

Accounts At A Glance

**For the Year
2012-2013**

Government of Uttar Pradesh



REFACE

I am happy to present the fifteenth 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 (total 1073 pages in this year) 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 149 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.

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

(Neelesh Kumar Sah)
Accountant General (A&E)
Uttar Pradesh

Place: Allahabad
Date: 21-01-2014

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

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OVERVIEW

1.1 Introduction

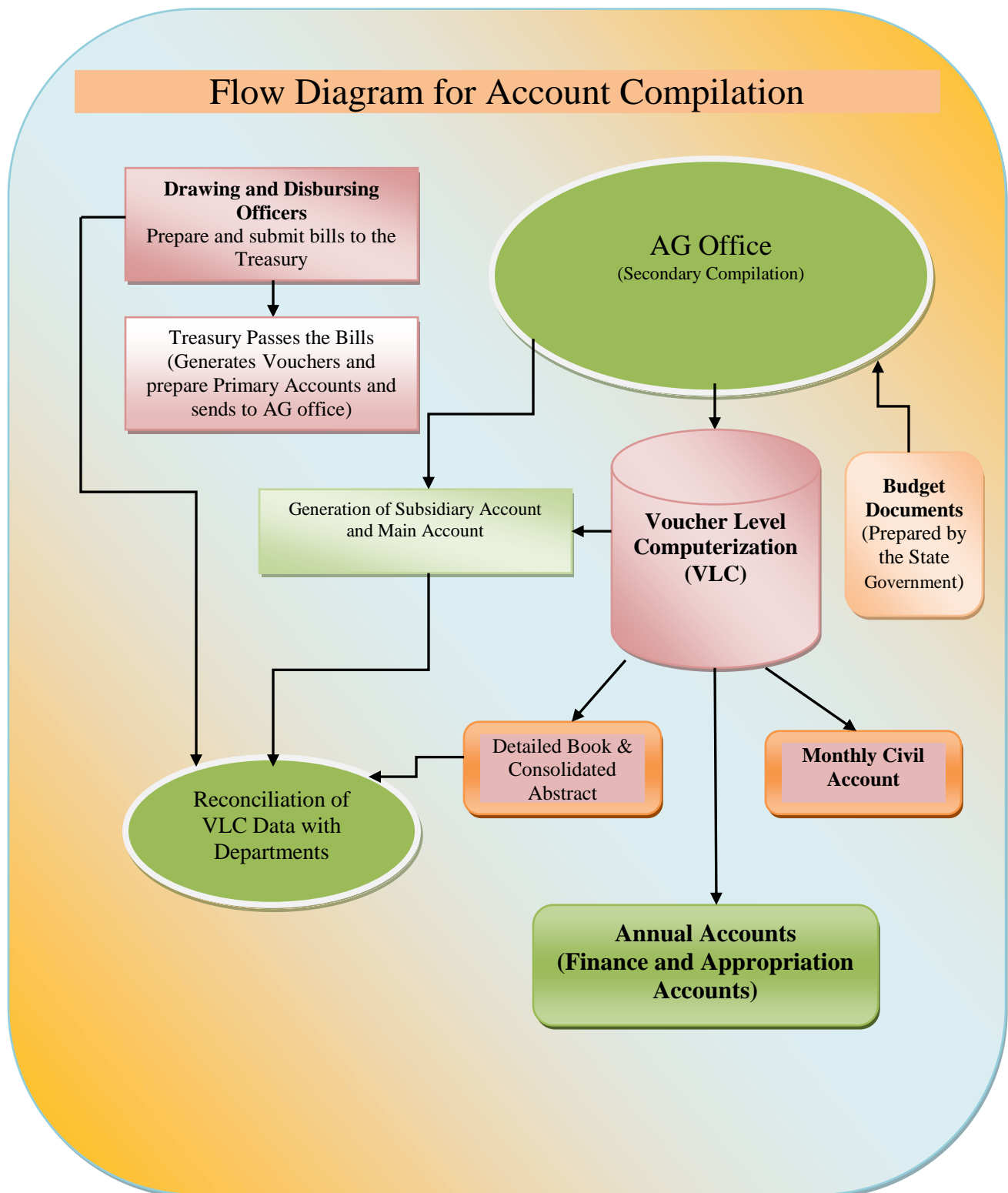
The Accountant General (Accounts and Entitlements), Uttar Pradesh compiles the accounts of receipt and expenditure of the Government of Uttar Pradesh (UP) (on monthly basis known as Monthly Civil Accounts). This compilation is based on the initial accounts rendered by the District Treasuries, Public 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

1.2.1 Government Accounts are kept in three parts:

<p>Part 1 CONSOLIDATED FUND</p>	<p>Comprises all the Receipts and Expenditures on Revenue and Capital Accounts, Public Debt and Loans and Advances.</p>
<p>Part 2 CONTINGENCY FUND</p>	<p>Intended to meet unforeseen expenditure, pending authorization by the Legislatures. Expenditure from this Fund is recouped subsequently from the Consolidated Fund. The corpus of this fund for the Government of UP is ₹ 600 crore.</p>
<p>Part 3 PUBLIC ACCOUNT</p>	<p>All public money received, other than those credited to Consolidated Fund, are accounted for under the Public Account. In respect of such receipts, Government acts as a banker or trustee.</p> <p>Comprises Small Savings and Provident Funds, Reserve Funds, Deposits and Advances, Suspense and Remittances transactions. Small Savings and Provident Funds, Reserve Funds and Deposits represent repayable liabilities of the Government. Advances are receivables of the Government. Suspense and Remittance transactions are adjusting entries that are to be cleared eventually by booking to the final heads of account.</p>

1.2.2 Compilation of Accounts



1.3 Finance Accounts and Appropriation Accounts

1.3.1 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 issued in two volumes, in a new format, to make them more comprehensive and informative. Volume I of the Finance Accounts contains the certificate of the Comptroller and Auditor General of India, summarized statements of overall Receipts and Disbursements and 'Notes to Accounts' containing summary of significant accounting policies, quality of accounts and other items; Volume II contains other summarized statements (Part-I), detailed statements (Part-II) and appendices (Part-III).

Receipts and Disbursements of the Government of Uttar Pradesh as depicted in the Finance Accounts 2012-13 are given below:

(₹ in crore)

Receipts (Total: 165561.17)	Revenue (Total: 145903.98)	Tax Revenue	115596.21
		Non Tax Revenue	12969.98
		Grants-in-Aid	17337.79
	Capital (Total: 19657.19)	Recovery of Loans and Advances	418.80
		Borrowings and other Liabilities *	19238.39
Disbursements (Total: 165561.17)	Revenue	140723.64	
	Capital	23834.29	
	Loans and Advances	1003.24	

* Borrowings and other Liabilities: Net (Receipts-Disbursements) of Public Debt + Net of Contingency Fund + Net (Receipts-Disbursements) of Public Account + Net of Opening and Closing Cash Balance.

The Union Government transfers substantial funds directly to State Implementing Agencies/NGOs for implementation of various schemes and programmes. This year, the Government of India directly released ₹ 9631.63 crore (₹ 10682.51 crore last year). Since these funds are not routed through the State Budget, they are not reflected in the accounts of the State Government. These transfers are now exhibited in Appendix VII of Volume II of the Finance Accounts.

1.3.2 *Appropriation Accounts*

The Appropriation Accounts supplement the Finance Accounts. They depict the expenditure of the State Government against amounts 'Charged' on the Consolidated Fund or 'Voted' by the State Legislature. There are 44 charged Appropriations and 91 voted Grants in the State. The Appropriation Act, 2012-13, had provided for gross expenditure of ₹ 216759.91 crore and reduction of expenditure (recoveries) of ₹ 10788.01 crore. Against this, the actual gross expenditure was ₹ 187058.21 crore and reduction of expenditure was ₹ 12588.00 crore, resulting in net savings of ₹ 29701.70 crore (14 percent) and an under-estimation of ₹ 1799.99 crore (17 Percent) on reduction of expenditure. Reduction of expenditure, under revenue and capital was more than estimates. The gross expenditure during the year includes ₹ 28.07 crore drawn on Abstract Contingent (AC) Bills, out of which ₹ 4.76 crore is still outstanding at the end of the year for want of supporting Detailed Contingent (DC) Bills.

Normally, unspent balances under PD Accounts are to be transferred back to the Government Accounts at the end of the financial year. But the same has not been done in respect of 56 PD Accounts (under 8443-106) amounting to ₹ 0.45 crore by the holders at the end of year.

43 out of the 77 treasuries in the State informed that the 837 PD Accounts maintained by them had been reconciled. The status of reconciliation of the remaining 34 treasuries (maintaining 665 PD Accounts) is not known.

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 2012-13, the Government of Uttar Pradesh did not resort to OD facilities. This has to be viewed against the fact that there were savings of ₹ 29701.70 crore in almost all the 92 grants, resulting in a shortfall of 14 Percent in expenditure against estimates.

1.4.2 *Fund flow statement*

The State had a Revenue Surplus of ₹5180.34 crore and a Fiscal Deficit of ₹ 19238.39 crore representing 1percent and 3 percent of the Gross State Domestic Product (GSDP) ¹. The Fiscal Deficit constituted 12 percent of total expenditure. This deficit was met from Public Debt (₹ 6910.91 crore), increase in Public Account (₹12860.10 crore), un-recouped contribution from the Contingency Fund (₹ 47.20 crore), and net of opening and closing cash balance (₹ -579.82 crore). Around 64 percent of the Revenue Receipts (₹ 145903.98 crore) of the State Government was spent on committed expenditure like salaries and wages (₹ 52754.72 crore), interest payments (₹16920.59 crore), pensions (₹ 17920.61 crore) and subsidies (₹ 5963.70 crore).

¹Except where indicated otherwise, GSDP figures used in this publication are adopted from Arthik Bodh Evam Sankhya Nideshak, Government of Uttar Pradesh. Lucknow.

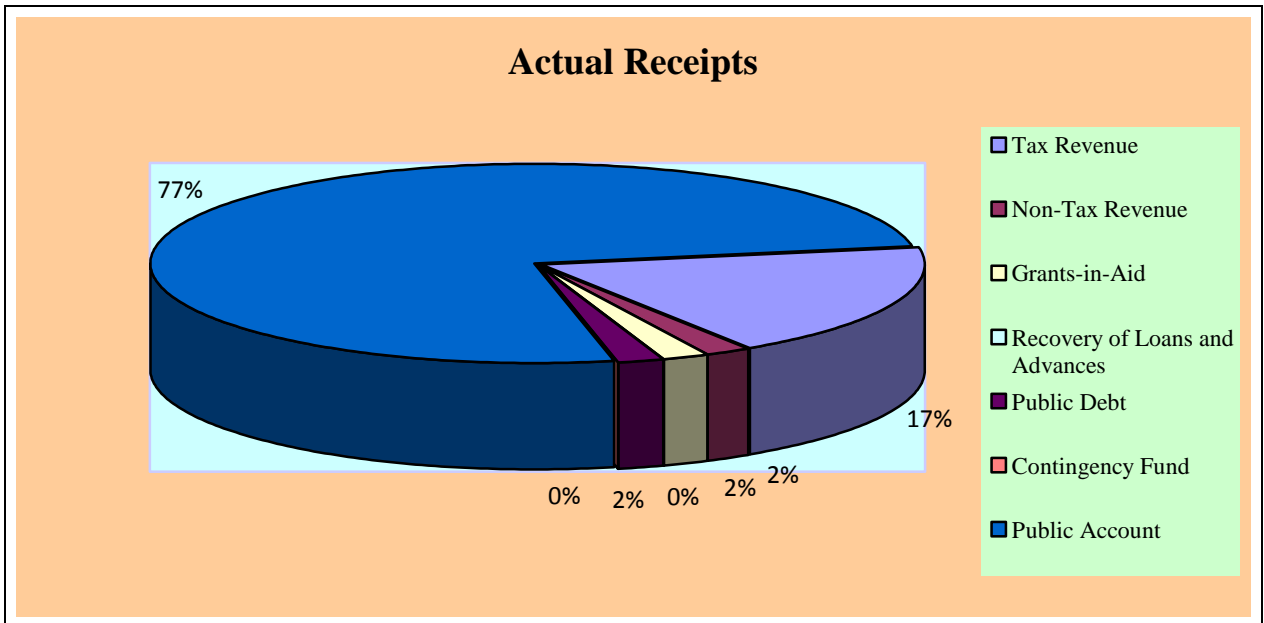
Source and Application of Funds

(₹In crore)

SOURCES	PARTICULARS	AMOUNT
	Opening Cash Balance as on 1.4.2012	(-) 619.34
	Revenue Receipts	145903.98
	Recovery of Loans and Advances	418.80
	Public Debt	15819.95
	Contingency Fund	309.65
	Small Savings, Provident Fund & Others	10096.34
	Reserves & Sinking Funds	9638.28
	Deposits Received	8484.09
	Civil Advances Repaid	144.60
	Suspense Account	494040.46
	Remittances	15954.43
	Total	700191.24

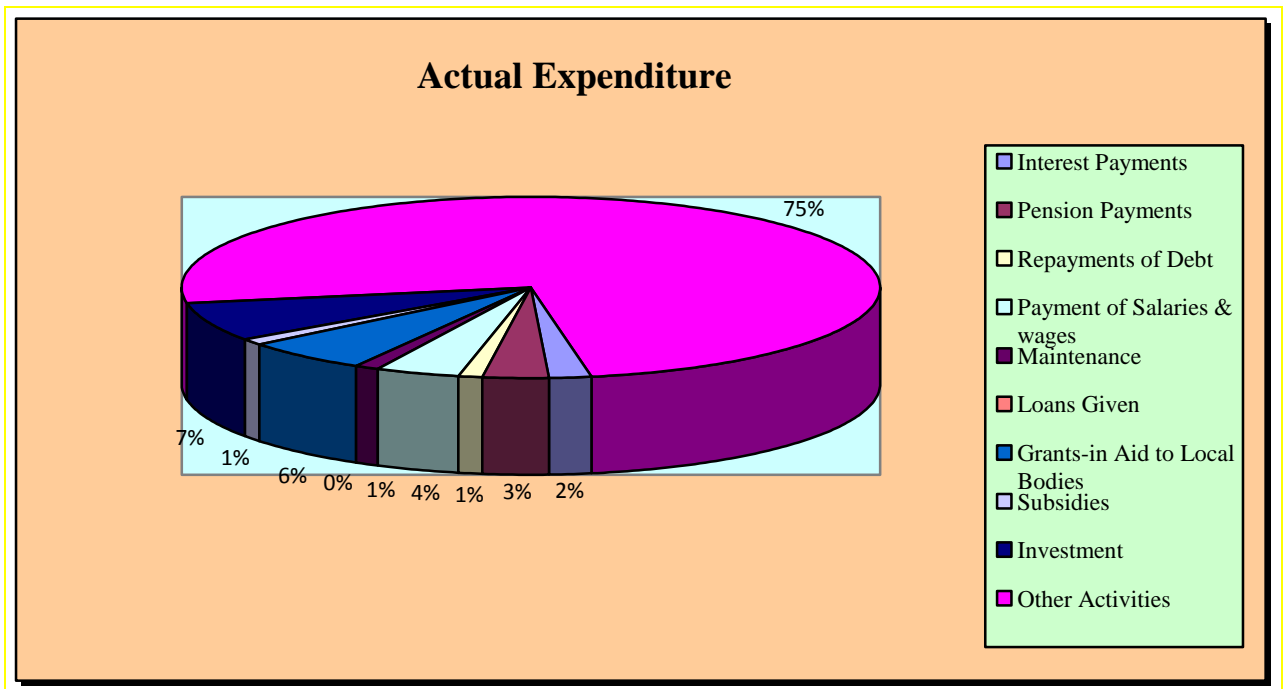
APPLICATION	Revenue Expenditure	140723.64
	Capital Expenditure	23834.29
	Loans given	1003.24
	Repayment of Public Debt	8909.04
	Contingency Fund	262.45
	Small Savings, Provident Funds and Others	6754.83
	Reserves & Sinking Funds	5252.14
	Deposits spent	6731.06
	Civil Advances given	144.60
	Suspense Account	491646.96
	Remittances	14968.51
	Closing Cash Balance as on 31.3.2013	(-) 39.52
	Total	700191.24

1.4.3 Where the Rupee came from



Note: Zero depicts negligible amount

1.4.4 Where the Rupee went



Note: Zero depicts negligible amount

1.4 Highlights of Accounts

(₹ in crore)

Sl. No	Items	B.E 2012-13	Actuals	Percentage of actuals to B.E	Percentage of actuals to GSDP(\$)
1.	Tax Revenue @	121585.40	115596.21	95.07	15.02
2.	Non-Tax Revenue	14173.82	12969.98	91.51	1.69
3.	Grants-in-aid & Contributions	23088.74	17337.79	75.09	2.25
4.	Revenue Receipts(1+2+3)	158847.96	145903.98	91.85	
5.	Recovery of Loans and Advances	848.43	418.80	49.36	0.05
6.	Borrowings & other Liabilities (A)	21570.26	19238.39	89.19	2.50
7.	Capital Receipts(5+6)	22418.69	19657.19	87.68	2.55
8.	Total Receipts (4+7)	181266.65	165561.17	91.34	21.51
9.	Non-Plan Expenditure (*)	125156.51	116691.01	93.24	15.16
10.	NPE on Revenue Account	123302.22	114845.72	93.14	14.92
11.	NPE on Interest Payments out of 10 above	16617.56	16920.59	101.82	2.20
12.	NPE on Capital Account	1854.29	1845.30	99.52	0.24
13.	Plan Expenditure (*)	56110.14	48870.16	87.10	6.35
14.	PE on Revenue Account	29661.39	25877.91	87.24	3.36
15.	PE on Capital Account	26448.75	22992.24	86.93	2.99
16.	Total Expenditure(9+13)	181266.65	165561.17	91.34	21.51
17.	Revenue Expenditure(10+14)	152963.61	140723.63	92.00	18.28
18.	Capital Expenditure(12+15) (#)	28303.04	24837.54	87.76	3.23
19.	Revenue Surplus(+)/Deficit(-)(4-17)	5884.35	5180.35	88.04	0.67
20.	Fiscal Surplus(+)/Deficit(-) (4+5-16)	(-) 21570.26	(-) 19238.39	89.19	2.50

@ Includes State's Share of Union Taxes of ₹ 57497.85 crore

(\$) GSDP figure of ₹ 769728.88 crore (advance) received from Arthik Bodh Evam Sankhya Nideshak, Uttar Pradesh, Lucknow.

(#) Expenditure on Capital Account includes Capital Expenditure (₹ 23834.29 crore) and Loans and Advances disbursed (₹ 1003.24 crore).

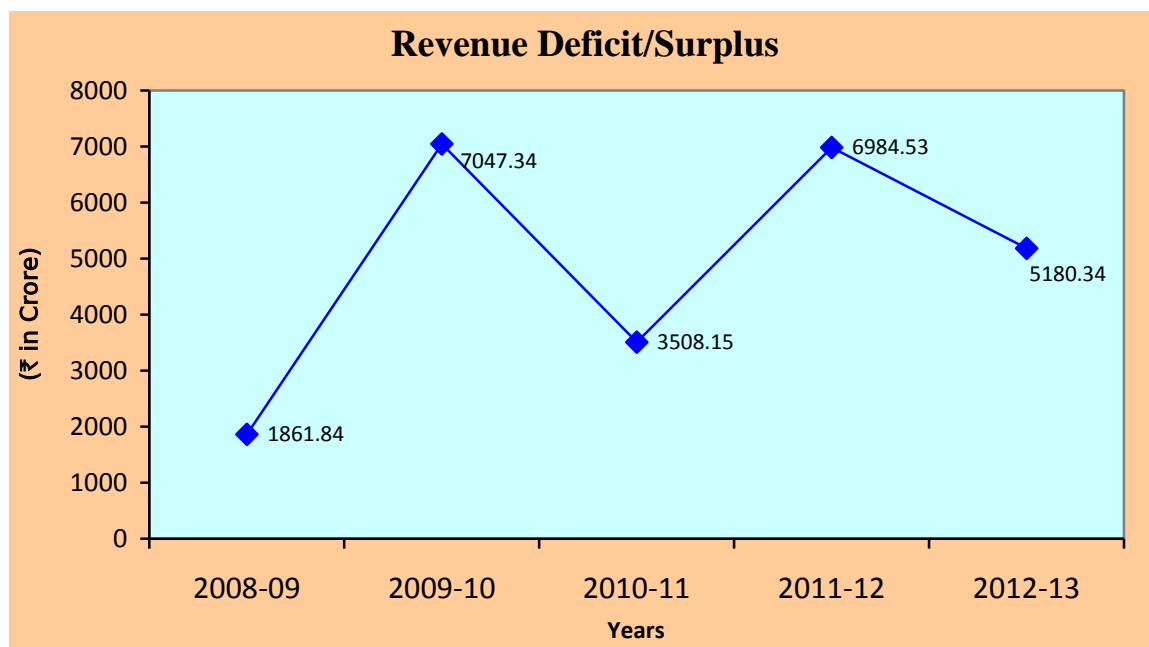
(*) Expenditure includes ₹ 619.49 crore under Non-Plan and ₹ 383.75 crore under Plan which pertains to Loans and Advances.

(A) Borrowings and other Liabilities: Net (Receipts-Disbursements) of Public Debt + Net of Contingency Fund+ Net (Receipts- Disbursements) of Public Accounts + Net of Opening and Closing Cash Balance.

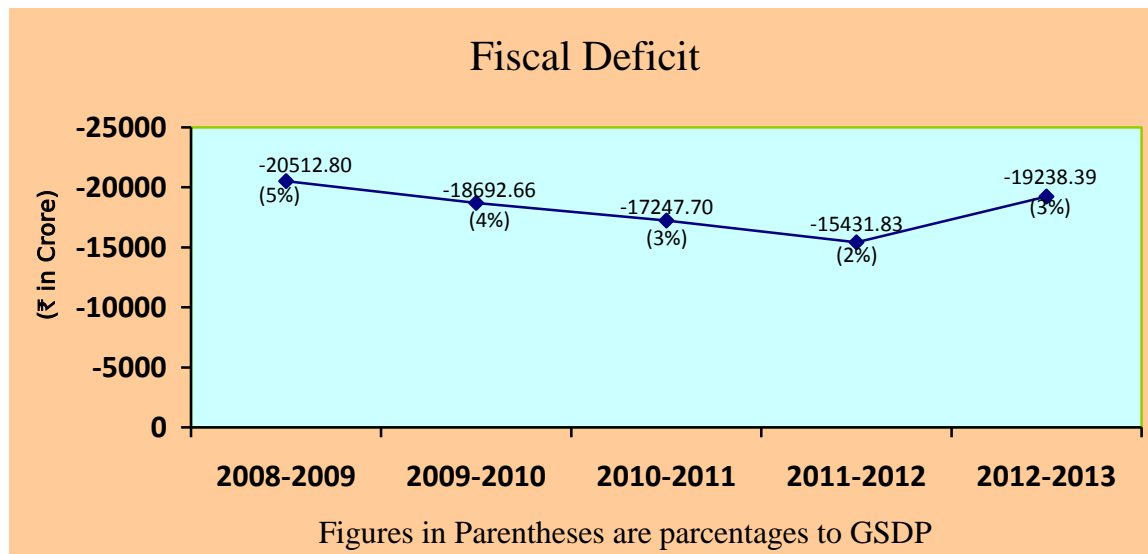
1.6 What do the Deficits and Surpluses indicate?

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.

1.6.1 Trend of Revenue Deficit/ Surplus

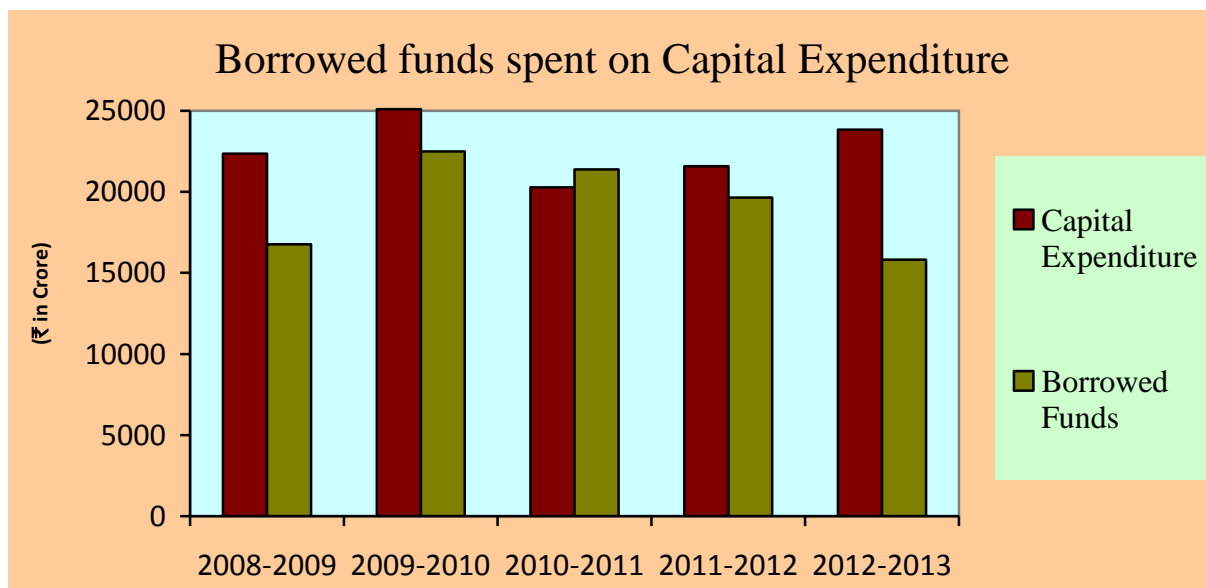


1.6.2 Trend of Fiscal Deficit



1.6.3 Proportion of borrowed funds spent on Capital expenditure.

The Capital Expenditure is usually met from borrowed funds. It is desirable to fully utilise borrowed funds for the creation of capital assets, and to use Revenue Receipts for the repayment of principal and interest. The State Government, however, spent 151 Percent of the borrowings of the current year (₹ 15819.95 crore) on Capital Expenditure (₹ 23834.29 crore).



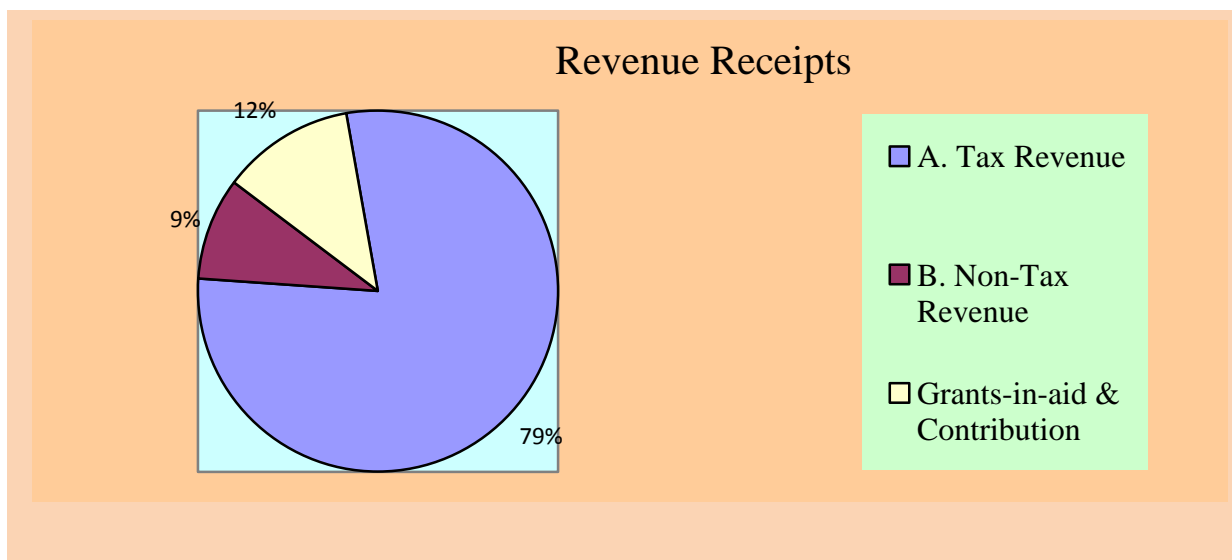
RECEIPTS

2.1 Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Receipts for 2012-13 were ₹ 165561.17 crore.

2.2 Revenue Receipts

Tax Revenue	Comprises 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, profits etc.
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. In turn, the State Governments also give Grants-in-aid to institutions like Panchayati Raj Institutions, Autonomous bodies etc.



Revenue Receipt Components (2012-13)

(₹ in crore)

Components	Actuals
A. Tax Revenue	115596.21
Taxes on Income & Expenditure	33053.72
Taxes on Property & Capital Transactions	9581.69
Taxes on Commodities & Services	72960.80
B. Non-Tax Revenue	12969.98
Fiscal Services	0.04
Interest Receipts, Dividends and Profits	1249.11
General Services	5068.77
Social Services	4670.20
Economic Services	1981.86
C. Grants-in aid & Contributions	17337.79
Total- Revenue Receipts	145903.98

2.3 Trend of Receipts

(₹ in crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
Tax Revenues	59564.69 (13)	65674.27 (12)	84573.90 (14)	102964.38 (15)	115596.21 (15)
Non-Tax Revenues	6766.56 (2)	13601.09 (3)	11176.21 (2)	10145.30 (1)	12969.98 (2)
Grants-in-Aid	11499.48 (3)	17145.59 (3)	15433.65 (3)	17760.02 (3)	17337.79 (2)
Total Revenue Receipts	77830.73 (18)	96420.95 (18)	111183.76 (19)	130869.70 (19)	145903.98 (19)
GSDP(*)	444684.86	523394.18(a)	600164.08(b)	679006.91(c)	769728.88(d)

Note: Figures in parentheses represent percentage to GSDP

(*) GSDP (Gross State Domestic Product) is the value of final goods and services produced during the year.

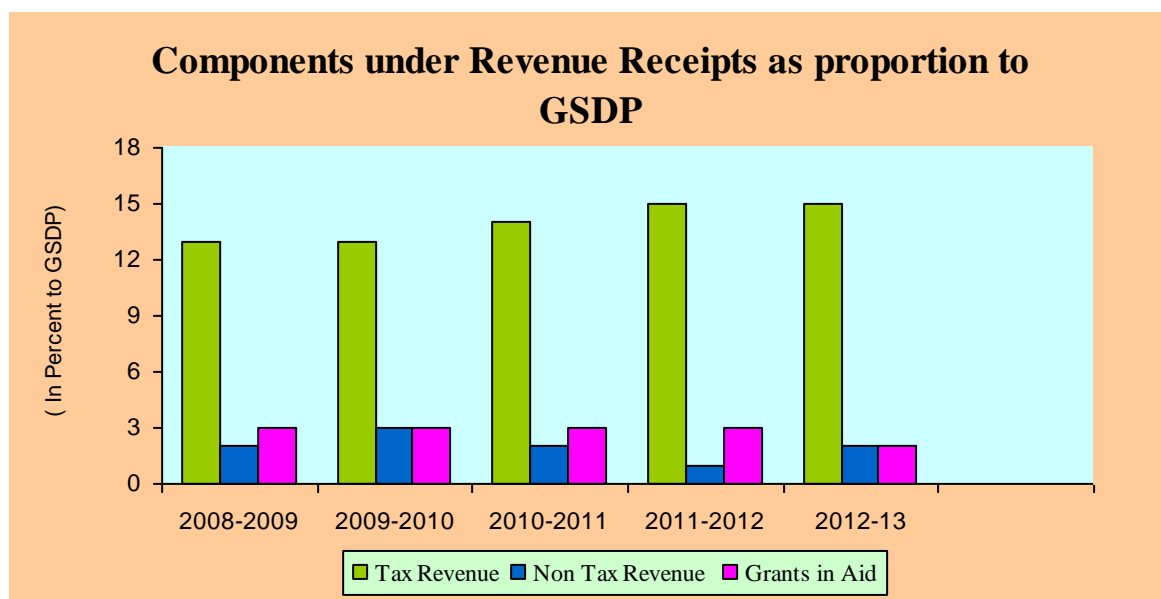
(a) Figure of GSDP for 2009-10 has been revised by the State Govt.

(b) Figure of GSDP for 2010-11 has been revised by the State Govt. and is provisional.

(c) Figure of GSDP for 2011-12 has been revised by the State Govt. and is quick.

(d) Figure of GSDP for 2012-13 is advance.

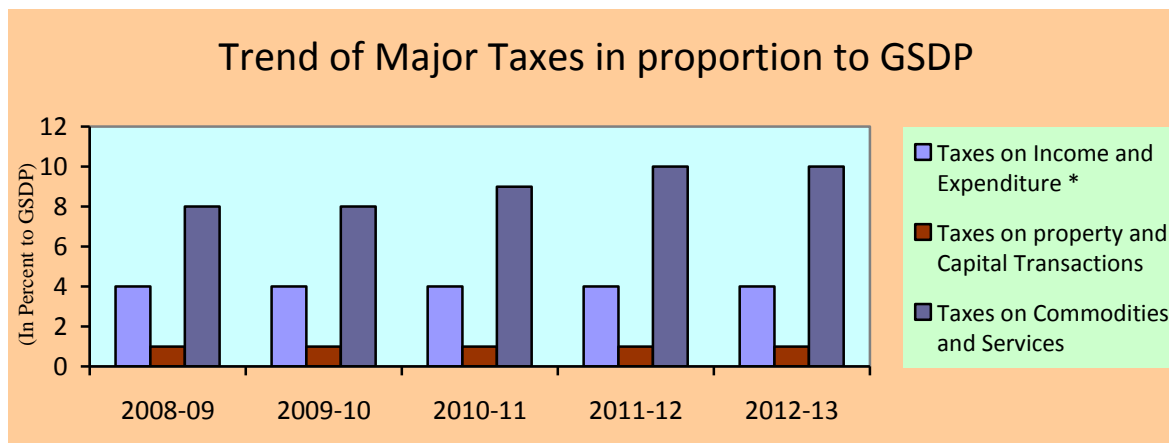
Though the GSDP increased by 13 Percent between 2011-12 and 2012-13, growth in revenue collection was only 11 Percent, tax revenues increased by 12 Percent and non-tax revenues by 28 Percent, despite significant decrease ‘Grants-in-aid from Central Government’ (₹422.11crore), ‘Other Administrative Services’ (₹ 323.63 crore), and ‘Labour and Employment’ (₹ 172.09 crore).



Sector-wise Tax Revenue

(₹ in crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
Taxes on Income and Expenditure	16518.92	20395.89	25845.27	29916.21	33053.72
Taxes on Property and Capital Transactions	4697.16	5254.98	7143.46	8261.60	9581.69
Taxes on Commodities and Services	38348.61	40023.40	51585.17	64786.57	72960.80
Total Tax Revenues	59564.69	65674.27	84573.90	102964.38	115596.21



(*) Primarily net proceeds of central Share to the State

2.4 Performance of State's own Tax Revenue collection

(₹ in crore)

Year	Tax Revenue	State share of Union Taxes	State's Own Tax Revenue	
			Amount	Percentage to GSDP
(1)	(2)	(3)	(4)	(5)
2008-09	59564.69	30905.72	28658.97	6
2009-10	65674.27	31796.67	33877.60	6
2010-11	84573.90	43464.05	41109.85	7
2011-12	102964.38	50350.95	52613.43	8
2012-13	115596.21	57497.85	58098.36	8

2.5 Efficiency of Tax Collection

A. Taxes on Property and Capital Transactions

(₹ in crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
Revenue Collection	4697.16	5254.98	7143.46	8261.60	9581.69
Expenditure on Collection	947.91	1222.11	1568.90	1662.85	1927.28
Efficiency of Tax Collection (Percentage)	20	23	22	20	20

B. Taxes on Commodities and Services

(₹ in crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
Revenue Collection	38348.61	40023.40	51585.17	64786.57	72960.80
Expenditure on Collection	482.45	1155.49	1440.15	1135.07	1349.75
Efficiency of Tax Collection (Percentage)	1	3	3	2	2

Taxes on commodities and services form a major chunk of Tax Revenue. Tax collection efficiency is excellent. However, the collection efficiency of taxes on property and capital transactions needs improvement.

2.6 Trend in State's Share of Union Taxes over the past five years

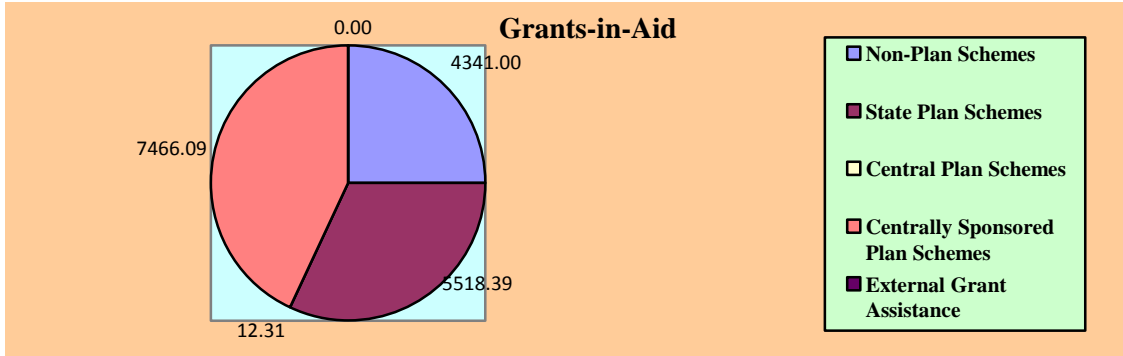
(₹ in crore)

Major Head description	2008-09	2009-10	2010-11	2011-12	2012-13
Corporation Tax	10134.47	13085.69	16892.90	19818.72	20653.72
Taxes on Income other than Corporation Tax	6363.88	7289.26	8926.93	10067.03	12365.05
Other Taxes on Income and Expenditure	(-)0.33	0.00	0.00	0.00	0.00
Taxes on Wealth	9.61	29.61	34.64	76.51	34.87
Customs	5907.92	4450.18	7557.41	8730.00	9554.78
Union Excise Duties	5152.47	3584.65	5497.76	5649.14	6493.46
Service Tax	3338.69	3357.31	4309.45	6009.58	8395.97
Other Taxes and Duties on Commodities and Services	(-)0.99	(-)0.03	244.96	(-)0.03	0.00
State Share of Union Taxes	30905.72	31796.67	43464.05	50350.95	57497.85
Total Tax Revenue	59564.69	65674.27	84573.90	102964.38	115596.21
Percentage of Union Taxes to Total Tax Revenue	52	48	51	49	50

2.7 Grants-in-Aid

Grants-in-Aid represent assistance from the Government of India and External Grant Assistance and comprise, 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 2012-13 under Grants in Aid was ₹ 17337.79 Crore as shown below:

(₹ in crore)



The share of non-plan grants in total Grants-in-aid was 25 percent during 2011-12 and 2012-13, while, the share of grants for plan schemes was 75 percent in 2011-12 and 2012-13. As against a budget estimate of ₹ 16982.70 crore of Union Share in State Plan Schemes, Central Plan Schemes and Centrally Sponsored Plan Schemes, the State Government has actually received ₹ 12996.79 crore of Grants-in-Aid (77 percent of BE).

2.8 Public Debt

Trend of Public Debt over the past five years

(₹ in crore)

Description	2008-09	2009-10	2010-11	2011-12	2012-13
Internal Debt	10762.00	15737.68	14948.00	12363.65	8010.12
Central Loans	(-778.45)	(-917.20)	(-937.00)	(-998.96)	(-1099.21)
Total Public Debt	9983.55	14820.48	14011.00	11364.69	6910.91

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

In 2012-13, eight loans totaling ₹ 9500.00 crore at interest rates varying from 8.86 percent to 9.17 percent and redeemable in the year 2022 were raised at par. Against the total Internal Debt of ₹ 15523.99 crore of the State Government in 2012-13 plus the Central Loan Component of ₹ 295.96 crore received during this period, Capital Expenditure was ₹ 23834.29 crore (151 percent)

EXPENDITURE

3.1 Introduction

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.

3.2 Revenue Expenditure

Revenue Expenditure of ₹ 140723.64 crore for 2012-13 fell short of budget estimates by ₹ 12239.97 crore due to less disbursement of ₹ 3783.48 crore under Plan Expenditure and ₹ 8456.49 crore under Non-plan Expenditure. This shortfall is to be viewed in the light of the shortfall of ₹ 12943.98 crore (8 percent) in revenue receipts and the need of the State to maintain a revenue surplus in terms of the Uttar Pradesh FRBM Act, 2004.

The shortfall of expenditure against budget estimates under Revenue Section during the past five years is given below:

	(₹ in crore)				
	2008-09	2009-10	2010-11	2011-12	2012-13
Budget Estimates	74828.67	92866.65	111066.21	125793.66	152963.61
Actuals	75968.89	89373.61	107675.61	123885.17	140723.64
Gap	(-)1140.22	3493.04	3390.60	1908.49	12239.97
Percentage of Gap over BE	2	4	3	2	8

Compounding the shortfall (by 8 Percent) of Revenue Receipts against budget estimates, the State Government has faced with the problem of generating revenue surplus in terms of the FRBM Act. Nearly 66 percent of total Revenue Expenditure was incurred on committed to Non-plan expenditure (salaries, pensions, interests etc.). Added to this was the fact that the Government of India released only 77 percent of the estimated Grant-in-aid. The Plan expenditure has resultantly increased by 14 percent, from ₹ 22615.92 crore in 2011-12 to ₹ 25877.91 crore in 2012-13.

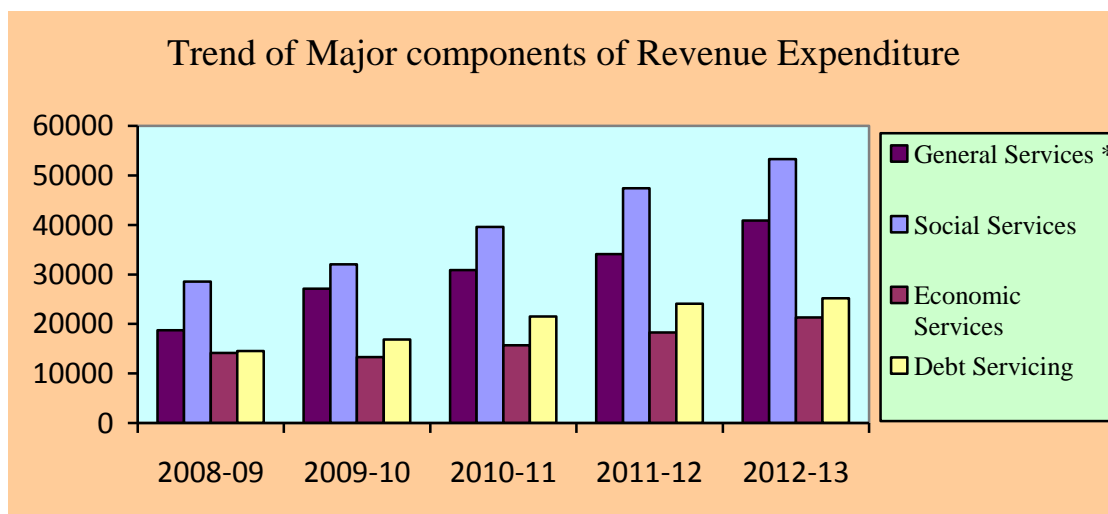
3.2.1 Sectoral Distribution of Revenue Expenditure (2012-13)

(₹ in crore)

Components	Amount	Percentage
A. Fiscal Services	3295.33	2
(i) Collection of Taxes on Property and Capital transactions	1927.28	1
(ii) Collection of Taxes on Commodities and Services	1349.75	1
(iii) Other Fiscal Services	18.30	0
B. Organs of State	1595.73	1
C. Interest Payments and Servicing of debt	25182.28	18
D. Administrative Services	11881.13	9
E. Pensions and Miscellaneous General Services	17952.25	13
F. Social Services	53300.32	38
G. Economic Services	21337.35	15
H. Grants-in-aid and contributions	6179.25	4
Total Expenditure (Revenue Account)	140723.64	100

3.2.2 Major Components of Revenue Expenditure (2008-2013)

(₹ in crore)



- General Services excludes MH 2048 (Appropriation for Reduction or Avoidance of Debts), MH 2049 (Interest Payments) and includes MH 3604 Compensation and Assignment to Local Bodies and Panchayati Raj Institutions.

The expenditure on Economic Services (which includes important sectors like Rural Development, Agriculture and Irrigation) has marginal growth, as against a steady increase in other services.

3.3 Capital Expenditure

Capital disbursements for 2012-13 at 3 percent of GSDP were less than budget estimates by ₹ 3465.51 crore (less disbursement of ₹ 3456.50 crore under Plan Expenditure and ₹ 9.01 crore under Non-plan Expenditure).

3.3.1 Sectoral Distribution of Capital Expenditure

During 2012-13, the Government spent ₹ 1439.05 crore on various Projects (₹ 887.80 crore on Major Irrigation, ₹ 88.97 crore on Medium Irrigation, and ₹ 462.28 crore on Minor Irrigation). Apart from above, the Government spent ₹ 7041.17 crore on Construction of Buildings, Roads and Bridges and invested ₹ 3622.31 crore in various Corporations /Companies /Societies.

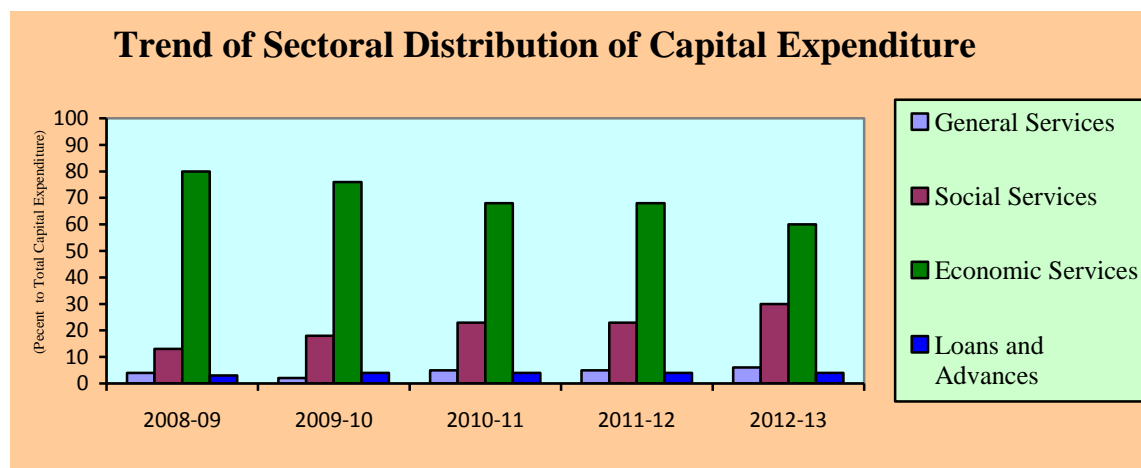
(₹ in crore)

Sl.No.	Sector	Amount	Percentage
1.	General Services-Police, Land Revenue etc.	1404.95	6
2.	Social Services- Education, Health & Family Welfare, Water Supply, Welfare of SC/ST etc.	7594.51	30
3.	Economic Services- Agriculture, Rural Development, Irrigation, Cooperation, Energy, Industries, Transport etc.,	14834.83	60
4.	Loans and Advances Disbursed	1003.24	4
Total		24837.53	100

3.3.2 Sectoral Distribution of Capital Expenditure over the past five years

(₹ in crore)

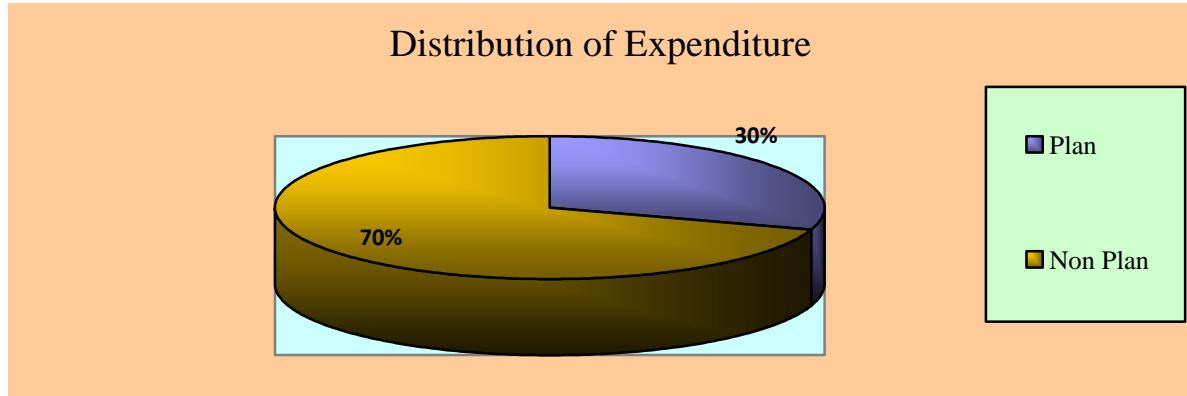
Sl.No.	Sector	2008-09	2009-10	2010-11	2011-12	2012-13
1.	General Services	841.35	610.97	1002.05	1143.62	1404.95
2.	Social Services	2945.44	4702.02	4795.47	5187.14	7594.51
3.	Economic Services	18558.93	19778.24	14475.28	15243.20	14834.83
4.	Loans and Advances	807.01	941.85	968.22	975.57	1003.24
Total		23152.73	26033.08	21241.02	22549.53	24837.53



CHAPTER IV

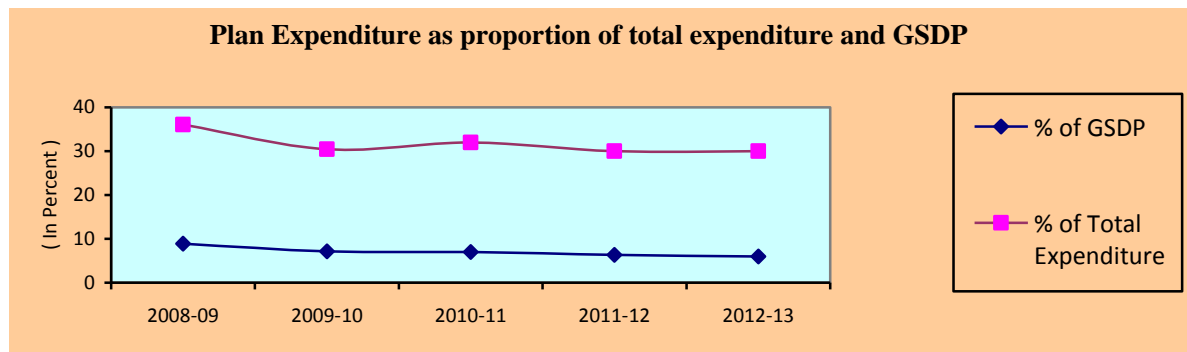
PLAN & NON PLAN EXPENDITURE

4.1 Distribution of expenditure (2012-13)



4.2 Plan Expenditure

During 2012-13, Plan Expenditure, representing 30 percent of total disbursements, was ₹ 48870.16 crore (₹ 34618.61 crore under State Plan, ₹ 13867.80 crore under Centrally Sponsored Plan Schemes and ₹ 383.75 crore under Loans and Advances).



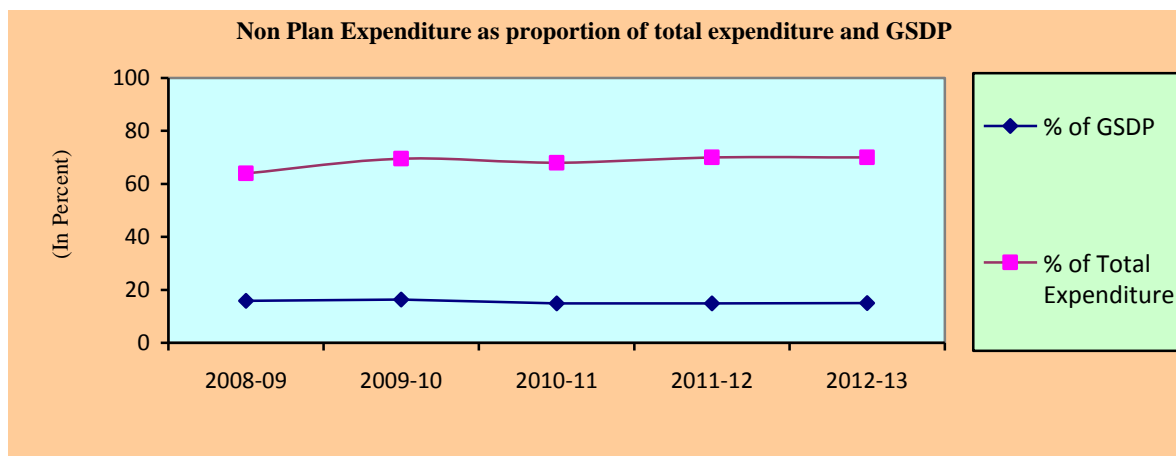
4.2.1 Plan expenditure under Capital Account

(₹ in crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
Total Capital Expenditure	23152.73	26033.08	21241.02	22549.53	24837.53
Capital Expenditure (Plan)	18477.81	19433.51	20198.36	21149.58	22992.25
Percentage of Capital Expenditure (Plan) to total Capital Expenditure	80	75	95	94	93

4.3 Non-Plan Expenditure

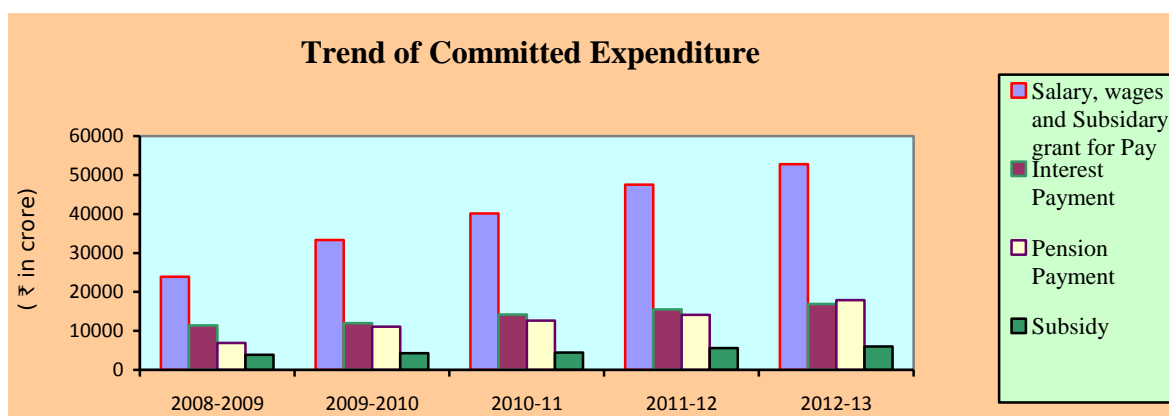
Non-Plan Expenditure during 2012-13, representing 70 percent of total disbursements, was ₹ 116691.01 crore, (₹ 114845.73 crore under Revenue and ₹1845.28 crore under Capital).



4.4 Committed Expenditure

(₹ in crore)

Component	2008-09	2009-10	2010-11	2011-12	2012-13
Committed Expenditure	45977.27	60685.06	71429.90	82729.90	93559.62
Revenue Expenditure	75968.89	89373.61	107675.61	123885.17	140723.64
Percentage of Committed Expenditure to Revenue Receipts	59	63	64	63	64
Percentage of Committed Expenditure to Revenue Expenditure	61	68	66	67	66



The upward trend on committed expenditure leaves the Government with lesser flexibility for developmental spending.

APPROPRIATION ACCOUNTS

5.1 Summary of Appropriation Accounts for 2012-13

(₹ in crore)

Sl. No	Nature of expenditure	Original grant	Supplementary grant	Re-appropriation	Total	Actual expenditure	Savings (-) Excesses(+)
1	Revenue Voted	126586.19	3546.99	--	130133.18	116011.01	(-)14122.17
	Charged	27045.16	11.80	--	27056.96	25409.54	(-) 1647.42
2	Capital Voted	36932.44	2197.52	--	39129.96	35536.27	(-) 3593.69
	Charged	166.10	87.03	--	253.13	189.11	(-) 64.02
3	Public Debt Charged	18843.96	--	--	18843.96	8909.04	(-) 9934.92
4	Loans and Advances Voted	1324.77	17.95	--	1342.72	1003.24	(-) 339.48
Total		210898.62	5861.29	--	216759.91	187058.21	(-) 29701.70

5.2 Trend of Savings/Excess during the past five years

(₹ in crore)

Year	Savings (-) / Excess(+)				Total
	Revenue	Capital	Public Debt.	Loans & Advances	
2008-09	(-)6998.64	(-)335.60	(-)10001.67	(-)101.79	(-)17437.70
2009-10	(-)7276.68	(-)3472.01	(-)10220.43	(-)542.30	(-)21511.42
2010-11	(-)5531.53	(-)7506.18	(-)10778.28	(-)106.14	(-)23932.13
2011-12	(-)8304.76	(-)5586.52	(-)10110.28	(-)504.57	(-)24506.13
2012-13	(-)15769.59	(-)3657.71	(-)9934.92	(-)339.48	(-)29701.70

5.3 Significant Savings

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

Some grants with persistent and significant savings are given below:

(₹ in crore)						
Grant	Nomenclature	2008-09	2009-10	2010-11	2011-12	2012-13
14	Agriculture and Other Allied Departments (Panchayati Raj)	(-)439.52	(-)351.92	(-)226.92	(-)235.76	(-)1230.82
21	Food and Civil Supplies Department	(-)334.43	(-)1627.58	(-)5474.26	(-)1921.82	(-)1052.18
32	Medical Department (Allopathy)	(-)492.49	(-)568.46	(-)243.11	(-)292.92	(-)634.67
37	Urban Development Department	(-)312.17	(-)428.64	(-)1398.91	(-)887.28	(-)976.50
42	Judicial Department	(-)278.26	(-)306.52	(-)349.42	(-)330.09	(-)282.95
49	Women and Child Welfare Department	(-)197.79	(-)219.35	(-)181.91	(-)638.36	(-)375.83
54	Public Works Department (Establishment)	(-)496.62	(-)442.15	(-)396.56	(-)238.57	(-)681.46
61	Finance Department (Debt Services and Other Expenditure)	(-)11426.90	(-)10063.54	(-)9518.37	(-)10460.76	(-)11867.38
72	Education Department (Secondary Education)	(-)217.38	(-)262.06	(-)785.87	(-)710.76	(-)1276.79
83	Social Welfare Department (Special Component Plan for Scheduled Castes)	(-)870.11	(-)1015.85	(-)213.95	(-)1207.91	(-)2350.94

During 2012-13, supplementary grants totaling ₹ 5861.30 crore (3.13 percent of total expenditure) proved to be unnecessary in some cases, where there were significant savings at the end of the year even against original allocations. A few instances are given below:

(₹ in crore)

Grant	Nomenclature	Section	Original	Supple- mentary	Actual Expenditure
11	Agriculture and Other Allied Departments (Agriculture)	<u>Revenue(Voted)</u>	2688.55	1.50	2045.13
		Capital(Voted)	716.02	1.00	539.29
13	Agriculture and Other Allied Departments (Rural Development)	Revenue(Voted)	1420.93	7.30	1324.44
14	Agriculture and Other Allied Department (Panchayati Raj)	Capital (Voted)	622.41	3.38	302.51
26	Home Department (Police)	Revenue (Voted)	9663.33	28.07	8898.00
31	Medical Department (Medical Education and Training)	Revenue (Voted)	1168.49	1.50	1083.90
32	Medical Department (Allopathy)	Revenue (Voted)	3207.14	5.05	2808.40
37	Urban Development Department	Revenue (Voted)	1126.51	24.00	912.00
49	Women and Child Welfare Department	Revenue(Voted)	4307.44	69.00	4003.46
71	Education Department (Primary Education)	Revenue(Voted)	23680.47	400.00	22214.66
72	Education Department (Secondary Education)	Revenue(Voted)	8228.70	302.62	7254.54
73	Education Department (Higher Education)	<u>Revenue(Voted)</u>	2287.48	0.40	1471.79
		Capital(Voted)	214.19	1.75	92.18
83	Social Welfare Department (Sp. Comp. Plan for SC)	<u>Revenue(Voted)</u>	6626.97	547.40	5412.27
		Capital(Voted)	3477.77	0.13	2889.06
94	Irrigation Department (Works)	Capital(Voted)	3018.62	15.00	2227.86

CHAPTER VI

ASSETS AND LIABILITIES

6.1 Assets

The existing form of accounts do not easily depict valuation of Government assets like land, buildings etc., except in the year of acquisition / purchase. Similarly while the accounts present the impact of liabilities arising in the current year, they do not depict the overall impact of the liabilities to future generations except to the limited extent shown by the rate of interest and maturity periods of existing loans.

Total investments as share capital in Non-financial Public Sector Undertakings (PSUs) stood at ₹ 46227.91 crore at the end of 2012-13. However, dividends received during the year were ₹ 62.70 crore (i.e. 0.14 Percent) on investment. During 2012-13, investments increased by ₹ 3620.84 crore, while dividend income increased by ₹ 24.53 crore.

Cash Balance with RBI stood at ₹ (-) 619.34 crore on 31st March 2012 and decreased to ₹(-)39.52 crore at the end of March, 2013.

6.2 Debt and Liabilities

Article 293 of 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.

Details of the Public Debt and total Liabilities of the State Government are as under:

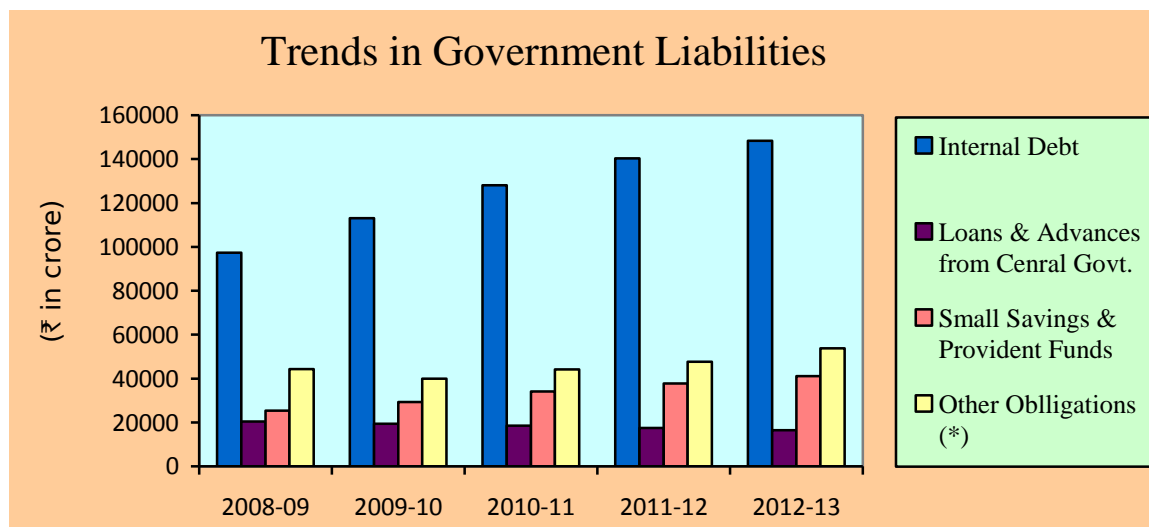
(₹ in crore)

Year	Public Debt	Percent to GSDP	Public Account (*)	Percent to GSDP	Total Liabilities	Percent to GSDP
2008-09	117703.32	26	69707.38	16	187410.70	42
2009-10	132523.80	25	69196.58	13	201720.38	39
2010-11	146534.80	24	78250.45	13	224785.25	37
2011-12	157899.49	23	85329.65	13	243229.14	36
2012-13	164810.40	21	94810.34	12	259620.74	34

(*) Excludes suspense and remittance balances.

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

There is a net increase of ₹ 16391.60 crore (7 Percent) in Public Debt and other Liabilities as compared to 2011-12.



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

6.3 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:

(₹ in Crore)

At the end of the year	Maximum Amount Guaranteed (Principal only)	Amount outstanding at the end of year	
		Principal	Interest
2008-09	27891.55	16084.00	0.00
2009-10	29311.36	19592.26	445.88
2010-11	29778.16	20162.03	0.00
2011-12	29628.83	21659.16	92.85
2012-13	50459.12	43336.66	0.00

OTHER ITEMS

7.1 Lapse of Cheques of Important Transactions

During the course of accounting of lapsed cheques, for the whole year it has been noticed that a considerable number of cheques pertaining to withdrawal/payments of advances etc. from GP Funds and Insurance Funds, refunds of Revenue Receipts and Loans and Advances to Government Servants were found to have been lapsed. Position of lapsed cheques for the last three years in this respect was as under:

(₹ in crore)

Year	Total Value of cheques lapsed	Value of cheques lapsed in respect of 8009-State Provident Funds	Value of cheques lapsed in respect of 8011-GIS	Value of cheques lapsed in respect of Refunds of Revenue Receipts	Value of cheques lapsed in respect of 'Loans and Advances to Government Servant'	Others
2010-11	83.07	3.39	1.55	5.02	0.00	73.11
2011-12	39.34	-	-	-	0.12	39.22
2012-13	78.97	5.10	1.27	10.64	0.00	61.96

7.2 Loans and Advances by the State Government

Total Loans and Advances made by the State Government at the end of 2012-13 was ₹11572.44 crore. Of this, Loans and Advances to Government Corporations/ Companies, non-Government Institutes and Local Bodies amounted to ₹11376.42 crore. Recovery of Principal aggregating to ₹ 597.42 crore and Interest amounting to ₹ 303.57 crore was in arrears at the end of 31st March 2013.

7.3 Financial Assistance to Local Bodies and others

During the past five years, Grants in Aid to Local Bodies etc., increased from ₹15822.48 crore in 2008-09 to ₹ 43211.66 crore in 2012-13. Grants to Zilla Parishads, Panchayat Samitis and Municipalities (₹3833.88 crore) represented 9 percent of total grants given during the year.

Details of Grants-in-Aid for the past 5 years were as under.

(₹ in crore)

Year	Zilla Parishad	Municipalities	Panchayat Samiti	Others	Total
2008-09	2177.38	2940.39	472.27	15823.95	21413.99
2009-10	1878.21	2461.07	491.54	20222.70	25053.52
2010-11	959.26	1389.57	..	28400.49	30749.32
2011-12	2922.91	2706.58	..	33584.82	39214.31
2012-13	326.98	2198.98	1307.92	39377.78	43211.66

7.4 Cash Balance and Investment of Cash Balance

(₹ in crore)

Component	As on 1 st April 2012	As on 31 st March 2013	Net increase (+) / decrease (-)
Cash Balances	(-)619.34	(-)39.52	579.82
Investments from cash balance (GOI Try. Bills)	14052.72	15198.72	1146.00
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
(c) Other Funds	0.00	0.00	0.00
Interest realised on Investment of Cash Balances	311.96	760.27	448.31

State Government had a negative closing cash balance at the end of 2011-12 and 2012-13, despite utilising its Cash Balances and Earmarked Fund balances towards Investments. Interest receipt on these Investments was, however, increased by 144 percent.

7.5 Reconciliation of accounts

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. The reconciliation of accounts of many departments was in arrears. In 2012-13, 99 Percent of the total expenditure and 100 percent approximate of the total receipt was reconciled. The status of reconciliation of accounts in respect of the Chief Controlling Officers (CCOs) of different departments is given below:

PARTICULARS	TOTAL NO. OF CCOs	FULLY RECONCILED	PARTIALLY RECONCILED	NOT RECONCILED
EXPENDITURE	153	143	-	10
RECEIPTS	44	40	-	4
TOTAL	197	183	-	14

Some Chronic Defaulters in Reconciliation are listed below.

Sl.No.	Name of the Department /Chief Controlling Officer	Year/Years pending
1	Secretary, Technical Education, U.P, Lucknow	2012-13
2	Secretary, Housing and Urban Planning Department U.P, Lucknow	2011-12 & 2012-13
3	Director, State Educational Research & Training Board U.P, Lucknow	2012-13
4	Director General, Prosecution, U.P, Lucknow	2012-13
5	Principal Secretary, Agriculture Research and Education, U.P, Lucknow	2010-11 to 2012-13
6	Secretary, Urban Development, U.P, Lucknow	2009-10 to2012-13
7	Registrar General, High Court of U.P, Allahabad	2009-10 to2012-13
8	Secretary, Revenue, U.P, Lucknow	2010-11 to 2012-13
9	Secretary, Forest Department, U.P. Lucknow	2011-12&2012-13
10	Commissioner Social Welfare/Principal Secretary Social Welfare, U.P, Lucknow	2009-10 to2012-13
11	Secretary, Rural Development/ Commissioner Rural Development, U.P. Lucknow	2012-13
12	Commissioner, Food and Drug Administration, U.P. Lucknow	2012-13

7.6 Submission of Accounts by Treasuries

The rendition of initial accounts by the Treasuries was satisfactory. However, submission of accounts by the Public Works and Forest Divisions should improve.

7.7 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 without supporting documents through AC bills. Such AC bills are required to be settled, within a maximum of 30 days, through submission of DC bills. The fact that to the end of 31st March 2013, 7654 DC bills amounting to ₹ 64.55 crore was outstanding, indicates that these instructions have not been followed.

7.8 Rush of Expenditure

The financial rules stipulate that rush of expenditure, particularly in the closing month of the financial year, shall be regarded as a breach of financial regularity and should be avoided. It is observed however, that certain departments indulged in this practice to the tune of 46 Percent to 100 Percent of total expenditure incurred in March, as follows:

(₹ in crore)

Head of Account	Description	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	Total	During March 2013	% of 3/2013 w.r.t. total expenditure of the department for 2012-13
2040	Taxes on Sales, Trade etc.	105.56	92.50	109.88	831.38	1139.32	758.76	67
2048	Appropriation for Reduction or avoidance of Debt	0.00	0.00	0.00	8261.69	8261.69	8261.69	100
2245	Relief on account of Natural Calamities	68.65	39.83	92.60	906.09	1107.17	837.80	76
4055	Capital Outlay on Police	40.38	15.19	27.86	265.30	348.73	241.60	69
4202	Capital Outlay on Education, Sports, Art and Culture	1.27	27.85	143.28	534.68	707.08	393.84	56
4216	Capital Outlay on Housing	40.17	86.46	97.77	1088.10	1312.50	1026.22	78
4235	Capital Outlay on Social Security and Welfare	3.00	111.49	116.09	378.17	608.75	336.36	55
4415	Capital Outlay on Agricultural Research and Education	0.00	0.36	29.05	97.42	126.83	69.65	55
4575	Capital Outlay on Other Special Areas Programmes	0.00	57.76	165.15	623.11	846.02	418.94	50
4701	Capital Outlay on Medium Irrigation	3.37	4.40	18.69	96.55	123.01	73.72	60
4702	Capital Outlay on Minor Irrigation	19.06	28.02	89.03	549.16	685.27	393.84	57
5054	Capital Outlay on Roads and Bridges	447.99	685.17	1662.67	5692.75	8488.58	3874.44	46

7.9 Commitments on account of Incomplete Capital Works

A total expenditure of ₹ 3393.50 crore was incurred upto the year 2012-13 by the State Government on various incomplete projects against an estimated cost of ₹ 5286.99 crore. During 2012-13 a total expenditure of ₹ 900.22 crore was incurred by the State Government on various projects taken up by Engineering departments. Payments to the tune of ₹ 1115.88 crore was due to be paid to the end of 31-03-2013. A summarised 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	Estimated Cost after revision
1.	Road Work/Bridges	4443.48	782.90	1823.95	1111.58	490.83
2.	Irrigation Projects	843.51	117.32	1569.55	4.30	1567.40
Total		5286.99	900.22	3393.50	1115.88	2058.23

- Note: i) Detailed information towards commitments on Incomplete Capital Works is available in Appendix X of Finance Accounts 2012-13.
ii) The figures exhibited in the above table are compiled from the data provided by various Divisions/Departments.