



सत्यमेव जयते

ACCOUNTS AT A GLANCE

Government of Uttar Pradesh

2016-17



Accountant General (A&E), Uttar Pradesh

PREFACE

I am happy to present the nineteenth issue of our annual publication, the '**Accounts at a Glance**' of the Government of Uttar Pradesh. The purpose of this publication is to distil and make more accessible the voluminous information that is available in the annual Finance and Appropriation Accounts 2016-17 prepared by my office under the directions of the Comptroller and Auditor General of India in accordance with the requirements of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act 1971, and is being placed before the Legislature in accordance with Article 151(2) of the Constitution of India.

'**Accounts at a Glance**' provides a broad overview of Governmental activities, as reflected in the Finance Accounts and the Appropriation Accounts. The information is presented through brief explanations, statements and graphs. While it has been our endeavor to rely on the figures in the certified Finance Accounts and Appropriation Accounts, the certified Annual Accounts should be referred to for authentic figures.

We look forward to comments and suggestions that would help us in improving this publication.



(Uday Shankar Prasad)
Accountant General

Place: Allahabad
Date: 16 May, 2018

Our Vision, Mission and Core Values

The **vision** of the institution of the Comptroller and Auditor General of India represents what we aspire to become:

We strive to be a global leader and initiator of national and international best practices in public sector auditing and accounting and recognized for independent, credible, balanced and timely reporting on public finance and governance.

Our **mission** enunciates our current role and describes what we are doing today.

Mandated by the Constitution of India, we promote accountability, transparency and good governance through high quality auditing and accounting and provide independent assurance to our stakeholders- the Legislature, the Executive and the Public-that public funds are being used efficiently and for the intended purposes.

Our **core values** are the guiding beacons for all that we do and give us the benchmarks for assessing our performance.

- * Independence
- * Objectivity
- * Integrity
- * Reliability
- * Professional Excellence
- * Transparency
- * Positive Approach

TABLE OF CONTENTS

Para	Particulars	Page No.
	Highlights of the Accounts	5
	Chapter I - Overview	
1.1	Introduction	7
1.2	Structure of Accounts	7
1.3	Finance Accounts and Appropriation Accounts	7
1.4	Sources and Application of Funds	9
	Chapter II - Fiscal Position of the State	
2.1	What do the Deficits and Surpluses indicate	12
2.2	Deficits and Debt Stock	12
2.3	Fiscal Position of the State	12
2.4	Trend of Fiscal and Revenue Deficits/ Surpluses	14
2.5	Growth of GSDP and factor affecting it	14
2.6	Achievement of FRBM Targets	15
2.7	Financing of Fiscal deficit	15
2.8	Proportion of borrowed funds spent on Capital Expenditure	16
	Chapter III - Receipts	
3.1	Introduction	17
3.2	Revenue Receipts	17
3.3	Trend of Receipts	19
3.4	Performance of State's Own Tax Revenue Collection (Revenue earning efforts of the State)	21
3.5	Efficiency of Tax Collection	21
3.6	Tax Buoyancy	22
3.7	Grants-in-aid	24
	Chapter IV - Expenditure	
4.1	Introduction	25
4.2	Revenue Expenditure	25
4.3	Capital Expenditure	27
4.4	Plan & Non-Plan Expenditure	29
4.5	Plan Expenditure under Capital Accounts	31
4.6	Committed Expenditure	31
4.7	Development Expenditure	32
4.8	Loans and Advances by the State Government	32

	Chapter V- Public Debt	
5.1	Introduction	34
5.2	Trend of Public Debt	34
5.3	Debt Service Ratio	34
5.4	Growth of Public Debt	36
	Chapter VI - Appropriation Accounts	
6.1	Introduction	37
6.2	Trend of Saving/Excess during the past five years	37
6.3	Persistent Savings	38
6.4	Supplementary provision of Funds	39
	Chapter VII - Assets and Liabilities	
7.1	Introduction	40
7.2	Assets	41
7.3	Liabilities	41
7.4	Cash Balance and Investment of Cash Balance of the State Government	42
7.5	Guarantees	42
	Chapter VII- Other Accounting Issues	
8.1	Implementation of IFMS	43
8.2	Submission of Accounts by Treasuries and Departments	43
8.3	Abstract Contingent Bills and Detailed Contingent Bills	43
8.4	Utilisation Certificates Awaited	44
8.5	Reconciliation of Receipts and Expenditure	44
8.6	Non-closure and Reconciliation of PD Accounts	44
8.7	Rush of Expenditure	45
8.8	Suspense Balances	45
8.9	Commitments on account of incomplete Capital Works	46

Highlights of Accounts

- 1. The Appropriation Act, 2016-17 had provided for gross expenditure of ₹ 3, 87,828.63 crore and reduction of expenditure (recoveries) of ₹ 13,862.87 crore. Against this, the actual gross expenditure was ₹ 3, 49,232.60 crore and reduction of expenditure was ₹ 15,807.46 crore, resulting in net savings of ₹ 38,596.03 crore (10 per cent of the total grant).*
- 2. Under 72 Grants, the State Government received ₹ 27,030.98 crore as supplementary provisions (7.49 per cent of the original provisions of ₹ 3, 60,797.65 crore) during 2016-17, however, the government could not utilize it.*
- 3. As per the norms fixed under FRBM Act, the Revenue Deficit was to be maintained up to zero. As against this, the State Government maintained the Revenue Surplus over the last five years (1.59% of GSDP in 2016-17). However, the Fiscal Deficit exceeded the norm of 3 per cent of GSDP (3.23% in 2016-17).*
- 4. Revenue Surplus in the current year (2016-17) increased by ₹ 5,862.90 crore and Fiscal Deficit decreased by ₹ 17,287.77 crore over the year 2015-16.*
- 5. During 2016-17, 22.16 per cent of the total Revenue Expenditure and 18.41 per cent of the total Capital Expenditure was incurred during the month of March alone.*
- 6. Committed Expenditure of the Government hovered around 60 to 66 per cent of the Revenue Expenditure in the last five financial years (2012-13 to 2016-17).*
- 7. During the year, ₹ 35,329.20 crore was recorded under Minor head 800-Other Expenditure constituting about 11.53 per cent of Total Expenditure amounting to ₹ 3, 06,381.38 crore (under Revenue and Capital section).*
- 8. As on 31 March 2017, 3620 AC Bills amounting to ₹ 139.05 crore were outstanding for want of DC Bills.*
- 9. 255023 UCs amounting to ₹ 97,906.27 crore were awaited as on 31 March 2017. 75% of wanting UCs pertains to three departments of the Government of Uttar Pradesh, viz., Panchayati Raj Department, Education Department and Social Welfare Department where pending UCs' amount was more than ₹ 25,000 crore each.*

- 10. The inoperative Personal Deposit Accounts (681) with unspent balance of ₹ 134.10 crore were required to be closed, but the same has not been done by the State Government. The State Government has stated (June 2017) that necessary action for closing of inoperative PD accounts is being taken.*
- 11. During the year, all the 171 CCOs of expenditure and 45 CCOs of receipts reconciled their figures with those of the Accountant General (A&E), thus providing the accuracy to the accounts.*
- 12. lump sum provisions of ₹ 7,945.10 crore under various heads have been provided in the State Budget 2016-17 in anticipation of future expenditure without indicating scheme details, and expenditure amounting to ₹ 7,250.38 crore (91.26 per cent of the provisions) has been incurred there against. In such cases, it is required on the part of the Government to re-appropriate the provisions well in advance against the specific schemes (Sub Heads). The State Government agreed in principle to curtail the lump sum provisions (June 2017)*
- 13. The Government is required to reconcile the loan figures depicted in the Finance Accounts with those available in the books of various PSUs and other bodies that have received the loans. However, the loan amount of ₹ 2,264.62 crore out of the total loan of ₹ 28,446.79 crore was not reconciled during the year 2016-17*
- 14. At the end of 2016-17, there was a difference of ₹ 8,241.58 crore between the figures of investment booked in the Finance Accounts (₹ 96,400.05 crore) and that booked in the books of Investee Organisations (₹ 1,04,641.63 crore), which was not reconciled by the Government.*

CHAPTER- I

OVERVIEW

1.1 Introduction

The Accountant General (Accounts and Entitlements), Uttar Pradesh compiles the accounts of receipts and expenditure of the Government of Uttar Pradesh (UP) monthly. This compilation is based on the initial accounts rendered by the District Treasuries, Public Works and Forest Divisions, advices of the Reserve Bank of India and information received from Government of India and other State Governments on their financial transactions with the Government of UP. Following such compilation, the Accountant General (A&E) prepares, annually, the Finance Accounts and the Appropriation Accounts, which are placed before the State Legislature after audit by the Principal Accountant General (General & Social Sector Audit) Uttar Pradesh and certification by the Comptroller and Auditor General of India.

1.2 Structure of Accounts

Government Accounts are kept in three parts:

Part I CONSOLIDATED FUND	Consolidated Fund comprises Receipts and Expenditure on Revenue and Capital Account, Public Debt, Loans and Advances, Inter State Settlement and Appropriation to Contingency Fund.
Part II CONTINGENCY FUND	The Corpus of Contingency Fund is intended to meet unforeseen expenditure not provided for in the Budget. Expenditure from this Fund is recouped either by transferring the debit to the Consolidated Fund during the same financial year or in the next financial year. The corpus of this Fund for the Government of U.P. is ₹600 crore.
Part III PUBLIC ACCOUNT	Public Account comprises of Small Savings and Provident Funds, Reserve Funds, Deposits and Advances, Suspense and Remittance transactions. While the Small Savings and Provident Funds, Reserve Funds, and Deposits represent repayable liabilities of the Government, the Advances represent receivables of the Government. Suspense and Remittance transactions are adjusting entries that are to be cleared eventually by booking the receipts/disbursements to the final head of account.

1.3 Finance Accounts

The Finance Accounts depict the Receipts and Disbursements of the Government for the year, together with the financial results disclosed by the Revenue and Capital accounts, Public Debt and Public Account balances recorded in the accounts. The Finance Accounts have been prepared in two volumes to make them more comprehensive and informative. **Volume I** of the Finance Accounts contains the certificate of the Comptroller and Auditor General of India Guide to Finance Accounts, summarized statements of overall Receipts and Disbursements for the year, summarized statements

of financial position giving details of Assets and Liabilities, Progressive Capital Expenditure, Borrowings and other Liabilities, Loans and Advances, Guarantees & Grants-in-aid given by the Government, Investments of the Government, Distribution of Expenditure between Voted and Charged, Sources and Application of funds for expenditure other than on Revenue Account, Summary of balances under Government Accounts and 'Notes to Accounts'. **Volume II** contains Detailed Statements (**Part-I**) and Appendices (**Part-II**).

Receipts and Disbursements of the Government of Uttar Pradesh as depicted in the Finance Accounts 2016-17 are given below:

Table 1.1 - Receipts and Disbursements (2016-17)

(₹ In Crore)

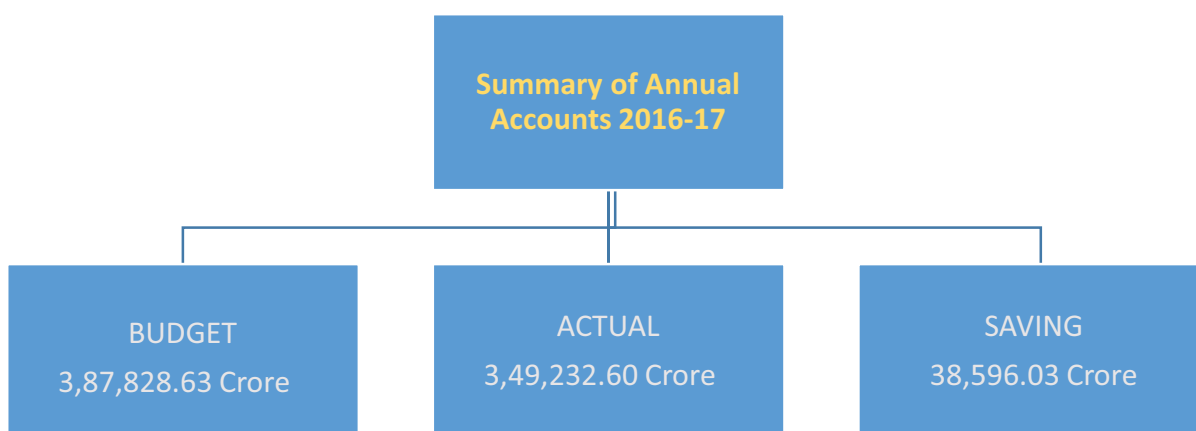
Receipts (Total: 3,13,122.47)	Revenue (Total: 2,56,875.15)	States' own Tax Revenue	85,965.92
		States' Share of Union taxes & Duties	1,09,428.29
		Non-Tax Revenue	28,944.07
		Grants-in-aid	32,536.87
	Capital (Total: 56,247.32)	Recovery of Loans and Advances	258.79
		Borrowings and other Liabilities	55,988.53
Disbursements (Total: 3,13,122.47)	Revenue	2,36,592.26	
	Capital	69,789.12	
	Loans and Advances	6,741.09	

(Refer to Statement-2 of Finance Accounts)

The Government of India has decided to release all assistance to CSS/ACA directly to the State Government and not to the implementing agencies. Hence, the Union Government has released no amount directly to the Implementing Agencies/NGOs from the year 2014-15 for implementation of any scheme and programme.

Appropriation Accounts

The Appropriation Accounts supplement the Finance Accounts. They depict the expenditure of the State Government against amounts 'Charged' on the Consolidated Fund and 'Voted' by the State Legislature. There are 93 Grants consisting of 51 Voted Grants, 01 Charged Appropriation and 41 Grants (Voted and Charged Appropriation both) in the State. The Appropriation Act 2016-17 had provided for Gross Expenditure of ₹ 3, 87,828.63 crore and reduction of expenditure (recoveries) of ₹ 13,862.87 crore. Against this, the actual Gross Expenditure was ₹ 3, 49,232.60 crore and reduction of expenditure was ₹ 15,807.46 crore, resulting in net savings of ₹ 38,596.03 crore (10 per cent of the Total Grant).



1.4 Sources and Application of funds

1.4.1 Ways and Means Advances

The Reserve Bank of India (RBI) extends the facility of Ways and Means Advances (WMA) to enable State Governments to maintain their liquidity. Overdraft (OD) facilities are also provided when there is a shortfall in the agreed minimum Cash Balance (₹4.71 crore) maintained with the RBI. During 2016-17, the Government of Uttar Pradesh has obtained an amount of ₹1,396.71 crore as special WMA and ₹7,298.34 crore as ordinary WMA. This has to be viewed against the fact that there was net saving of ₹38,596.03 crore in total 93 Grants, resulting in a shortfall of 10 *per cent* in expenditure against the Budget Estimate.

(Refer to Statement-2 (Annexure A) of Finance Accounts)

1.4.2 Fund flow statement

The State had a Revenue Surplus of ₹ 20,202.89 crore and a Fiscal Deficit of ₹ 55,988.53 crore representing 1.59 *per cent* and 4.39 *per cent* of the Gross State Domestic Product (GSDP) respectively at the end of the year 2016-17 (net Fiscal Deficit was ₹41,187.24 crore after excluding debt of ₹ 14,801.29 crore under UDAY Scheme being 3.23 % of GSDP). The Fiscal Deficit constituted about 17.88 *per cent* of Total Expenditure (of ₹ 3, 13,122.47 crore). This deficit was met from net of Public Debt (₹47,382.40 crore), increase in Public Account (₹8,910.85 crore), unrecouped contribution from the Contingency Fund (₹176.04 crore), and net of Opening and Closing Cash Balance (₹128.68 crore). About 58 *per cent* of the Revenue Receipts (₹2, 56,875.15 crore) of the State Government was spent on committed expenditure of ₹ 1, 48,209.29 crore (like salaries, wages and subsidiary grant for pay (₹ 85,415.84 crore), interest payments (₹ 27461.90 crore), pensions (₹27,286.67 crore) and subsidies (₹ 8,044.88 crore)).

Table 1.2 - Sources and Application of Funds

(₹ In Crore)

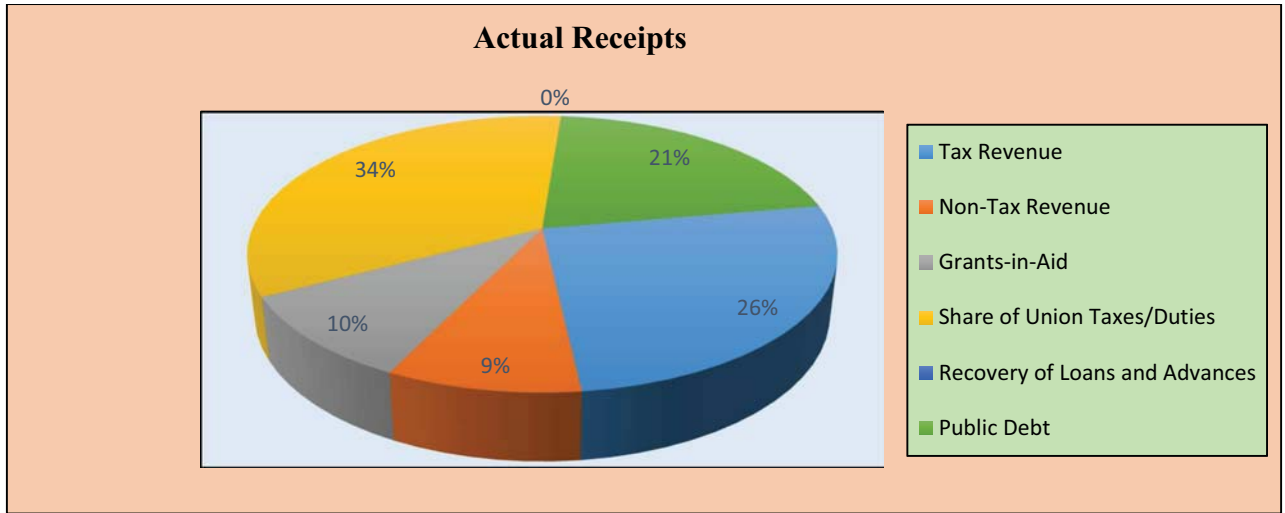
SOURCES	PARTICULARS	AMOUNT
	Opening Cash Balance as on 1.4.2016	(-) 1,409.33
	Revenue Receipts	2,56,875.15
	Recovery of Loans and Advances	258.79
	Public Debt	67,685.07
	Contingency Fund	173.12
	Small Savings, Provident Fund & Others	10,171.50
	Reserves & Sinking Funds	20,005.79
	Deposits Received	15,309.52
	Civil Advances Repaid	452.91
	Suspense Account	4,20,080.22
	Remittances	33,088.52
	Total	8,22,691.26

APPLICATION	Revenue Expenditure	2,36,592.26
	Capital Expenditure	69,789.12
	Loans given	6,741.09
	Repayment of Public Debt	20,302.67
	Contingency Fund	349.16
	Small Savings, Provident Funds and Others	8,552.40
	Reserves & Sinking Funds	12,780.77
	Deposits spent	15,527.50
	Civil Advances given	535.74
	Suspense Account	4,20,460.46
	Remittances	32,340.74
	Closing Cash Balance as on 31.3.2017	(-) 1,280.65
	Total	8,22,691.26

(Refer to Statement-2 of Finance Accounts 2016-17)

1.4.3 Where the Rupee came from

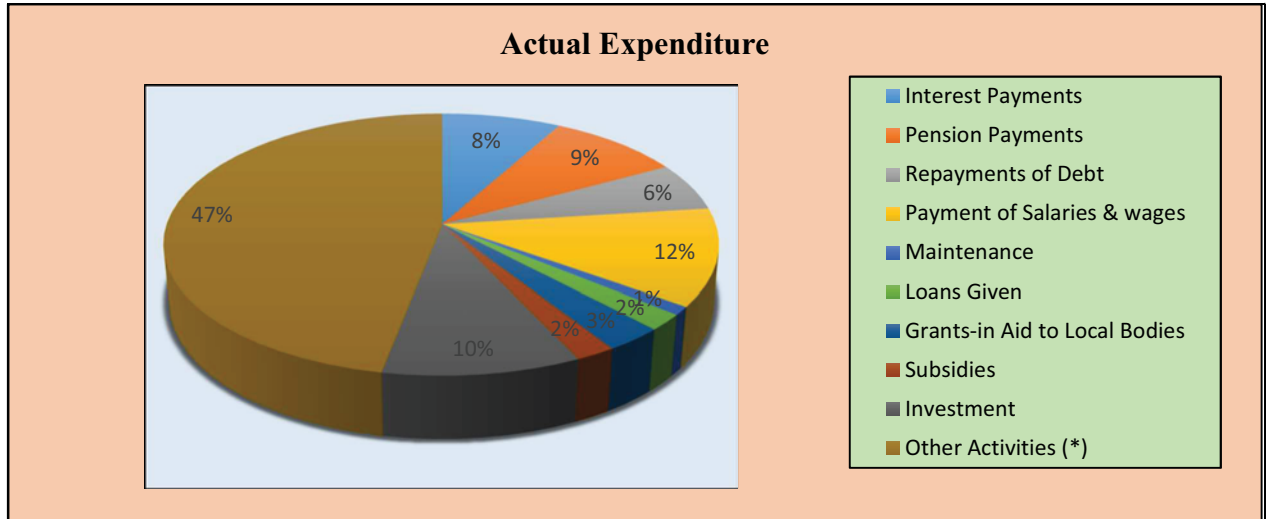
Source of fund (Total Receipts Consolidated Fund) of the State Government during 2016-17 were ₹3,24,819.01 crore. Ratio of receipts under various components is shown in the chart below:



Note: Zero depicts negligible amount.

1.4.4 Where the Rupee went

Application of fund (Total Expenditure Consolidated Fund) of the State during 2016-17 were ₹3,33,425.14 crore. Ratio of expenditure under various components is shown in the chart below:



Note: Zero depicts negligible amount.

(*) It includes expenses on different allowances and other expenses under various object heads (viz- Scholarship/stipend, Electricity etc).

CHAPTER II

FISCAL POSITION OF THE STATE

2.1 What do the Deficits and Surpluses indicate?

Deficit	Refers to the gap between Revenue and Expenditure. The kind of deficit, how the deficit is financed, and application of funds are important indicators of prudence in Financial Management.
Revenue Deficit/Surplus	Refers to the gap between Revenue Receipts and Revenue Expenditure. Revenue Expenditure is required to maintain the existing establishment of Government, and ideally should be fully met from Revenue Receipts.
Fiscal Deficit/Surplus	Refers to the gap between Total Receipts (excluding borrowings) and Total Expenditure. This gap, therefore, indicates the extent to which expenditure is financed by borrowings. Ideally, the Borrowings should be invested in Capital Projects.

2.2 Deficits and Debt Stock

The pattern of deficits and the debt stock from 2012-13 to 2016-17 is depicted in the table as under-

Table 2.1 – Trend of Deficits and Debt Stock (2012-17)

(₹ In Crore)

Year	Fiscal deficit(-)	Revenue Deficit (-)/Surplus(+)	Debt Stock	GSDP
2012-13	-19,238.39 (3.00%)	5,180.34 (0.66%)	2,59,620.72 (33.00%)	7,82,285.94
2013-14	-23,679.54 (3.00%)	10,066.88 (1.13%)	2,81,708.95 (32.00%)	8,90,265.14
2014-15	-32,513.16 (3.33%)	22,394.28 (2.29%)	3,07,859.13 (32.00%)	9,76,297.00
2015-16	-58,475.01 (5.07%)	14,339.99 (1.24%)	3,67,251.80 (32.00%)	11,53,795.00
2016-17	-41,187.24 (3.23%)	20,202.89 (1.58%)	4,23,223.59 (33.00%)	12,75,141.00

(Figures in parenthesis are *per centage* to GSDP)

2.3 Fiscal Position of the State

Fiscal Deficit increased up to the year 2015-16 to the extent of 5.07 *per cent* of GSDP. However in 2016-17, it declined to 3.23 *per cent* due to exclusion of debt of ₹14,801.29 crore under UDAY (Ujjwal DISCOM Assurance Yojna - a financial turnaround and revival package for electricity distribution companies). The State had an outstanding liability of ₹2,59,620.72 crore as on March

31, 2013 (including Reserves and Deposits), which increased to ₹4,23,223.59 crore in 2016-17. It was almost 33 per cent of GSDP. However, the Revenue Surplus ranged between 0.60 to 2.30 per cent of GSDP during the said period (i.e. 2012-13 to 2016-17).

Table 2.2 – Fiscal Deficit (2016-17)

(₹ In Crore)

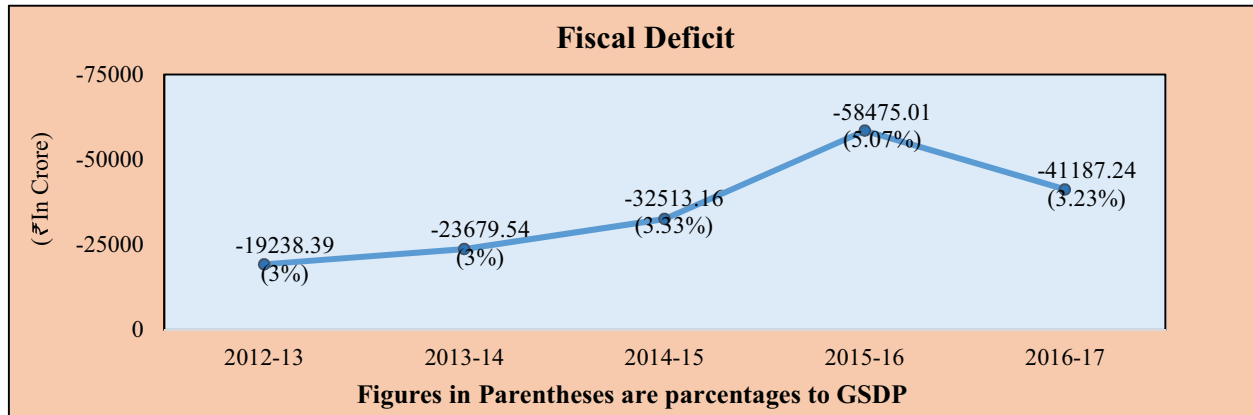
Sl. No.	Items	B.E 2016-17	Actuals	Percentage of Actuals to B.E	Percentage of Actuals to GSDP
1.	Tax Revenue	2,06,893.60	1,95,394.21	94.41	15.32
2.	Non-Tax Revenue	24,240.87	28,944.07	119.40	2.27
3.	Grants-in-aid & Contributions	50,421.01	32,536.87	64.53	2.55
4.	Revenue Receipts (1+2+3)	2,81,555.48	2,56,875.15	91.23	20.14
5.	Recovery of Loans and Advances	304.19	258.79	85.07	0.02
6.	Borrowings & Other Liabilities	76,593.59	55,988.53	73.10	4.39
7.	Capital Receipts (5+6)	76,897.78	56,247.32	73.14	4.41
8.	Total Receipts (4+7)	3,58,453.26	3,13,122.47	87.35	24.55
9.	Non-Plan Expenditure	2,17,057.54	2,00,484.51	92.36	15.72
10.	NPE on Revenue Account	2,03,454.24	1,86,886.03	91.86	14.65
11.	NPE on Interest Payments out of expenditure at S.N.10 above	27,382.97	26,935.67	98.37	2.11
12.	NPE on Capital Account	13,603.30	13,598.48	99.96	1.07
13.	Plan Expenditure	1,41,395.72	1,12,637.96	79.66	8.83
14.	PE on Revenue Account	63,304.36	49,706.23	78.52	3.90
15.	PE on Capital Account	78,091.36	62,931.73	80.59	4.93
16.	Total Expenditure (9+13)	3,58,453.26	3,13,122.47	87.35	24.55
17.	Revenue Expenditure (10+14)	2,66,758.60	2,36,592.26	88.69	18.55
18.	Capital Expenditure (12+15)	91,694.66	76,530.21	83.46	6.00
19.	Revenue Surplus (+)/Deficit (-) (4-17)	(+) 14,796.88	(+) 20,202.89	136.53	1.58
20.	Fiscal Surplus (+)/Deficit (-) (4+5-16)	(-) 76,593.59	(-) 55,988.53	73.10	4.39

(Refer to Statement-2 of Finance Accounts)

2.4 Trend of Fiscal Deficit

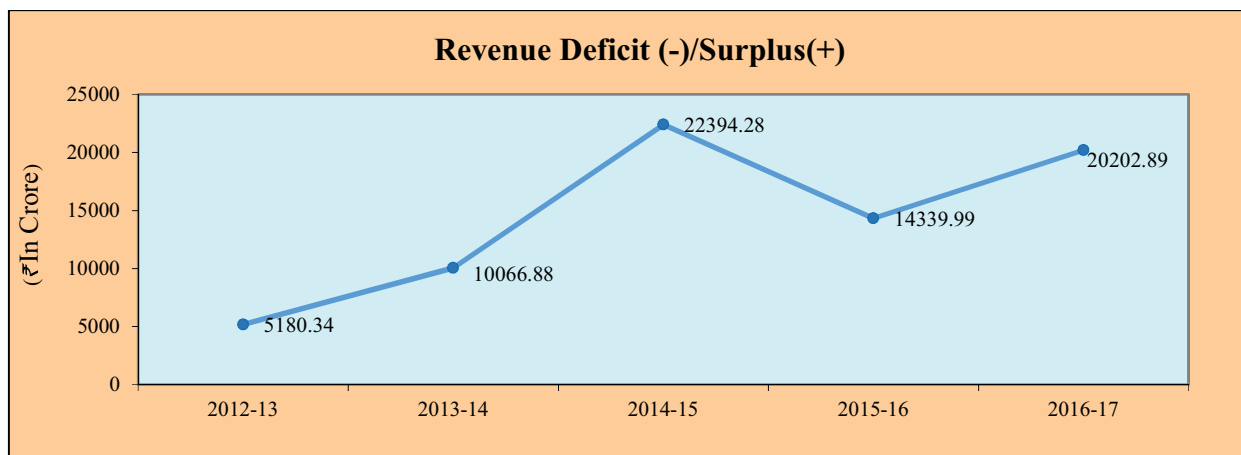
Fiscal Deficit exceeded the norms of 3 per cent of GSDP as fixed in F.R.B.M. Act during the last five years. The debt of ₹ 14,801.29 crore under UDAY scheme was to be excluded from Fiscal deficit (2016-17) of the State amounting to ₹ 55,988.53 crore. As such, net fiscal deficit for 2016-17 was ₹ 41,187.24 crore (3.23 % of GSDP). It has been shown in the chart below:

Trend of Fiscal Deficit/ Surplus



Against the norm fixed in the U.P. F.R.B.M. Act, “Revenue deficit is to be maintained up to Zero”. The State Government has maintained the Revenue Surplus during the last five years as shown in the chart below:

Trend of Revenue Deficit/ Surplus



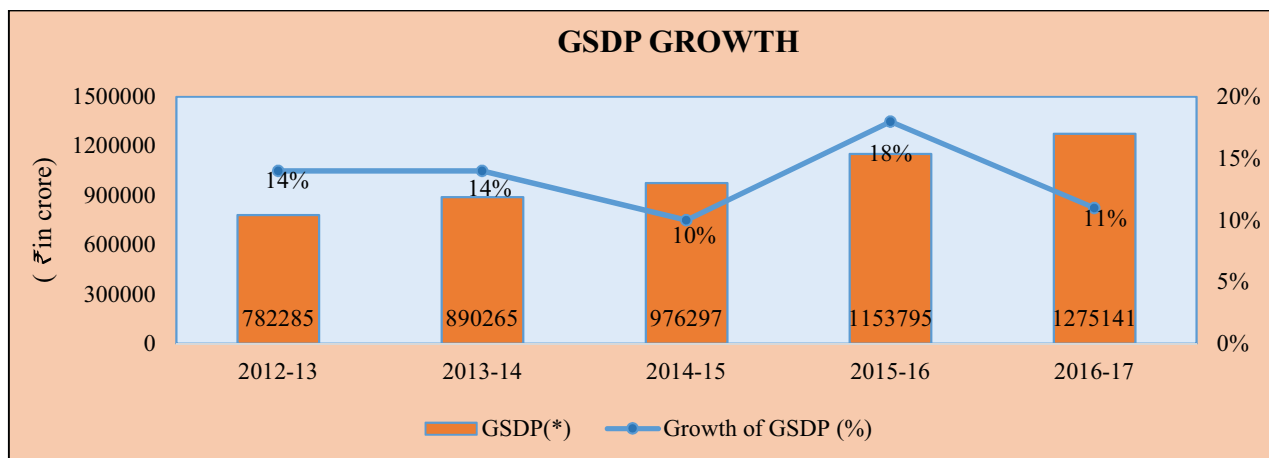
2.5 Growth of GSDP and the factors affecting it.

Gross State Domestic Product (GSDP) is the value of final goods and services produced within the boundaries of the State during the year. It is the measure of general activity level of an economy comprising of consumption of goods and services in the economy, investment in the economy and Government spending. Therefore, growth in these activities is what affects the GSDP.

As such, the following factors affects the growth of GSDP -

- (i) Consumption of goods and services in the economy,
- (ii) Investment in the economy, and
- (iii) Government spending.

As against the GSDP growth of 18 *per cent* in 2015-16, it declined to 11 *per cent* in 2016-17. The GSDP growth of the State during the last five years is presented graphically as under:



The figures of GSDP for 2012-13 to 2016-17 used in this publication are as depicted in the Finance Accounts of the U.P. Government.

2.6 Achievement of FRBM Targets

The Fiscal Responsibility and Budget (FRBM) Act provides for ensuring fiscal discipline and long term macro- economic stability. As against the targets fixed under the provisions of the Act, achievement is depicted in the table below-

Area	Target	Achievement
Revenue Deficit	Zero	As per accounts, Revenue Surplus for 2016-17 was ₹20,282.89 crore.
Fiscal Deficit	Not more than 3 <i>per cent</i> of GSDP	Fiscal Deficit for 2016-17 was ₹41,187.24 crore which was about 3.23 <i>per cent</i> of GSDP (Revised Advance Estimate of ₹12,75,141.00 crore at current prices). (Excluding debt of ₹14,801.29 crore under UDAY)
Debt Stock	29.9 <i>per cent</i> of GSDP	Total Debt outstanding of the State Government was ₹4,08,422.49 crore which was about 32.03 <i>per cent</i> of GSDP (Revised Advance Estimate of ₹12,75,141.00 crore at current prices). (Excluding debt of ₹14,801.29 crore under UDAY)

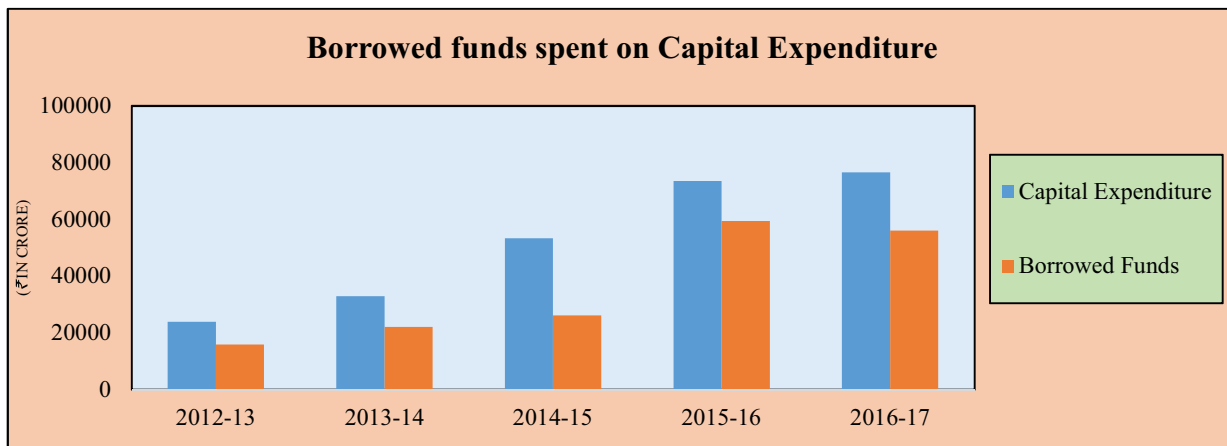
(Source: Directorate of Economics & Statistics, Uttar Pradesh)

2.7 Financing of the Fiscal Deficit

The Fiscal deficit is financed mainly by Borrowings and Other Liabilities- Internal Debt (viz- Market Borrowings, Loans from National Small Savings Fund -NSSF), Loans and Advances from Government of India, and the Public Account balances.

2.8 Proportion of borrowed funds spent on Capital Expenditure

The borrowed funds are usually meant for meeting the Capital Expenditure for creation of capital assets, and the Revenue Receipts are used for the repayment of principal and interest. During the year 2016-17, the State Government utilized the net borrowings and other liabilities of ₹55,988.53 crore for meeting the Capital Expenditure including loans and advances disbursed (₹76,530.21 crore). A chart showing comparison of borrowed funds spent on Capital Expenditure is as under:



RECEIPTS

3.1 Introduction

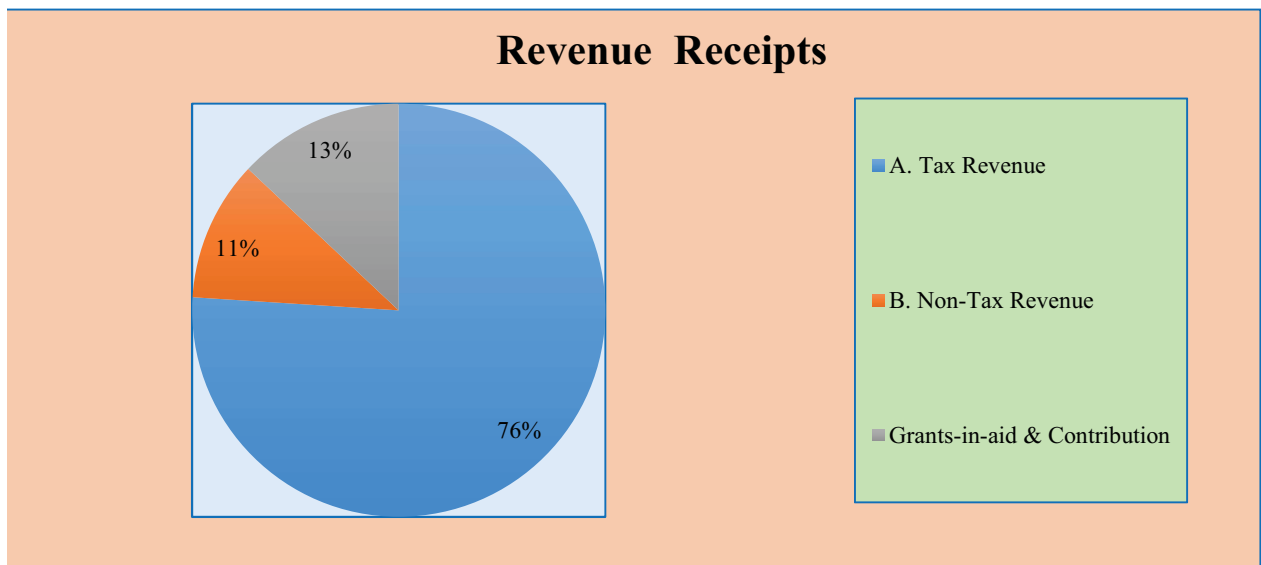
Receipts of the Government are classified as Revenue Receipts and Capital Receipts.

3.2 Revenue Receipts

Total Revenue Receipts for 2016-17 were ₹2, 56,875.15 crore. Three main sources of the Revenue Receipts of the State Government are:

Tax Revenue	Comprises of taxes collected and retained by the State and State's share of Union taxes under Article 280 (3) of the Constitution.
Non-Tax Revenue	Includes Interest Receipts, Dividends and Profits and other Departmental Receipts.
Grants-in-aid	Essentially, a form of Central Assistance to the State Government from the Union Government. Includes 'External Grant Assistance' and 'Aid, Material & Equipment' received from foreign Governments and channelised through the Union Government.

Component wise position of total Revenue Receipts of the State is shown in the pie chart below:



(Refer to Statement-2 of Finance Accounts 2016-17)

Table 3.1 - Revenue Receipts Components (2016-17)

(₹ In Crore)

Components	Actuals
A. Tax Revenue	1,95,394.21
Taxes on Income & Expenditure	59,548.63
Taxes on Property & Capital Transactions	12,405.07
Taxes on Commodities & Services	1,23,440.51
B. Non-Tax Revenue	28,944.07
Fiscal Services	0.02
Interest Receipts, Dividends and Profits	1,251.28
General Services	5,993.31
Social Services	14,653.22
Economic Services	7,046.24
C. Grants-in aid & Contributions	32,536.87
Total- Revenue Receipts	2,56,875.15

(Refer to Statement-14 Finance Accounts 2016-17)

Table 3.2 - Major contributors to tax revenue (2016-17)

Head of Account	Receipts ₹ In Crore	Per cent to GSDP*
Taxes on Sales, Trade etc	51,882.88	4.07
State Excise	14,273.49	1.12
Stamps and Registration Fees	11,564.02	0.91
Corporation Tax	35,098.94	2.75
Taxes on Vehicles	5,148.06	0.40
Taxes on Income Other than Corporation Tax	24,393.87	1.91
Customs	15,098.21	1.18
Union Excise Duties	17,240.85	1.35
Service Tax	17,515.08	1.37
Other Taxes and Duties on Commodities and Services	725.79	0.06
Taxes on Duties on Electricity	1,555.83	0.12
* GSDP for 2016-17 {Source: Directorate of Economics & Statistics, U.P.}	12,75,141.00	

3.3 Trend of Receipts

As against the GSDP growth of about 11 *per cent* in 2016-17 in comparison to 2015-16, growth in revenue collection was 13 *per cent*, tax revenues increased by 14 *per cent* and non-tax revenues by 25 *per cent*. In case of Grants-in-aid from Central Government, there is a marginal increase of about 2 *per cent* (i.e. ₹675.53 crore). Table below depicts the Sector-wise Revenue Receipts during the last five years.

Table 3.3 Sector-wise Revenue Receipts (2012-17)

(₹ In Crore)

Financial Years	2012-13	2013-14	2014-15	2015-16	2016-17
Tax Revenues	1,15,596.21 (15)	1,29,358.78 (15)	1,40,795.33 (14)	1,72,079.95 (15)	1,95,394.21 (15)
Non-Tax Revenues	12,969.98 (2)	16,449.80 (2)	19,934.80 (2)	23,134.65 (2)	28,944.07 (2)
Grants-in-aid	17,337.79 (2)	22,405.17 (2)	32,691.47 (3)	31,861.34 (3)	32,536.87 (3)
Total Revenue Receipts	1,45,903.98 (19)	1,68,213.75 (19)	1,93,421.60 (20)	2,27,075.94 (20)	2,56,875.15 (20)
GSDP	7,82,285.34	8,90,265.14	9,76,297.00	11,53,795.00	12,75,141.00

(Figures in parentheses represent percentage to GSDP)

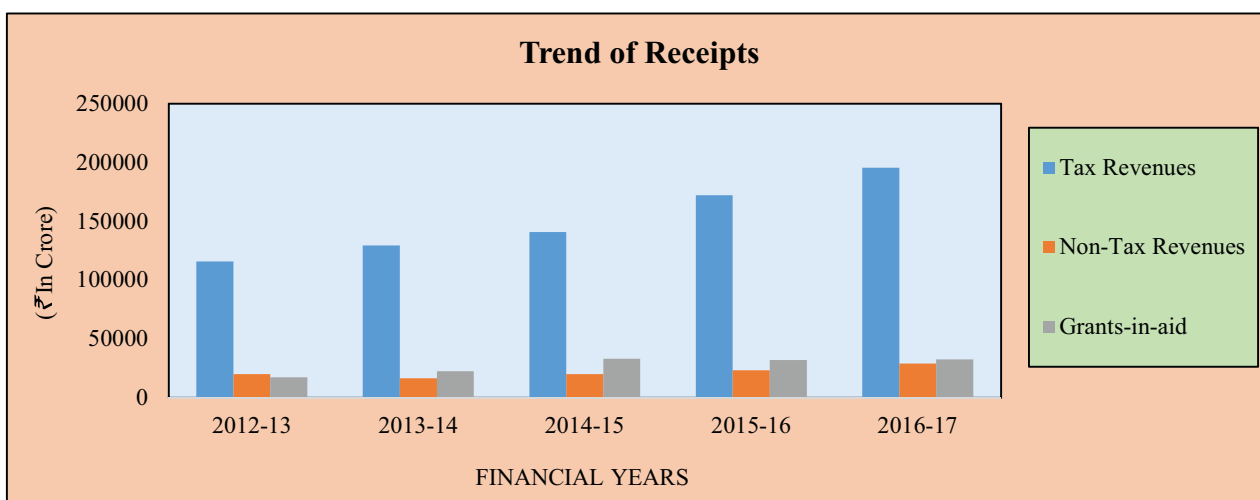
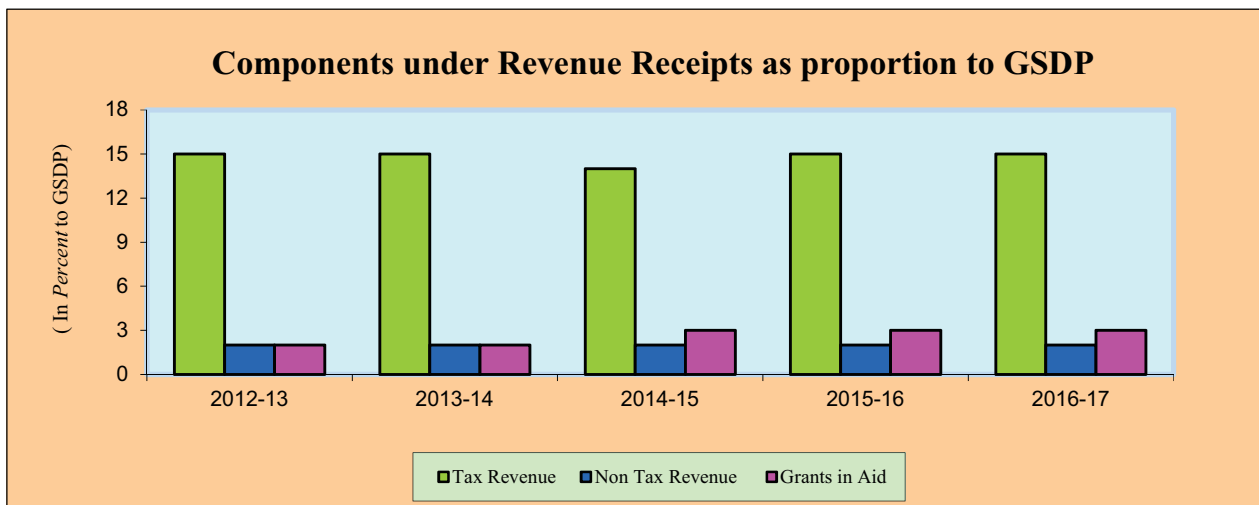


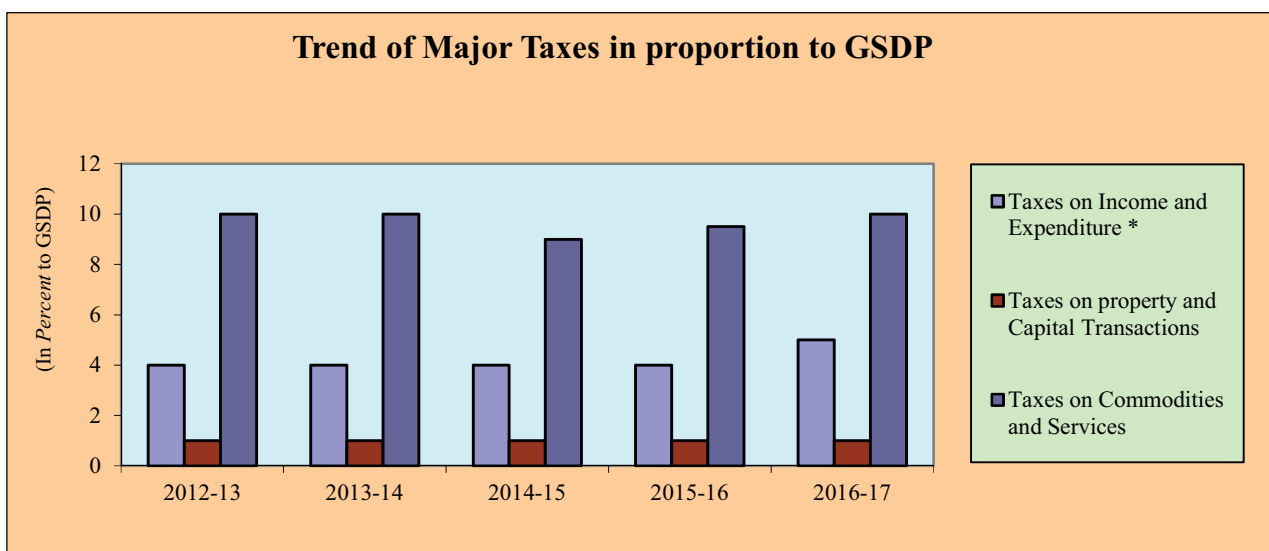
Table 3.4 - Sub sector-wise Tax Revenue (2012-17)

(₹ In Crore)

Financial Years	2012-13	2013-14	2014-15	2015-16	2016-17
Taxes on Income and Expenditure	33,053.72	35,054.15	39,922.48	48,468.96	59,548.63
Taxes on Property and Capital Transactions	9,581.69	10,350.88	12,393.38	12,916.75	12,405.07
Taxes on Commodities and Services	72,960.80	83,953.75	88,479.47	1,10,694.24	1,23,440.51
Total Tax Revenues	1,15,596.21	1,29,358.78	1,40,795.33	1,72,079.95	1,95,394.21



The trend in collection of Taxes on Commodities and Services during the last five years has increased substantially mainly due to increase in collections under Major Head 0040- Taxes on Sales, Trade etc., and share of net proceeds assigned to States etc.



(*) Primarily net proceeds of State Share of Union Taxes.

3.4 Performance of State's Own Tax Revenue Collection (Revenue Earning Efforts of the State)

Government Revenue refers to Government income due to taxation. Tax effort is a closely related measure quantifying the extent to which a government actually uses its capacity to raise revenue through taxation. As evidenced by the Table hereunder, the State Government has maintained increasing trend of collection of Own Tax Revenue during the last five years.

Table 3.5 - Trend of Own Tax Revenue

(₹ In Crore)

Year	Tax Revenue	State Share of Union Taxes	State's Own Tax Revenue	
			Amount	Percentage to GSDP
(1)	(2)	(3)	(4)	(5)
2012-13	1,15,596.21	57,497.85	58,098.36	7
2013-14	1,29,358.78	62,776.70	66,582.08	7
2014-15	1,40,795.33	66,622.91	74,172.42	8
2015-16	1,72,079.95	90,973.69	81,106.26	7
2016-17	1,95,394.21	1,09,428.29	85,965.92	7

3.5 Efficiency of Tax Collection

Table 3.6 - Taxes on Property and Capital Transactions

(₹ In Crore)

Financial Years	2012-13	2013-14	2014-15	2015-16	2016-17
Revenue Collection	9,581.69	10,350.88	12,393.38	12,916.75	12,405.07
Expenditure on Collection	1,927.28	1,941.67	2,090.49	2,212.78	2,592.66
Efficiency of Tax Collection (Percentage)	20	19	17	17	21

Table 3.7- Taxes on Commodities and Services

(₹ In Crore)

Financial Years	2012-13	2013-14	2014-15	2015-16	2016-17
Revenue Collection	72,960.80	83,953.75	88,479.47	1,10,694.24	1,23,440.51
Expenditure on Collection	1,349.75	665.16	716.75	757.64	854.28
Efficiency of Tax Collection (Percentage)	2	1	1	1	1

Taxes on Commodities and Services form a major chunk of Tax Revenue. Collection efficiency of Taxes on Commodities and Services ranged from 1 to 2 *per cent* during the last five years, while that on property and capital transactions was about 19 *per cent* on an average.

3.6 Tax Buoyancy

Tax buoyancy is an indicator to measure efficiency and responsiveness of revenue mobilization in response to growth in the Gross domestic product or national income. A tax is said to be buoyant, if the tax revenue increases more than proportionately in response to a rise in national income or output. A tax is buoyant when revenues increase by more than, say, one *per cent* for one *per cent* increase in GDP. The Figure hereunder shows the responsiveness of tax revenue growth to change in GDP during the last 05 years.

Table 3.8 -Tax Buoyancy (2012-13 to 2016-17)

(₹ In Crore)

Description	2012-13	2013-14	2014-15	2015-16	2016-17
Tax Revenue	1,15,596.21	1,29,358.74	1,40,795.33	1,72,079.95	1,95,394.21
GDP	7,82,285.34	8,90,265.14	9,76,297.00	11,53,795.00	12,75,141.00
Tax Buoyancy (i.e. % Change in tax receipt to % change in GDP)	0.9	0.9	0.9	1.2	1.3

It is obvious that the tax buoyancy was constant during 2012-13 to 2014-15. Further, it increased and reached at 1.3 *per cent* in 2016-17 which implies that on one *per cent* increase in income in 2016-17, tax revenue became buoyant by 1.3 *per cent* i.e. revenue increased by 1.3 *per cent* without increase in tax rate as per the concept.

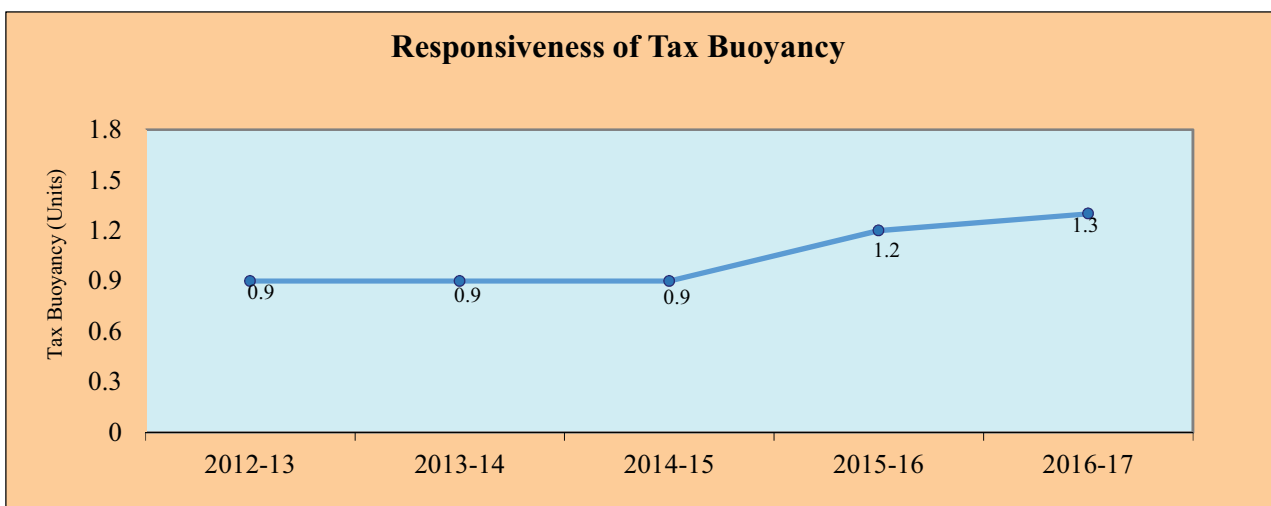


Table – 3.9 - Trend of State's Share of Union Taxes

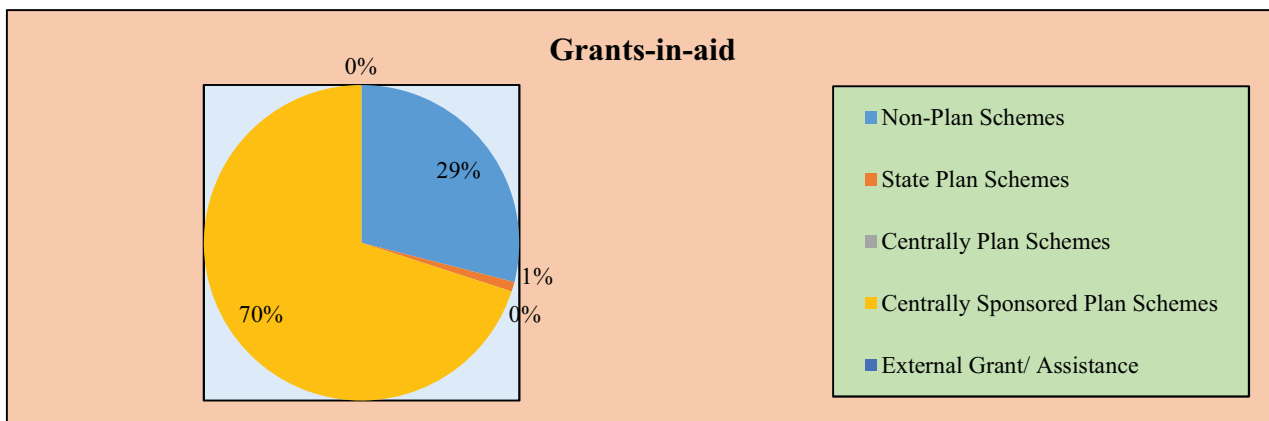
(₹ In Crore)

Major Head Description	2012-13	2013-14	2014-15	2015-16	2016-17
Corporation Tax	20,653.72	21,112.58	23,265.10	28,603.42	35,098.94
Taxes on Income other than Corporation Tax	12,365.05	13,902.00	16,613.52	19,814.58	24,393.87
Other Taxes on Income and Expenditure	0.00	0.00	0.56	0.69	0.02
Taxes on Wealth	34.87	57.96	62.81	7.73	81.01
Customs	9,554.78	10,242.68	10,774.84	14,586.98	15,098.21
Union Excise Duties	6,493.46	7,234.15	6,084.21	12,205.56	17,240.85
Service Tax	8,395.97	10,227.31	9,821.89	15,681.47	17,515.08
Other Taxes and Duties on Commodities and Services	0.00	0.02	(-0.02)	73.26	0.31
State Share of Union Taxes	57,497.85	62,776.70	66,622.91	90,973.69	1,09,428.29
Total Tax Revenue	1,15,596.21	1,29,358.78	1,40,795.33	1,72,079.95	1,95,394.21
Percentage of Union Taxes to Total Tax Revenue	50	49	47	53	56

(Refer to Statement-3 of Finance Accounts)

3.7 Grants-in-aid

Grants-in-aid represent assistance from the Government of India and External Grant assistance, and comprise of Grants for State Plan Schemes, Central Plan Schemes, Centrally Sponsored Schemes approved by the Planning Commission, State Non-Plan Grants recommended by the Finance Commission and Grants from External Agencies. Total Receipts during 2016-17 under Grants-in-aid was ₹ 32,536.87 crore as shown below:



(Refer to Statement-14 of Finance Accounts 2016-17)

Thus, the share of non-plan grants in total Grants-in-aid was 29 *per cent* during 2016-17, while the share of grants for plan schemes and centrally sponsored plan schemes were 01 and 70 *per cent* respectively. As against the budget estimate of ₹ 50,421.01 crore of central share in State Plan Schemes, Central Plan Schemes and Centrally Sponsored Plan Schemes, the State Government has actually received ₹ 32,536.87 crore of Grants-in-aid (about 65 *per cent* of B.E.).

CHAPTER IV

EXPENDITURE

4.1 Introduction

The Government Expenditure is classified as Revenue Expenditure and Capital Expenditure. Revenue Expenditure is used to meet the day-to-day running of the organisation. Capital Expenditure is used to create permanent assets, or to enhance the utility of such assets, or to reduce permanent liabilities. Expenditure is further classified under Plan and Non-Plan.

General Services	Includes Law & Justice, Police, Jail, PWD, Pension etc.
Social Services	Includes Education, Health & Family Welfare, Water Supply, Welfare of SC/ST etc.
Economic Services	Includes Agriculture, Rural Development, Irrigation, Cooperation, Energy, Industries, Transport etc.

4.2 Revenue Expenditure

Revenue Expenditure of ₹ 2,36,592.26 crore for 2016-17 fell short of Budget Estimates by ₹ 30,166.34 crore due to less expenditure of ₹ 13,598.13 crore under Plan category and ₹ 16,568.21 crore under Non-Plan category. This shortfall is to be viewed in the light of the shortfall of ₹ 24,680.33 crore (9 per cent of B.E.) in Revenue Receipts and the need of the State to maintain the Revenue Deficit in terms of the Uttar Pradesh FRBM (Fiscal Responsibility and Budget Management) Act, 2004.

Nearly 63 per cent of total Revenue Expenditure was incurred on committed Non-Plan Expenditure ₹ 1,48,209.29 crore (salaries, pensions, interests etc.). However, the State Government had a Revenue Surplus of ₹ 20,202.89 crore in 2016-17.

The shortfall of expenditure against Budget Estimates under Revenue Section during the past five years are given below:

Table 4.1 - Gap between Budget and Revenue Expenditure

(₹ In Crore)

Financial Years	2012-13	2013-14	2014-15	2015-16	2016-17
Budget Estimates	1,52,963.61	1,67,892.20	2,04,051.85	2,45,126.81	2,66,758.60
Actuals	1,40,723.64	1,58,146.87	1,71,027.32	2,12,735.95	2,36,592.26
Gap	12,239.97	9,745.33	33,024.53	32,390.86	30,166.34
Percentage of Gap over BE	8	6	16	13	11

(Refer to Statement-2 of Finance Accounts)

Table 4.2- Sectoral Distribution of Revenue Expenditure (2016-17)

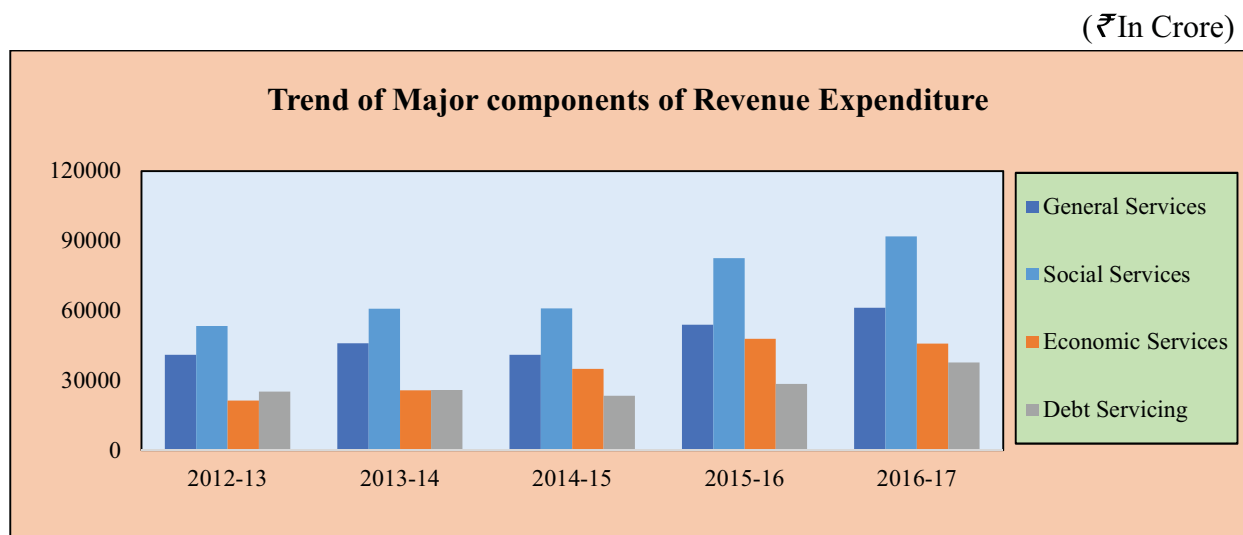
Components	Amount (₹ In Crore)	Percentage
A. Fiscal Services	3,470.89	1
(i) Collection of Taxes on Property and Capital Transactions	2,592.66	1
(ii) Collection of Taxes on Commodities and Services	854.28	0
(iii) Other Fiscal Services	23.95	0
B. Organs of State	2,481.57	1
C. Interest Payments and Servicing of Debt	37,708.02	16
D. Administrative Services	16,324.14	7
E. Pensions and Miscellaneous General Services	28,270.19	12
F. Social Services	91,861.12	39
G. Economic Services	45,834.17	19
H. Grants-in-aid and Contributions	10,642.16	4
Total Expenditure (Revenue Account)	2,36,592.26	100

(Refer to Statement-15 of Finance Accounts 2016-17)

Expenditure on Interest Payment and Servicing of Debt needs to be reduced so that the expenditure under Economic Services and Social Services may also be enhanced.

4.2.1 Major Components of Revenue Expenditure (2012-13 to 2016-17)

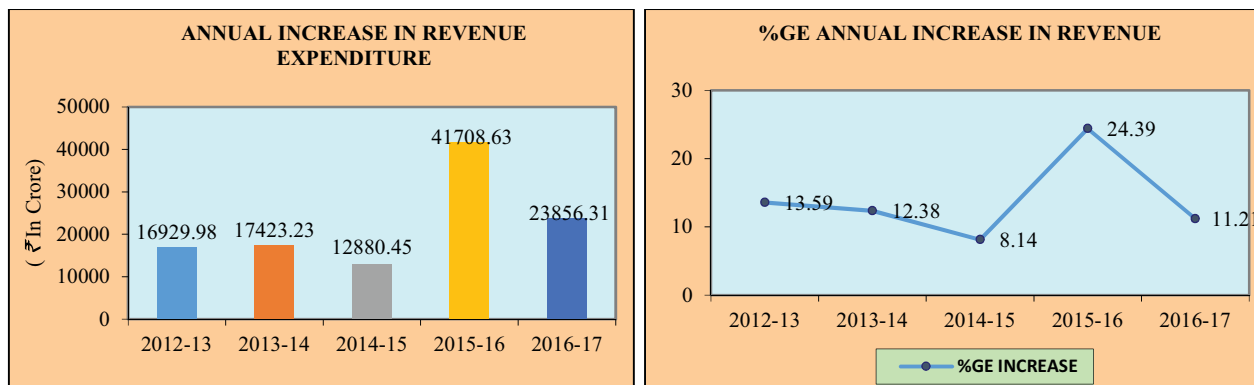
The expenditure on Economic Services (which includes important sectors like Industries, Rural Development, Agriculture and Irrigation etc.) has marginal growth, as against a steady increase in General and Social services.(₹In Crore)



(Refer to Statement-15 of Finance Accounts)

4.2.2 Trend of Revenue Expenditure (2012-13 to 2016-17)

Revenue Expenditure in the last five financial years increased at an average of ₹22,560 crore per annum and in terms of percentile, the average annual increase was 13.96%, as evident from chart below:



4.2.3 Financial Assistance to Local Bodies and Others

During the past five years, Grants-in-aid to Local Bodies etc. increased from ₹ 43,211.66 crore in 2012-13 to ₹ 82,377.56 crore in 2016-17. Grants to Zilla Parishads, Panchayat Samitis and Municipalities (₹ 8,574.36 crore) represented about 10 per cent of total grants given during the year 2016-17.

Table 4.3- Grants-in-aid for the past 5 years

Year	Zilla Parishad	Municipality	Panchayat Samiti	Others	Total
2012-13	326.98	2,198.98	1,307.92	39,377.78	43,211.66
2013-14	725.79	1,863.50	2,915.52	40,071.36	45,576.17
2014-15	466.83	908.78	1,867.35	48,997.69	52,240.65
2015-16	97.10	598.84	2,972.53	73,400.05	77,068.52
2016-17	7,561.59	1,002.05	10.72	73,803.20	82,377.56

(₹ In Crore)
(Refer to Statement-10 of Finance Accounts)

4.3 Capital Expenditure

Capital Expenditure of ₹76,530.21 crore (including loans and advances disbursed) for 2016-17 was less than Budget Estimates (₹ 91,694.66 crore) by ₹ 15,164.45 crore (less expenditure of ₹15,159.63 crore under Non-Plan category and ₹4.82 crore under Plan category).

The Gap between BE and AE is showing a fluctuation during the last five years.

Table 4.4 - Gap between Budget and Capital Expenditure (2012-13 to 2016-17)

Year	2012-13	2013-14	2014-15	2015-16	2016-17
Budget Estimates	28,303.04	34,721.13	66,125.00	83,757.95	91,694.66
Actuals	24,837.53	34,335.99	55,169.92	73,540.63	76,530.21
Gap	3,465.51	385.14	10,955.08	10,217.32	15,164.45
Percentage of Gap over BE	12.24	1.11	16.57	12.20	16.54

(₹ In Crore)
(Refer to Statement-2 of Finance Accounts)

4.3.1 Sectoral Distribution of Capital Expenditure (2016-17)

During 2016-17, the Government spent ₹ 5,230.08 crore on various Irrigation Projects (₹ 423.08 crore on Major Irrigation, ₹ 3,214.07 crore on Medium Irrigation, and ₹ 1,592.93 crore on Minor Irrigation). The Government spent ₹ 47,185.65 crore on Major Construction Works and invested ₹ 12,043.26 crore in various Corporations /Companies /Societies.

Expenditure under Social Services which is indicative of development related spending increased by 47 per cent during 2016-17 as compared to 2015-16 and expenditure on Economic Services decreased by one per cent.

Table 4.5 - Sectoral Distribution of Capital Expenditure

(₹ In Crore)

Sl. No.	Sector	Amount	Percentage
1.	General Services -Police, Land Revenue etc.	5,727.30	8
2.	Social Services - Education, Health & Family Welfare, Water Supply, Welfare of SC/ST etc.	17,150.47	22
3.	Economic Services - Agriculture, Rural Development, Irrigation, Cooperation, Energy, Industries, Transport etc.,	46,911.35	61
4.	Loans and Advances Disbursed	6,741.09	9
Total		76,530.21	100

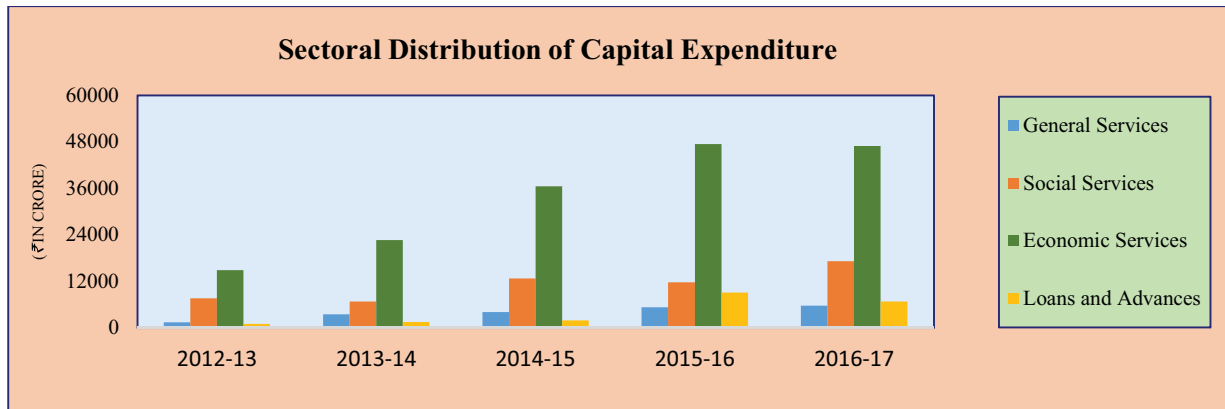
4.3.2 Trend of Sectoral Distribution of Capital Expenditure

Table 4.6- Sectoral Distribution of Capital Expenditure over the past five years

(₹ In Crore)

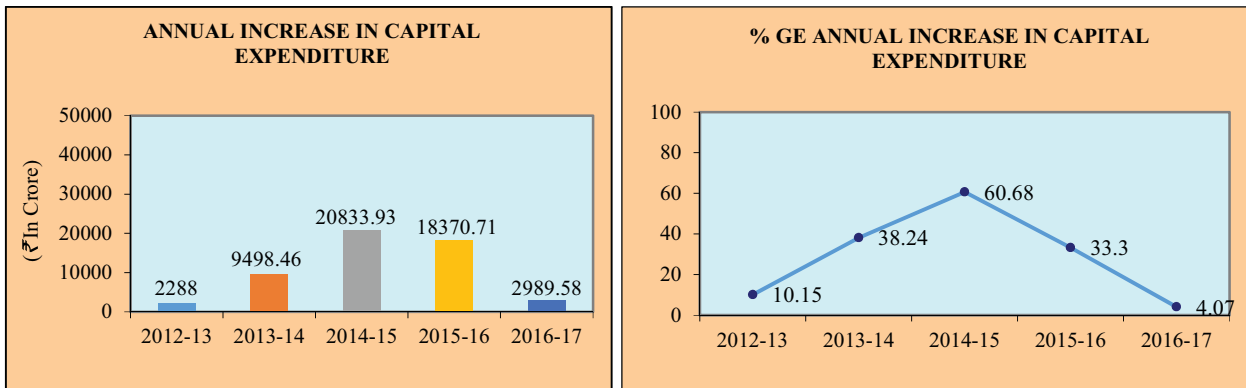
Sl. No.	Sector	2012-13	2013-14	2014-15	2015-16	2016-17
1.	General Services	1,404.95	3,463.35	4,008.68	5,259.07	5,727.30
2.	Social Services	7,594.51	6,759.50	12,754.72	11,706.77	17,150.47
3.	Economic Services	14,834.83	22,639.80	36,533.88	47,456.88	46,911.35
4.	Loans and Advances	1,003.24	1,473.34	1,872.64	9117.91	6,741.09
Total		24,837.53	34,335.99	55,169.92	73,540.63	76,530.21

(Refer to Statement-5 & 7 of Finance Accounts)



4.3.3 Trend of Capital Expenditure (2012-13 to 2016-17)

Capital Expenditure increased from 2012-13 to 2014-15 at an average of ₹ 10,873.46 crore per annum and then decreased in 2015-16 and 2016-17 at the average rate of ₹ 14,069.74 crore (i.e. 32.68 % average decrease) as evident from data below:



4.4 PLAN & NON-PLAN EXPENDITURE

Revenue and Capital Expenditure include Plan Expenditure (State Plan, Central Plan and Centrally Sponsored Plan) including Loans and Advances and Non-Plan Expenditure.

During 2016-17, Plan Expenditure was ₹ 1,12,637.96 crore (₹ 74,332.91 crore under State Plan, ₹ 35,946.74 crore under Centrally Sponsored Plan Schemes and ₹ 2,358.31 crore under Loans and Advances), while Non-Plan Expenditure was ₹ 2,00,484.51 crore, (₹ 1,86,886.03 crore under Revenue and ₹ 13,598.48 crore under Capital).

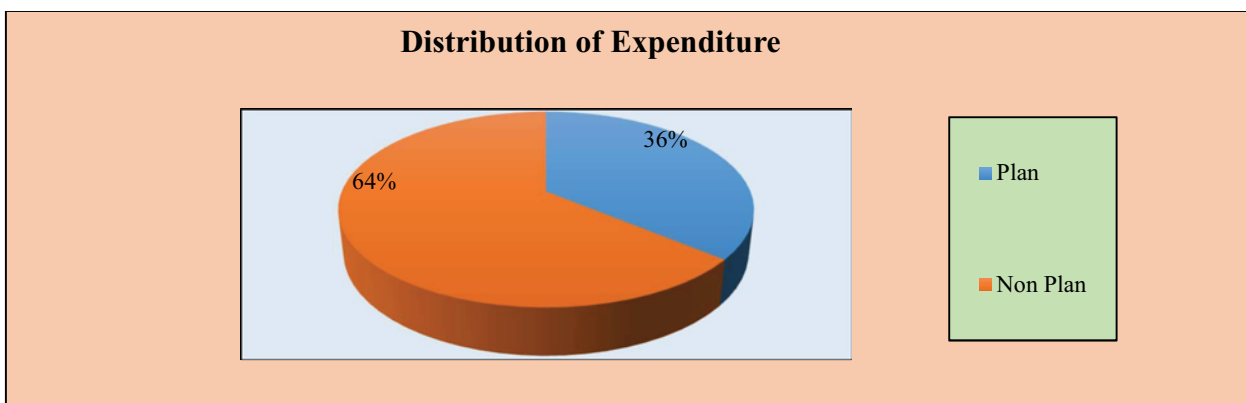
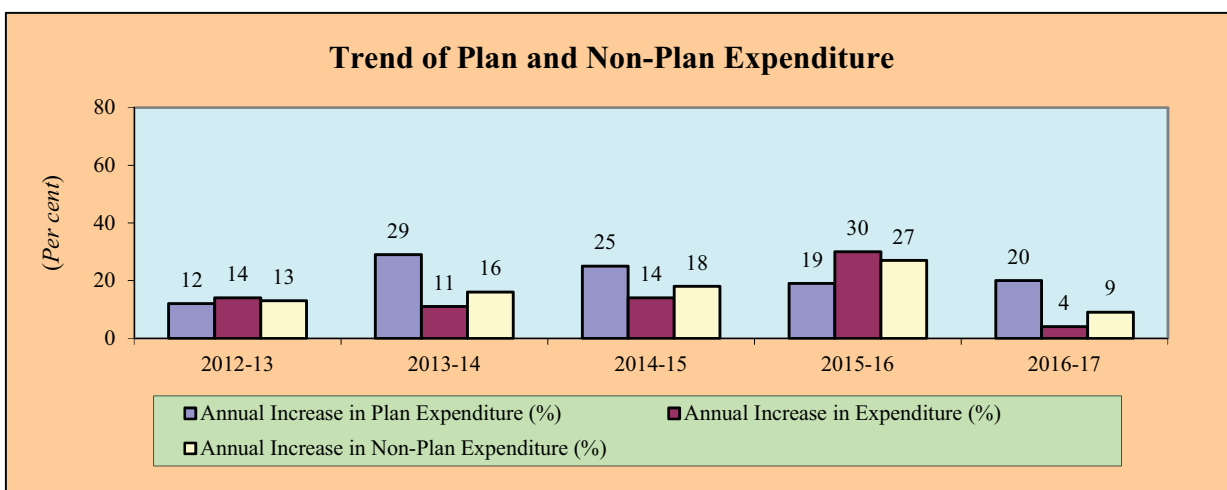


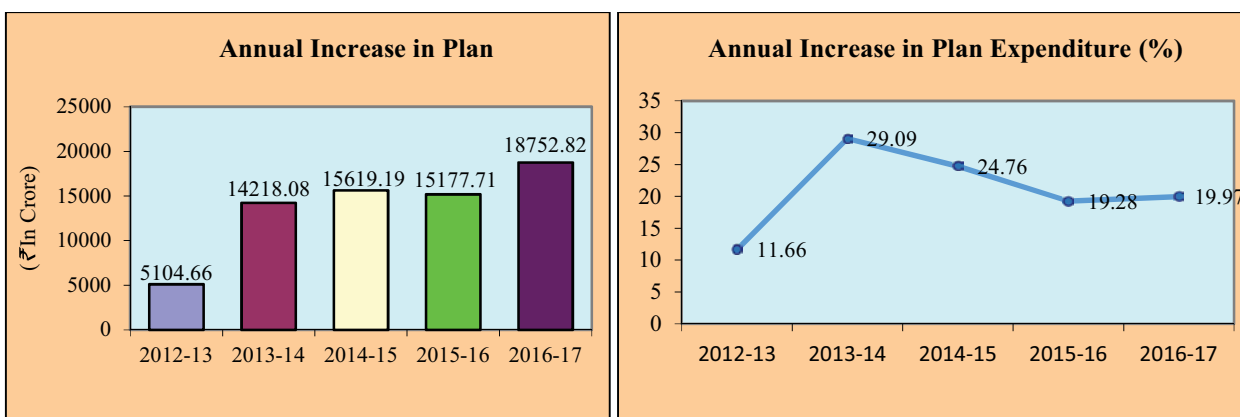
Table 4.7- Share of Plan and Non-Plan Expenditure

Financial Year	Plan	Non-plan	Total	Share of Plan Expenditure in %ge	Share of Non-Plan Expenditure in %ge
2012-13	48,870.16	1,16,691.01	1,65,561.17	29.52	70.48
2013-14	63,088.24	1,29,394.62	1,92,482.86	32.78	67.22
2014-15	78,707.43	1,47,489.81	2,26,197.24	34.80	65.20
2015-16	93,885.14	1,92,391.44	2,86,276.58	32.80	67.20
2016-17	1,12,637.96	2,00,484.51	3,13,122.47	35.97	64.03



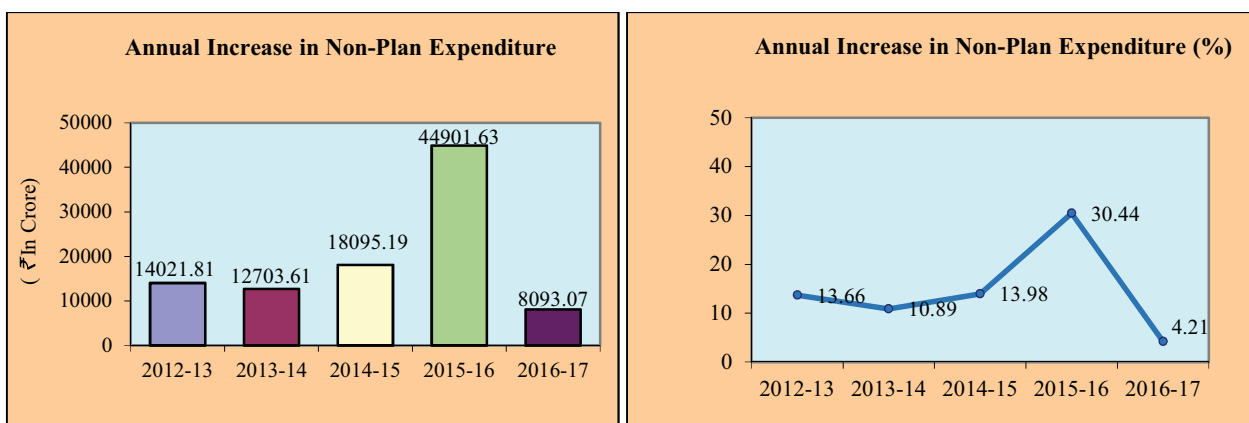
4.4.1 Trend of Plan Expenditure (2012-13 to 2016-17)

Plan Expenditure in the last five financial years increased at an average of ₹ 13774.49 crore per annum and in terms of percentile, average annual increase was 20.95%, as evident from data below:



4.4.2 Trend of Non-Plan Expenditure (2012-13 to 2016-17)

Non-Plan Expenditure in the last five financial years increased at an average of ₹ 19,563.06 crore per annum and in terms of percentile, the average annual increase was 14.64%, as evident from data below:



4.5 Plan Expenditure under Capital Account

Percentage of Capital Expenditure on plan heads has reduced from 93 per cent in 2012-13 to 82 per cent in 2016-17.

Table 4.8- Share of Capital Expenditure (Plan) to Total capital Expenditure

(₹ In Crore)

Year	2012-13	2013-14	2014-15	2015-16	2016-17
Total Capital Expenditure	24,837.53	34,335.99	55,169.92	73,540.63	76,530.21
Capital Expenditure (Plan)	22,992.25	31,430.84	45,444.98	50,633.83	62,931.73
Percentage of Capital Expenditure (Plan) to total Capital Expenditure	93	92	82	69	82

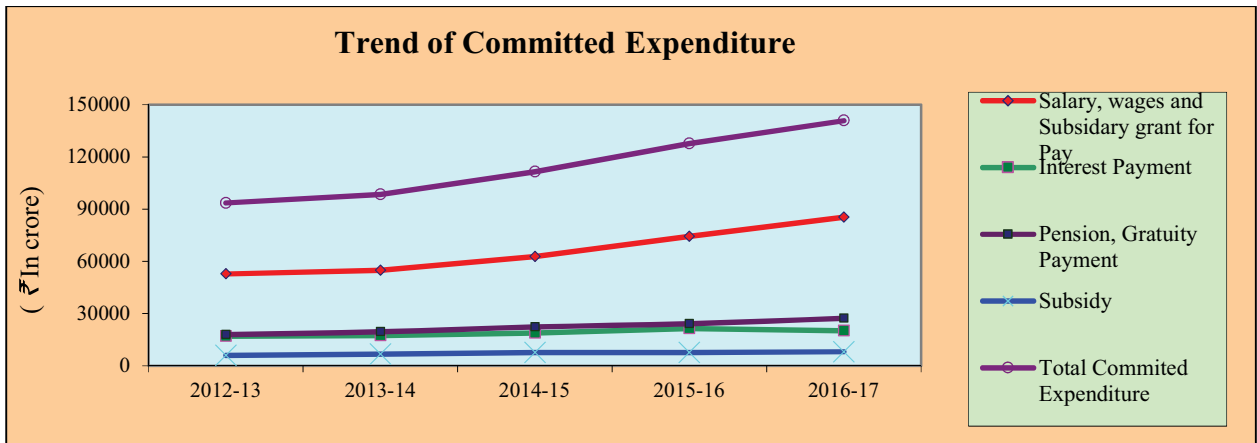
4.6 Committed Expenditure

Components of Committed Expenditure include Salary, Wages, Pension, Interest and Subsidiary grant for pay. High Committed Expenditure leaves the Government with less flexibility for development related spending. The Committed Expenditure of the Government hovered around 60 to 66 per cent of the Revenue expenditure in the last five financial years.

Table 4.9 Trend of Committed Expenditure (2012-13 to 2016-17)

(₹ In Crore)

Component	2012-13	2013-14	2014-15	2015-16	2016-17
Committed Expenditure	93,559.62	98,433.66	1,11,566.03	1,27,728.12	1,48,209.09
Revenue Expenditure	1,40,723.64	1,58,146.87	1,71,027.32	2,12,735.95	2,36,592.26
Percentage of Committed Expenditure to Revenue Receipts	64	59	58	56	58
Percentage of Committed Expenditure to Revenue Expenditure	66	62	65	60	63

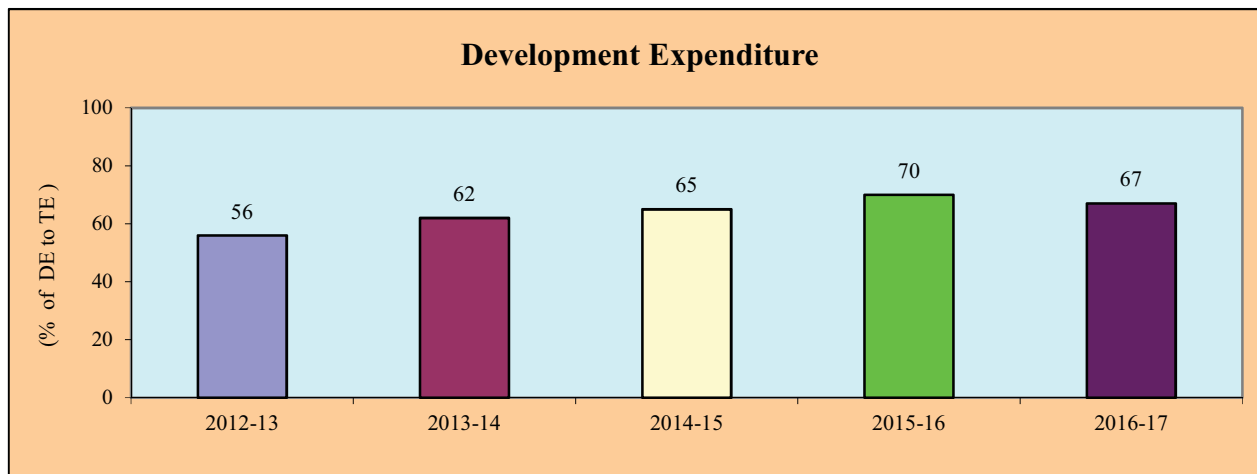


4.7 Development Expenditure

Any expenditure incurred on activities directly related to Economic and Social Development of State is called Development Expenditure. It signifies the extent to which resources has been utilized for development of the State. Under Revenue Account, it includes expenditure on Social, Community Services and Economics Services; Capital Account comprises of expenditure on loans given for Social and Community Development Services, Economics Services and Loans & Advances by States; for example, expenditure incurred on Education, Health Care, Scientific Research, Infrastructure etc.

Table here-under depicts the share of Development Expenditure in Total Expenditure. In the preceding five financial years, the Development expenditure has hovered around 56 to 70 per cent of total expenditure as evident from graph below:

Table 4.10 – Ratio of Development Expenditure to Total Expenditure



4.8 Loans and Advances by the State Government

The State Government gives loans and Advances to the Government Corporations/ Companies, Local Bodies, Non-Government Institutions/Organisation etc. Total Loans and Advances made by the State Government was ₹28,446.79 crore as on 31 March 2017. Table here-under represents the position of Loans and Advances given by the State Government.

Table 4.11 -Loans and Advances given by the State Government

Year	Loans and Advances in arrear as on 31 March, 201 (₹In Crore)
Government Corporations/ Companies	2,711.95
Local Bodies	4,355.21
NGO/Others	2,179.63
Total	28,446.79

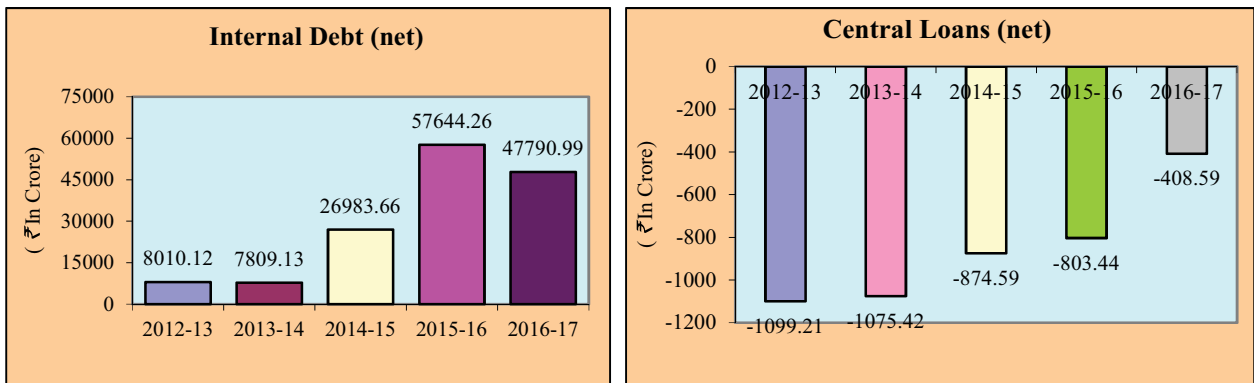
PUBLIC DEBT

5.1 Introduction

Article 293 of the Constitution of India empowers the State Government to borrow on the security of the Consolidated Fund of the State within such limits, if any, as may be from time to time fixed by the State Legislature.

The borrowings are required to meet Capital Expenditure, repayment of debt, discharge of other liabilities that is not met by the receipts of the Government. Public Debt of the State Government comprises of Internal Debt (e.g. market borrowings, loan from NSSF, loan from other institutions, compensation and other bonds etc.) and Loans & Advances from Central Government (GOI Loans). In 2016-17, Internal Debt comprised of about 96 *per cent* and GoI Loans 4 *per cent* of total Public debt (₹ 3,01,876.40 crore). Net internal debt decreased from ₹ 57,644.26 crore in 2015-16 to ₹ 47,790.99 crore in 2016-17, while Net central loan increased from ₹ -803.44 crore to ₹ -408.59 crore.

5.2 Trend of Public Debt



(Refer to Statement-17 of Finance Accounts)

Note: Negative figures indicate that repayment is in excess of receipts during the year.

In 2016-17, twenty-two market loans totalling ₹ 41,050.00 crore at interest rates varying from 6.85 *per cent* to 8.58 *per cent* and redeemable in the year 2027 were raised at par. As against the total Public Debt of ₹ 67,685.07 crore raised in 2016-17, Internal Debt of the Government was ₹ 66,653.99 crore and Central Loan component was ₹ 1,031.08 crore).

5.3 Debt Service Ratio

Debt Servicing means paying the principal and interest on debt. Debt Service is the cash that is required to cover the repayment of interest and principal on a debt for a particular period. Debt Service ratio is defined as net income divided by total debt Service.

It is a measure of the cash flow available to pay current obligations. The Debt service ratio helps to determine the borrower's ability to make debt service payments because it compares net income to the amount of principal and interest to be paid.

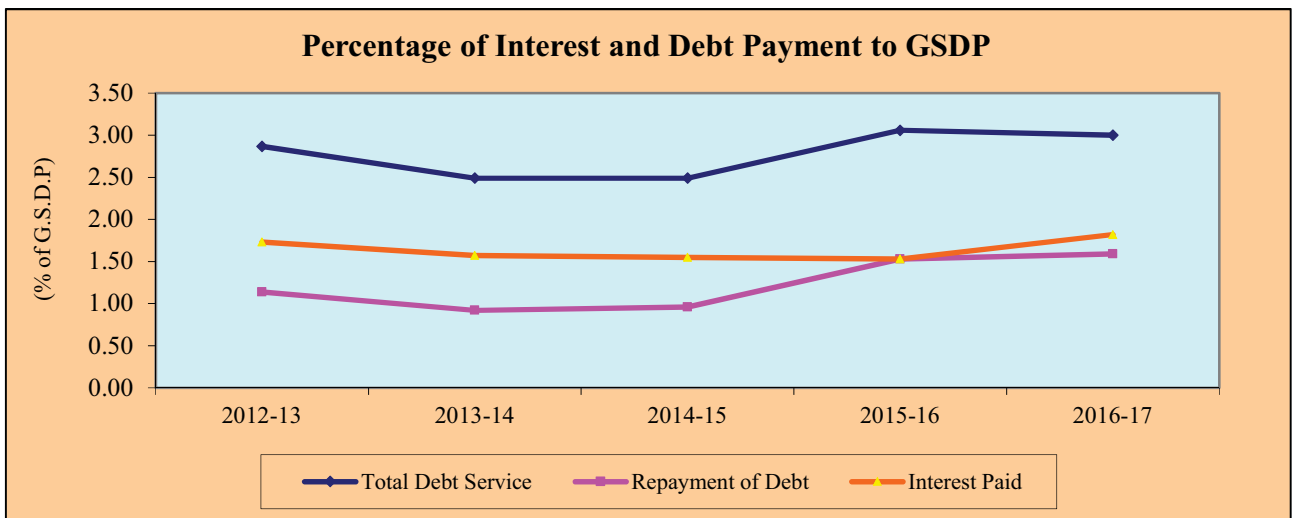
Almost 3 per cent of GSDP is consumed by debt servicing including debt and interest payment as depicted in the Table here-under. The Figure shows the graphic presentation of interest and debt payment as percentage of GSDP.

Table 5.1- Debt servicing as percentage of GSDP

(₹In Crore)

Year	2012-13	2013-14	2014-15	2015-16	2016-17
Repayment of Debt	8,909.04 (1.14)	8,166.74 (0.92)	9,411.21 (0.96)	17,672.76 (1.53)	20,302.67 (1.59)
Interest Paid	13,505.34 (1.73)	13,960.80 (1.57)	15,117.78 (1.55)	17,607.99 (1.52)	23,205.64 (1.82)
Total Debt Service	22,414.38 (2.9)	22,127.54 (2.5)	24,528.99 (2.5)	35,280.75 (3.0)	43,508.31 (3.4)
GSDP	7,82,285.94	8,90,265.14	9,76,297.00	11,53,795.00	12,75,141.00

(Figure in Parenthesis is the percentage of Total debt Service to GSDP)



5.4 Growth of Public Debt

Public Debt raised by the State Government during the last five years is depicted as under:

Table 5.2- Growth of Public Debt

(₹In Crore)

Year	Internal Debt	GOI loan	Public Debt	Per cent to GSDP
2012-13	1,48,398.74	16,411.66	1,64,810.40	21
2013-14	1,56,207.87	15,336.24	1,71,544.11	19
2014-15	1,83,191.54	14,461.65	1,97,653.18	20
2015-16	2,40,835.79	13,658.21	2,54,494.00	22
2016-17	2,88,626.78	13,249.62	3,01,876.40	24

(Refer to Statement-6 of Finance Accounts)

Note: Figures are progressive balance to end of the year.

It is obvious from the above data, the public debt of the State Government ranges between 21 and 24 *per cent* of GSDP during the last five years. In 2016-17, the debt increased by ₹47,382.40 crore over the debt raised in 2015-16 (i.e. by 19 *per cent*). It implies the increasing trend in government liabilities over the years.

CHAPTER VI

APPROPRIATION ACCOUNTS

6.1 Introduction

The Appropriation Accounts presents accounts of the sums expended in the year compared with the sums specified in the Schedule appended to the Appropriation Acts passed by the Legislature under Articles 204 and 205 of the Constitution of India.

Summary of the Appropriation Accounts for the year 2016-17 is given below-

Table 6.1- Summary of Appropriation Accounts for 2016-17

(₹ In Crore)

Sl. No	Nature of Expenditure	Original Grant	Supplementary Grant	Total	Actual Expenditure	Saving (-) Excess (+)
1	Revenue Voted	2,17,056.20	13,333.86	2,30,390.06	2,01,665.78	(-) 28,724.28
	Charged	38,512.21	70.20	38,582.41	38,072.27	(-) 510.14
2	Capital Voted	83,498.29	12,171.99	95,670.28	82,444.93	(-) 13,225.35
	Charged	28.70	0.00	28.70	5.86	(-) 22.84
3	Public Debt Voted	0.05	0.00	0.05	0.00	(-) 0.05
	Charged	15,114.22	398.22	15,512.44	20,302.67	(+) 4,790.23
4	Loans and Advances Voted	6,587.98	1,056.71	7,644.69	6,741.09	(-) 903.60
Total		3,60,797.65	27,030.98	3,87,828.63	3,49,232.60	(-) 38,596.03

6.2 Trend of Saving/Excess during the past five years

Savings/Excess under the heads Revenue and Capital Expenditure, public Debt and Loans and Advances in the last five years have been depicted in the table here under-

Table 6.2 Savings/Excess during 2013-17

(₹ In Crore)

Year	Saving (-) / Excess (+)				Total
	Revenue	Capital	Public Debt.	Loans & Advances	
2012-13	(-)15,769.59	(-)3,657.71	(-)9,934.92	(-)339.48	(-)29,701.70
2013-14	(-)16,864.37	(-) 7,365.10	(-) 10,421.12	(-) 556.36	(-) 35,206.95
2014-15	(-)32,485.37	(-)9,033.93	(-)9,972.67	(-)551.53	(-)52,043.50
2015-16	(-)32,416.34	(-)7,499.85	(-)3,713.76	(-)763.72	(-)44,393.67
2016-17	(-)29,234.42	(-)13,248.19	(+)4,790.18	(-)903.60	(-)38,596.03

The trend of unutilized budget demands for adequate budgeting and/or monitoring of funds by the Government Departments.

6.3 Persistent Savings

Substantial savings under a Grant indicate either non-implementation or slow implementation of certain schemes / programmes.

Some Grants with persistent and significant savings are given below:

Table 6.3 Savings under Grants during the year 2012-13 to 2016-17

(₹ In Crore)

Grant Nos.	Nomenclature	2012-13	2013-14	2014-15	2015-16	2016-17
07	Industries Department (Heavy and Medium Industries)	(-)51.86	(-)74.54	(-)502.19	(-)142.11	(-)2,490.67
09	Power Department	(-)35.95	(-)356.44	(-)1,616.27	(-)3,476.07	(-)985.22
14	Agriculture and Other Allied Departments (Panchayati Raj)	(-)1,230.82	(-)462.06	(-)2,442.76	(-)3,256.90	(-)96.54
26	Home Department (Police)	(-)1,156.85	(-)1,109.94	(-)1,105.50	(-)1,628.93	(-)1,338.67
32	Medical Department (Allopathy)	(-)634.67	(-)755.32	(-)766.20	(-)1,043.21	(-)1,369.74
37	Urban Development Department	(-)976.50	(-)1,024.60	(-)2,843.98	(-)1,565.68	(-)2,791.05
42	Judicial Department	(-)282.95	(-)623.56	(-)527.99	(-)589.02	(-)1,057.41
48	Minorities Welfare Department	(-)269.00	(-)349.41	(-)1,455.84	(-)1,488.25	(-)1,318.78
54	Public Works Department (Establishment)	(-)681.46	(-)1,041.30	(-)1,265.71	(-)1,384.05	(-)1,778.41
72	Education Department (Secondary Education)	(-)1,276.79	(-)1,032.08	(-)1,144.48	(-)1,534.74	(-)630.16
73	Education Department (Higher Education)	(-)939.86	(-)533.63	(-)492.16	(-)593.64	(-)518.12
83	Social Welfare Department (Special Component Plan for Scheduled Castes)	(-)2,350.94	(-)1,839.78	(-)4,144.70	(-)3,664.49	(-)4,182.19

6.4 Supplementary Provision of funds

Supplementary Grants authorised under Article 205 of the Constitution of India, of ₹27,030.98 crore (7.74 per cent of Total Expenditure) proved unfruitful during 2016-17. A few instances where there are significant savings at the end of the year even against original allocations are given below:

Table 6.4 Unutilised Supplementary Provision

(₹ In Crore)

Grant No.	Nomenclature	Section	Original B.E.	Supplementary B.E.	Actual Expenditure
13	Agriculture and Other Allied Departments (Rural Development)	Revenue (Voted)	1,999.44	209.11	1,905.70
		Capital (Voted)	11,213.51	617.80	8,530.35
15	Agriculture and Other Allied Departments (Animal Husbandry)	Revenue (Voted)	1,066.89	5.33	918.04
		Capital (Voted)	175.37	87.81	158.27
26	Home Department (Police)	Capital (Voted)	1,501.50	240.00	1,289.45
31	Medical Department (Medical Education and Training)	Capital (Voted)	2,318.57	344.00	2,164.18
37	Urban Development Department	Revenue (Voted)	6,907.80	592.80	4,749.13
42	Judicial Department	Revenue (Voted)	1,718.57	56.94	1,343.25
		Revenue (Charged)	311.78	20.85	291.83
		Capital (Voted)	1,090.51	89.00	598.09
43	Transport Department	Revenue (Voted)	232.31	9.32	185.99
		Capital (Voted)	233.15	57.66	177.78
48	Minorities Welfare Department	Capital (Voted)	902.39	155.13	712.51
49	Women and Child Welfare Department	Revenue (Voted)	5,752.54	260.44	4,906.25
51	Revenue Department (Relief on account of Natural Calamities)	Revenue (Voted)	4,965.50	2,000.00	2,833.00
83	Social Welfare Department (Special Component Plan for Scheduled Castes)	Revenue (Voted)	12,523.18	50.36	10,869.33
		Capital (Voted)	9,048.64	1,326.44	7,897.10
94	Irrigation Department (Works)	Revenue (Voted)	2,208.78	64.00	2,170.24
		Capital (Voted)	6,597.97	715.00	5,678.05

CHAPTER VII

ASSETS AND LIABILITIES

7.1 Introduction

The details of Assets and Liabilities of Government are exhibited in the Statement No.1 of the Finance Accounts **Volume-I**. The State Government had the assets and liabilities as shown in the Table here under as on March 31, 2017 and March 31, 2016.

Table 7.1 Assets and Liabilities of the State Government

Assets			Liabilities		
	As on March 31, 2017	As on March 31, 2016		As on March 31, 2017	As on March 31, 2016
Cash (including RBD with RBI, Investment of Cash Balance, Investment from Earmarked Funds etc)	943.91	-157.08	Internal Debt	2,88,626.78	2,40,875.79
Capital Expenditure including Investments	4,20,315.71	3,50,526.59	Loans and Advances from Central Government	13,249.62	13,658.21
Contingency Fund (un-recouped)	308.12	132.08	Contingency Fund(Corpus)	600.00	600.00
Loans & Advances	28,446.79	21,964.49	Liabilities on Public Account	1,24,827.73	1,15,453.81
Advances with Departmental Officers	91.58	8.75			
Suspense & Miscellaneous Balances	1,089.40	1,681.48			
Remittances Balances					
Cumulative excess of Expenditure over Receipts	-		Cumulative excess of Receipts over Expenditure	23,891.38	3,608.50
Total	4,51,195.51	3,74,156.31		4,51,195.51	3,74,156.31

(Refer to Statement-1 of Finance Accounts 2016-17)

As evident from the above table, there was increase in assets by ₹ 77,039.20 crore and that in liabilities by ₹ 56,756.32 crore in 2016-17 with reference to 2015-16, mainly due to increase in revenues and borrowings of the State Government in 2016-17.

7.2 Assets

The existing form of accounts do not depict valuation of Government assets like land, buildings etc., except in the year of acquisition/purchase. The Government assets stood, mainly comprising of cash balance and investments of cash balance, progressive Capital Expenditure, balance of Loans and Advances, Civil Advances and balance outstanding under Remittances at the end of 31 March 2017. Total investments as share capital in Non-Financial Public Sector Undertakings and other Institutions stood at ₹ 96,400.05 crore at the end of 2016-17. However, dividends received during the year were ₹ 86.34 crore (i.e. 0.09 *per cent*) on investment. During 2016-17, investments increased by ₹12,043.26 crore, while dividend income increased by ₹ 43.68 crore. Cash Balance with RBI stood at ₹(-) ₹1,409.33^(*) crore on 31 March 2016 and increased to ₹(-) 1,280.65 crore at the end of March 2017.

(*) Minus figure represents credit balance in favor of State Government

7.3 Liabilities

The Liabilities (Public Debt and other Liabilities in Public Account) borne by the State Government during the last five years were as under:

Table 7.2 Trend of State's Liabilities during the year 2012-13 to 2016-17

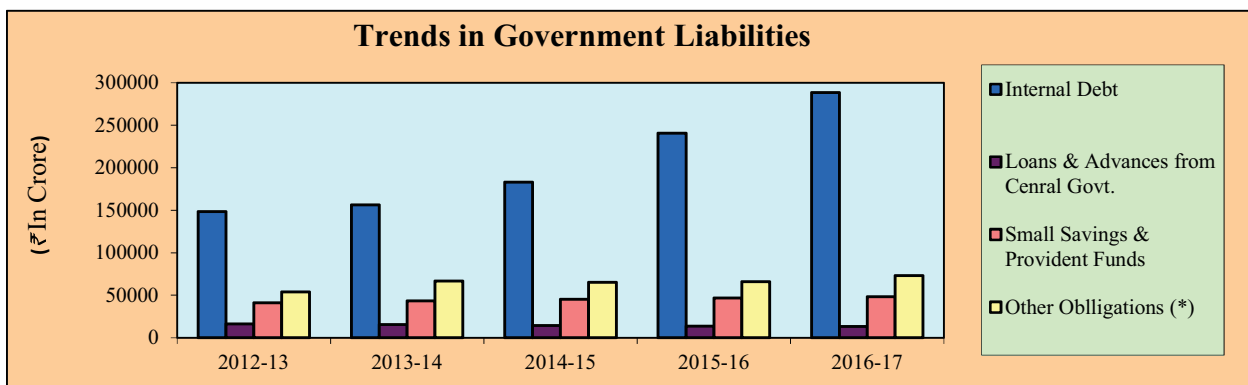
(₹ In Crore)

Year	Public Debt	Per cent to GSDP	Total Public Account	Percent to GSDP	Total	Percent to GSDP
2012-13	1,64,810.40	21	1,02,874.95	13	2,67,685.35	34
2013-14	1,71,544.11	19	1,11,486.62	13	2,83,030.73	32
2014-15	1,97,653.18	20	1,13,135.31	12	3,10,788.49	32
2015-16	2,54,494.00	22	1,15,453.81	10	3,69,947.81	32
2016-17	3,01,876.40	24	1,24,827.73	10	4,26,704.13	33

(Refer to Statement-1 of Finance Accounts)

Note: Figures are progressive balance to end of the year.

There was a net increase of ₹56,756.32 crore (15 *per cent*) in the liabilities in 2016-17 as compared to 2015-16.



(*) Interest not bearing obligations such as Deposits of Local Funds, other Earmarked Funds, etc.

7.4 Cash Balance and Investment of Cash Balance of the State Government.

Table 7.3 Position of Investment and Cash Balance

(₹ In Crore)

Component	As on 1 April 2016	As on 31 March 2017	Net increase (+) / decrease (-)
Cash Balance	(-)1,409.33	(-) 1,280.65	(+)128.68
Investments from Cash Balance (GOI Try. Bills)	1,196.44	2,168.23	(+)971.79
Investment from Earmarked Fund Balances-			
(a) Depreciation Reserve Fund	44.42	44.42	0.00
(b) Famine Relief Fund	0.78	0.78	0.00
Interest realised on Investment of Cash Balance	113.87	598.54	484.67

(Refer to Statements-1 & 2 of Finance Accounts)

The State Government had a credit closing Cash Balance at the end of 2012-13 to 2016-17, despite utilising its Cash Balance and Earmarked Fund Balances towards Investments.

7.5 Guarantees

The position of Guarantees given by the State Government for the payment of Loans and Capital and payment of interest thereon raised by Statutory Corporations, Government Companies, Corporations, Cooperative Societies, etc., is given below:

Table 7.4 Position of Guarantees during 2012-13 to 2016-17

(₹ In Crore)

At the end of the year	Maximum Amount Guaranteed (Principal only)	Amount outstanding at the end of year	
		Principal	Interest
2012-13	50,459.12	43,336.66	0.00
2013-14	69,752.00	62,223.91	598.42
2014-15	78,023.21	70,281.15	458.48
2015-16	78,825.64	57,159.87	458.48
2016-17	66,702.20	55,825.49	#

(Refer to Statement-9 of Finance Accounts)

(#) Information not furnished by the State Government.

OTHER ACCOUNTING MATTERS

8.1 Implementation of Integrated Financial Management System (IFMS) - Mission Mode Project:

Under the National e- Governance Plan, the State Treasury Computerisation as a Mission Mode Project was to be implemented by the State Governments with aim to provide greater accuracy and transparency in budgeting and accounting processes. The State Accountant Generals (A&E), as Stakeholder, were required to work in line with the State Governments in designing the computer processes (relating to capture of treasury data and compilation process) and implementation of the project.

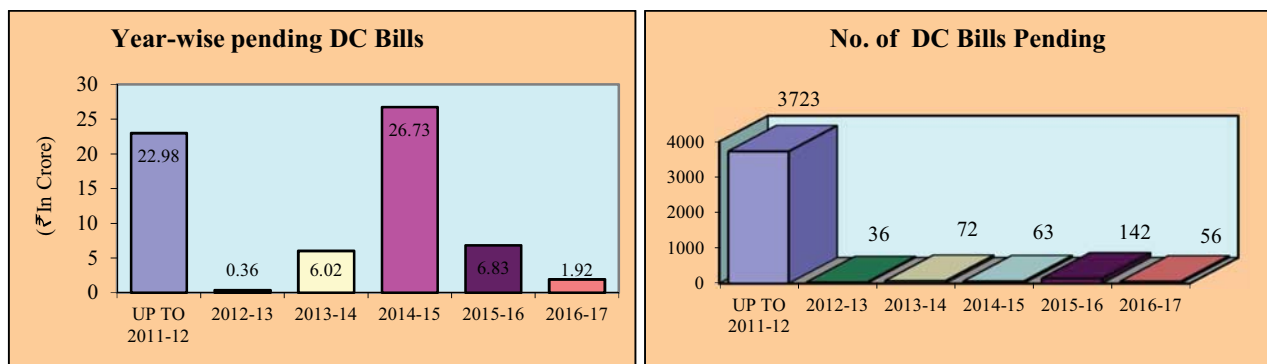
In due course of implementation of IFMS in the State of Uttar Pradesh, data (of receipts & expenditure) from 79 treasuries out of 82 is fetched electronically (through central server of the State Government) in VLC Server in the Accountant General's office, and the Monthly Civil Accounts (MCA) are generated after compilation of the said treasury data and are submitted to the State Government every month. Besides, interface for GPF and long term Advances (viz. HBA, MCA and other Advances) are being developed to expedite maintenance of the respective accounts through IFMS. A system is also being developed for online reconciliation of CCOs' (Chief Controlling Officers) figures of revenue & expenditure with that compiled by the Accountant General.

8.2 Submission of Accounts by Treasuries/Departments

The initial accounts of all the treasuries were rendered timely during the year. Rendition of monthly accounts by Public Works and Forest Divisions was not satisfactory as receipt of accounts were delayed from 2 to 15 days from the scheduled date of their receipt. However, no account was excluded at the end of the year.

8.3 Abstract Contingent (AC) Bills and Detailed Contingent (DC) Bills

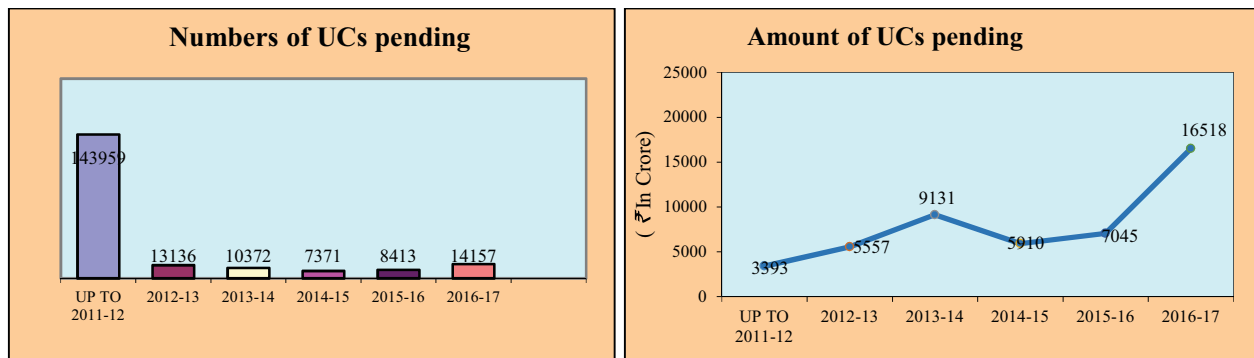
When money is required in advance or the Drawing and Disbursing Officers (DDOs) are not able to calculate the exact amounts required, they are permitted to draw money through AC bills without supporting documents. Such AC bills are required to be settled by submission of DC bills within a maximum of 30 days. As on 31 March 2017, 3620 AC bills amounting to ₹ 139.05 crore were outstanding for want of DC bills. On pursuance these were settled but 4092 DC bills amounting to ₹ 64.84 crore were still pending as on 20 November 2017.



8.4 Utilisation Certificates Awaited

Where grants are sanctioned for specific purposes, the departmental officers concerned should obtain Utilization Certificate (UCs) from the grantee, which after verification should be forwarded to the Accountant General (A&E). Non-submission of UCs does not ensure that the funds released have been utilized for the intended purposes. As on 31 March 2017, UCs (255023 in number) of ₹97906.27 crore were awaited. Out of which, about 75 per cent UCs were awaited from the three departments of the Government of Uttar Pradesh, viz., Panchayati Raj Department ₹25,490.95 crore, Education Department ₹25,693.52 crore and Social Welfare Department ₹26,927.49 crore till March 31, 2017.

Further, the position of the outstanding UCs as on 20 November 2017 is given below:



(Refer to Para 2(vi) of Notes to Accounts of Finance Accounts)

8.5 Reconciliation of Receipts and Expenditure:

Accuracy and reliability of accounts depend, among other things, on timely reconciliation of the figures available with the departments and the figures appearing in the accounts compiled by the Accountant General (Accounts and Entitlements). This exercise is to be conducted by respective Heads of Departments. In 2016-17, Total Expenditure and Total Receipts approximate were reconciled. The status of reconciliation of the figures in respect of the Chief Controlling Officers (CCOs) of different departments is given below:

Table 8.1 Position of Reconciliation

Particulars	Total Nos. of CCOs	Nos. of CCOs who reconciled	Nos. of CCOs who didn't reconcile
Expenditure	171	171	0
Receipt	45	45	0

(Refer to Para 2(ii) of Notes to Accounts of Finance Accounts)

8.6 Non-closure and Reconciliation of Personal Deposit (PD) Accounts:

Personal Deposit (PD) accounts are opened for specific purposes in consultation with the Accountant General by transfer of funds which is booked as expenditure against the Consolidated Fund of the State. These PD accounts are required to be closed on the last working day of the following financial year and unspent balances remitted back to Government Accounts.

As on 31 March 2017, there were 1317 accounts with a balance of ₹6,835.75 crore. Out of them, 636 were operative and 681 were inoperative. The inoperative accounts with unspent balance of

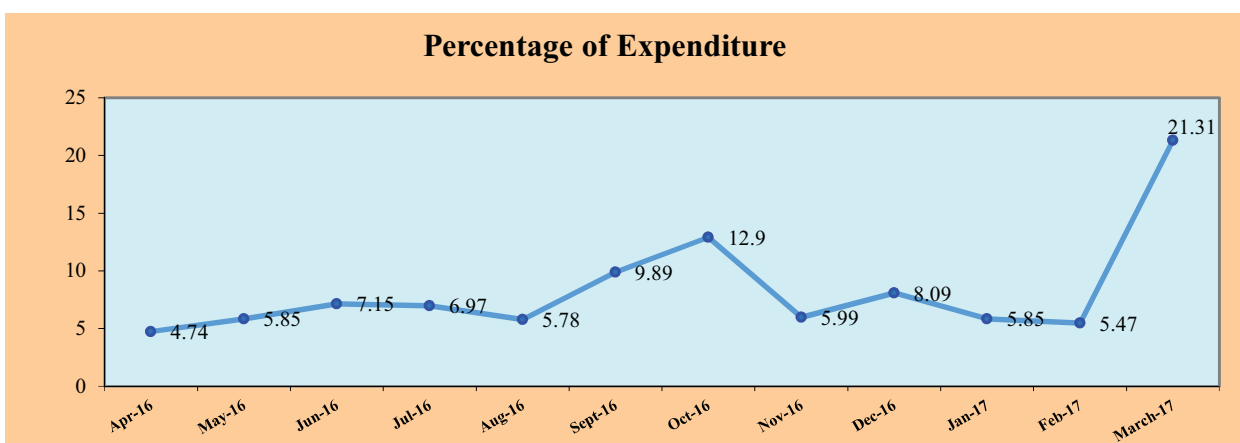
₹ 134.10 crore were required to be closed, but the same has not been done by the State Government so far.

These accounts were also required to be reconciled by the respective treasuries. At the end of the year (2016-17), seven out of 77 treasuries in the State informed that the PD accounts maintained by them had been reconciled. The status of reconciliation of the remaining 70 treasuries has not been made available by respective treasuries.

(Refer to Para 2(iii) of Notes to Accounts of Finance Accounts)

8.7 Rush of Expenditure

The financial rules stipulate that rush of expenditure, particularly in the closing month of the financial year (2016-17), shall be regarded as a breach of financial regularity and should be avoided. It is observed, in March 2017, the expenditure was 21.31 *per cent* while in other eleven months the expenditure never crossed 13 *per cent* of total expenditure:



8.8 Suspense Balances

Items of receipts and payments which cannot be taken to final head of receipt or expenditure owing to lack of information as to nature or for any another reasons are booked temporarily under the Major Heads 8658-Suspense Accounts. These are cleared by minus debit or minus credit as the case may be on receipt of details/information. The position of balances under Suspense and Remittance Heads as on March 31, 2017 was as under-

(₹ In Crore)		
Heads	Debit	Credit
8658-Suspense Accounts-		
101- Pay and Accounts Office Suspense	46.36	25.07
Net	Dr 21.29	
102-Suspense Accounts (Civil)	14,697.43	14,538.75
Net	Dr 158.68	
110- Reserve Bank Suspense- Central Accounts Office	(-) 14.91	(-) 83.08
Net	Dr 68.17	
8793- Inter State Suspense Account	8.64	0.03
Net	Dr 8.61	

8.9 Commitments on account of Incomplete Capital Works

Total Expenditure of ₹ 12,987.18 crore was incurred till 2016-17 by the State Government on various incomplete projects against an estimated cost of ₹ 11,790.44 crore. During 2016-17, an expenditure of ₹ 2,347.87 crore was incurred by the State Government on various projects taken up by Engineering Departments. Payments to the tune of ₹ 3,519.37 crore was due to be paid to the end of March 2017. A summarized view on commitments on account of 'Incomplete Capital Works' is furnished below:

(₹ In Crore)

Sl. No.	Category of Works	Estimated Cost of Work	Expenditure during the year	Progressive Expenditure to the end of the year	Pending Payments
1.	Road Work/Bridges and Irrigation Projects etc.	11,790.44	2,347.87	12,987.18	3,519.37

(Source: State Government Accounts)

- Note: i) Detailed information towards commitments on Incomplete Capital Works is available in Appendix IX of Finance Accounts 2016-17.
- ii) The figures exhibited in the above table are compiled from the data as provided by various Divisions/Departments.
-

**© COMPTROLLER AND
AUDITOR GENERAL OF INDIA
2017
www.cag.gov.in**



SCAN QR CODE FOR FULL REPORT

agup.nic.in