway at important places of Uttar Pradesh- Radh Rani Temple Barsana, Mathura/Devangana Chitrakoot, Vidhyavasini Ashtbhujia to Kalikhoh Mirzapur	34.56
	Transport Department	
7.	Development of Alambagh Bus Terminal Lucknow under Development and Management Arrangement Project	204.00
8.	23 Bus Stations in Uttar Pradesh State Road Transport Corporation under Development and Management Arrangement Project	3,665.00
	Housing and Urban Planning Department	
9.	Awas Bandhu -Lucknow Development Authority –Establishment of international standard cricket stadium and academy in Lucknow	360.00
	Information Technology and Electronics Department	
10.	UP Electronics Corporation Limited-I.T. City, Lucknow	1,500.00
	Energy Department	
11.	U.P. Power Corporation Ltd-Thermal Power Project Bara, Prayagraj	11,500.00
12.	U.P. Power Corporation Ltd-Thermal Power Project Karchana, Prayagraj	10,605.31
13.	U.P. Power Transmission Corporation Ltd-765/400 KV A.I.S. sub station Mainpuri along with construction of 765 KV single circuit Bara-Mainpuri line and related complete scheme	5,158.91
14.	U.P. Power Transmission Corporation Ltd-765/400 K.V. A.I.S. sub station Hapur and Greater Noida along with construction of 765 K.V single circuit Mainpuri-Hapur and Mainpuri-Greater Noida line and related complete scheme	4,706.49
15.	U.P. Power Transmission Corporation Ltd-3x660 MW energy extraction and construction of transmission system from Ghatampur Thermal Power Project on T.B.C.B. basis	2,570.60
16.	U.P. Power Transmission Corporation Ltd-2x660 MW energy extraction from Obra-C Thermal Power Project for power transmission and 400 K.V. G.I.S. sub station, Badaun and construction of related transmission lines	843.21
17.	U.P. Power Transmission Corporation Ltd-2x660 MW energy extraction from Jawaharpur Thermal Power Project for power transmission and 400 K.V. G.I.S. sub station, Firozabad and construction of related transmission lines	608.12
18.	U.P. Power Transmission Corporation Ltd-Construction of 765 K.V. GIS sub station Rampur and Construction of 400 K.V. GIS sub station, Sambhal (with related line) by UP Power Corporation limited	1,035.25

Sl. No.	Name of Department / Name of Project	Estimated cost of project
19.	U.P. Power Transmission Corporation Ltd-Construction of 765 K.V. GIS sub station Meerut and Construction of 400 K.V. GIS sub station Simbhauli (with related line) by UP Power Corporation limited	1,223.25
20	U.P. Power Corporation Ltd-Input based Transmission Franchise, Agra City	360.00
21.	U.P. Power Corporation Ltd- Vishnuprayag Hydro Electric Project	1,715.78
22.	U.P. Power Corporation Ltd-Roza Thermal Power Project	3,112.51
23.	U.P. Power Corporation Ltd-Roza Extension Thermal Power Project	3,098.60
24	U.P. Power Corporation Ltd-Anpara -C Thermal Power Project	4,845.00
25.	U.P. Power Corporation Ltd-Bajaj Thermal Power Project	2,448.02
26.	U.P. Power Corporation Ltd-Lalitpur Thermal Power Project	14,916.00
27.	U.P. Jal Vidyut Nigam-Nirgajani Minor Hydro Electric Project, Muzaffarnagar	108.43
28.	U.P. Jal Vidyut Nigam Ltd-Salawa Minor Hydro Electric Project, Meerut	54.55
	Medical and Health Department	
29.	S.P.M.U-N.R.H.M-100 Bed, Mother and Child Health Wing (in 25 District)	49.00
30.	S.P.M.U-N.R.H.M-108 Service	1,000.00
31.	S.P.M.U-N.R.H.M-102 Service	1,200.00
32.	Family Planning Section-Encouragement Partnership	13.49
33.	S.P.M.U-N.R.H.M-Dialysis (Phase 1, 2 & 3)	73.30
34	S.P.M.U-N.R.H.M-CT Scan (Category-1)	66.06
35	S.P.M.U-N.R.H.M-CT Scan (Category-2)	45.00
36	S.P.M.U-N.R.H.M-Telemedicine (Video Consultation)	3.00
37	S.P.M.U-N.R.H.M-Teleradiology	19.14
38	S.P.M.U-N.R.H.M-Bio medical Equipment Maintenance	72.29
	Urban Development Department	
39	Municipal Solid Waste Management Plan, Kanpur	56.24
40	Municipal Solid Waste Management Plan, Lucknow	52.83
41	Municipal Solid Waste Management Plan, Agra	30.84
42	Municipal Solid Waste Management Plan, Prayagraj	30.41
43	Municipal Solid Waste Management Plan, Varanasi	48.58
44	Municipal Solid Waste Management Plan, Mathura	9.51
45	Municipal Solid Waste Management Plan, Moradabad	13.16
46	Municipal Solid Waste Management Plan, Aligarh	16.07
47	Municipal Solid Waste Management Plan, Muzaffarnagar	6.58
48	Municipal Solid Waste Management Plan, Mirzapur	11.01
49	Municipal Solid Waste Management Plan, Jaunpur	12.20
50	Municipal Solid Waste Management Plan, Sambhal	6.55
51	Municipal Solid Waste Management Plan, Etawah	5.82
52	Municipal Solid Waste Management Plan, Raebareli	8.78
53	Municipal Solid Waste Management Plan, Badaun	5.78
54	Municipal Solid Waste Management Plan, Fatehpur	9.38
55	Municipal Solid Waste Management Plan, Ballia	6.82
56	Municipal Solid Waste Management Plan, Mainpuri	4.28
57	Municipal Solid Waste Management Plan, Kannauj	4.62
58	Municipal Solid Waste Management Plan, Barabanki	5.25
59	Municipal Solid Waste Management Plan, Pilkhua	8.98
60	Municipal Solid Waste Management Plan, Bareilly	13.86
	Civil Aviation Department	
61	Noida International Greenfield Airport, Jewar	29,561.00
	Total	1,23,334.06

Appendix-2.4
(Referred to in paragraph 2.8.2)
Details of Reserve Funds during the year 2020-21

(₹ in lakh)				
Particulars	Opening Balance	Receipts	Disbursements	Closing Balance
Reserve Funds bearing Interest				
8115-Depreciation/Renewal Reserve Fund	(-) 4,441.57	0.00	0.00	(-) 4,441.57
105-Depreciation Reserve Fund-Investment Account	(-) 4,441.57	0.00	0.00	(-) 4,441.57
8121-General and Other Reserve Funds	1,75,731.14	0.00	25,205.59	1,50,525.55
129-State Compensatory Afforestation Fund (SCAF)	1,75,731.14	0.00	25,205.59	1,50,525.55
Total- Reserve Fund bearing Interest	1,75,731.14	0.00	25,205.59	1,50,525.55
Investment	(-) 4,441.57	0.00	0.00	(-) 4,441.57
Reserve Funds not bearing Interest				
8222-Sinking Fund	0.00	1,00,000.00	1,00,000.00	0.00
01-Appropriation for Reduction or avoidance of debt	0.00	1,00,000.00	0.00	1,00,000.00
101-Sinking Funds				
02- Sinking Fund – Investment Account	0.00	0.00	1,00,000.00	(-) 1,00,000.00
101-Sinking Fund – Investment Account				
8223-Famine Relief Fund	(-) 78.01	0.00	0.00	(-) 78.01
102-Famine Relief Fund - Investment Account	(-) 78.01	0.00	0.00	(-) 78.01
8225-Roads and Bridges Fund	25,815.81	3,00,000.00	3,00,000.00	25,815.81
101-State Roads and Bridges Fund	25,815.81	3,00,000.00	3,00,000.00	25,815.81
8226-Depreciation/Renewal Reserve Funds	(-) 799.03	0.00	920.50	(-) 1,719.53
102-Depreciation Reserve Funds of Government Non-commercial Departments	(-) 799.03	0.00	920.50	(-) 1,719.53
8229-Development and Welfare Funds	77,189.25	0.00	1,074.75	76,114.50
101-Development Funds For Educational Purposes	4,249.32	0.00	0.00	4,249.32
106-Industrial Development Funds	1,174.75	0.00	1074.75	100.00
109-Cooperative Development Funds	0.01	0.00	0.00	0.01
200-Other Development and Welfare Funds	71,765.17	0.00	0.00	71,765.17
8235-General and other Reserve Funds	1,74,687.51	1,43,147.23	1,65,852.18	1,51,982.56
101-General Reserve Funds of Government Commercial Departments/Undertakings	3,155.12	5,084.91	0.00	8,240.03
111-State Disaster Response Fund (including ₹ 1,000 lakh as balance of State Mitigation Fund)	1,53,699.95	1,30,562.02	1,60,160.94	1,24,101.03
200-Other Funds	17,832.44	7,500.30	5,691.24	19,641.50
Total -Reserve Funds not bearing Interest	2,76,893.54	5,43,147.23	4,67,847.43	3,52,193.34
Investment	(-) 78.01	0.00	1,00,000.00	(-) 1,00,078.01
Grand Total	Reserve Funds	4,52,624.68	5,43,147.23	4,93,053.02
	Investment	(-) 4,519.58	0.00	(-) 1,04,519.58

Appendix-3.1

(Referred to in paragraph 3.2.3)

Lump sum budgetary provisions during the year 2020-21

(₹ in crore)

Sl. No.	Grant No.	Head of Accounts		Description	Allotment	Expenditure	Per cent
1	1	4059-01-051-03	Voted	Lumpsum Provision for construction of office and godowns of excise department	0.50	0.41	82.00
2	9	2045-103-04	Voted	Lumpsum Provision for Formation of Uttar Pradesh Electricity Regulatory Commission	13.28	13.28	100.00
3	9	2045-103-04	Charged	Lumpsum Provision for Formation of Uttar Pradesh Electricity Regulatory Commission	1.69	1.69	100.00
4	11	2071-01-117-07	Voted	Lumpsum Payment of Residual Employer Contribution upto 31.03.2019 of Employees of Agriculture Universities Covered Under N.P.S.	14.00	3.25	23.21
5	25	4070-800-09	Voted	Lumpsum Provision for Land Purchase for Construction of Jails in Newly Created Districts	45.00	45.00	100.00
6	40	2575-06-101-03	Voted	Lumpsum Provision for Solar Light/Pump/Power Fencing	3.00	0.27	9.00
7	40	2575-06-102-03	Voted	Lumpsum Provision for Organization of Committees/ Equipment/Machines/ Furnishing	0.10	0.00	0.00
8	40	2575-06-105-04	Voted	Lumpsum Provision for Skill Development Mission	2.00	0.00	0.00
9	40	2575-06-105-05	Voted	Lumpsum Provision for Fruits and Vegetables/Spices Development	0.20	0.00	0.00
10	40	2575-06-800-04	Voted	Lumpsum Provision for Review, Training and Evaluation	0.50	0.00	0.00
11	40	4575-06-101-03	Voted	Lumpsum Provision for Construction/Extension of Veterinary Hospitals/Animal Service Centres	0.30	0.11	36.67
12	40	4575-06-102-03	Voted	Lumpsum Provision for Water Supply Programme	20.00	9.11	45.55
13	40	4575-06-106-03	Voted	Lumpsum Provision for Rural Electrification	0.05	0.00	0.00
14	40	4575-06-201-03	Voted	Lumpsum provision for construction/extension of boundary wall of school building	2.50	1.66	66.40
15	40	4575-06-337-03	Voted	Lumpsum provision for roads	20.20	11.79	58.37
16	40	4575-06-800-03	Voted	Lumpsum provision for construction/ extension of community/primary health centres and sub-centres buildings	5.00	0.75	15.00

Sl. No.	Grant No.	Head of Accounts		Description	Allotment	Expenditure	Per cent
17	40	4575-06-800-04	Voted	Lumpsum provision for construction/ extension of building of homeopathy hospitals	0.02	0.00	0.00
18	40	4575-06-800-05	Voted	Lumpsum provision for forest security chowki and residence of forest inspector	0.01	0.00	0.00
19	40	4575-06-800-06	Voted	Lumpsum provision for construction of anganwadi centres	0.75	0.00	0.00
20	40	4575-06-800-09	Voted	Lumpsum provision for construction of CC roads and KC drains	15.00	8.98	59.87
21	40	4575-06-800-10	Voted	Lumpsum provision for construction of flood shelter home	0.05	0.00	0.00
22	40	4575-06-800-11	Voted	Lumpsum provision for construction of mini stadium	2.00	0.20	10.00
23	40	4575-06-800-12	Voted	Lumpsum provision for construction of boundary wall and road in premises of schedule castes ashram system school	0.05	0.00	0.00
24	40	4575-06-800-13	Voted	Lumpsum provision for construction of toilets	4.00	0.33	8.25
25	40	4575-06-800-14	Voted	Lumpsum arrangement for construction of heritage work shed tharu shilp training centre/ sell and exhibition centre/ dance music centre/ hut etc.	0.50	0.00	0.00
26	40	4575-06-800-15	Voted	Lumpsum arrangement of construction/ extension/ renovation for tourist place development	2.00	0.25	12.50
27	40	4575-06-800-16	Voted	Lumpsum provision for farmers/ shed/ construction of cow ranch/ extension etc.	0.50	0.12	24.00
28	47	2071-01-117-07	Voted	Lumpsum Payment of residual employers contribution up to 31.03.2019 of employees covered under NPS of aided Technical Educational Institutes	2.50	0.00	0.00
29	48	2071-01-117-07	Voted	Lumpsum Payment of residual employers contribution up to 31.03.2019 of employees covered under NPS of aided Arbi Farsi Madarsas	1.00	0.00	0.00
30	50	4059-01-51-02	Voted	Lumpsum provision for new construction/ extension/ reconstruction/ strengthening of non-residential buildings of division/ districts/ tehsil of the state and purchase of land	20.00	17.99	89.95
31	58	5054-03-337-13	Voted	Lumpsum provision	330.00	379.02	114.85

Sl. No.	Grant No.	Head of Accounts		Description	Allotment	Expenditure	Per cent
32	58	5054-04-337-13	Voted	Lumpsum provision	1,406.00	1,243.51	88.44
33	58	5054-04-337-66	Voted	Lumpsum provision for new works of rural link roads and small bridges for agriculture marketing facilities (financed by NABARD) (District Plan)	50.00	55.40	110.80
34	58	5054-04-337-83	Voted	Lumpsum provision for current works of strengthening/ widening of main/ other district roads of rural areas under RIDF Plan financed by NABARD	500.00	569.39	113.88
35	58	5054-04-337-86	Voted	Lumpsum provision for new work of strengthening/ widening of main/ other district roads of rural areas under RIDF Plan financed by NABARD	100.00	105.70	105.70
36	58	5054-80-800-05	Voted	Lumpsum provision for management and planning works for information technology	10.50	4.91	46.76
37	59	4059-80-051-03	Voted	Lumpsum provision for renovation of non-residential buildings and water distribution works	0.50	0.00	0.00
38	61	2049-04-101-03	Charged	Lumpsum provision for loans	153.49	153.49	100.00
39	61	6004-09-101-03	Charged	Lumpsum provision for loans	276.09	246.66	89.34
40	62	2071-01-117-07	Voted	Lumpsum payment of residual employer contribution upto 31.03.2019 of Government employees covered under NPS	2,400.00	0.00	0.00
41	71	2071-01-117-07	Voted	Lumpsum payment of employer contribution balance upto 31.03.2019 of Government employees covered under NPS	500.00	0.00	0.00
42	72	2071-01-117-07	Voted	Lumpsum payment of employer contribution balance up to 31.03.2019 for employees covered under NPS	365.00	309.16	84.70
43	73	2071-01-117-07	Voted	Lumpsum payment of residual employer contribution up to 31.03.2019 of employees covered under NPS	100.00	62.28	62.28
44	75	2071-01-117-07	Voted	Lumpsum payment of residual employer contribution up to 31.03.2019 of Government employees covered under NPS	0.10	0.00	0.00
45	83	5054-03-789-05	Voted	Lumpsum provision for works of state main/ other districts roads	42.50	79.37	186.75

Sl. No.	Grant No.	Head of Accounts		Description	Allotment	Expenditure	Per cent
46	83	5054-04-789-19	Voted	Lumpsum provision for new construction of railway over/ under bridges	25.00	24.98	99.92
47	83	5054-04-789-27	Voted	Lumpsum provision for current work of rural connecting roads/ minor bridges for agriculture marketing facilities (NABARD Financed) (District Plan)	50.00	38.02	76.04
48	84	2075-800-03	Voted	Lumpsum amount as cash awards to the honoured citizens of Uttar Pradesh with awards mentioned under Ashok Chakra Series	3.00	1.38	46.00
49	87	2075-104-04	Voted	Lumpsum cash awards/ grant by state Government to winners of Veer Chakra Series	0.36	0.38	105.56
50	87	2075-104-05	Voted	Lumpsum soldiers cash awards to soldiers of Border Security Force and recipients of War Sena Medal Award of Uttar Pradesh.	0.98	0.97	98.98
51	87	2075-104-07	Voted	Lumpsum grant to medal winners of Vishishth Seva Medal Series	0.46	0.40	86.96
52	91	4059-01-800-03	Voted	Lumpsum provision for construction of office buildings of stamps and registration department.	1.00	0.70	70.00
53	94	4701-97-051-10	Voted	Lumpsum arrangement for projects of construction of damaged canals, permanent constructions like bridge/ culvert, siphon fall head regulator, gates (commercial).	300.00	54.67	18.22
54	94	4711-01-103-03	Voted	Lumpsum provision for border dams (state sector)	5.00	0.69	13.80
55	95	2701-02-001-05	Voted	Working establishment (lumpsum provision for work charged/ daily wages staff of irrigation department).	25.00	24.83	99.32
Total					6,821.68	3,471.10	50.88

Appendix-3.2

(Referred to in paragraph 3.2.6)

Detail of cases where funding pattern (Central share / State share/ Financial Institution) under Central schemes/Centrally Sponsored schemes not mentioned in Budget Documents 2020-21

(₹ in crore)

Grant No and Name	Account Head	Name of Program	Amount
003-Industries Department (Small Industry and Export Promotion)	2851-102-01-0103	Small Industries Cluster Development Scheme	1.00
011-Agriculture and Other Allied Departments (Agriculture)	4401-800-02-0207	Horticulture and Fertilizer Processing Capital Project	20.00
017-Agriculture and Other Allied Departments (Fisheries)	2405-101-01-0102	Blue Revolution Integrated Development and Management of Fisheries Scheme	62.00
021-Food and Civil Supplies Department	4059-60-051-01-0102	Building of Second Standard Laboratory / Calibration Towers	12.00
037-Urban Development Department	2217-05-191-01-0102	Aid for JNNURM scheme	5.00
	2230-02-101-01-0101	Establishment of a cell on state level	0.10
	4216-02-800-01-0101	Rajeev Housing Yojna	30.00
042-Judicial Department	4059-01-051-01-0110	Construction of new Buildings for the Lucknow bench of the Hon. High Court Allahabad	150.00
044-Tourism Department	5452-80-104-01-0109	Creation of tourism infrastructure facilities in the identified places under PRASAD scheme	25.00
047-Technical Education Department	4202-02-105-01-0105	Establishment and Reinforcement of Technical Institutions under Rastriya Ucchatar Siksha Abhiyan (RUSA)	6.00
049-Women and Child Welfare Department	4235-02-102-01-0127	Upgradation of Anganbadi Centres	13.80
075-Education Department (State Council of Education Research and Training)	4202-01-201-01-0104	District Institute of Education and Training in three districts (Ghaziabad, Amethi and Kasganj)	5.00
081-Social Welfare Department (Tribal Welfare)	4202-01-796-01-0108	Establishment of District Education and Training Institute	0.12
083-Social Welfare Department (Special Component Plan for Scheduled Castes)	2225-01-789-01-0119	Pre-training for IAS/PCS Preliminary Examination in Delhi based Institutes	1.00
	2235-02-789-01-0103	Scheme for Teenage Girls (SAG)	20.00
	4202-01-789-01-0108	Establishment of District Education and Training Institute	3.00
092-Culture Department	2205-800-01-11	Education of art and culture, video of folk traditions, Economic Aid Scheme for meritorious students and old artists	0.25
Total			354.27

Appendix-3.3

(Referred to in paragraph 3.2.6)

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

(₹ in crore)

Grant No and Name	Account	Name of Program	Amount
011-Agriculture and Other Allied Departments (Agriculture)	2401-114-01-0101	National Food Security Mission (OS/TBO) (C.60%/S.60%)	18.40
037-Urban Development Department	2217-03-191-01-0102	Urban Infrastructure Development Scheme for Small and Medium Towns (C.80%/S.10%)	10.00
045-Environment Department	3435-04-103-01-0101	Establishment of Waste Disposal facilities and treatment of unauthorised waste water disposal sites (C.0%/S.50%)	0.50
047-Technical Education Department	4202-02-105-01-0102	Establishment of IIT on PPP model (C.50%/S.35%)	10.00
049-Women and Child Welfare Department	2235-02-103-01-0104	Ujjwala Scheme (C.60%/S.30%)	1.50
083-Social Welfare Department (Special Component Plan for Scheduled Castes)	2401-789-01-0110	National Food Security Mission (OS/TBO) (C.60%/S.60%)	3.40
Total			43.80

Appendix-3.4

(Referred to in paragraph 3.3.3)

Grants in which savings were above ₹ 100 crore during the year 2020-21

(₹ in crore)

Sl. No.	Grant No.	Grant Name	Provision	Expenditure	Savings	Saving excluding Surrendered
Revenue Voted						
1	2	Housing Department	457.12	304.75	152.37	152.37
2	3	Industries Department (Small Industry and Export Promotion)	615.97	472.55	143.42	143.42
3	7	Industries Department (Heavy and Medium Industries)	1,871.98	707.28	1,164.70	1,164.70
4	9	Power Department	14,719.81	11,964.76	2,755.05	2,755.05
5	10	Agriculture and other Allied Departments (Horticultural and Sericulture Development)	771.78	552.63	219.15	219.15
6	11	Agriculture and other Allied Departments (Agriculture)	5,643.34	3,988.34	1,655.00	1,655.00
7	12	Agriculture and other Allied Departments (Land Development and Water Resources)	791.22	88.21	703.01	703.01
8	13	Agriculture and other Allied Departments (Rural Development)	3,884.66	2,980.84	903.82	903.82
9	14	Agriculture and other Allied Departments (Panchayati Raj)	18,119.94	13,300.47	4,819.47	4,819.47
10	15	Agriculture and other Allied Departments (Animal Husbandry)	1,749.70	1,336.83	412.87	412.87
11	18	Agriculture and other Allied Departments (Cooperative)	753.13	634.78	118.35	118.35
12	25	Home Department (Jails)	823.69	673.26	150.43	150.43
13	26	Home Department (Police)	24,981.87	19,387.25	5,594.62	5,594.62
14	31	Medical Department (Medical Education and Training)	3,870.85	3,376.31	494.54	494.54
15	32	Medical Department (Allopathy)	8,609.08	6,094.09	2,514.99	2,514.99
16	33	Medical Department (Ayurvedic and Unani)	1,228.94	898.25	330.69	330.69
17	34	Medical Department (Homoeopathy)	517.53	369.41	148.12	148.12
18	35	Medical Department (Family Welfare)	6,426.60	5,833.97	592.63	592.63
19	36	Medical Department (Public Health)	873.06	539.71	333.35	333.35
20	37	Urban Development Department	17,925.63	14,034.84	3,890.79	3,885.87
21	40	Planning Department	352.49	160.23	192.26	192.26
22	42	Judicial Department	2,802.83	1,835.59	967.24	967.24
23	48	Minorities Welfare Department	2,351.44	1,264.87	1,086.57	1,086.57
24	49	Women and Child Welfare Department	9,536.48	5,118.86	4,417.62	4,417.62
25	50	Revenue Department (District Administration)	1,127.12	808.76	318.36	318.36
26	51	Revenue Department (Relief on Account of Natural Calamities)	3,585.92	1,296.01	2,289.91	2,289.91
27	52	Revenue Department (Board of Revenue and other Expenditure)	4,397.80	3,263.09	1,134.71	907.76

Sl. No.	Grant No.	Grant Name	Provision	Expenditure	Savings	Saving excluding Surrendered
28	54	Public Works Department (Establishment)	2,862.90	365.56	2,497.34	2,497.34
29	59	Public Works Department (Estate Directorate)	291.91	187.86	104.05	104.05
30	60	Forest Department	901.55	566.71	334.84	334.84
31	61	Finance Department (Debt Services & other Expenditure)	16,034.25	14,735.57	1,298.68	1,298.68
32	62	Finance Department (Superannuation Allowances and Pensions)	56,455.11	42,724.08	13,731.03	13,731.03
33	63	Finance Department (Treasury and Accounts Administration)	302.79	200.86	101.93	101.93
34	69	Vocational Education Department	900.36	596.59	303.77	303.77
35	70	Science and Technology Department	523.14	319.99	203.15	203.15
36	71	Education Department (Primary Education)	54,929.10	41,183.86	13,745.24	13,745.24
37	72	Education Department (Secondary Education)	12,795.82	9,644.32	3,151.50	3,151.50
38	73	Education Department (Higher Education)	3,351.42	2,537.62	813.80	813.80
39	78	Secretariat Administration Department	1,158.40	851.91	306.49	306.49
40	80	Social Welfare Department (Social Welfare and Welfare of Scheduled Castes)	4,846.14	4,631.63	214.51	214.51
41	81	Social Welfare Department (Tribal Welfare)	970.69	855.24	115.45	115.45
42	83	Social Welfare Department (Special Component Plan for Scheduled Castes)	17,741.87	13,255.74	4,486.13	4,486.13
43	89	Institutional Finance Department (Commercial Tax)	1,078.03	790.95	287.08	287.08
44	91	Institutional Finance Department (Stamps and Registration)	402.87	298.31	104.56	104.56
45	95	Irrigation Department (Establishment)	5,181.16	3,562.69	1,618.47	1,618.47
		Total	3,19,517.49	2,38,595.43	80,922.06	80,690.19
Capital Voted						
1	2	Housing Department-	1,929.52	1,590.27	339.25	339.25
2	7	Industries Department (Heavy and Medium Industries)	5,605.01	5,364.47	240.54	240.54
3	9	Power Department	10,322.09	9,785.02	537.07	537.07
4	13	Agriculture and other Allied Departments (Rural Development)	16,431.50	9,050.60	7,380.90	7,380.90
5	14	Agriculture and Other Allied Departments (Panchayati Raj)	340.94	132.79	208.15	208.15
6	15	Agriculture and other Allied Departments (Animal Husbandry)	261.10	117.41	143.69	143.69
7	21	Food and Civil Supplies Department	15,923.47	5,569.69	10,353.78	10,353.78
8	25	Home Department (Jails)	301.82	132.82	169.00	169.00
9	26	Home Department (Police)	2,303.87	1,000.67	1,303.20	1,303.20

Sl. No.	Grant No.	Grant Name	Provision	Expenditure	Savings	Saving excluding Surrendered
10	31	Medical Department (Medical Education and Training)	2,589.36	1,376.10	1,213.26	1,213.26
11	32	Medical Department (Allopathy)	621.27	353.88	267.39	267.39
12	37	Urban Development Department	285.77	16.80	268.97	268.97
13	38	Civil Aviation Department	2,604.75	1,728.92	875.83	875.83
14	40	Planning Department	1,494.20	596.63	897.57	350.37
15	42	Judicial Department	1,934.45	247.25	1,687.20	1,687.20
16	44	Tourism Department	921.70	434.97	486.73	486.73
17	48	Minorities Welfare Department	807.81	116.27	691.54	0.00
18	49	Women and Child Welfare Department	154.46	15.06	139.40	139.40
19	58	Public Works Department (Communications-Roads)	12,428.26	11,434.10	994.16	994.16
20	61	Finance Department (Debt Services & other Expenditure)	205.00	19.61	185.39	185.39
21	79	Social Welfare Department (Empowerment of the Handicapped and Welfare of the Backward Classes)	184.30	79.34	104.96	104.96
22	81	Social Welfare Department (Tribal Welfare)	225.28	94.80	130.48	130.48
23	83	Social Welfare Department (Special Component Plan for Scheduled Castes)	8,422.08	5,983.40	2,438.68	2,438.68
24	84	General Administration Department	220.06	15.64	204.42	204.42
25	94	Irrigation Department (Works)	7,129.96	5,588.73	1,541.23	1,541.23
		Total	93,648.03	60,845.24	32,802.79	31,564.05
Total (Revenue Voted + Capital Voted)			4,13,165.52	2,99,440.67	1,13,724.85	1,12,254.24
Revenue Charged						
1	9	Power Department	4,331.68	3,999.69	331.99	331.99
2	42	Judicial Department	624.93	503.21	121.72	121.72
3	61	Finance Department (Debt Services & other Expenditure)	58,730.66	34,208.85	24,521.81	24,521.81
Total			63,687.27	38,711.75	24,975.52	24,975.52
Capital Charged						
1	61	Finance Department (Debt Services & other Expenditure)	30,485.01	20,342.40	10,142.61	10,142.61
Total			30,485.01	20,342.40	10,142.61	10,142.61
Total (Revenue Charged + Capital Charged)			94,172.28	59,054.15	35,118.13	35,118.13
Grand Total			5,07,337.80	3,58,494.82	1,48,842.98	1,47,372.37

Appendix-3.5

(Referred to in paragraph 3.3.4)

Grants in which persistent savings were above ₹ 100 crore in the last five years (2016-2021)

(₹ in crore)

Sl. No.	Grant No.	Name of the Grant	2016-17	2017-18	2018-19	2019-20	2020-21
Revenue Voted							
1	11	Agriculture and other Allied Departments (Agriculture)	828.58	14,633.26	888.77	1,078.24	1,655.00
2	13	Agriculture and other Allied Departments (Rural Development)	302.86	573.19	575.80	648.55	903.83
3	15	Agriculture and other Allied Departments (Animal Husbandry)	154.19	214.55	310.75	223.83	412.87
4	26	Home Department (Police)	886.35	1,215.29	374.07	1,809.86	5,594.62
5	32	Medical Department (Allopathy)	1,088.42	867.16	1,282.19	1,935.09	2,514.99
6	33	Medical Department (Ayurvedic and Unani)	240.85	228.86	336.93	331.55	330.70
7	35	Medical Department (Family Welfare)	1,263.58	858.14	719.19	988.46	592.63
8	36	Medical Department (Public Health)	281.30	100.12	184.56	261.71	333.35
9	37	Urban Development Department	2,751.47	5,574.84	3,451.60	8,753.97	3,890.80
10	42	Judicial Department	432.26	482.06	473.88	813.17	967.23
11	48	Minorities Welfare Department	973.78	1,088.19	1,034.01	1,081.21	1,086.58
12	49	Women and Child Welfare Department	1,106.73	2,247.92	2,464.72	3,554.23	4,417.62
13	51	Revenue Department (Relief on Account of Natural Calamities)	4,132.50	816.86	1,370.92	532.44	2,289.91
14	52	Revenue Department (Board of Revenue and other Expenditure)	599.42	416.46	468.34	1,547.59	1,134.72
15	54	Public Works Department (Establishment)	1,778.37	996.61	1,769.10	1,878.77	2,497.34
16	60	Forest Department	138.22	156.45	188.34	245.90	334.84
17	69	Vocational Education Department	123.86	185.31	101.54	124.91	303.76
18	71	Education Department (Primary Education)	2,414.62	17,493.77	14,921.22	14,407.71	13,745.25
19	72	Education Department (Secondary Education)	394.07	620.44	379.82	1,502.17	3,151.50
20	73	Education Department (Higher Education)	460.29	451.39	761.39	342.64	813.80
21	80	Social Welfare Department (Social Welfare and Welfare of Scheduled Castes)	386.58	702.81	776.69	139.51	214.52
22	83	Social Welfare Department (Special Component Plan for Scheduled Castes)	1,704.21	5,573.74	4,085.46	4,255.67	4,486.13
23	95	Irrigation Department (Establishment)	1,180.41	701.41	906.14	1,344.21	1,618.46
Total			23,622.92	56,198.83	37,825.43	47,801.39	53,290.45
Capital (Voted)							
1	13	Agriculture and other Allied Departments (Rural Development)	3,300.96	5,179.06	9,278.13	9,371.66	7,380.90
2	32	Medical Department (Allopathy)	281.17	225.40	204.87	344.64	267.39
3	40	Planning Department	336.21	354.32	251.01	1,021.53	897.57
4	42	Judicial Department	581.42	855.26	983.23	1,377.26	1,687.20
5	48	Minorities Welfare Department	345.00	106.53	314.54	368.09	691.54
Total			4,844.76	6,720.57	11,031.78	12,483.18	10,924.60
Grand Total (Revenue Voted+Capital Voted)			28,467.68	62,919.40	48,857.21	60,284.57	64,215.05

Appendix-3.6
(Referred to in paragraph 3.3.5)
Unnecessary Re-appropriation

(₹ in crore)

Sl. No.	Grant No.	Head of Accounts	Original Provision	Re-appropriation	Total	Expenditure	Savings
1	1	2039-State Excise 001-Direction and Administration 03-Supervision-	48.06	1.07	49.13	39.30	9.83
2	1	2039- State Excise 001 Direction and Administration 05- Distilleries	206.93	2.74	209.67	188.32	21.35
3	8	2058- Stationery and Printing 001- Direction and Administration 03- Establishment (Headquarters)	55.67	0.20	55.87	53.07	2.80
4	8	2058- Stationery and Printing 103- Govt. Presses 04- Govt. Press, Lucknow	52.05	0.03	52.08	36.19	15.89
5	8	2058- Stationery and Printing 103- Govt. Presses 06- Govt. Press, Rampur	9.18	0.06	9.24	7.92	1.32
6	8	2058- Stationery and Printing 103- Govt. Presses 07- Govt. Press, Varanasi	11.11	0.05	11.16	6.89	4.27
7	10	2406- Forestry and Wild Life 02- Environmental Forestry and Wild Life 112- Public Gardens 03- Gardens	42.78	1.37	44.15	38.14	6.01
8	10	2415- Agricultural Research and Education 80- General 004- Research 06- Research and Training Centre	16.04	0.06	16.10	7.11	8.99
9	11	2435- Other Agricultural Programmes 01- Marketing and quality control- 101- Marketing facilities 04 Market Regularity and Training Centre	3.66	0.02	3.68	3.31	0.37
10	23	2401- Crop Husbandry 001- Direction and Administration 04- Regional Offices	7.76	0.24	8.00	7.54	0.46
11	33	2210- Medical and Public Health 02- Urban Health Services-Other systems of medicine 101- Ayurveda 04- Departmental Drug Manufacture	15.25	2.00	17.25	11.96	5.29
12	33	2210- Medical and Public Health 02- Urban Health Services-Other 103- Unani 04- Departmental Drug Manufacture	2.04	0.40	2.44	2.01	0.43

Sl. No.	Grant No.	Head of Accounts	Original Provision	Re-appropriation	Total	Expenditure	Savings
13	33	4210- Capital Outlay on Medical and public health 01-Urban Health Services 800- Other expenditure 08- Establishment of Ayush University	10.00	10.00	20.00	0.00	20.00
14	41	2015- Elections- 103- Preparation and Printing of Electoral rolls 05- Establishment Expenditure of Election-	66.30	0.18	66.48	43.97	22.51
15	42	2014- Administration of Justice 105- Civil and Session Courts 01-Central Sponsored Schemes	73.39	6.30	79.69	49.21	30.48
16	42	2014- Administration of Justice 114- Legal Advisers and Counsels 03- Advocate General	9.54	0.12	9.66	8.37	1.29
17	42	2052- Secretariat-General Services 091-Attached Offices 03- Legal Cell-Uttar Pradesh Bhawan New Delhi-	3.04	0.20	3.24	2.08	1.16
18	42	2235- Social Security and Welfare 60- Other Social Security and Welfare Programmes 200- Other Programmes 04- State Legal Service Authority and District Legal Service Authority-	25.92	2.21	28.13	15.81	12.32
19	49	2235-Social Security and Welfare 02- Social Welfare 001-Direction and Administration 03-Women Welfare Directorate-	15.43	1.90	17.33	11.11	6.22
20	49	2235-Social Security and Welfare 02- Social Welfare 102- Child Welfare 01-Central Sponsored Schemes-	6,159.56	14.18	6,173.74	2,832.84	3,340.90
21	49	2235-Social Security and Welfare 02- Social Welfare 103- Women's Welfare 01-Central Sponsored Schemes	18.26	424.64	442.90	6.18	436.72
22	51	2245-Relief on account of Natural Calamities 05- State Disaster Response Fund 800- Other expenditure 06-Expenditure from State Disaster	2,578.00	800.00	3,378.00	1,601.61	1,776.39
23	59	2059- Public Works 01- Office Buildings 053- Maintenance and Repairs 09- Jawahar Bhawan and Indira Bhawan Compound	20.82	1.00	21.82	14.72	7.10
24	59	2059- Public Works 60- Other Buildings 053- Maintenance and Repairs 05- Arrangement for other Guest Houses (Mumbai and Kolkata)	3.40	0.15	3.55	1.51	2.04

Sl. No.	Grant No.	Head of Accounts	Original Provision	Re-appropriation	Total	Expenditure	Savings
25	59	2216- Housing 01- Government Residential Buildings 700- Other Housing 09- Residence Allotted to MLAs	31.68	1.00	32.68	13.01	19.67
26	63	2054- Treasury and Accounts Administration 095- Directorate of Accounts and Treasuries 03- Treasury Directorate	22.35	0.46	22.81	15.98	6.83
27	68	2011- Parliament/State/ Union Territory Legislatures 02- State/Union Territory Legislatures 103- Legislative Secretariat 03- Legislative Assembly Secretariat	76.43	8.75	85.18	75.04	10.14
28	71	2202- General Education 01-Elementary Education 001- Direction and Administration 03- Directorate Establishment	23.62	0.51	24.13	19.94	4.19
29	72	2202- General Education 01- Elementary Education 102- Assistance to Non-Government Primary Schools 04-Subsidiary grants	93.00	0.68	93.68	86.88	6.80
30	72	2202- General Education 02- Secondary Education 108- Examinations 04-Regional Offices of Madhyamik Shiksha Parishad	56.90	0.88	57.78	37.57	20.21
31	76	2210- Medical and Public health 01- Urban Health Services- Allopathy 102- Employees State Insurance Scheme 04- Regional Offices	1.18	0.05	1.23	0.91	0.32
32	76	2210- Medical and Public Health 01- Urban Health Services- Allopathy 102- Employees State Insurance Scheme 06- Dispensaries	82.26	0.06	82.32	77.65	4.67
33	76	2210- Medical and Public Health 02- Urban Health Services-Other systems of medicine 102- Homeopathy 03- Employees State Insurance Scheme	2.80	0.01	2.81	2.34	0.47
34	76	2230- Labour and Employment 01- Labour 001- Direction and Administration 03- Establishment of Labour Commissioner	9.46	0.81	10.27	9.23	1.04

Sl. No.	Grant No.	Head of Accounts	Original Provision	Re-appropriation	Total	Expenditure	Savings
35	76	2230- Labour and Employment 01- Labour 004-Research and statistics 03-Resarch Reports and Labour Statistics	5.09	0.04	5.13	3.84	1.29
36	76	2230- Labour and Employment 01- Labour 101- Industrial Relations 04- Settlement of disputes	65.51	1.13	66.64	56.82	9.82
37	76	2230- Labour and Employment 01- Labour 101- Industrial Relations 05- Strengthening of Industrial Management and Merger of decentralisation Assemblies and Commissions Committees,	0.36	0.04	0.40	0.30	0.10
38	76	2230- Labour and Employment 01- Labour 103- General Labour welfare 03- General Housing Scheme	9.75	0.10	9.85	6.69	3.16
39	76	2230- Labour and Employment 01- Labour 103- General Labour Welfare 09- Formation of committee for protection of women welfare	0.18	0.01	0.19	0.14	0.05
40	80	2225- Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities 01- Welfare of Scheduled Castes 277- Education 03- Operation of Industrial Training Centres	10.46	1.00	11.46	8.33	3.13
41	81	2225- Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities 02- Welfare of Scheduled Tribes 796- Tribal Area Sub-plan 11- Scholarship and non-recurring grant to Scheduled Tribes students of Class 1 to 10 th .	1.10	2.19	3.29	0.48	2.81
42	81	2225- Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities 02- Welfare of Scheduled Tribes 796- Tribal Area Sub-plan 17- Janjati sub-scheme	3.06	0.07	3.13	1.93	1.20
43	81	4202- Capital Outlay on Education, Sports, Art and Culture 01- General Education 796- Tribal Area Sub-plan 01- Central Sponsored Schemes	16.24	0.74	16.98	13.15	3.83

Sl. No.	Grant No.	Head of Accounts	Original Provision	Re-appropriation	Total	Expenditure	Savings
44	83	4202- Capital Outlay on Education, Sports, Art and Culture 01- General Education 789- Special Component Plan for Scheduled Castes 01- Central Sponsored Scheme	271.77	8.32	280.09	241.39	38.70
45	94	2700- Major Irrigation 10- Betwa Canal (Commercial) 101- Maintenance and Repairs 03- Other Maintenance Expenses	11.53	1.21	12.74	11.03	1.71
46	94	2701- Medium Irrigation 07- Ken Canal (Commercial) 101- Maintenance and Repairs 03- Other Maintenance Expenses	4.46	0.04	4.50	4.11	0.39
47	94	2701- Medium Irrigation 36- Other Irrigation Schemes (Commercial) 101- Maintenance and Repairs 03- Other Maintenance Expenses	5.09	0.30	5.39	3.81	1.58
48	94	2701- Medium Irrigation 39- Kabrai Dam/Canals (Commercial) 101- Maintenance and Repairs 03- Other Maintenance Expenses	0.04	0.08	0.12	0.02	0.10
49	94	2701- Medium Irrigation 42- Augasi Pump Canal (Commercial) 101- Maintenance and Repairs 03- Other Maintenance Expenses	0.35	0.03	0.38	0.33	0.05
50	94	2701- Medium Irrigation 45- Sahajad Dam/Canals (Commercial) 101- Maintenance and Repairs 03- Other Maintenance Expenses	0.34	0.05	0.39	0.33	0.06
51	94	2701- Medium Irrigation 68- Gunta Dam Canal System (Commercial) 101- Maintenance and Repairs 03- Other Maintenance Expenses	0.24	0.17	0.41	0.24	0.17
52	94	4702- Capital Outlay on Minor Irrigation 101- Surface Water 03- Lift Irrigation	29.50	0.70	30.20	18.92	11.28
		Total	10,288.94	1,298.55	11,587.49	5,699.58	5,887.91

Appendix-3.7

(Referred to in paragraph 3.3.7)

Schemes for which original provisions could not be utilised

(₹ in crore)

Sl. No.	Grant No.	Name of Department	Major Head	Name of scheme	Original Provision	Expenditure	Saving
1.	1	Excise Department	4047-800-03	State Excise Duty-Supervision	1.00	0.00	1.00
2.	2	Housing Department	4202-04 -800-04	Establishment of Jai Prakash Narayan International Centre in Gomti Nagar, Lucknow	40.00	0.00	40.00
3.			4202-04 -800-05	Sanskriti School, Lucknow	20.00	0.00	20.00
4.			4216-01 -106-03	Construction of Towers of Civil Services Institute	25.00	0.00	25.00
5.			4217-01 -800-03	"Rashtra Prerna Sthal" in Lucknow	50.00	0.00	50.00
6.			4217-60 -190-09	Metro rail project in Varansi, Gorakhpur and in other cities	200.00	0.00	200.00
7.			3	Industries Department (Small Industry and Export Promotion)	2851-102-29	Micro, Small and Medium Enterprise Promotion Policy, 2017	10.00
8.	2851-800-03	Participation in National and International Trade Fair and Exhibitions			1.00	0.00	1.00
9.	4851-104-03	Carpet Market in Sant Ravidas Nagar (Bhadohi)			2.00	0.00	2.00
10.	6	Industries Department (Handloom Industry)	2851-108-06	Re-imburement of rebate in electricity tax to teasers	1.00	0.00	1.00
11.	7	Industries Department (Heavy and Medium Industries)	2852-07-202-06	Management, maintenance and operation of Central Computer Centre of State Govt. by UPDESCO and Consultancy Services to be provided to different Government Departments	1.00	0.00	1.00
12.			2852-07-202-21	Establishment of I.T. Pool Fund	2.50	0.00	2.50
13.			2852-07-202-27	E-Office arrangement in Government Offices	10.00	0.00	10.00
14.			2885-60-800-21	Special Investment Board	5.00	0.00	5.00
15.			4859-02-800-11	Establishment of Electronic Manufacturing Cluster	10.00	0.00	10.00
16.			4859-02-800-16	Arrangement of e-Office in Government Offices	10.00	0.00	10.00
17.	9	Power Department	2801-05-800-21	For prevention of electricity theft	1.00	0.00	1.00
18.			4801-05-190-14	With regard to make available Share capital for assistance received from A.D.B. for U.P. Power sector improvement project to Uttar Pradesh Power Corporation Limited	300.00	0.00	300.00
19.			4801-80-190-04	Share Capital for electrification under Pradhan Mantri Sahaj Bijli Har Ghar Yojna (Saubhagya)	79.00	0.00	79.00

Sl. No.	Grant No.	Name of Department	Major Head	Name of scheme	Original Provision	Expenditure	Saving		
20.	10	Agriculture and other Allied Departments (Horticulture and Sericulture)	4401-119-01	Central Sponsored Schemes	8.47	0.00	8.47		
21.	11	Agriculture and other Allied Departments (Agriculture)	2071-01 -117-09	Payment of Interest on late depositing subscriber contribution of employees of Agriculture Universities covered under NPS	2.00	0.00	2.00		
22.			2401-109-09	Trained Agriculture Entrepreneur Self Dependent Scheme	6.47	0.00	6.47		
23.			2401-109-11	Scientific Farming and Climate Change Impact Management	15.07	0.00	15.07		
24.			2401-113-01	Central Sponsored Schemes	300.00	0.00	300.00		
25.			2401-115-03	Payment of crop loan of minor and marginal farmers	300.00	0.00	300.00		
26.			2402-101-05	Strengthening of Bio-fertilizer production laboratories/ programme of encouragement of use of bio-fertilizers	4.06	0.00	4.06		
27.			2402-102-10	Integrated Rain Water Management (Water Shed Development) Project aided by NABARD	100.00	0.00	100.00		
28.			4401-107-04	Control of insect/disease through different Environmental resources	1.00	0.00	1.00		
29.			4415-80 -277-29	Agriculture University, Banda	5.05	0.00	5.05		
30.			4415-80 -277-31	Chandra Shekhar Azad Agriculture and Technological University, Kanpur	4.14	0.00	4.14		
31.			4435-01-101-06	Implementation of Uttar Pradesh Agriculture Export Policy	5.00	0.00	5.00		
32.			13	Agriculture and other Allied Departments (Rural Department)	2702-80-800-12	Integrated Mini Tubewell Scheme	6.00	0.00	6.00
33.					4215-01-102-07	Chief Minister R.O. Drinking Water Scheme	19.75	0.00	19.75
34.					4215-01-102-08	Pipe Drinking Water Scheme in Bundelkhand /Vindhya and quality affected villages	2,560.00	0.00	2,560.00
35.	4515-103-06	Community Development-Main Establishment			3.00	0.00	3.00		
36.	4515-800-03	Vidhayak Nidhi			1,008.00	0.00	1,008.00		
37.	4702-102-11	Construction of ground water recharging checkdam and header (Financed by NABARD)			2.00	0.00	2.00		
38.	4702-800-10	Construction/Strengthening of Minor Irrigation and Water Testing Training Institute building			1.00	0.00	1.00		

Sl. No.	Grant No.	Name of Department	Major Head	Name of scheme	Original Provision	Expenditure	Saving
39.	14	Agriculture and other Allied Departments (Panchayati Raj)	4515-101-09	Establishment of two Chandrasekhar Azad Rural Development Secretariat in each Nyay Panchayat	30.00	0.00	30.00
40.	15	Agriculture and other Allied Departments (Animal Husbandry)	2403-101-04	Strengthening of Veterinary hospital and Veterinary Service Centres (District Plan)	2.00	0.00	2.00
41.			2403-104-02	National Livestock Management Programme	8.41	0.00	8.41
42.			2403-800-05	Pt. Deen Dayal Veterinary Science University and Cow Research Institute, Mathura	10.35	0.00	10.35
43.			4403-101-01	Central Sponsored Schemes	3.40	0.00	3.40
44.			4403-101-07	Veterinary Service Centre / " D " category Veterinary Hospitals (District Plan)	4.00	0.00	4.00
45.			4403-101-18	Establishment of Veterinary Degree College in District Gorakhpur and Bhadohi	40.00	0.00	40.00
46.			16	Agriculture and other Allied Departments (Dairy Development)	2404-102-01	Central Sponsored Schemes	4.56
47.	2404-102-7	Revival of Milk Federations under NPDD Scheme			19.66	0.00	19.66
48.	2404-102-09	U.P. Milk Policy-2018			5.00	0.00	5.00
49.	2404-800-04	Nand Baba Award			1.74	0.00	1.74
50.	6404-190-08	Establishment of New Dairy in Mathura			55.00	0.00	55.00
51.	17	Agriculture and other Allied Departments (Fisheries)	2405-800-12	Fishermen Welfare Fund	25.00	0.00	25.00
52.	21	Food and Civil Supplies Departments	2408-01-001-02	F.P.S.Automation and D.B.T. Scheme	1.00	0.00	1.00
53.	22	Sports Department	2204-104-30	Organisation of sports competitions on the occasion of birth centenary of Pandit Deen Dayal Upadhyaya Ji	2.09	0.00	2.09
54.			2204-104-36	Eklavya Sports Fund	25.00	0.00	25.00
55.			4202-03-800-71	Construction of hostel in Green park, Kanpur	3.82	0.00	3.82
56.	24	Cane Development Department (Sugar Industry)	2852-08-201-08	Concession/Rebate to Sugarcane Industry under Generation and Aaswani Promotion Policy 2013	25.00	0.00	25.00
57.			4401-108-03	Sugar Kisan Institute, Moradabad	10.00	0.00	10.00
58.			4415-80-004-03	Re-establishment of Cane Research Institute, Gorakhpur	10.25	0.00	10.25
59.			6860-04-101-21	Loan for works of Capacity expansion/modernisation/co-generation plant/ establishment and renovation of distillery etc. of co-operative sugar mills	20.00	0.00	20.00
60.	26	Home Department (Police)	2055-109-11	Provision for transportation of Forces of Central/ External States	10.00	0.00	10.00

Sl. No.	Grant No.	Name of Department	Major Head	Name of scheme	Original Provision	Expenditure	Saving
61.			2055-109-12	Smart City Surveillance System	1.00	0.00	1.00
62.			2235-60-800-03	Terrorist activities, Fire-accidents etc. affecting public arrangement	1.00	0.00	1.00
63.			4055-207-12	Purchase of CCTV and concomitant equipments for traffic management of districts	9.00	0.00	9.00
64.			4055-210-03	Uttar Pradesh Police Forensic University	20.00	0.00	20.00
65.			4055-211-04	Establishment of Security Line in Lucknow	19.45	0.00	19.45
66.			4070-800-24	Establishment of Solar Power Plant on Fire fighting centres	20.00	0.00	20.00
67.	31	Medical Department (Medical Education and Training)	4210-03-105-13	Establishment of Turshari Care Cancer Centre in Sanjai Gandhi Post Graduate Medical Institute, Lucknow	2.50	0.00	2.50
68.			4210-03-105-16	Trauma Centre in Sanjay Gandhi Post Graduate Medical Science Institute, Lucknow	10.00	0.00	10.00
69.			4210-03-105-22	J.K. Institute of Radiology and Cancer Research, Kanpur	19.00	0.00	19.00
70.			4210-03-105-64	Establishment of Intensive Care Unit (ICU) in Government Medical Colleges	1.00	0.00	1.00
71.			4210-03-105-67	Establishment of Medical College Upgrading five District Hospital	48.86	0.00	48.86
72.			4210-03-105-73	For purchasing ambulance/critical care ambulance in Government Medical Colleges/ Institutions	1.50	0.00	1.50
73.			4210-03-105-75	Nursing College in Moti Lal Nehru Medical College, Prayagraj	2.00	0.00	2.00
74.			4210-03-105-78	Hon'ble Atal Bihari Vajpae U.P. Medical University Lucknow	45.00	0.00	45.00
75.			4210-03-105-79	Establishment of AIIMS in Raebareli	1.00	0.00	1.00
76.			6075-800-03	Revolving for treatment of State Employees in SGPGI, Lucknow	1.00	0.00	1.00
77.	32	Medical Department (Allopathy)	2210-01-110-08	E-Hospital pilot project in Hospitals of District Lucknow	5.00	0.00	5.00
78.			2210-01-110-09	State Employees Cashless Medical Scheme	35.00	0.00	35.00
79.			2210-80-800-11	Biometric Attendance System	2.00	0.00	2.00
80.			4210-01-110-03	Allopathy Integrated Hospital and Dispensary	3.00	0.00	3.00
81.			4210-01-110-04	Construction of T.B.Clinic Building	1.00	0.00	1.00
82.			4210-01-110-16	Construction of 300 bedded hospital building in Aligarh	1.00	0.00	1.00

Sl. No.	Grant No.	Name of Department	Major Head	Name of scheme	Original Provision	Expenditure	Saving
83.			4210-02-110-07	Construction of building of 100 bedded hospital in Milkipur District Ayodhya	1.04	0.00	1.04
84.			4210-02-110-19	Allopathic Hospital and Dispensary	3.75	0.00	3.75
85.	34	Medical Department (Homocopathy)	4210-01-800-03	Construction of building of Govt. National Homocopathy Medical College, Lucknow, Pandit Jawahar lal Nehru Homeopathy Medical College, Kanpur and Lal Bahadur Shastri Govt. Homeopathy Medical College, Prayagraj	7.50	0.00	7.50
86.			4210-01-800-05	Construction of office building of Homeopathic Medical Officers	3.71	0.00	3.71
87.	37	Urban Development Department	2215-02-106-01	Central Plan/ Centrally Sponsored Schemes	18.73	0.00	18.73
88.			2217-03-191-06	Dr. A.P.J. Abdul Kalam Urban Solar Pump Scheme	5.00	0.00	5.00
89.			2217-80-192-08	Construction and development of Parks	60.00	0.00	60.00
90.			2217-80-800-03	Advisory Service under Schemes Implemented on Public Private Partnership mode	2.00	0.00	2.00
91.			2235-60-800-04	Financial assistance to dependents of sweepers died during sanitization of sewers	2.00	0.00	2.00
92.			4215-02-800-01	Central Plan/Centrally Sponsored Schemes	5.77	0.00	5.77
93.			4217-60-800-03	Establishment of Training Centre in district Ghaziabad	50.00	0.00	50.00
94.	40	Planning Department	2575-06-105-04	Lump-sum provision for Skill development Mission	2.00	0.00	2.00
95.			4801-05-800-03	Rapid Financial Development	10.00	0.00	10.00
96.	41	Election Department	2015-105-04	Bye Election	5.76	0.00	5.76
97.	42	Judicial Department	2014-105-15	Establishment of Courts for quick disposal of cases relating to Women Victimization	22.74	0.00	22.74
98.			2235-60-200-12	Grant to Trustee Committee of Uttar Pradesh Advocate Welfare Fund	20.00	0.00	20.00
99.			2235-60-200-13	Corpus Fund for Young Advocates	5.00	0.00	5.00
100.			2235-60-200-17	Books and Magazines for young advocates	10.00	0.00	10.00
101.			4059-01-051-06	Independent Electric feeder for Lower Courts	2.00	0.00	2.00
102.			4059-01-051-10	Construction of office building of Uttar Pradesh State Legal Services Authority	12.00	0.00	12.00
103.			4059-01-051-11	Establishment of ADR Centre in districts	15.00	0.00	15.00

Sl. No.	Grant No.	Name of Department	Major Head	Name of scheme	Original Provision	Expenditure	Saving
104.			4059-01-051-12	Construction of Public Toilets in Lower Courts of the State	20.00	0.00	20.00
105.			4059-01-051-13	District and Session Courts	3.50	0.00	3.50
106.			4059-01-051-14	Penal Court	1.61	0.00	1.61
107.			4059-01-052-03	CCTV Camera and Other Security equipments for Security of Lower Courts	75.00	0.00	75.00
108.			4070-800-04	Acquirement of land for new premises of District Court, Varanasi	100.00	0.00	100.00
109.			4216-01-700-10	Construction of Residential Buildings for employees of Hon'ble High Court	100.00	0.00	100.00
110.	43	Transport Department	4059-01-051-19	Purchase of land and building construction in Regional Transport Office, Kanpur	2.00	0.00	2.00
111.			5055-800-03	Transport Commissioner Office	1.40	0.00	1.40
112.			5055-800-97	External aided schemes	2.50	0.00	2.50
113.	44	Tourism Department	3452-80-800-10	Uttar Pradesh Travel Mart-2014	1.50	0.00	1.50
114.			3452-80-800-14	Incentive to tourism units under Tourism Policy-2018	50.00	0.00	50.00
115.			5452-80-104-03	Acquisition of land for Tourist Accommodation Houses	1.00	0.00	1.00
116.	47	Technical Education Department	2071-01-117-08	Interest on due residual employer contribution upto 31.03.2019/late deposited employer contribution of aided Educational Institutes	1.00	0.00	1.00
117.			2203-103-01	Central Sponsored Schemes	3.37	0.00	3.37
118.			2203-104-01	Central Sponsored Schemes	1.36	0.00	1.36
119.			4202-02-105-13	Engineering College, Kannauj	8.00	0.00	8.00
120.			4202-02-105-19	Upgradation of Lab/Solar Power in engineering Colleges	2.80	0.00	2.80
121.	48	Minorities Welfare Department	2071-01-117-07	Lumpsum payment of residual employer contribution upto 31 March 2019 of employees covered under NPS of aided Arbi Farsi Madarsas	1.00	0.00	1.00
122.			2225-80-800-01	Central Sponsored Schemes	608.27	0.00	608.27
123.			2250-102-05	Non-recurring Grant to U.P. Shiya/Sunni Central Waqf Board	1.01	0.00	1.01
124.	49	Women and Child Welfare Department	2235-02-102-05	Juvenile Justice Fund	7.00	0.00	7.00
125.			2235-02-102-16	State Nutrition Mission	14.00	0.00	14.00
126.			2235-02-102-20	Shabri Resolution Campaign	100.00	0.00	100.00
127.			2235-02-103-03	State Resource Centre for women and child	1.00	0.00	1.00
128.			2235-02-103-24	Establishment of old age women ashrams through Voluntary Organisations	6.50	0.00	6.50
129.			2235-02-103-26	Government Shelter home for destitute women	3.80	0.00	3.80
130.			4235-02-102-03	Construction of warehouses of project office	50.00	0.00	50.00

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Sl. No.	Grant No.	Name of Department	Major Head	Name of scheme	Original Provision	Expenditure	Saving
131.			4235-02-103-04	Establishment of Old Age Ashram	5.00	0.00	5.00
132.	51	Revenue Department (Relief on Account of Natural Calamities)	2245-05-101-04	Transfer of amount received from National Disaster Response Fund to State Disaster Fund	1,000.00	0.00	1,000.00
133.	4250-101-05		Expenditure from State Disaster Mitigation Fund	2.50	0.00	2.50	
134.	4250-101-06		Expenditure from District Disaster Mitigation Fund	2.50	0.00	2.50	
135.	52	Revenue Department (Board of Revenue and Other Expenditure)	2235-60-110-01	Central Sponsored Schemes	112.60	0.00	112.60
136.	2235-60-110-03		For implementation of Chief Minister Kisan Avam Sarvhit Beema Yozna	11.84	0.00	11.84	
137.	4059-60-051-05		Remaining work of Lekhpal Training School and Hostel, Gonda	5.82	0.00	5.82	
138.	4059-60-051-06		Upgradation of Lekhpal Training School, Chinhat	1.00	0.00	1.00	
139.	57	Public Works Department (Communication-Bridges)	5054-04-101-39	Technical studies for construction/ re-construction/ renovation of Bridges/ ROB flyover and consulting for constitution and implementation etc. of project and arrangement for re-construction	2.00	0.00	2.00
140.	58	Public Works Department (Communications-Roads)	3054-80-797-05	Transfer to Depreciation Reserve Fund	18.00	0.00	18.00
141.	5054-03-800-03		Utter Pradesh State Highways Authority	50.00	0.00	50.00	
142.	5054-80-004-04		Strengthening / Upgradation of Research Institute and laboratories of Quality Promotion Cell	1.00	0.00	1.00	
143.	59	Public Works Department (Estate Directorate)	4059-80-051-04	Upgradation /renovation work of air condition plant and power supply equipment in Jawahar Bhawan and Indira Bhawan	2.00	0.00	2.00
144.	4059-80-051-05		Construction of non-residential office building in the premises of Darulshafa	20.08	0.00	20.08	
145.	4059-80-051-08		Establishment of air-condition plant in Indira Bhawan	1.56	0.00	1.56	
146.	4059-80-051-09		Construction of State guest house in Delhi/Noida	2.27	0.00	2.27	
147.	60	Forest Department	4406-01-102-17	Plantation project in left mines in Vindhya and Bundelkhand area and plateau/hill area (CCL System)	1.00	0.00	1.00
148.	4406-01-800-18		Protection and development of Van Devi Bio Diversity Area in District Mau and renovation of Van Devi Park & Construction of guest house in Van Devi (CCL System)	1.00	0.00	1.00	

Sl. No.	Grant No.	Name of Department	Major Head	Name of scheme	Original Provision	Expenditure	Saving
149.			4406-02-110-06	Development of Lion Safari Park and Babbar Sher fertilization Centre in District Etawah	10.00	0.00	10.00
150.			4406-02-110-08	Establishment of Eco Tourism and Bio Diversity centre under Kukrail Forest Area	5.00	0.00	5.00
151.	61	Finance Department (Debt Services and Other Expenditure)	2048-101-03	Transfer of sinking funds to the Debt relief fund of UP State Development Loans	24,281.00	0.00	24,281.00
152.			2049-01-200-03	Interest on short terms loan taken from Reserve Bank of India	5.00	0.00	5.00
153.			4070-800-03	Expenditure on D.P.R. of Projects	5.00	0.00	5.00
154.			6003-110-03	Repayment of Ways and Means Advances	10,000.00	0.00	10,000.00
155.			6075-800-03	Loan Assistance for financial re-organisation of Public Sectors Undertakings/Corporations/Autonomous Bodies	150.00	0.00	150.00
156.	62	Finance Department (Superannuation Allowances and Pensions)	2049-03-117-03	Interest on Deposited Fund under Contributory Pension Scheme	2.37	0.00	2.37
157.			2071-01-101-04	Contribution of Retired Employees of Jal Nigam for State Services	57.50	0.00	57.50
158.			2071-01-115-05	Encashment of Leave of Retired Officers of All India Services	2.45	0.00	2.45
159.			2071-01-117-07	Lumpsum payment of residual employer contribution upto 31.03.2019 of government employees covered under N.P.S.	2,400.00	0.00	2,400.00
160.			2071-01-117-08	Interest on due residual employer contribution upto 31.03.2019/late deposited employer contribution	580.00	0.00	580.00
161.			2071-01-117-09	Payment of interest on late depositing subscribers contribution	20.00	0.00	20.00
162.			2071-01-800-03	Domestic Servant Allowance to Retired Officers of Uttar Pradesh Judicial Services/ Higher Judicial Services	1.91	0.00	1.91
163.			2071-01-800-09	Interest Payable on late payment of Retirement Benefits	1.00	0.00	1.00
164.			2071-01-800-10	Amount payable to Utrakhnad Government due to apportionment of Pension liabilities under Uttar Pradesh State Re-organisation Act, 2000	1,000.00	0.00	1,000.00
165.	63	Finance Department (Treasury and Accounts Administration)	4059-01-051-03	Miscellaneous construction/renovation works in treasuries/sub-treasuries of the state.	1.00	0.00	1.00

Sl. No.	Grant No.	Name of Department	Major Head	Name of scheme	Original Provision	Expenditure	Saving
166.	65	Finance Department (Audit, Small Savings Etc.)	2052-091-07	Implementation of Protection of Interest of Depositors Act-2016	1.48	0.00	1.48
167.			4059-01-051-04	Construction of office building of Institutional Finance Directorate in District Lucknow	5.00	0.00	5.00
168.	70	Science and Technology Department	2810-60-800-06	State share for solarisation of private pumps connected with grid relating to P.M. Kusum Yojna Part "C"	67.32	0.00	67.32
169.			2810-60-800-09	Establishment of R.O. Water plant based on solar energy for arrangement of drinking water in Arsenic affected areas	2.74	0.00	2.74
170.			2810-60-800-11	Establishment of Solar R.O. Water plant in primary schools under project mode scheme	5.00	0.00	5.00
171.			5425-800-04	Modernisation of constellations	10.00	0.00	10.00
172.	71	Education Department (Primary Education)	2071-01-117-07	Lumpsum Payment of employer contribution balance upto 31.3.2019 for employees covered under NPS.	500.00	0.00	500.00
173.			2071-01-117-08	Interest on due employer contribution balance upto 31.3.2019/late deposited employer contribution	250.00	0.00	250.00
174.			2071-01-117-09	Payment of interest on late depositing subscriber contribution	150.00	0.00	150.00
175.			2202-01-112-04	Distribution of Fruits to Boys and Girls students	166.71	0.00	166.71
176.			4202-01-201-03	Construction of office buildings of Basic Education Officers in the districts (District Plan)	1.55	0.00	1.55
177.			4202-01-201-04	Grants for construction of boundary walls, toilets, electrification and installation of hand pump in elementary and higher elementary schools	50.00	0.00	50.00
178.			4202-01-201-09	Construction of Kitchen for Mid Day Meal	25.00	0.00	25.00
179.			72	Education Department (Secondary Education)	2202-02-800-10	Subsidiary grant to Raja Ram Mohan Roy Library Institute, Kolkata	2.00
180.	2202-02-800-14	Uttar Pradesh Education Services Tribunal			8.92	0.00	8.92
181.	2204-104-04	Arrangement for Outdoor Games and other Educational Programmes and Youth Welfare			1.00	0.00	1.00
182.	4202-04-105-03	Construction of buildings of Government District Libraries			2.75	0.00	2.75
183.	73	Education Department (Higher Education)	2202-03-102-33	Grant for organization of Inter University Sports Competition	2.00	0.00	2.00

Sl. No.	Grant No.	Name of Department	Major Head	Name of scheme	Original Provision	Expenditure	Saving
184.			2202-03-800-17	Ahilyabai Kanya free of Cost Education Scheme	21.12	0.00	21.12
185.			4202-01-203-20	Law University, Prayagraj	20.00	0.00	20.00
186.	74	Home Department (Home Guards)	2235-60-200-03	Payment of Premium to Insurance Company for insurance of homeguards volunteers on duty	8.00	0.00	8.00
187.	75	Education Department (State Council of Educational Research and Training)	2202-80-800-06	For conducting TET selection, BTC selection and BTC examination for Examination Controller Office Allahabad	20.08	0.00	20.08
188.	76	Labour Department (Labour Welfare)	2230-01-111-03	Deen Dayal Security Insurance Scheme for unorganised labour	1.25	0.00	1.25
189.			2230-01-111-06	Atal Pension Scheme for unorganised labour	12.52	0.00	12.52
190.	78	Secretariat Administration Department	2013-101-04	Amount of Income Tax due to Government of India to be borne by State Government	1.00	0.00	1.00
191.	79	Social Welfare Department (Empowerment of the Handicapped and Welfare of Backward Classes)	2235-02-101-16	Operation of Consolidated Special Secondary Schools	7.85	0.00	7.85
192.			2235-02-101-21	Nurturer Scheme	25.00	0.00	25.00
193.			2235-02-101-24	Operation of Artificial Organ and rehabilitation Centre	4.00	0.00	4.00
194.			2235-02-101-33	Government School "MAMTA" for mentally challenged girls	1.01	0.00	1.01
195.			2235-02-101-38	Establishment/Operation of District Disabled Rehabilitation Centre (DDRC)	4.00	0.00	4.00
196.			4235-02-101-04	Making hurdle free to government offices and public utility buildings by way of identifying under the scheme "Sugamya Bharat Abhiyan"	60.00	0.00	60.00
197.			4235-02-101-33	Establishment of "Sanket Junior High school" for Deaf-Dumb boy/girl students	4.00	0.00	4.00
198.	80	Social Welfare Department (Social Welfare and Welfare of Scheduled Castes)	2225-01-277-01	Central Sponsored Schemes	250.00	0.00	250.00
199.	81	Social Welfare Department (Tribal Welfare)	4225-02-796-04	Construction of incomplete buildings of Govt. Asharam System School for Scheduled Tribes	10.00	0.00	10.00
200.			4515-796-01	Central Sponsored Schemes	3.05	0.00	3.05
201.	83	Social Welfare Department (Special Component Plan for Scheduled Castes)	2235-60-789-01	Central Sponsored Schemes	275.31	0.00	275.31
202.			2401-789-08	Payment of crop loan to small and marginal farmers	15.00	0.00	15.00
203.			2810-02-789-03	Implementation of Additional Energy Source Programmes through Non Conventional Energy Development Agency	1.42	0.00	1.42

Sl. No.	Grant No.	Name of Department	Major Head	Name of scheme	Original Provision	Expenditure	Saving
204.			4202-02-789-09	Engineering Collage, Kannauj	1.50	0.00	1.50
205.			4210-03-789-07	Government Allopathy Medical College, Saharanpur	3.03	0.00	3.03
206.			4210-03-789-08	Government Allopathic Medical College, Ambedker Nagar	3.03	0.00	3.03
207.			4210-03-789-12	Government Medical College, Meerut	4.75	0.00	4.75
208.			4210-03-789-13	Government Medical College, Jhansi	4.67	0.00	4.67
209.			4210-03-789-15	Government Medical College, Jaunpur	12.73	0.00	12.73
210.			4210-03-789-17	Government Medical College, Azamgarh	8.48	0.00	8.48
211.			4210-03-789-30	Paramedical Institute, Saifai, Etawah	1.00	0.00	1.00
212.			4210-03-789-32	Government Medical College, Chandauli	1.06	0.00	1.06
213.			4215-01-789-03	Establishment of Hand pumps in Scheduled Caste populated areas	50.00	0.00	50.00
214.			4215-01-789-06	Chief Minister R.O. Drinking Water Scheme	5.25	0.00	5.25
215.			4215-01-789-07	Pipe Drinking Water Project in Bundelkhand/Vindhya/quality affected villages	740.00	0.00	740.00
216.			4700-17-789-01	Central Sponsored Schemes	150.00	0.00	150.00
217.			4700-19-789-10	Canals	12.00	0.00	12.00
218.			4700-22-789-10	Canals	300.00	0.00	300.00
219.			4700-23-789-10	Canals	15.00	0.00	15.00
220.	84	General Administration Department	2070-800-03	Census-2021	45.73	0.00	45.73
221.			4250-800-06	Establishment of Ved Science Centre in Kashi	18.06	0.00	18.06
222.	86	Information Department	2220-60-800-07	Establishment of Film Development Fund	15.00	0.00	15.00
223.	89	Institutional Finance Department (Commercial Tax)	2049-60-701-03	Interest Payment on Deposit Account of Entry Tax	65.35	0.00	65.35
224.	91	Institutional Finance Department (Stamps and Registration)	2030-03-001-05	Scanning and indexing of old document	40.00	0.00	40.00
225.			2030-03-001-06	Setting of lease line of 10 M.B.P.S. on rental basis in the Dy. Registrar Offices	10.00	0.00	10.00
226.	92	Cultural Department	2205-800-15	Grant to folk artists for musical instruments	1.00	0.00	1.00
227.			2205-800-16	Establishment of Cultural Club	1.00	0.00	1.00
228.			4202-04-106-11	Natural Science Museum, Lucknow	5.00	0.00	5.00
229.			4202-04-800-01	Central Sponsored Schemes	7.07	0.00	7.07
230.			4202-04-800-06	Arrangement of land and construction of new premises of Bhatkhande Music Institute cum University	1.00	0.00	1.00
231.			4202-04-800-16	Establishment of International Ram Lila Complex in Ayodhya, Faizabad	5.00	0.00	5.00

Sl. No.	Grant No.	Name of Department	Major Head	Name of scheme	Original Provision	Expenditure	Saving
232.			4202-04-800-45	Memory complex for organizing cultural programmes in memory of Hon'ble Atal Bihari Bajpai	5.00	0.00	5.00
233.			4202-04-800-52	Strengthening of Tulsi Smarak Bhawan, Ayodhya	10.00	0.00	10.00
234.	94	Irrigation Department (Works)	2700-80-800-01	Central Sponsored Schemes	1.00	0.00	1.00
235.			4700-05-050-10	Canals	2.00	0.00	2.00
236.			4700-06-050-10	Canals	1.00	0.00	1.00
237.			4700-06-051-15	Project of extension, renovation and beautification of quaysides of river situated at Vrindavan District Mathura	1.00	0.00	1.00
238.			4700-07-051-17	Project of construction of Rubber Barrage in 1.50 km. downstream of Taj Mahal for safety of foundation of International Tourism Place Taj Mahal, Rowing, beautification & water level in Agra city sightseeing, creating atmosphere, water storage, improvement of ground water level in Agra city.	100.00	0.00	100.00
239.			4700-08-050-10	Canals	1.00	0.00	1.00
240.			4700-09-050-10	Canals	2.00	0.00	2.00
241.			4700-09-051-15	Channelization of River Gomti in Lucknow	15.00	0.00	15.00
242.			4700-18-051-10	Canals	10.00	0.00	10.00
243.			4700-23-051-10	Canals	30.00	0.00	30.00
244.			4700-36-050-10	Canals	10.00	0.00	10.00
245.			4701-21-051-10	Canals	1.00	0.00	1.00
246.			4701-24-051-10	Canal	8.20	0.00	8.20
247.			4701-60-051-05	Dam	1.00	0.00	1.00
248.	4701-87-051-10	Canals	2.40	0.00	2.40		
249.	4701-94-051-07	Barrage	5.00	0.00	5.00		
250.	4701-96-051-10	Canals	6.00	0.00	6.00		
251.	4711-03-103-07	Drainage Scheme (Financed by NABARD)	3.00	0.00	3.00		
	57		Total		50,616.51	0.00	50,616.51

Appendix-3.8

(Referred to in paragraph 3.3.7)

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

(₹ in crore)

Sl. No.	Grant No.	Name of Department	Major Head	Name of Scheme	Provision	Re-appropriation	Total	Expenditure	Saving
1.	7	Industries Department (Heavy and Medium Industries)	5054-03-337-10	Balia link express -way project	200.00	(-)109.69	90.31	0.00	90.31
2.	40	Planning Department	4202-01-202-03	Rapid Financial Development Scheme	20.00	(-)20.00	0.00	0.00	0.00
3.			4202-01-203-03	Rapid Financial Development Scheme	20.00	(-)20.00	0.00	0.00	0.00
4.			4210-01-800-03	Rapid Financial Development Scheme	20.00	(-)10.00	10.00	0.00	10.00
5.			4210-02-800-03	Rapid Financial Development Scheme	20.00	(-)10.00	10.00	0.00	10.00
6.			4215-01-101-03	Rapid Financial Development Scheme	20.00	(-)20.00	0.00	0.00	0.00
7.			4215-01-102-03	Rapid Financial Development Scheme	80.00	(-)70.00	10.00	0.00	10.00
8.			4215-02-101-03	Rapid Financial Development Scheme	20.00	(-)10.54	9.46	0.00	9.46
9.			4215-02-106-03	Rapid Financial Development Scheme	20.00	(-)20.00	0.00	0.00	0.00
10.			4406-01-102-03	Rapid Financial Development Scheme	15.00	(-)15.00	0.00	0.00	0.00
11.			4702-800-03	Rapid Financial Development Scheme	20.00	(-)20.00	0.00	0.00	0.00
12.			4801-06-800-03	Accelerated Economic Development Scheme	20.00	(-)10.00	10.00	0.00	10.00
13.			5054-04-101-03	Rapid Financial Development	40.00	(-)35.27	4.73	0.00	4.73
14.			47	Technical Education Department	2071-01-117-07	Lumpsum payment of residual employers contribution up to 31 March 2019 of employees covered under NPS of aided	2.50	(-)2.50	0.00

Sl. No.	Grant No.	Name of Department	Major Head	Name of Scheme	Provision	Re-appropriation	Total	Expenditure	Saving
				Technical Educational Institute					
15.	48	Minorities Welfare Department	4202-01-800-01	Central Sponsored Schemes	6.81	(-6.81)	0.00	0.00	0.00
16.			4235-60-800-03	Construction of Boundaries of Graveyards of Minorities/Cremation Places	100.00	(-100.00)	0.00	0.00	0.00
17.			4250-800-03	Construction of Haj Houses, Lucknow and Ghaziabad	2.34	(-2.34)	0.00	0.00	0.00
18.	51	Revenue Department (Relief on account of Natural Calamities)	2245-05-800-05	Expenditure from National Disaster Response Fund	1000.00	(-800.00)	200.00	0.00	200.00
19.	61	Finance Department (Debt Services and Other Expenditure)	2217-80-800-03	Transfer of 2% additional stamp duty to Urban Bodies collected by State Govt.	175.00	(-175.00)	0.00	0.00	0.00
20.	74	Home Department (Home Guards)	2070-107-07	Panchayat election	100.00	(-50.00)	50.00	0.00	50.00
21.	80	Social Welfare Department (Social Welfare and Welfare of Scheduled Castes)	2235-02-200-11	Pre-exam training for preliminary examination of IAS/PCS in the institutions situated in Delhi	1.00	(-1.00)	0.00	0.00	0.00
22.	83	Social Welfare Department (Special Component Plan for Scheduled Castes)	4406-01-789-04	National Afforestation Program (CCL System)	15.00	(-7.84)	7.16	0.00	7.16
Total					1,917.65	(-1,515.99)	401.66	0.00	401.66

Appendix 4.1

(Referred to in paragraph 4.14)

Details of pendency in finalisation of Accounts by various Autonomous Bodies and Authorities

Sl. No.	Name of Department	Name of the Body/Authority	Year(s) for which accounts had not been received	Total No. of pending annual accounts
1.	Forest Department	Compensatory Afforestation Fund Management and Planning Authority (CAMPA)	2014-15 to 2019-20	06
2.	Infrastructure and Industrial Development Department	New Okhla Industrial Development Authority	2018-19 to 2020-21	03
3.	-do-	Greater Noida Development Authority	2019-20 to 2020-21	02
4.	-do-	Yamuna Expressway Industrial Development Authority	2005-06 to 2020-21	16
5.	-do-	UP Expressway Industrial Development Authority	2017-18 to 2020-21	04
6.	-do-	Satharia Industrial Development Authority	2005-06 to 2020-21	16
7.	-do-	Gorakhpur Industrial Development Authority	2005-06 to 2020-21	16
8.	-do-	UP State Industrial Development Authority	2018-19 to 2020-21	03
9.	-do-	Lucknow Industrial Development Authority	2005-06 to 2020-21	16
10.	Housing and Urban Planning Department	Lucknow Development Authority	2017-18 to 2020-21	04
11.	-do-	Ghaziabad Development Authority	2017-18 to 2020-21	04
12.	-do-	Agra Development Authority	2017-18 to 2020-21	04
13.	-do-	Meerut Development Authority	2017-18 to 2020-21	04
14.	-do-	Prayagraj Development Authority	2017-18 to 2020-21	04
15.	-do-	Hapur/Pilkhuan Development Authority	2017-18 to 2020-21	04
16.	-do-	Varanasi Development Authority	2017-18 to 2020-21	04
17.	-do-	Moradabad Development Authority	2017-18 to 2020-21	04
18.	-do-	Gorakhpur Development Authority	2017-18 to 2020-21	04
19.	-do-	Mathura Vrindavan Development Authority	2017-18 to 2020-21	04
20.	-do-	Aligarh Development Authority	2017-18 to 2020-21	04
21.	-do-	Bareilly Development Authority	2017-18 to 2020-21	04
22.	-do-	Raibareilly Development Authority	2017-18 to 2020-21	04
23.	-do-	Saharanpur Development Authority	2017-18 to 2020-21	04
24.	-do-	Ayodhya/ Faizabad Development Authority	2017-18 to 2020-21	04
25.	-do-	Firozabad/Shikohabad Development Authority	2017-18 to 2020-21	04
26.	-do-	Kanpur Development Authority	2017-18 to 2020-21	04
27.	-do-	Rampur Development Authority	2017-18 to 2020-21	04
28.	-do-	Unnao Shuklaganj Development Authority	2017-18 to 2020-21	04
29.	-do-	Jhansi Development Authority	2017-18 to 2020-21	04
30.	-do-	Muzzaffarnagar Development Authority	2017-18 to 2020-21	04
31.	-do-	Bulandshahar Development Authority	2017-18 to 2020-21	04
32.	-do-	Khurja Development Authority	2017-18 to 2020-21	04
33.	-do-	Urai Development Authority	2017-18 to 2020-21	04
34.	-do-	Banda Development Authority	2017-18 to 2020-21	04
35.	-do-	Baghpat Badaut Khekda Development Authority	2017-18 to 2020-21	04

Sl. No.	Name of Department	Name of the Body/Authority	Year(s) for which accounts had not been received	Total No. of pending annual accounts
36.	Housing and Urban Planning Department	Azamgarh Development Authority	2017-18 to 2020-21	04
37.	-do-	Basti Development Authority	2017-18 to 2020-21	04
38.	-do-	Special Area Development Authority, Shakti Nagar	2017-18 to 2020-21	04
39.	-do-	Special Area Development Authority, Chitrakoot	2017-18 to 2020-21	04
40.	-do-	Special Area Development Authority, Kapilvastu	2017-18 to 2020-21	04
41.	-do-	Special Area Development Authority, Vindhyachal-Mirzapur	2017-18 to 2020-21	04
42.	-do-	Special Area Development Authority, Kushinagar	2017-18 to 2020-21	04
43.	-do-	UP Real Estate Regulatory Authority	2019-20 to 2020-21	02
44.	Energy Department	Uttar Pradesh Electricity Regulatory Commission	2020-21	01
45.	Child Welfare Department	U.P. State Commission for Protection of Child Rights	2006-07 to 2020-21	15
46.	Higher Education	Dr. Bhim Rao Ambedkar University, Agra	2019-20 to 2020-21	02
47.	-do-	Deendayal Upadhyay University	2019-20 to 2020-21	02
48.	-do-	Dr. Ram Manohar Lohia National Law University Lucknow	2020-21	01
49.	-do-	Lucknow University	2019-20 to 2020-21	02
50.	-do-	Choudhary Charan Singh University	2019-20 to 2020-21	02
51.	-do-	U P Rajarshi Tandon Open University	2019-20 to 2020-21	02
52.	-do-	Prof Rajendra Singh (Rajju Bhaiya) University	2019-20 to 2020-21	02
53.	-do-	Siddharth University, Kapilvastu, Siddharth Nagar	2019-20 to 2020-21	02
54.	-do-	Mahatma Gandhi Kashi Vidhyapith	2019-20 to 2020-21	02
55.	-do-	Sampurnanand Sanskrit Viswavidyalaya	2019-20 to 2020-21	02
56.	-do-	Jannayak Chandrashekhar University	2019-20 to 2020-21	02
57.	-do-	Khwaja Moinuddin Chisti Urdu, Arbi, Farsei University	2020-21	01
58.	-do-	Bundelkhand University	2019-20 to 2020-21	02
59.	Infrastructure and Industrial Development Department	Gautam Budh University	2019-20 to 2020-21	02
60.	Technical Education	Madan Mohan Malviya University of Agriculture and Technology	2019-20 to 2020-21	02
61.	-do-	Harcourt Butler Technological University	2019-20 to 2020-21	02
62.	-do-	Dr. A.P.J. Abdul Kalam Technical University	2019-20 to 2020-21	02
63.	Handicapped Welfare	Dr. Shakuntala Mishra National Rehabilitation University	2019-20 to 2020-21	02
Total				266

Appendix 4.2

(Referred to in paragraph 4.15)

Status of finalisation of accounts of Departmental Commercial Undertakings

(₹ in crore)

Sl. No.	Name of the undertaking	Accounts finalised up to	Investment as per the last accounts finalised
Irrigation Department			
1.	Irrigation Workshop Division, Kanpur	2020-21	2.04
2.	Irrigation Workshop Division, Jhansi	2020-21	12.50
3.	Irrigation Workshop Division, Bareilly	2020-21	13.44
4.	Irrigation Workshop Division, Meerut	2020-21	2.12
5.	Irrigation Workshop Division, Gorakhpur	2020-21	0.64
6.	Irrigation Workshop Division, Prayagraj	2020-21	4.08
Food and Civil Supplies Department			
7.	Food Commissioner and CAO	2014-15	4,002.95
Animal Husbandry Department			
8.	Dy. Director, Animal Husbandry Farms Corporation	2018-19	74.03
Health Department			
9.	Dy. Director, State Ayurvedic & Unani Medicine Department	1987-88	Not available
Total			4,111.80

Appendix-5.1

(Referred to in Paragraphs 5.1.3, 5.1.4, 5.3.1, 5.5.1, 5.6.1 and 5.6.2)

Summarised financial results of State Public Sector Undertakings for the latest year for which accounts were finalised

(₹ in crore)

Sl. No.	Name of PSU	Period of Account	Net Profit/Loss before interest and Tax	Net Profit/Loss after interest and Tax	Turnover	Paid up Capital including share application money	Capital Employed ²	Net Worth/ Shareholders' Fund	Accumulated profit/ loss	Total Assets
A	Government companies									
X	Power Sector PSUs									
1	Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited	2019-20	1,019.62	116.91	8,758.02	15,200.69	28,590.68	15,340.14	1,290.58	38,068.27
2	Uttar Pradesh Jal Vidyut Nigam Limited	2019-20	3.72	(-)18.81	84.67	435.33	164.83	12.75	(-)422.58	877.70
3	Jawaharpur Vidyut Utpadan Nigam Limited (Subsidiary of Sl. No.1)	2019-20	1.82	1.82	0.00	1,151.04	3,953.94	1,155.25	4.21	4,781.35
4	Uttar Pradesh Power Transmission Corporation Limited	2019-20	578.55	351.89	3,498.09	15,576.01	26,363.41	14,770.06	(-)805.77	35,970.78
5	Purvanchal Vidyut Vitaran Nigam Limited (Subsidiary of Sl. No. 10)	2019-20	38.15	(-)1,204.30	11,641.41	19,557.50	12,647.97	(-)1,044.86	(-)20,602.36	49,800.75
6	Paschimanchal Vidyut Vitaran Nigam Limited (Subsidiary of Sl. No. 10)	2019-20	(-)223.57	(-)1,067.86	17,039.25	15,227.24	8,201.42	(-)2,067.34	(-)17,294.58	28,948.43
7	Madhyanchal Vidyut Vitaran Nigam Limited (Subsidiary of Sl. No. 10)	2019-20	(-)659.99	(-)659.99	11,905.54	18,295.63	14,125.72	2,777.91	(-)15,517.72	41,104.65
8	Dakshinanchal Vidyut Vitaran Nigam Limited (Subsidiary of Sl. No. 10)	2019-20	933.88	(-)629.03	10,831.65	19,225.63	6,615.96	(-)8,713.04	(-)27,938.67	36,343.46

² Capital Employed = Paid-up capital + Free reserve + Long term loan – Deferred Revenue Expenditure (DRE)

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Sl. No.	Name of PSU	Period of Account	Net Profit/Loss before interest and Tax	Net Profit/Loss after interest and Tax	Turnover	Paid up Capital including share application money	Capital Employed ²	Net Worth/ Shareholders' Fund	Accumulated profit/ loss	Total Assets
9	Kanpur Electricity Supply Company Limited (Subsidiary of Sl. No. 10)	2019-20	(-)72.52	(-)231.05	2,619.39	1,974.21	(-)7.70	(-) 1,825.45	(-) 3,799.66	4,614.79
10	Uttar Pradesh Power Corporation Limited	2019-20	(-)3,158.92	(-)3,158.92	0.00	97,164.01	(-)70,433.52	(-)70,433.52	(-)90,914.37	88,937.30
11	UCM Coal Company Limited (Joint Venture of Sl. No. 1)	2019-20	0.24	0.24	0.00	0.16	0.25	(-)2.25	(-)2.41	54.42
	Sub Total - A(X)		(-)1,539.02	(-)6,499.10	66,378.02	2,03,807.45³	30,222.96	(-)50,030.35⁴	(-)1,76,003.33	3,29,501.90
Y	Other than Power Sector PSUs									
12	Uttar Pradesh Metro Rail Corporation Limited	2020-21	(-)321.14	(-)329.85	25.65	3,160.74	8,073.06	2,436.01	(-)724.73	9,113.78
13	NOIDA Metro Rail Corporation Limited	2020-21	18.21	(-)78.32	16.15	1,400.24	3,030.83	1,166.65	(-)233.59	4,599.56
14	The Pradeshiya Industrial and Investment Corporation of UP Limited	2018-19	18.80	15.00	9.25	135.58	697.22	(-)243.91	(-)379.49	1,004.74
15	Shreetron India Limited (Subsidiary of Uttar Pradesh Electronics Corporation Limited)	2019-20	2.49	1.73	62.35	7.12	15.00	12.94	5.82	55.70
16	Uptron Powertronics Limited (subsidiary of Uttar Pradesh Electronics Corporation)	2018-19	0.50	0.39	27.52	4.07	5.78	2.91	(-)1.16	45.17
17	Uttar Pradesh Electronics Corporations Limited	2018-19	5.91	4.25	67.85	91.54	143.26	35.91	11.62	419.68

³ Paid up capital of ₹ 2,03,807.45 crore includes an amount of ₹ 77,834.29 crore in holding Company at Sl. No. 1 (₹ 1,151.13 crore) and at Sl. No. 10 (₹ 76,683.16 crore) which was given by the Government for their subsidiary/associates/joint venture companies. Therefore, the amount of ₹ 77,834.29 crore has been excluded for calculation of net worth and capital employed.

⁴ Net worth is the sum total of the paid-up capital and free reserves and surplus minus accumulated losses and DRE. DRE of ₹ 0.18 crore was deducted in case of Uttar Pradesh Power Transmission Corporation limited to arrive at the net worth figure.

Sl. No.	Name of PSU	Period of Account	Net Profit/Loss before interest and Tax	Net Profit/Loss after interest and Tax	Turnover	Paid up Capital including share application money	Capital Employed ²	Net Worth/ Shareholders' Fund	Accumulated profit/ loss	Total Assets
18	Uttar Pradesh Development Systems Corporation Limited	2018-19	18.94	12.16	224.84	1.00	33.01	33.01	32.01	183.52
19	Uttar Pradesh Purva Sainik Kalyan Nigam Limited	2019-20	62.97	62.97	484.35	0.43	383.38	383.38	382.95	476.98
20	Uttar Pradesh Police Avias Nigam Limited	2018-19	(-)11.30	(-)11.30	50.98	3.00	21.80	21.80	18.80	111.54
21	Uttar Pradesh Export Promotion Council	2020-21	0.68	0.68	0.67	0.05	6.75	1.75	1.70	7.60
22	Uttar Pradesh Medical Supply Corporation Limited	2019-20	28.60	20.65	20.30	10.16	28.38	28.38	18.22	419.53
23	U.P. Projects Corporation Limited	2018-19	3.13	0.36	457.50	6.40	126.20	126.20	119.80	4,023.86
24	Uttar Pradesh State Spinning Company Limited	2018-19	(-)1.37	(-)5.65	0.00	93.24	(-)79.65	(-)181.06	(-)274.30	43.19
	Sub Total -A(Y)		(-)173.58	(-)306.93	1,447.41	4,913.57	12,485.02	3,823.97	(-)1,022.35	20,504.85
	Total of A=A(X)+A(Y)		(-)1,712.60	(-)6,806.03	67,825.43	2,08,721.02	42,707.98	(-)46,206.38	(-)1,77,025.68	3,50,006.75
B	Government controlled other Companies									
X	Power Sector PSUs - Nil									
	Sub Total -B(X)		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Y	Other than Power Sector PSUs									
25	Lucknow Smart City Limited	2018-19	(-)3.60	(-)3.60	0.00	0.50	(-)5.79	(-)5.79	(-)6.29	439.60
26	Agra Smart City Limited	2019-20	0.01	0.01	0.00	216.00	216.02	216.02	0.02	332.79
27	Aligarh Smart City Limited	2019-20	(-)11.35	(-)11.35	0.03	2.00	(-)11.66	(-)11.66	(-)13.66	208.12
28	Bareilly Smart City Limited	2018-19	0.23	0.17	0.50	0.25	0.42	0.42	0.17	60.71
29	Prayagraj Smart City Limited	2019-20	(-)0.24	(-)0.30	0.00	0.50	204.86	204.86	204.36	214.32
30	Varanasi Smart City Limited	2019-20	0.05	0.04	0.00	50.00	50.05	50.05	0.05	102.79
31	Moradabad Smart City Limited	2018-19	0.03	0.02	0.00	0.50	0.52	0.52	0.02	60.22
32	Saharanpur Smart City Limited	2019-20	(-)0.72	(-)0.72	0.05	0.50	83.45	83.45	82.95	84.21
33	Almora Magnesite Limited	2019-20	(-)0.24	(-)0.29	24.15	2.00	7.60	7.30	5.51	23.23
34	Noida International Airport Limited (NIAL)	2019-20	2.52	1.61	0.00	0.01	3,604.38	(-)2.74	(-)2.75	3,610.24

Sl. No.	Name of PSU	Period of Account	Net Profit/Loss before interest and Tax	Net Profit/Loss after interest and Tax	Turnover	Paid up Capital including share application money	Capital Employed ²	Net Worth/ Shareholders' Fund	Accumulated profit/ loss	Total Assets
35	DMIC Integrated Industrial Township Greater Noida Limited	2020-21	24.74	17.42	0.00	1,234.40	1,279.89	1,279.89	45.49	1,595.20
	Sub Total -B(Y)		11.43	3.01	24.73	1,506.66	5,429.74	1,822.32	315.87	6,731.43
	Total of B=B(X)+B(Y)		11.43	3.01	24.73	1,506.66	5,429.74	1,822.32	315.87	6,731.43
C	Statutory Corporations									
X	Power Sector PSUs - Nil									
	Sub Total -C(X)		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Y	Other than Power Sector PSUs									
36	Uttar Pradesh State Road Transport Corporation	2018-19	39.85	39.85	4,523.19	926.19	(-)74.59	(-)116.31	(-)1,042.50	3,024.95
37	Uttar Pradesh Forest Corporation	2019-20	22.30	22.30	216.22	0.00	1,561.62	1,561.62	1,561.62	1,813.35
38	Uttar Pradesh Avas Evam Vikas Parishad	2019-20	29.25	29.25	452.81	0.00	5,058.35	5,058.35	5,058.35	19,642.18
	Sub Total -C(Y)		91.40	91.40	5,192.22	926.19	6,545.38	6,503.66	5,577.47	24,480.48
	Total of C=C(X)+C(Y)		91.40	91.40	5,192.22	926.19	6,545.38	6,503.66	5,577.47	24,480.48
	Total of Power Sector= A(X)+B(X)+C(X)		(-)1,539.02	(-)6,499.10	66,378.02	2,03,807.45	30,222.96	(-)50,030.35	(-)1,76,003.33	3,29,501.90
	Total of Other than Power Sector = A(Y)+B(Y)+C(Y)		(-)70.75	(-)212.52	6,664.36	7,346.42⁵	24,460.14	12,149.95⁶	4,870.99	51,716.76
	Grand Total of (A+B+C)		(-)1,609.77	(-)6,711.62	73,042.38	2,11,153.87	54,683.10	(-)37,880.40	(-)1,71,132.34	3,81,218.66

⁵ Paid up capital of ₹ 7,346.42 crore includes an amount of ₹ 67.25 crore in holding Company at Sl. No. 17 which was given by the Government for their subsidiary companies. Therefore, the amount of ₹ 67.25 crore has been excluded for calculation of net worth and capital employed. Further at Sl. No. 17 the loan amount ₹ 107.35 crore excluded loan amount ₹ 2.26 crore and ₹ 2.87 crore given to companies at Sl No. 15 and 16 respectively.

⁶ Net worth is the sum total of the paid-up capital and free reserves and surplus minus accumulated losses and DRE. DRE of ₹ 0.21 crore was deducted in case of Almora Magnesite Limited to arrive at the net worth figure.

Appendix-5.2

(Referred to in paragraph 5.1.3)

Statement showing position of equity and outstanding loans relating to PSUs not covered in the Chapter as on 31 March 2021

(₹ in crore)

Sl. No.	Name of the PSUs	Name of Department	Period of latest finalised accounts	Year in which finalised	Equity at close of the year 2020-21				Long Term Loans outstanding at close of the year 2020-21				Total Investment (Equity and Long Term Loans)
					State Govt.	GoI	Others	Total	State Govt. Loan	Central Govt. Loan	Holding Company/ Other Financial Institution Loan	Total	
1	2	3	4	5	6 (a)	6 (b)	6 (c)	6 (d)	7 (a)	7 (b)	7 (c)	7 (d)	8
I	Functional PSUs												
A	Government Companies												
X	Power Sector PSUs												
1	UPSIDC Power Company Limited	Energy	2013-14	2016-17	0.00	0.00	0.05	0.05	0.00	0.00	0.00	0.00	0.05
	Sub Total -IA(X)				0.00	0.00	0.05	0.05	0.00	0.00	0.00	0.00	0.05
Y	Other than Power Sector PSUs												
2	Uttar Pradesh Alpsankhyak Vitya Evam Vikas Nigam Limited	Alpsankhyak Kalyan & Waqf	2005-06	2017-18	30.00	0.00	0.00	30.00	0.00	0.00	0.00	0.00	30.00
3	Uttar Pradesh Pichhara Varg Vitta Evam Vikas Nigam Limited	Pichhara Varg Kalyan	2015-16	2019-20	12.23	0.00	0.00	12.23	57.43	0.00	0.00	57.43	69.66
4	Uttar Pradesh Scheduled Castes Finance and Development Corporation Limited	Samaj Kalyan	2015-16	2018-19	136.99	120.39	0.00	257.38	0.00	0.00	20.32	20.32	277.70
5	Uttar Pradesh Food and Essential Commodities Corporation Limited	Food & Civil Supply	2010-11	2018-19	12.34	0.00	0.00	12.34	0.73	0.00	0.00	0.73	13.07
6	Uttar Pradesh Bhumi Sudhar Nigam	Agriculture	2017-18	2020-21	1.50	0.00	0.00	1.50	0.00	0.00	0.00	0.00	1.50

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Sl. No.	Name of the PSUs	Name of Department	Period of latest finalised accounts	Year in which finalised	Equity at close of the year 2020-21				Long Term Loans outstanding at close of the year 2020-21				Total Investment (Equity and Long Term Loans)
					State Govt.	GoI	Others	Total	State Govt. Loan	Central Govt. Loan	Holding Company/ Other Financial Institution Loan	Total	
7	Uttar Pradesh Mahila Kalyan Nigam Limited	Mahila Kalyan	2015-16	2020-21	4.71	0.48	0.00	5.19	0.00	0.00	0.00	0.00	5.19
8	Uttar Pradesh Waqf Vikas Nigam Limited	Waqf & Alpsankhyak	2003-04	2016-17	10.00	0.00	0.00	10.00	0.00	0.00	0.00	0.00	10.00
9	Uttar Pradesh State Agro Industrial Corporation Limited	Agriculture	2010-11	2016-17	58.32	0.00	0.00	58.32	0.00	0.00	23.00	23.00	81.32
10	Uttar Pradesh Rajkiya Nirman Nigam Limited	Public Works Department	2014-15	2020-21	1.00	0.00	0.00	1.00	0.00	0.00	1,825.40	1,825.40	1,826.40
11	Uttar Pradesh State Bridge Corporation Limited	Public Works Department	2017-18	2020-21	15.00	0.00	0.00	15.00	0.00	0.00	600.00	600.00	615.00
12	Uttar Pradesh Small Industries Corporation Limited	Laghu Udhhyog evam Niryat Protsahan	2010-11	2020-21	5.96	0.00	0.00	5.96	3.57	0.00	0.00	3.57	9.53
13	Uttar Pradesh Beej Vikas Nigam Limited	Agriculture	2017-18	2020-21	6.25	0.00	0.67	6.92	0.00	0.00	0.00	0.00	6.92
14	Uttar Pradesh Matsya Vikas Nigam Limited	Matsya & Pashudhan	2016-17	2019-20	1.07	0.00	0.00	1.07	0.00	0.00	0.00	0.00	1.07
15	Uttar Pradesh Drugs and Pharmaceuticals Limited	Health	2009-10	2012-13	1.10	0.00	0.00	1.10	0.00	0.00	0.00	0.00	1.10
16	Uttar Pradesh Rajya Chini Avam Ganna Vikas Nigam Limited (Subsidiary of Uttar Pradesh State Sugar Corporation Limited)	Sugar Industry and Cane Development	2016-17	2020-21	880.13	0.00	0.00	880.13	0.00	0.00	899.00	899.00	1,779.13
17	Uttar Pradesh State Sugar Corporation Limited	Sugar Industry and Cane Development	2015-16	2018-19	1,648.31	0.00	0.00	1,648.31	909.00	0.00	46.17	955.17	2,603.48

Sl. No.	Name of the PSUs	Name of Department	Period of latest finalised accounts	Year in which finalised	Equity at close of the year 2020-21				Long Term Loans outstanding at close of the year 2020-21				Total Investment (Equity and Long Term Loans)
					State Govt.	GoI	Others	Total	State Govt. Loan	Central Govt. Loan	Holding Company/ Other Financial Institution Loan	Total	
18	Uttar Pradesh Handicraft Development and Marketing Corporation Limited (Formerly Uttar Pradesh Export Corporation Limited)	Laghu Udyog evam Niryat Protsahan	2007-08	2017-18	6.34	0.90	0.00	7.24	12.44	0.00	0.00	12.44	19.68
19	Uttar Pradesh State Tourism Development Corporation Limited	Tourism	2016-17	2019-20	32.60	0.00	0.00	32.60	0.15	0.00	0.00	0.15	32.75
20	Lucknow City Transport Services Limited	Transport	Accounts not received	-	17.84	0.00	0.00	17.84	0.00	0.00	0.00	0.00	17.84
21	Meerut City Transport Services Limited	Transport	2013-14	2019-20	0.00	0.00	4.04	4.04	0.00	0.00	0.00	0.00	4.04
22	Agra Mathura City Transport Services Limited	Transport	Accounts not received	-	0.05	0.00	0.00	0.05	0.00	0.00	45.79	45.79	45.84
23	Kanpur City Transport Services Limited	Transport	Accounts not received	-	0.10	0.00	0.00	0.10	0.00	0.00	0.00	0.00	0.10
24	Varanasi City Transport Services Limited	Transport	Accounts not received	-	0.05	0.00	0.00	0.05	0.00	0.00	4.77	4.77	4.82
25	Uttar Pradesh Rajya Krishi Evam Gramin Vikas Nigam Limited	Co-operative Department	Accounts not received	-	0.05	0.00	0.05	0.10	0.00	0.00	0.00	0.00	0.10
26	Allahabad City Transport Services Limited	Urban Development	2017-18	2018-19	0.00	0.00	4.91	4.91	0.00	0.00	6.57	6.57	11.48

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Sl. No.	Name of the PSUs	Name of Department	Period of latest finalised accounts	Year in which finalised	Equity at close of the year 2020-21				Long Term Loans outstanding at close of the year 2020-21				Total Investment (Equity and Long Term Loans)
					State Govt.	GoI	Others	Total	State Govt. Loan	Central Govt. Loan	Holding Company/ Other Financial Institution Loan	Total	
27	Uttar Pradesh State Construction and Infrastructure Development Corporation Limited (formerly known as Uttar Pradesh Samaj Kalyan Nirman Nigam Limited)	Samaj Kalyan	2017-18	2019-20	0.15	0.00	0.00	0.15	0.00	0.00	0.00	0.00	0.15
28	Uttar Pradesh (Madhya) Ganna Beej Evam Vikas Nigam Limited	Sugar Industry and Cane Development	2017-18	2017-18	0.15	0.00	0.10	0.25	0.00	0.00	2.48	2.48	2.73
Sub Total -IA(Y)					2,882.24	121.77	9.77	3,013.78	983.32	0.00	3,473.50	4,456.82	7,470.60
Total of IA=IA(X)+IA(Y)					2,882.24	121.77	9.82	3,013.83	983.32	0.00	3,473.50	4,456.82	7,470.65
B	Government controlled other Companies												
X	Power Sector PSUs												
Sub Total -IB(X)					0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Y	Other than Power Sector PSUs												
29	Jhansi Smart City Limited	Urban Development	Accounts not received	-	0.00	0.00	0.50	0.50	0.00	0.00	0.00	0.00	0.50
30	Kanpur Smart City Limited	Urban Development	Accounts not received	-	0.00	0.00	465.00	465.00	0.00	0.00	0.00	0.00	465.00
Sub Total -IB(Y)					0.00	0.00	465.50	465.50	0.00	0.00	0.00	0.00	465.50
Total of IB=IB(X)+IB(Y)					0.00	0.00	465.50	465.50	0.00	0.00	0.00	0.00	465.50
C	Statutory Corporations												
X	Power Sector PSUs												
Sub Total -IC(X)					0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Sl. No.	Name of the PSUs	Name of Department	Period of latest finalised accounts	Year in which finalised	Equity at close of the year 2020-21				Long Term Loans outstanding at close of the year 2020-21				Total Investment (Equity and Long Term Loans)
					State Govt.	GoI	Others	Total	State Govt. Loan	Central Govt. Loan	Holding Company/ Other Financial Institution Loan	Total	
Y	Other than Power Sector PSUs												
31	Uttar Pradesh Financial Corporation	Infrastructure and Industrial Development	2012-13	2015-16	114.51	0.00	64.78	179.29	395.59	0.00	289.15	684.74	864.03
32	Uttar Pradesh State Warehousing Corporation	Co-operative	2017-18	2020-21	7.61	0.00	5.40	13.01	0.00	0.00	0.00	0.00	13.01
33	Uttar Pradesh Jal Nigam	Urban Development	2016-17	2018-19	0.00	0.00	0.00	0.00	539.29	0.00	0.00	539.29	539.29
	Sub Total -IC(Y)				122.12	0.00	70.18	192.30	934.88	0.00	289.15	1,224.03	1,416.33
	Total of IC=IC(X)+IC(Y)				122.12	0.00	70.18	192.30	934.88	0.00	289.15	1,224.03	1,416.33
	Total of Functional PSUs (Total-I)				3,004.36	121.77	545.50	3,671.63	1,918.20	0.00	3,762.65	5,680.85	9,352.48
II	Non-Functional PSUs												
A	Government Companies												
X	Power Sector PSUs												
34	Southern UP Power Transmission Company Limited		2020-21	2020-21	0.00	0.00	2.22	2.22	0.00	0.00	0.00	0.00	2.22
	Sub Total -IIA(X)				0.00	0.00	2.22	2.22	0.00	0.00	0.00	0.00	2.22
Y	Other than Power Sector PSUs												
35	Uplease Financial Services Limited (Subsidiary of Uttar Pradesh Electronics Corporation Limited)	Information Technology and Electronics	1997-98	1998-99	0.00	0.00	1.06	1.06	0.00	0.00	4.15	4.15	5.21
36	Uttar Pradesh State Mineral Development Corporation Limited	Infrastructure and Industrial Development	2013-14	2016-17	59.43	0.00	0.00	59.43	18.24	0.00	0.00	18.24	77.67

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Sl. No.	Name of the PSUs	Name of Department	Period of latest finalised accounts	Year in which finalised	Equity at close of the year 2020-21				Long Term Loans outstanding at close of the year 2020-21				Total Investment (Equity and Long Term Loans)
					State Govt.	GoI	Others	Total	State Govt. Loan	Central Govt. Loan	Holding Company/ Other Financial Institution Loan	Total	
37	Chhata Sugar Company Limited (Subsidiary of Uttar Pradesh State Sugar Corporation Limited)	Sugar Industry and Cane Development	2016-17	2019-20	0.00	0.00	81.38	81.38	0.00	0.00	28.88	28.88	110.26
38	Ghatampur Sugar Company Limited (Subsidiary of Uttar Pradesh State Sugar Corporation Limited)	Sugar Industry and Cane Development	2016-17	2017-18	0.00	0.00	147.72	147.72	0.00	0.00	3.90	3.90	151.62
39	Nandganj-Sihori Sugar Company Limited (Subsidiary of Uttar Pradesh State Sugar Corporation Limited)	Sugar Industry and Cane Development	2016-17	2019-20	0.00	0.00	256.80	256.80	0.00	0.00	0.00	0.00	256.80
40	The Indian Turpentine and Rosin Company Limited	Infrastructure and Industrial Development	2010-11	2012-13	0.22	0.00	0.00	0.22	5.74	0.00	0.00	5.74	5.96
41	Uttar Pradesh Instruments Limited (Subsidiary of Uttar Pradesh State Industrial Development Corporation Limited)	Infrastructure and Industrial Development	2001-02	2005-06	0.09	0.00	1.93	2.02	5.55	0.00	11.49	17.04	19.06
42	Uttar Pradesh State Brassware Corporation Limited	Laghu Udhog evam Niryat Protsahan	1997-98	2007-08	5.28	0.10	0.00	5.38	1.94	0.00	0.00	1.94	7.32
43	Uttar Pradesh State Textile Corporation Limited	Hathkargha evam Vastra Udhog	2019-20	2020-21	197.10	0.00	0.00	197.10	91.78	0.00	0.00	91.78	288.88

Sl. No.	Name of the PSUs	Name of Department	Period of latest finalised accounts	Year in which finalised	Equity at close of the year 2020-21				Long Term Loans outstanding at close of the year 2020-21				Total Investment (Equity and Long Term Loans)
					State Govt.	GoI	Others	Total	State Govt. Loan	Central Govt. Loan	Holding Company/ Other Financial Institution Loan	Total	
44	Uttar Pradesh State Handloom Corporation Limited	Hathkargha evam Vastra Udhog	2000-01	2020-21	36.45	10.63	0.00	47.08	157.02	0.00	2.70	159.72	206.80
45	Uttar Pradesh State Leather Development and Marketing Corporation Limited	Laghu Udhog evam Niryat Protsahan	2000-01	2002-03	5.74	0.00	0.00	5.74	1.91	0.00	0.00	1.91	7.65
46	Uttar Pradesh State Yarn Company Limited	Hathkargha evam Vastra Udhog	2020-21	2020-21	53.67	0.00	0.00	53.67	78.31	0.00	12.74	91.05	144.72
47	Uttar Pradesh Pashudhan Udyog Nigam Limited	Matsya & Pashudhan	2015-16	2018-19	2.73	0.00	0.00	2.73	0.71	0.00	0.00	0.71	3.44
48	Uttar Pradesh Poultry and Livestock Specialties Limited	Matsya & Pashudhan	2013-14	2020-21	2.88	0.06	0.00	2.94	0.00	1.10	0.00	1.10	4.04
49	Uttar Pradesh State Horticultural Produce Marketing & Processing Corporation Limited	Food Processing	1984-85	1994-95	6.41	0.00	0.64	7.05	3.34	0.00	0.00	3.34	10.39
50	Uttar Pradesh (Paschim) Ganna Beej Evam Vikas Nigam Limited	Sugar Industry and Cane Development	2013-14	2014-15	0.51	0.00	0.14	0.65	0.00	0.00	0.00	0.00	0.65
51	Uttar Pradesh Panchayati Raj Vitta Evam Vikas Nigam Limited	Panchayati Raj	1995-96	2012-13	1.50	0.00	0.00	1.50	0.00	0.00	0.00	0.00	1.50
52	Agra Mandal Vikas Nigam Limited	Bhumi Vikas and Jal Sansadhan	1988-89	2007-08	1.00	0.00	0.00	1.00	0.05	0.00	0.00	0.05	1.05
53	Allahabad Mandal Vikas Nigam Limited	Bhumi Vikas and Jal Sansadhan	1983-84	1992-93	0.67	0.00	0.00	0.67	0.66	0.00	0.00	0.66	1.33
54	Bareilly Mandal Vikas Nigam Limited	Bhumi Vikas and Jal Sansadhan	1988-89	2011-12	1.25	0.00	0.00	1.25	0.00	0.00	0.65	0.65	1.90

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Sl. No.	Name of the PSUs	Name of Department	Period of latest finalised accounts	Year in which finalised	Equity at close of the year 2020-21				Long Term Loans outstanding at close of the year 2020-21				Total Investment (Equity and Long Term Loans)
					State Govt.	GoI	Others	Total	State Govt. Loan	Central Govt. Loan	Holding Company/ Other Financial Institution Loan	Total	
55	Gorakhpur Mandal Vikas Nigam Limited	Bhumi Vikas & Jal Sansadhan	1988-89	2013-14	1.26	0.00	0.00	1.26	0.65	0.00	0.27	0.92	2.18
56	Lucknow Mandaliya Vikas Nigam Limited	Bhumi Vikas & Jal Sansadhan	1981-82	1992-93	0.70	0.00	0.00	0.70	0.86	0.00	0.00	0.86	1.56
57	Meerut Mandal Vikas Nigam Limited	Bhumi Vikas & Jal Sansadhan	2008-09	2010-11	1.00	0.00	0.00	1.00	0.00	0.00	0.01	0.01	1.01
58	Moradabad Mandal Vikas Nigam Limited	Bhumi Vikas & Jal Sansadhan	1991-92	2011-12	0.25	0.00	0.00	0.25	0.65	0.00	0.00	0.65	0.90
59	Tarai Anusuchit Janjati Vikas Nigam Limited	Samaj Kalyan	1982-83	1990-91	0.45	0.00	0.00	0.45	1.25	0.00	0.00	1.25	1.70
60	Uttar Pradesh Bundelkhand Vikas Nigam Limited	Bhumi Vikas & Jal Sansadhan	2010-11	2016-17	1.23	0.00	0.00	1.23	0.05	0.00	0.00	0.05	1.28
61	Uttar Pradesh Chalchitra Nigam Limited	Entertainment Tax	2009-10	2011-12	8.18	0.00	0.00	8.18	2.47	0.00	0.00	2.47	10.65
62	Uttar Pradesh Poorvanchal Vikas Nigam Limited	Samaj Kalyan	1987-88	1994-95	1.30	0.00	0.00	1.30	0.35	0.00	0.00	0.35	1.65
63	Varanasi Mandal Vikas Nigam Limited	Bhumi Vikas & Jal Sansadhan	1987-88	1993-94	0.70	0.00	0.00	0.70	0.00	0.00	0.30	0.30	1.00
64	Uttar Pradesh (Poorva) Ganna Beej Evam Vikas Nigam Limited	Sugar Industry and Cane Development	2002-03 (UL from 01 July 03)	2004-05	0.23	0.00	0.08	0.31	1.70	0.00	0.00	1.70	2.01
65	Uttar Pradesh (Rohilkhand Tarai) Ganna Beej Evam Vikash Nigam Limited	Sugar Industry and Cane Development	2006-07 (UL from 01 July 2003)	2008-09	0.38	0.00	0.33	0.71	6.55	0.00	0.00	6.55	7.26
66	Uttar Pradesh Cement Corporation Limited	Infrastructure and Industrial Development	1995-96 (UL from 08 February 1999)	1996-97	68.28	0.00	0.00	68.28	124.77	0.00	0.00	124.77	193.05

Sl. No.	Name of the PSUs	Name of Department	Period of latest finalised accounts	Year in which finalised	Equity at close of the year 2020-21				Long Term Loans outstanding at close of the year 2020-21				Total Investment (Equity and Long Term Loans)
					State Govt.	GoI	Others	Total	State Govt. Loan	Central Govt. Loan	Holding Company/ Other Financial Institution Loan	Total	
67	Vindhyachal Abrasives Limited (Subsidiary of Uttar Pradesh State Mineral Development Corporation Limited)	Infrastructure and Industrial Development	1987-88 (UL from 28 November 2002)	1995-96	0.00	0.00	0.00	0.00	0.00	0.00	0.84	0.84	0.84
68	Auto Tractors Limited	Infrastructure and Industrial Development	1991-92 (UL from 14 February 2003)	1995-96	5.63	0.00	1.87	7.50	0.38	0.00	0.00	0.38	7.88
69	Bhadohi Woollens Limited (Subsidiary of Uttar Pradesh State Textile Corporation Limited)	Hathkargha evam Vastra Udhog	1994-95 (UL from 20 February 1996)	-	0.00	0.00	3.76	3.76	0.00	0.00	0.00	0.00	3.76
70	Continental Float Glass Limited (Subsidiary of Uttar Pradesh State Mineral Development Corporation Limited)	Infrastructure and Industrial Development	1997-98 (UL from 01 April 2002)	2002-03	0.00	0.00	46.24	46.24	0.00	0.00	138.85	138.85	185.09
71	Kanpur Components Limited (Subsidiary of Uttar Pradesh Electronics Corporation Limited)	Information Technology and Electronics	(UL from 10 June 1996)	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
72	Uttar Pradesh Abscott Private Limited (Subsidiary of Uttar Pradesh Small Industries Corporation Limited)	Laghu Udhog evam Niryat Protsahan	1975-76 (UL from 19 April 1996)	-	0.00	0.00	0.05	0.05	0.00	0.00	0.00	0.00	0.05

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Sl. No.	Name of the PSUs	Name of Department	Period of latest finalised accounts	Year in which finalised	Equity at close of the year 2020-21				Long Term Loans outstanding at close of the year 2020-21				Total Investment (Equity and Long Term Loans)
					State Govt.	GoI	Others	Total	State Govt. Loan	Central Govt. Loan	Holding Company/ Other Financial Institution Loan	Total	
73	Uttar Pradesh Carbide and Chemicals Limited (Subsidiary of Uttar Pradesh State Mineral Development Corporation Limited)	Infrastructure and Industrial Development	1992-93 (UL from 19 February 1994)	-	0.00	0.00	6.59	6.59	11.02	0.00	0.00	11.02	17.61
74	Uttar Pradesh Plant Protection Appliances (Private) Limited (Subsidiary of Uttar Pradesh Small Industries Corporation Limited)	Laghu Udhog evam Niryat Protsahan	1974-75 (UL from November 2003)	1984-85	0.00	0.00	0.02	0.02	0.00	0.00	0.00	0.00	0.02
75	Uptron India Limited (Subsidiary of Uttar Pradesh Electronics Corporation Limited)	Information Technology and Electronics	1995-96	1997-98	0.00	0.00	57.93	57.93	0.00	0.00	9.70	9.70	67.63
Sub Total -IIA(Y)					464.52	10.79	606.54	1,081.85	515.95	1.10	214.48	731.53	1,813.38
Total of IIA=IIA(X)+IIA(Y)					464.52	10.79	608.76	1,084.07	515.95	1.10	214.48	731.53	1,815.60
B	Government controlled other Companies												
X	Power Sector PSUs												
	Sub Total -IIB(X)				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Y	Other than Power Sector PSUs												
76	Command Area Poultry Development Corporation Limited	Matsya & Pashudhan	1994-95	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
77	Electronics and Computers (India)	Information Technology and Electronics	(UL from 14 July 1981)	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub Total -IIB(Y)					0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total of IIB=IIB(X)+IIB(Y)					0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Sl. No.	Name of the PSUs	Name of Department	Period of latest finalised accounts	Year in which finalised	Equity at close of the year 2020-21				Long Term Loans outstanding at close of the year 2020-21				Total Investment (Equity and Long Term Loans)
					State Govt.	GoI	Others	Total	State Govt. Loan	Central Govt. Loan	Holding Company/ Other Financial Institution Loan	Total	
C	Statutory Corporations												
X	Power Sector PSUs												
	Sub Total -IIC(X)				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Y	Other than Power Sector PSUs												
	Sub Total -IIC(Y)				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total of IIC=IIC(X)+IIC(Y)				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total of Non-Functional PSUs (Total-II)				464.52	10.79	608.76	1,084.07	515.95	1.10	214.48	731.53	1,815.60
	Total of Power Sector PSUs				0.00	0.00	2.27	2.27	0.00	0.00	0.00	0.00	2.27
	Total of Other than Power Sector PSUs				3,468.88	132.56	1,151.99	4,753.43	2,434.15	1.10	3,977.13	6,412.38	11,165.81
	GRAND TOTAL (Total-I + Total-II)				3,468.88	132.56	1,154.26	4,755.70	2,434.15	1.10	3,977.13	6,412.38	11,168.08

Appendix-5.3
(Referred to in Paragraph 5.2)

Statement showing position of equity and outstanding loans relating to PSUs covered in the Chapter as on 31 March 2021

(₹ in crore)

Sl. No.	Name of the PSUs	Name of Department	Number of PSUs	Month and year of incorporation	Equity at close of the year 2020-21				Long Terms Loans outstanding at close of the year 2020-21				Total Investment (Equity and Long term loans)
					State Govt.	GoI	Others	Total	State Govt. loan	Central Govt. Loan	Holding Company/ Other Financial Institutions loan	Total	
1	2	3		5	6 (a)	6 (b)	6 (c)	6 (d)	7 (a)	7(b)	7(c)	7 (d)	8
Covered in this Chapter													
A	Government Companies												
X	Power Sector PSUs												
1	Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited(including subsidiary JVUNL)	Energy	2	25 August 1980 (UPRVUN)	16,545.77	0.00	0.00	16,545.77	0.00	0.00	21,538.68	21,538.68	38,084.45
2	Uttar Pradesh Jal Vidyut Nigam Limited	Energy	1	15 April 1985	435.33	0.00	0.00	435.33	64.65	0.00	85.21	149.86	585.19
3	Uttar Pradesh Power Transmission Corporation Limited	Energy	1	13 July 2006	15,309.81 ⁷	0.00	2,213.34	17,523.15	0.00	0.00	13,277.07	13,277.07	30,800.22
4	Uttar Pradesh Power Corporation Limited	Energy	6	30 November 1999 (UPPCL)	1,02,224.96 ⁸	0.00	0.00	1,02,224.96	341.46	0.00	78,304.51	78,645.97	1,80,870.93

⁷ It includes ₹ 2,213.27 crore of GoUP investment obtained through UPPCL.

⁸ It excludes ₹ 2,213.27 crore of GoUP investment in UPPTCL through UPPCL as the same is included in GoUP investment in UPPTCL. Further, it excludes ₹ 2.22 crore of GoUP investment in SUPPTCL through UPPCL as SUPPTCL is not covered in this Chapter. Further, out of ₹ 1,02,224.96 crore, ₹ 20.00 lakh are related to promoters' shares allotted to UPPCL by DISCOMs, i.e., 500 equity shares valuing to ₹ 5.00 lakh (500 shares @ ₹ 1,000/- each) to four DISCOMs.

Sl. No.	Name of the PSUs	Name of Department	Number of PSUs	Month and year of incorporation	Equity at close of the year 2020-21				Long Terms Loans outstanding at close of the year 2020-21				Total Investment (Equity and Long term loans)
					State Govt.	GoI	Others	Total	State Govt. loan	Central Govt. Loan	Holding Company/ Other Financial Institutions loan	Total	
	(including PuVVNL, PVVNL, DVVNL, MVVNL and KESCO)												
5	UCM Coal Company Limited (Joint Venture of Sl. No. 1)	Energy	1	16 October 2008	0.00	0.00	0.16	0.16	0.00	0.00	2.50	2.50	2.66
	Sub Total -A(X)		11		1,34,515.87	0.00	2,213.50	1,36,729.37	406.11	0.00	1,13,207.97	1,13,614.08	2,50,343.45
Y	Other than Power Sector PSUs												
6	U P Metro Rail Corporation Limited (Erstwhile Lucknow Metro Rail Corporation Limited)	Housing and Urban Planning	1	25 November 2013	1,603.75	1,556.94	0.05	3,160.74	1,008.20	4,628.85	0.00	5,637.05	8,797.79
7	NOIDA Metro Rail Corporation Limited	Infrastructure and Industrial Development	1	11 May 2014	0.00	687.62	712.62	1,400.24	0.00	283.00	1,581.18	1,864.18	3,264.42
8	The Pradeshiya Industrial and Investment Corporation of UP Limited	Infrastructure and Industrial Development	1	29 March 1972	110.58	0.00	25.00	135.58	1,177.50	4.10	0.00	1,181.60	1,317.18
9	Shreetron India Limited (Subsidiary of Uttar Pradesh Electronics Corporation Limited)	Information Technology and Electronics	1	02 October 1979	0.00	0.00	0.77	0.77	0.00	0.00	0.00	0.00	0.77

Sl. No.	Name of the PSUs	Name of Department	Number of PSUs	Month and year of incorporation	Equity at close of the year 2020-21				Long Terms Loans outstanding at close of the year 2020-21				Total Investment (Equity and Long term loans)
					State Govt.	GoI	Others	Total	State Govt. loan	Central Govt. Loan	Holding Company/ Other Financial Institutions loan	Total	
10	Uptron Powertronics Limited (subsidiary of Uttar Pradesh Electronics Corporation)	Information Technology and Electronics	1	04 October 1974	0.00	0.00	1.47	1.47	0.00	0.00	0.00	0.00	1.47
11	Uttar Pradesh Electronics Corporations Limited	Information Technology and Electronics	1	20 March 1974	91.54 ⁹	0.00	0.00	91.54	111.68 ¹⁰	0.00	0.00	111.68	203.22
12	Uttar Pradesh Development Systems Corporation Limited	Information Technology and Electronics	1	15 March 1977	1.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00	1.00
13	Uttar Pradesh Purva Sainik Kalyan Nigam Limited	Samaj Kalyan	1	23 May 1989	0.43	0.00	0.00	0.43	0.00	0.00	0.00	0.00	0.43
14	Uttar Pradesh Police Avas Nigam Limited	Home	1	27 March 1987	3.00	0.00	0.00	3.00	0.00	0.00	0.00	0.00	3.00
15	Uttar Pradesh Export Promotion Council	Laghu Udyog evam Niryat Protsahan	1	11 August 2016	0.05	0.00	0.00	0.05	5.00	0.00	0.00	5.00	5.05

⁹ Government of UP Investment in the form of Equity of ₹ 91.54 crore in holding company at SI No. 11 includes an amount of ₹ 8.95 crore (₹ 6.35 crore and ₹ 2.60 crore) which was given for its subsidiary companies at SI No. 9 and 10. The same has been excluded from Equity of these subsidiary companies to avoid double counting of investment.

¹⁰ Government of UP Investment in the form of Long term loan of ₹ 111.68 crore in holding company at SI No. 11 includes an amount of ₹ 4.53 crore which was given for its subsidiary companies at SI No. 9 (₹ 2.06 crore) and 10 (₹ 2.47 crore). The same has been excluded from Long term loan of these subsidiary companies to avoid double counting of investment.

Sl. No.	Name of the PSUs	Name of Department	Number of PSUs	Month and year of incorporation	Equity at close of the year 2020-21				Long Terms Loans outstanding at close of the year 2020-21				Total Investment (Equity and Long term loans)
					State Govt.	GoI	Others	Total	State Govt. loan	Central Govt. Loan	Holding Company/ Other Financial Institutions loan	Total	
16	Uttar Pradesh Medical Supply Corporation Limited	Health and Family Welfare	1	23 March 2018	11.00	0.00	0.00	11.00	0.00	0.00	0.00	0.00	11.00
17	U.P. Projects Corporation Limited	Irrigation	1	26 May 1976	5.40	1.00	0.00	6.40	0.00	0.00	0.00	0.00	6.40
18	Uttar Pradesh State Spinning Company Limited	Hathkargha evam Vastra Udhog	1	20 August 1976	93.24	0.00	0.00	93.24	149.21	0.00	0.00	149.21	242.45
	Sub Total -A(Y)		13		1,919.99	2,245.56	739.91	4,905.46	2,451.59	4,915.95	1,581.18	8,948.72	13,854.18
	Total - A		24		1,36,435.86	2,245.56	2,953.41	1,41,634.83	2,857.70	4,915.95	1,14,789.15	1,22,562.80	2,64,197.63
B	Government controlled other Companies												
X	Power Sector PSUs												
	Sub Total -B(X)				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Y	Other than Power Sector PSUs												
B	Government controlled other Companies												
19	Lucknow Smart City Limited	Urban - Development	1	16 August 2016	0.00	0.00	382.00	382.00	0.00	0.00	0.00	0.00	382.00
20	Agra Smart City Limited	Urban Development	1	01 September 2017	0.00	0.00	216.00	216.00	0.00	0.00	0.00	0.00	216.00
21	Aligarh Smart City Limited	Urban Development	1	30 August 2017	0.00	0.00	0.50	0.50	0.00	0.00	0.00	0.00	0.50
22	Bareilly Smart City Limited	Urban Development	1	03 April 2018	0.00	0.00	0.50	0.50	0.00	0.00	0.00	0.00	0.50

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Sl. No.	Name of the PSUs	Name of Department	Number of PSUs	Month and year of incorporation	Equity at close of the year 2020-21				Long Terms Loans outstanding at close of the year 2020-21				Total Investment (Equity and Long term loans)
					State Govt.	GoI	Others	Total	State Govt. loan	Central Govt. Loan	Holding Company/ Other Financial Institutions loan	Total	
23	Prayagraj Smart City Limited	Urban Development	1	29 August 2017	0.00	0.00	0.50	0.50	0.00	0.00	0.00	0.00	0.50
24	Varanasi Smart City Limited	Urban Development	1	29 October 2016	0.00	100.00	100.00	200.00	0.00	0.00	0.00	0.00	200.00
25	Moradabad Smart City Limited	Urban Development	1	16 June 2018	0.00	0.00	0.50	0.50	0.00	0.00	0.00	0.00	0.50
26	Saharanpur Smart City Limited	Urban Development	1	01 March 2018	0.00	0.00	0.50	0.50	0.00	0.00	0.00	0.00	0.50
27	Almora Magnesite Limited		1	27 August 1971	0.00	0.00	2.00	2.00	0.00	0.00	0.56	0.56	2.56
28	Noida International Airport Limited	Civil Aviation	1	28 August 2018	0.00	0.00	0.01	0.01	2,733.55	0.00	2,562.77	5,296.32	5,296.33
29	DMIC Integrated Industrial Township Greater Noida Limited	Infrastructure	1	18 March 2014	0.00	0.00	1,234.40	1,234.40	0.00	0.00	0.00	0.00	1,234.40
	Sub Total -B(Y)		11		0.00	100.00	1,936.91	2,036.91	2,733.55	0.00	2,563.33	5,296.88	7,333.79
	Total - B		11		0.00	100.00	1,936.91	2,036.91	2,733.55	0.00	2,563.33	5,296.88	7,333.79
C	Statutory Corporations												
X	Power Sector PSUs												
	Sub Total -C(X)				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Y	Other than Power Sector PSUs												
30	Uttar Pradesh State Road Transport Corporation	Transport	1	06 January 1972	921.41	0.00	60.01	981.42	30.00	0.00	0.00	30.00	1,011.42

Sl. No.	Name of the PSUs	Name of Department	Number of PSUs	Month and year of incorporation	Equity at close of the year 2020-21				Long Terms Loans outstanding at close of the year 2020-21				Total Investment (Equity and Long term loans)
					State Govt.	GoI	Others	Total	State Govt. loan	Central Govt. Loan	Holding Company/ Other Financial Institutions loan	Total	
31	Uttar Pradesh Forest Corporation	Forest	1	25 November 1974	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
32	Uttar Pradesh Avas Evam Vikas Parishad	Housing and Urban Planning	1	04 March 1966	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Sub Total -C(Y)		3		921.41	0.00	60.01	981.42	30.00	0.00	0.00	30.00	1,011.42
	Total - C		3		921.41	0.00	60.01	981.42	30.00	0.00	0.00	30.00	1,011.42
	Total of Power Sector PSUs = A(X)+B(X)+C(X)		11		1,34,515.87	0.00	2,213.50	1,36,729.37	406.11	0.00	1,13,207.97	1,13,614.08	2,50,343.45
	Total of other than Power Sector PSUs = A(Y)+B(Y)+C(Y)		27		2,841.40	2,345.56	2,736.83	7,923.79	5,215.14	4,915.95	4,144.51	14,275.60	22,199.39
	Grand Total of (A+B+C)		38		1,37,357.27	2,345.56	4,950.33	1,44,653.16	5,621.25	4,915.95	1,17,352.48	1,27,889.68	2,72,542.84

Appendix-5.4
(Referred to in Paragraph 5.2.1)

Coverage of Long Term Loan with Total Assets in PSUs as per their latest finalised accounts

(₹ in crore)

Sl. No.	Name of the Company	Period of Accounts	Year in which finalised	Long Term Loan	Total Assets	Asset Coverage Ratio
I.	PSUs with Positive Coverage					
A	Government companies					
X	Power Sector PSUs					
1	Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited	2019-20	2020-21	13,250.54	38,068.27	287.30
2	Uttar Pradesh Jal Vidyut Nigam Limited	2019-20	2020-21	152.08	877.70	577.13
3	Jawaharpur Vidyut Utpadan Nigam Limited	2019-20	2020-21	2,798.69	4,781.35	170.84
4	Uttar Pradesh Power Transmission Corporation Limited	2019-20	2020-21	11,593.35	35,970.78	310.27
5	Purvanchal Vidyut Vitaran Nigam Limited	2019-20	2020-21	13,692.83	49,800.75	363.70
6	Paschimanchal Vidyut Vitaran Nigam Limited	2019-20	2020-21	10,268.76	28,948.43	281.91
7	Madhyanchal Vidyut Vitaran Nigam Limited	2019-20	2020-21	11,347.81	41,104.65	362.23
8	Dakshinanchal Vidyut Vitaran Nigam Limited	2019-20	2020-21	15,329.00	36,343.46	237.09
9	Kanpur Electricity Supply Company Limited	2019-20	2020-21	1,817.75	4,614.79	253.87
10	UCM Coal Company Limited	2019-20	2020-21	2.50	54.42	2,176.80
	Sub Total -A(X)			80,253.31	2,40,564.60	299.76
Y	Other than Power Sector PSUs					
11	Uttar Pradesh Metro Rail Corporation Limited	2020-21	2020-21	5,637.05	9,113.78	161.68
12	NOIDA Metro Rail Corporation Limited	2020-21	2020-21	1,864.18	4,599.56	246.73
13	The Pradeshiya Industrial and Investment Corporation of UP Limited	2018-19	2019-20	941.13	1,004.74	106.76
14	Shretron India Limited	2019-20	2020.21	2.06	55.70	2,703.88
15	Uptron Powertronics Limited	2018-19	2020-21	2.87	45.17	1,573.87

Sl. No.	Name of the Company	Period of Accounts	Year in which finalised	Long Term Loan	Total Assets	Asset Coverage Ratio
16	Uttar Pradesh Electronics Corporations Limited	2018-19	2020-21	107.35	419.68	390.95
17	Uttar Pradesh Export Promotion Council	2020-21	2020-21	5.00	7.60	152.00
	Sub Total -A(Y)			8,559.64	15,246.23	178.12
	Total of A=A(X)+A(Y)			88,812.95	2,55,810.83	288.03
B	Government controlled other Companies					
X	Power Sector PSUs					
	Sub Total -B(X)			0.00	0.00	-
Y	Other than Power Sector PSUs					
18	Almora Magnesite Limited	2019-20	2019-20	0.30	23.23	7,743.33
19	Noida International Airport Limited (NIAL)	2019-20	2020-21	3,607.12	3,610.24	100.09
	Sub Total -B(Y)			3,607.42	3,633.47	100.72
	Total of B=B(X)+B(Y)			3,607.42	3,633.47	100.72
C	Statutory Corporations					
X	Power Sector PSUs					
	Sub Total -C(X)			0.00	0.00	
Y	Other than Power Sector PSUs					
20	Uttar Pradesh State Road Transport Corporation	2018-19	2018-19	41.72	3,024.95	7,250.60
	Sub Total -C(Y)			41.72	3,024.95	7,250.60
	Total of C=C(X)+C(Y)			41.72	3,024.95	7,250.60
	Total of Power Sector= A(x)+B(X)+C(X)			80,253.31	2,40,564.60	299.76
	Total of Other than Power Sector = A(Y)+B(Y)+C(Y)			12,208.78	21,904.65	179.42
	Grand Total of (A+B+C)			92,462.09	2,62,469.25	283.87
II.	PSUs with Negative Coverage					
A	Government companies					
X	Power Sector PSUs					
	Sub Total -A(X)			0.00	0.00	-
Y	Other than Power Sector PSUs					
21	Uttar Pradesh State Spinning Company Limited	2018-19	2020-21	101.41	43.19	42.59
	Sub Total -A(Y)			101.41	43.19	42.59
	Total of A=A(X)+A(Y)			101.41	43.19	42.59

Sl. No.	Name of the Company	Period of Accounts	Year in which finalised	Long Term Loan	Total Assets	Asset Coverage Ratio
B	Government controlled other Companies					
X	Power Sector PSUs					
	Sub Total -B(X)			0.00	0.00	-
Y	Other than Power Sector PSUs					
	Sub Total -B(Y)			0.00	0.00	-
	Total of B=B(X)+B(Y)			0.00	0.00	-
C	Statutory Corporations					
X	Power Sector PSUs					
	Sub Total -C (X)			0.00	0.00	-
Y	Other than Power Sector PSUs					
	Sub Total -C (Y)			0.00	0.00	-
	Total of C=C(X)+C(Y)			0.00	0.00	-
	Total of Power Sector PSUs A(X)+B(X)+C(X)			0.00	0.00	-
	Total of Other than Power Sector A(Y)+B(Y)+C(Y)			101.41	43.19	42.59
	Grand Total of (A+B+C)			101.41	43.19	42.59

Appendix-5.5

(Referred to in Paragraph 5.2.2.1)

Statement showing difference between Finance Accounts of Government of Uttar Pradesh and Accounts of the Public Sector Undertakings in respect of balances of Equity, Loans and Guarantees as on 30 November 2021

(₹ in crore)

Sl. No.	Name of the PSUs	As per records of PSU			As per Finance Accounts of Government of Uttar Pradesh			Difference		
		Equity (including share application money pending allotment)	Loan Outstanding	Guarantee Outstanding	Equity (including share application money pending allotment)	Loan Outstanding	Guarantee Outstanding	Equity (including share application money pending allotment)	Loan Outstanding	Guarantee Outstanding
1	2	3	4	5	6	7	8	9 = 3-6	10 = 4-7	11 = 5-8
I.	Functional PSUs									
A	Government Companies									
X	Power Sector PSUs									
1	Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited (including Jawaharpur Vidyut Utpadan Nigam Limited)	16,545.77	0.00	27,199.14	13,456.60	0.00	27,833.36	3,089.17	0.00	(-)634.22
2	Uttar Pradesh Jal Vidyut Nigam Limited	435.33	64.65	0.00	435.33	0.00	0.00	0.00	64.65	0.00
3	Uttar Pradesh Power Transmission Corporation Limited	15,309.81	0.00	972.40	15,576.01	0.00	972.40	(-)266.20	0.00	0.00
4	Kanpur Electricity Supply Company Limited	0.00	0.00	0.00	0.00 ¹¹	0.00	0.00	0.00	0.00	0.00
	Sub Total A(X)	32,290.91	64.65	28,171.54	29,467.94	0.00	28,805.76	2,822.97	64.65	(-)634.22
Y	Other than Power Sector PSUs									
5	U P Metro Rail Corporation Limited (erstwhile Lucknow Metro Rail Corporation Limited)	1,603.75	1,008.20	0.00	1,278.00	1,309.60	0.00	325.75	(-)301.40	0.00

¹¹ ₹ 7,000

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Sl. No.	Name of the PSUs	As per records of PSU			As per Finance Accounts of Government of Uttar Pradesh			Difference		
		Equity (including share application money pending allotment)	Loan Outstanding	Guarantee Outstanding	Equity (including share application money pending allotment)	Loan Outstanding	Guarantee Outstanding	Equity (including share application money pending allotment)	Loan Outstanding	Guarantee Outstanding
6	The Pradeshiya Industrial and Investment Corporation of UP Limited	110.58	1,177.50	1.39	110.58	411.26	1.39	0.00	766.24	0.00
7	Uttar Pradesh Electronics Corporation Limited	91.54	111.68	0.00	91.54	31.23	0.00	0.00	80.45	0.00
8	Uttar Pradesh Export Promotion Council	0.05	5.00	0.00	0.00	0.95	0.00	0.05	4.05	0.00
9	Uttar Pradesh Medical Supply Corporation Limited	11.00	0.00	0.00	0.00	0.00	0.00	11.00	0.00	0.00
10	Uttar Pradesh Alpsankhyak Vitya Evam Vikas Nigam Limited	30.00	0.00	0.00	30.00	15.18	0.00	0.00	(-)15.18	0.00
11	Uttar Pradesh Pichhara Varg Vitta Evam Vikas Nigam Limited	12.23	57.43	0.00	13.56	0.00	52.65	(-)1.33	57.43	(-)52.65
12	Uttar Pradesh Scheduled Castes Finance and Development Corporation Limited	136.99	0.00	0.00	126.99	0.00	0.00	10.00	0.00	0.00
13	Uttar Pradesh Food and Essential Commodities Corporation Limited	12.34	0.73	0.00	12.34	0.78	3,000.00	0.00	(-)0.05	(-)3,000.00
14	Uttar Pradesh State Agro Industrial Corporation Limited	58.32	0.00	40.00	58.32	4.69	0.00	0.00	(-)4.69	40.00

Sl. No.	Name of the PSUs	As per records of PSU			As per Finance Accounts of Government of Uttar Pradesh			Difference		
		Equity (including share application money pending allotment)	Loan Outstanding	Guarantee Outstanding	Equity (including share application money pending allotment)	Loan Outstanding	Guarantee Outstanding	Equity (including share application money pending allotment)	Loan Outstanding	Guarantee Outstanding
15	Uttar Pradesh Rajkiya Nirman Nigam Limited	1.00	0.00	2,380.00	1.00	0.00	182.54	0.00	0.00	2,197.46
16	Uttar Pradesh State Bridge Corporation Limited	15.00	0.00	1,000.00	15.00	0.00	21.44	0.00	0.00	978.56
17	Uttar Pradesh Small Industries Corporation Limited	5.96	3.57	0.00	5.96	0.44	0.00	0.00	3.13	0.00
18	Uttar Pradesh Rajya Chini Avam Ganna Vikas Nigam Limited	880.13	0.00	200.00	880.13	0.00	0.00	0.00	0.00	200.00
19	Uttar Pradesh State Sugar Corporation Limited	1,648.31	909.00	183.96	1,648.31	990.05	133.96	0.00	(-)81.05	50.00
20	Uttar Pradesh Handicraft Development and Marketing Corporation Limited (Formerly Uttar Pradesh Export Corporation Limited)	6.34	12.44	0.00	6.34	5.00	0.00	0.00	7.44	0.00
21	Uttar Pradesh State Tourism Development Corporation Limited	32.60	0.15	0.00	32.60	2.76	0.00	0.00	(-)2.61	0.00
22	Lucknow City Transport Services Limited	17.84	0.00	0.00	0.00	0.00	0.00	17.84	0.00	0.00
23	Agra Mathura City Transport Services Limited	0.05	0.00	0.00	0.00	0.00	0.00	0.05	0.00	0.00
24	Kanpur City Transport Services Limited (Incorporated w.e.f. 28 April 2010)	0.10	0.00	0.00	0.00	0.00	0.00	0.10	0.00	0.00

Sl. No.	Name of the PSUs	As per records of PSU			As per Finance Accounts of Government of Uttar Pradesh			Difference		
		Equity (including share application money pending allotment)	Loan Outstanding	Guarantee Outstanding	Equity (including share application money pending allotment)	Loan Outstanding	Guarantee Outstanding	Equity (including share application money pending allotment)	Loan Outstanding	Guarantee Outstanding
25	Varanasi City Transport Services Limited (Incorporated w.e.f.15 June 2010)	0.05	0.00	0.00	0.00	0.00	0.00	0.05	0.00	0.00
26	Uttar Pradesh Rajya Krishi Evam Gramin Vikas Nigam Limited	0.05	0.00	0.00	0.00	0.00	0.00	0.05	0.00	0.00
27	Uttar Pradesh State Spinning Company Limited	93.24	149.21	0.00	93.24	17.24	0.00	0.00	131.97	0.00
28	Uttar Pradesh (Madhya) Ganna Beej Evam Vikas Nigam Limited	0.15	0.00	0.00	0.15	0.00	1.80	0.00	0.00	(-)1.80
	Sub Total A(Y)	4,767.62	3,434.91	3,805.35	4,404.06	2,789.18	3,393.78	363.56	645.73	411.57
	Sub Total A	37,058.53	3,499.56	31,976.89	33,872.00	2,789.18	32,199.54	3,186.53	710.38	(-)222.65
B	Government Controlled Other Companies									
X	Power Sector PSUs									
	Sub Total B (X)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Y	Other than Power Sector PSUs									
29	Noida International Airport Limited (NIAL)	0.00	2,733.55	0.00	0.00	0.00	0.00	0.00	2,733.55	0.00
	Sub Total B (Y)	0.00	2,733.55	0.00	0.00	0.00	0.00	0.00	2,733.55	0.00
	Sub Total B	0.00	2,733.55	0.00	0.00	0.00	0.00	0.00	2,733.55	0.00
C	Statutory Corporations									
X	Power Sector PSUs									
	Sub Total C (X)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Sl. No.	Name of the PSUs	As per records of PSU			As per Finance Accounts of Government of Uttar Pradesh			Difference		
		Equity (including share application money pending allotment)	Loan Outstanding	Guarantee Outstanding	Equity (including share application money pending allotment)	Loan Outstanding	Guarantee Outstanding	Equity (including share application money pending allotment)	Loan Outstanding	Guarantee Outstanding
Y	Other than Power Sector PSUs									
30	Uttar Pradesh State Road Transport Corporation	921.41	30.00	0.00	766.18	39.18	0.00	155.23	(-)9.18	0.00
31	Uttar Pradesh Awas Evam Vikas Parishad	0.00	0.00	0.00	0.00	0.31	0.00	0.00	(-)0.31	0.00
32	Uttar Pradesh Financial Corporation	114.51	395.59	2.46	114.51	15.11	2.46	0.00	380.48	0.00
33	Uttar Pradesh State Warehousing Corporation	7.61	0.00	146.86	7.60	0.63	146.86	0.01	(-)0.63	0.00
34	Uttar Pradesh Jal Nigam	0.00	539.29	0.00	0.00	388.77	0.00	0.00	150.52	0.00
	Sub Total C (Y)	1,043.53	964.88	149.32	888.29	444.00	149.32	155.24	520.88	0.00
	Sub Total C	1,043.53	964.88	149.32	888.29	444.00	149.32	155.24	520.88	0.00
	Total of Functional PSUs (I)	38,102.06	7,197.99	32,126.21	34,760.29	3,233.18	32,348.86	3,341.77	3,964.81	(-)222.65
II.	Non-Functional PSUs									
A	Government Companies									
X	Power Sector PSUs									
	Sub Total A(X)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Y	Other than Power Sector PSUs									
35	Uttar Pradesh State Mineral Development Corporation Limited	59.43	18.24	0.00	59.43	4.97	0.00	0.00	13.28	0.00
36	Chhata Sugar Company Limited (Subsidiary of Uttar Pradesh State Sugar Corporation Limited)	0.00	0.00	0.00	81.38	0.00	0.00	(-)81.38	0.00	0.00
37	Ghatampur Sugar Company Limited (Subsidiary of Uttar	0.00	0.00	0.00	147.72	0.00	0.00	(-)147.72	0.00	0.00

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Sl. No.	Name of the PSUs	As per records of PSU			As per Finance Accounts of Government of Uttar Pradesh			Difference		
		Equity (including share application money pending allotment)	Loan Outstanding	Guarantee Outstanding	Equity (including share application money pending allotment)	Loan Outstanding	Guarantee Outstanding	Equity (including share application money pending allotment)	Loan Outstanding	Guarantee Outstanding
	Pradesh State Sugar Corporation Limited									
38	Nandganj-Sihori Sugar Company Limited (Subsidiary of Uttar Pradesh State Sugar Corporation Limited)	0.00	0.00	0.00	256.80	0.00	0.00	(-)256.80	0.00	0.00
39	The Indian Turpentine and Rosin Company Limited	0.22	5.74	0.00	0.30	1.56	1.76	(-)0.08	4.18	(-)1.76
40	Uttar Pradesh Instruments Limited (Subsidiary of Uttar Pradesh State Industrial Development Corporation Limited)	0.09	5.55	0.00	0.09	0.00	0.00	0.00	5.55	0.00
41	Uttar Pradesh State Brassware Corporation Limited	5.28	1.94	0.00	5.28	0.15	0.00	0.00	1.79	0.00
42	Uttar Pradesh State Textile Corporation Limited	197.10	91.78	0.00	160.79	206.03	0.00	36.31	(-)114.25	0.00
43	Uttar Pradesh State Handloom Corporation Limited	36.45	157.02	0.00	36.44	12.53	2.34	0.01	144.49	(-)2.34
44	Uttar Pradesh State Leather Development and Marketing Corporation Limited	5.74	1.91	0.00	5.74	1.40	0.00	0.00	0.51	0.00
45	Uttar Pradesh State Yarn Company Limited	53.67	78.31	0.00	31.91	11.45	0.00	21.76	66.86	0.00

Sl. No.	Name of the PSUs	As per records of PSU			As per Finance Accounts of Government of Uttar Pradesh			Difference		
		Equity (including share application money pending allotment)	Loan Outstanding	Guarantee Outstanding	Equity (including share application money pending allotment)	Loan Outstanding	Guarantee Outstanding	Equity (including share application money pending allotment)	Loan Outstanding	Guarantee Outstanding
46	Uttar Pradesh Pashudhan Udyog Nigam Limited	2.73	0.71	0.00	2.73	1.10	0.00	0.00	(-)0.39	0.00
47	Uttar Pradesh Poultry and Livestock Specialties Limited	2.88	0.00	0.00	0.44	0.00	0.00	2.44	0.00	0.00
48	Uttar Pradesh State Horticulture Produce Marketing & Processing Corporation Limited	6.41	3.34	0.56	6.41	0.00	0.56	0.00	3.34	0.01
49	Uttar Pradesh (Paschim) Ganna Beej Evam Vikas Nigam Limited	0.51	0.00	0.00	0.51	0.00	0.70	0.00	0.00	(-)0.70
50	Uttar Pradesh Panchayati Raj Vitt Evam Vikas Nigam Limited	1.50	0.00	0.00	0.78	0.00	0.00	0.72	0.00	0.00
51	Agra Mandal Vikas Nigam Limited	1.00	0.05	0.00	1.00	0.00	0.00	0.00	0.05	0.00
52	Allahabad Mandal Vikas Nigam Limited	0.67	0.66	0.00	0.67	0.00	0.00	0.00	0.66	0.00
53	Gorakhpur Mandal Vikas Nigam Limited	1.26	0.65	0.00	0.93	0.00	0.00	0.33	0.65	0.00
54	Lucknow Mandaliya Vikas Nigam Limited	0.70	0.86	0.00	0.70	0.00	0.00	0.00	0.86	0.00
55	Moradabad Mandal Vikas Nigam Limited	0.25	0.65	0.00	0.25	0.00	0.00	0.00	0.65	0.00
56	Tarai Anusuchit Janjati Vikas Nigam Limited	0.45	1.25	0.00	0.45	0.00	0.00	0.00	1.25	0.00

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Sl. No.	Name of the PSUs	As per records of PSU			As per Finance Accounts of Government of Uttar Pradesh			Difference		
		Equity (including share application money pending allotment)	Loan Outstanding	Guarantee Outstanding	Equity (including share application money pending allotment)	Loan Outstanding	Guarantee Outstanding	Equity (including share application money pending allotment)	Loan Outstanding	Guarantee Outstanding
57	Uttar Pradesh Bundelkhand Vikas Nigam Limited	1.23	0.05	0.00	1.23	0.00	0.00	0.00	0.05	0.00
58	Uttar Pradesh Chalchitra Nigam Limited	8.18	2.47	0.00	8.18	0.31	0.00	0.00	2.16	0.00
59	Uttar Pradesh Poorvanchal Vikas Nigam Limited	1.30	0.35	0.00	1.30	0.00	0.00	0.00	0.35	0.00
60	Uttar Pradesh (Poorva) Ganna Beej Evam Vikas Nigam Limited	0.23	1.70	0.00	0.23	1.63	0.00	0.00	0.07	0.00
61	Uttar Pradesh (Rohilkhand Tarai) Ganna Beej Evam Vikash Nigam Limited	0.38	6.55	0.00	0.38	0.00	0.00	0.00	6.55	0.00
62	Uttar Pradesh Cement Corporation Limited	68.28	124.77	0.00	68.28	37.45	0.00	0.00	87.32	0.00
63	Auto Tractors Limited	5.63	0.38	0.00	5.63	14.89	0.00	0.00	(-)14.51	0.00
64	Uttar Pradesh Carbide and Chemicals Limited (Subsidiary of Uttar Pradesh State Mineral Development Corporation Limited)	0.00	11.02	0.00	6.59	0.00	0.00	(-)6.59	11.02	0.00
65	Uptron India Limited (Subsidiary of Uttar Pradesh Electronics Corporation Limited)	0.00	0.00	0.00	0.00	2.85	0.00	0.00	(-)2.85	0.00
	Sub Total A(Y)	461.57	515.95	0.56	892.57	296.32	5.35	(-)431.00	219.63	(-)4.79
	Sub Total A	461.57	515.95	0.56	892.57	296.32	5.35	(-)431.00	219.63	(-)4.79

Sl. No.	Name of the PSUs	As per records of PSU			As per Finance Accounts of Government of Uttar Pradesh			Difference		
		Equity (including share application money pending allotment)	Loan Outstanding	Guarantee Outstanding	Equity (including share application money pending allotment)	Loan Outstanding	Guarantee Outstanding	Equity (including share application money pending allotment)	Loan Outstanding	Guarantee Outstanding
B	Government controlled other Companies									
X	Power Sector PSUs									
	Sub Total B (X)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Y	Other than Power Sector PSUs									
66	Command Area Poultry Development Corporation Limited	0.00	0.00	0.00	0.00	2.10	0.00	0.00	(-)2.10	0.00
	Sub Total B (Y)	0.00	0.00	0.00	0.00	2.10	0.00	0.00	(-)2.10	0.00
	Sub Total B	0.00	0.00	0.00	0.00	2.10	0.00	0.00	(-)2.10	0.00
C	Statutory Corporations									
X	Power Sector PSUs									
	Sub Total C (X)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Y	Other than Power Sector PSUs									
	Sub Total C (Y)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Sub Total C	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total of Non-Functional PSUs (II)	461.57	515.95	0.56	892.57	298.42	5.35	(-)431.00	217.53	(-)4.79
	Total of Power Sector PSUs	32,290.91	64.65	28,171.54	29,467.94	0.00	28,805.76	2,822.97	64.65	(-)634.22
	Total of Other than Power Sector PSUs	6,272.72	7,649.29	3,955.23	6,184.92	3,531.60	3,548.44	87.80	4,117.69	406.79
	Grand Total (Total-I + Total-II)	38,563.63	7,713.94	32,126.77	35,652.86	3,531.60	32,354.20	2,910.77	4,182.34	(-)227.43

Appendix 6.1
(Referred to in Paragraph 6.3.2)

Statement showing position of State Government investment in such Public Sector PSUs accounts of which were in arrears

(₹ in crore)

Sl. No.	Name of PSU	Number of PSUs	Period upto which Accounts finalised	Period for which accounts are in arrears	Paid up Capital including share application money as per finalised accounts	Investment made by State Government during the period for which accounts were in arrear				
						Equity	Loans	Grant	Subsidy	Total
1	2	3	4	5	6	7	8	9	10	11 (7+8+9+10)
I	Functional PSUs									
A	Government companies									
X	Power Sector PSUs									
1	Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited (including subsidiary JVUNL)	2	2019-20	2020-21	15,200.69	1,345.09	0.00	0.00	0.00	1,345.09
2	Uttar Pradesh Power Transmission Corporation Limited	1	2019-20	2020-21	15,576.01	1,947.13	0.00	69.38	0.00	2,016.51
3	Uttar Pradesh Power Corporation Limited (including PuVVNL, PVVNL, DVVNL, MVVNL and KESCO)	6	2019-20	2020-21	97,164.01	7,276.25	0.00	622.75	9657.17	17,556.17
	Sub Total -IA(X)	9			1,27,940.71	10,568.47	0.00	692.13	9,657.17	20,917.77
Y	Other than Power Sector PSUs									
4	Uttar Pradesh Medical Supply Corporation Limited	1	2019-20	2020-21	10.16	0.83	0.00	0.00	0.00	0.83
5	The Pradeshiya Industrial and Investment Corporation of U P Limited	1	2018-19	2019-20 to 2020-21	135.58	0.00	90.83	0.00	0.00	90.83
6	Uttar Pradesh Electronics Corporation Limited.	1	2018-19	2019-20 to 2020-21	91.54	0.00	0.00	68.18	0.00	68.18
7	Uttar Pradesh Development Systems Corporation Limited	1	2018-19	2019-20 to 2020-21	1.00	0.00	0.00	1.00	0.00	1.00
8	Uttar Pradesh State Spinning Company Limited	1	2018-19	2019-20 to 2020-21	93.24	0.00	7.45	0.00	0.00	7.45

Sl. No.	Name of PSU	Number of PSUs	Period upto which Accounts finalised	Period for which accounts are in arrears	Paid up Capital including share application money as per finalised accounts	Investment made by State Government during the period for which accounts were in arrear				
						Equity	Loans	Grant	Subsidy	Total
9	Lucknow City Transport Services Limited (Incorporated on 01 February 2010)	1	Nil	2009-10 to 2020-21	0.00	17.84	0.00	133.55	0.00	151.39
10	Meerut City Transport Services Limited	1	2013-14	2014-15 to 2020-21	0.05	0.00	0.00	21.95	0.00	21.95
11	Allahabad City Transport Services Limited	1	2017-18	2018-19 to 2020-21	4.91	0.00	0.00	39.61	0.00	39.61
12	Agra Mathura City Transport Services Limited	1	Nil	2010-11 to 2020-21	0.00	0.00	0.00	0.00	7.25	7.25
13	Kanpur City Transport Services Limited (Incorporated w.e.f. 28 April 2010)	1	Nil	2010-11 to 2020-21	0.00	0.05	0.00	67.03	8.75	75.83
14	Varanasi City Transport Services Limited	1	Nil	2010-11 to 2020-21	0.00	0.05	0.00	27.63	0.00	27.68
15	Uttar Pradesh Alpsankhyak Vitty Avam Vikas Nigam Limited	1	2005-06	2006-07 to 2020-21	30.00	0.00	0.00	64.22	0.00	64.22
16	Uttar Pradesh Pichhara Varg Vitta Evam Vikas Nigam Limited	1	2015-16	2016-17 to 2020-21	12.23	0.00	57.43	0.00	0.00	57.43
17	Uttar Pradesh Scheduled Caste Finance and Development Corporation Limited	1	2015-16	2016-17 to 2020-21	230.42	9.95	0.00	0.00	264.17	274.12
18	Uttar Pradesh Food and Essential Commodities Corporation Limited	1	2010-11	2011-12 to 2020-21	5.50	6.83	0.00	0.00	0.00	6.83
19	Uttar Pradesh Mahila Kalyan Nigam Limited	1	2015-16	2016-17 to 2020-21	5.19	0.00	0.00	12.83	0.00	12.83
20	Uttar Pradesh Waqf Vikas Nigam Limited	1	2003-04	2004-05 to 2020-21	5.25	4.75	0.00	0.00	0.00	4.75
21	Uttar Pradesh State Agro Industrial Corporation Limited	1	2010-11	2011-12 to 2020-21	46.30	10.41	0.00	0.00	0.00	10.41

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Sl. No.	Name of PSU	Number of PSUs	Period upto which Accounts finalised	Period for which accounts are in arrears	Paid up Capital including share application money as per finalised accounts	Investment made by State Government during the period for which accounts were in arrear				
						Equity	Loans	Grant	Subsidy	Total
22	Uttar Pradesh State Sugar Corporation Limited	1	2015-16	2016-17 to 2020-21	1,648.31	0.00	899.00	0.00	0.00	899.00
23	Uttar Pradesh Handicrafts Development and Marketing Corporation Limited	1	2007-08	2008-09 to 2020-21	7.24	0.00	5.00	2.68	0.00	7.68
24	Uttar Pradesh Beej Vikas Nigam Limited	1	2017-18	2018-19 to 2020-21	6.92	0.00	0.00	29.03	0.00	29.03
25	Uttar Pradesh Bhumi Sudhar Nigam	1	2017-18	2018-19 to 2020-21	1.50	0.00	0.00	150.00	0.00	150.00
26	Uttar Pradesh Matsya Vikas Nigam Limited		2016-17	2017-18 to 2020-21	1.07	0.00	0.00	31.35	0.00	31.35
	Sub Total -IA(Y)	22			2,336.41	50.71	1,059.71	649.06	280.17	2,039.65
	Total of IA=IA(X)+IA(Y)	31			1,30,277.12	10,619.18	1,059.71	1,341.19	9,937.34	22,957.42
B	Government controlled other Companies									
X	Power Sector PSUs									
	Sub Total -IB(X)	0			0.00	0.00	0.00	0.00	0.00	0.00
Y	Other than Power Sector PSUs									
27	Agra Smart City Limited	1	2019-20	2020-21	216.00	107.00	0.00	294.00	0.00	401.00
28	Aligarh Smart City Limited	1	2019-20	2020-21	2.00	0.00	0.00	176.50	0.00	176.50
29	Prayagraj Smart City Limited	1	2019-20	2020-21	0.50	0.00	0.00	220.00	0.00	220.00
30	Varanasi Smart City Limited	1	2019-20	2020-21	50.00	75.00	0.00	102.00	0.00	177.00
31	Saharanpur Smart City Limited	1	2019-20	2020-21	0.50	0.25	0.00	59.50	0.00	59.75
32	Noida International Airport Limited (NIAL)	1	2019-20	2020-21	0.01	0.00	1,203.46	0.00	0.00	1,203.46
33	Bareilly Smart City Limited	1	2018-19	2019-20 to 2020-21	0.25	0.25	0.00	59.25	0.00	59.50
34	Moradabad Smart City Limited	1	2018-19	2019-20 to 2020-21	0.50	0.00	0.00	59.50	0.00	59.50
35	Jhansi Smart City Limited	1	Nil	2016-17 to 2020-21	0.00	0.00	0.00	59.50	0.00	59.50
	Sub Total -IB(Y)	9			269.76	182.50	1,203.46	1,030.25	0.00	2,416.21
	Total of IB=IB(X)+IB(Y)	9			269.76	182.50	1,203.46	1,030.25	0.00	2,416.21

Sl. No.	Name of PSU	Number of PSUs	Period upto which Accounts finalised	Period for which accounts are in arrears	Paid up Capital including share application money as per finalised accounts	Investment made by State Government during the period for which accounts were in arrear				
						Equity	Loans	Grant	Subsidy	Total
C	Statutory Corporations									
X	Power Sector PSUs									
	Sub Total -IC(X)				0.00	0.00	0.00	0.00	0.00	0.00
Y	Other than Power Sector PSUs									
36	Uttar Pradesh State Road Transport Corporation	1	2018-19	2019-20 to 2020-21	926.19	57.43	0.00	0.00	0.00	57.43
37	Uttar Pradesh Jal Nigam	1	2016-17	2017-18 to 2020-21	0.00	0.00	0.00	1,714.91	0.00	1,714.91
38	Uttar Pradesh Financial Corporation	1	2012-13	2013-14 to 2020-21	179.28	0.00	102.60	0.00	0.00	102.60
	Sub Total -IC(Y)	3			1,105.47	57.43	102.60	1,714.91	0.00	1,874.94
	Total of IC=IC(X)+IC(Y)	3			1,105.47	57.43	102.60	1,714.91	0.00	1,874.94
	Total of Functional PSUs (Total-I)	43			1,31,652.35	10,859.11	2,365.77	4,086.35	9,937.34	27,180.38
II	Non-Functional PSUs									
A	Government companies									
X	Power Sector PSUs									
	Sub Total -IIA(X)	0			0.00	0.00	0.00	0.00	0.00	0.00
Y	Other than Power Sector PSUs									
39	Uttar Pradesh State Textile Corporation Limited	1	2019-20	2020-21	160.79	0.00	0.92	0.00	0.00	0.92
40	Uttar Pradesh State Handloom Corporation Limited	1	1999-2000	2000-2001 to 2019-20	47.07	0.00	109.51	0.00	0.00	109.51
41	The Indian Turpentine and Rosin Company Limited	1	2010-11	2011-12 to 2019-20	0.22	0.00	0.34	0.00	0.00	0.34
	Sub Total -IIA(Y)	3			208.08	0.00	110.77	0.00	0.00	110.77
	Total of IIA=IIA(X)+IIA(Y)	3			208.08	0.00	110.77	0.00	0.00	110.77
B	Government controlled other Companies									
X	Power Sector PSUs									
	Sub Total -IIB(X)	0			0.00	0.00	0.00	0.00	0.00	0.00
Y	Other than Power Sector PSUs		-	-	-	-	-	-	-	-

Sl. No.	Name of PSU	Number of PSUs	Period upto which Accounts finalised	Period for which accounts are in arrears	Paid up Capital including share application money as per finalised accounts	Investment made by State Government during the period for which accounts were in arrear				
						Equity	Loans	Grant	Subsidy	Total
	Sub Total -IIB(Y)	0			0.00	0.00	0.00	0.00	0.00	0.00
	Total of IIB=IIB(X)+IIB(Y)	0			0.00	0.00	0.00	0.00	0.00	0.00
C	Statutory Corporations									
X	Power Sector PSUs									
	Sub Total -IIC(X)	0			0.00	0.00	0.00	0.00	0.00	0.00
Y	Other than Power Sector PSUs									
	Sub Total -IIC(Y)	0			0.00	0.00	0.00	0.00	0.00	0.00
	Total of IIC=IIC(X)+IIC(Y)	0			0.00	0.00	0.00	0.00	0.00	0.00
	Total of Non-Functional PSUs (Total-II)	3			208.08	0.00	110.77	0.00	0.00	110.77
	Total of Power Sector	9			1,27,940.71	10,568.47	0.00	692.13	9,657.17	20,917.77
	Total of Other than Power Sector	37			3,919.72	290.64	2,476.54	3,394.22	280.17	6,441.57
	Grand Total (Total-I + Total-II)	46			1,31,860.43	10,859.11	2,476.54	4,086.35	9,937.34	27,359.34

Appendix-6.2

(Referred to in Paragraph 6.5.1)

List of PSUs which submitted their accounts during 1 January 2021 to 30 November 2021

SL. No.	Name of PSUs	Year Upto which Accounts finalised	Number of Account(s) Submitted	Years of which account submitted
A. Government Companies				
1.	Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited	2019-20	1	2019-20
2.	Uttar Pradesh Jal Vidyut Nigam Limited	2019-20	2	2018-19 & 2019-20
3.	Jawaharpur Vidyut Utpadan Nigam Limited (Subsidiary of Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited)	2019-20	1	2019-20
4.	Uttar Pradesh Power Transmission Corporation Limited	2019-20	1	2019-20
5.	Uttar Pradesh Power Corporation Limited	2019-20	2	2018-19 & 2019-20
6.	Purvanchal Vidyut Vitaran Nigam Limited (Subsidiary of Uttar Pradesh Power Corporation Limited)	2019-20	1	2019-20
7.	Paschimanchal Vidyut Vitaran Nigam Limited (Subsidiary of Uttar Pradesh Power Corporation Limited)	2019-20	1	2019-20
8.	Madhyanchal Vidyut Vitaran Nigam Limited (Subsidiary of Uttar Pradesh Power Corporation Limited)	2019-20	1	2019-20
9.	Dakshinanchal Vidyut Vitaran Nigam Limited (Subsidiary of Uttar Pradesh Power Corporation Limited)	2019-20	1	2019-20
10.	Kanpur Electricity Supply Company Limited (Uttar Pradesh Power Corporation Limited)	2019-20	1	2019-20
11.	UCM Coal Company Limited	2019-20	1	2019-20
12.	Southern UP Power Transmission Company Limited	2020-21	2	2019-20 & 2020-21
13.	U P Metro Rail Corporation Limited (erstwhile Lucknow Metro Rail Corporation Limited)	2020-21	2	2019-20 & 2020-21
14.	NOIDA Metro Rail Corporation Limited	2020-21	1	2020-21
15.	Uttar Pradesh Mahila Kalyan Nigam Limited	2015-16	2	2014-15 & 2015-16
16.	Uttar Pradesh Projects Corporation Limited	2018-19	1	2018-19
17.	Uttar Pradesh Rajkiya Nirman Nigam Limited	2014-15	1	2014-15
18.	Uttar Pradesh State Bridge Corporation Limited	2017-18	2	2016-17 & 2017-18
19.	Shreetron India Limited (Subsidiary of Uttar Pradesh Electronics Corporation Limited)	2019-20	1	2019-20
20.	Uptron Powertronics Limited (subsidiary of Uttar Pradesh Electronics Corporation)	2018-19	1	2018-19
21.	Uttar Pradesh Electronics Corporation Limited	2018-19	1	2018-19
22.	Uttar Pradesh Rajya Chini Avam Ganna Vikas Nigam Limited	2016-17	1	2016-17

SL. No.	Name of PSUs	Year Upto which Accounts finalised	Number of Account(s) Submitted	Years of which account submitted
23.	Uttar Pradesh Small Industries Corporation Limited	2010-11	1	2010-11
24.	Uttar Pradesh State Spinning Company Limited	2018-19	1	2018-19
25.	Uttar Pradesh Purva Sainik Kalyan Nigam Limited	2019-20	1	2019-20
26.	Uttar Pradesh Beej Vikas Nigam Limited	2017-18	2	2016-17 & 2017-18
27.	Uttar Pradesh Bhumi Sudhar Nigam	2017-18	1	2017-18
28.	Uttar Pradesh Export Promotion Council	2020-21	1	2020-21
29.	Uttar Pradesh Medical Supply Corporation Limited	2019-20	2	2018-19 & 2019-20
30.	Uttar Pradesh State Textile Corporation Limited	2019-20	1	2019-20
31.	Uttar Pradesh State Handloom Corporation Limited	2000-01	1	2000-01
32.	Uttar Pradesh State Yarn Company Limited	2020-21	1	2020-21
33.	Uttar Pradesh Poultry and Livestock Specialties Limited	2013-14	1	2013-14
B. Government controlled other Companies				
1.	Lucknow Smart City Limited	2018-19	2	2017-18 & 2018-19
2.	Agra Smart City Limited	2019-20	1	2019-20
3.	Aligarh Smart City Limited	2019-20	1	2019-20
4.	Bareilly Smart City Limited	2018-19	1	2018-19
5.	Prayagraj Smart City Limited	2019-20	3	2017-18, 2018-19 & 2019-20
6.	Varanasi Smart City Limited	2019-20	1	2019-20
7.	Moradabad Smart City Limited	2018-19	1	2018-19
8.	Saharanpur Smart City Limited	2019-20	2	2018-19 & 2019-20
9.	Noida International Airport Limited (NIAL)	2019-20	2	2018-19 & 2019-20
10.	DMIC Integrated Industrial Township Greater Noida Limited	2020-21	1	2020-21
C. Statutory Corporations				
1.	Uttar Pradesh State Warehousing Corporation	2017-18	1	2017-18
2.	Uttar Pradesh Forest Corporation	2019-20	2	2018-19 & 2019-20
3.	Uttar Pradesh Awas Evam Vikas Parishad	2019-20	1	2019-20

Appendix-6.3

(Referred to in paragraphs 6.5.1 and 6.5.4)

List of PSUs where Comments issued by the CAG during 1 January 2021 to 30 November 2021

Sl. No.	Name of the Companies/Corporations	Year for which Comments issued
A. Government Companies		
1	Kanpur Electricity Supply Company Limited	2018-19
2	Southern U P Power Transmission Company Limited	2019-20
3	Uttar Pradesh Power Transmission Company Limited	2019-20
4	Shretron India Limited	2018-19
5	Allahabad City Transport Services Limited	2017-18
6	Chhata Sugar Company Limited	2016-17
7	Meerut City Transport Services Limited	2012-13
8	Nandganj Sihori Sugar Company Limited	2016-17
9	Pichhara Varg Vitta Evam Vikas Nigam Limited	2015-16
10	The Pradeshiya Industrial and Investment Corporation of UP Limited	2018-19
11	Uttar Pradesh Handloom Corporation Limited	2000-01
12	Uttar Pradesh Project Corporation Limited	2017-18
13	Uttar Pradesh State Tourism Corporation Limited	2016-17
14	Uttar Pradesh Beej Vikas Nigam	2015-16
15	Uttar Pradesh State Bridge Corporation Limited	2016-17
16	Uttar Pradesh Jal Vidyut Nigam Limited	2017-18
17	Uttar Pradesh Metro Rail Corporation Limited	2019-20 & 2020-21
18	Uttar Pradesh Police Awas Nigam Limited	2018-19
19	Uttar Pradesh State Construction and Infrastructure Development Corporation Limited	2017-18
20	Uttar Pradesh State Spinning Company Limited	2017-18
21	Uttar Pradesh State Textile Corporation Limited	2017-18
B. Government controlled other Companies		
1	Aligarh Smart City Limited	2018-19
2	Bareilly Smart City Limited	2018-19
3	Moradabad Smart City Limited	2018-19
C. Statutory Corporations		
1	Uttar Pradesh Forest Corporation	2018-19
2	Uttar Pradesh Jal Nigam	2012-13
3	Uttar Pradesh State Road Transport Corporation	2017-18
4	Uttar Pradesh Warehousing Corporation Limited	2017-18

Explanation of Terms and Acronyms

EXPLANATION OF TERMS

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

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

ACRONYMS

Acronym	Full Form
AC Bill	Abstract Contingent Bill
AGM	Annual General Meeting
BOCW Act	Building and Other Construction Workers Act
CAG	Comptroller and Auditor General of India
CAGR	Compound Annual Growth Rate
CCO	Chief Controlling Officers
CGA	Controller General of Accounts
CSF	Consolidated Sinking Fund
DCC Bill	Detailed Countersigned Contingent Bill
DCPS	Defined Contribution Pension Scheme
EBIT	Earnings before interest and taxes
FC	Finance Commission
FRBM Act	Fiscal Responsibility and Budget Management Act
GDP	Gross Domestic Product
GoI	Government of India
GoUP	Government of Uttar Pradesh
GSDP	Gross State Domestic Product
GST	Goods and Services Tax
IGST	Integrated Goods and Services Tax
Ind AS	Indian Accounting Standards
MH	Major Head
MTFRP	Medium Term Fiscal Restructuring Policy
NSDL	National Securities Depository Limited
PAC	Public Accounts Committee
PAO	Pay and Accounts Office
PD Account	Personal Deposit Account
PLA	Personal Ledger Account
PPP	Public Private Partnership
PRI	Panchayati Raj Institution
PSUs	Public Sector Undertakings
RoCE	Return on Capital Employed
RoE	Return on Equity
SDRF	State Disaster Response Fund
SGST	State Goods and Services Tax
UC	Utilisation Certificate
UDAY	Ujwal DISCOM Assurance Yojana
UPBM	Uttar Pradesh Budget Manual

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