

Uttar Pradesh Budget 2017-18

Uttar Pradesh's new government announced the annual Budget for the financial year 2017-18 recently. This report brings out the key highlights of the budget.

Major highlights:

- Total receipts for FY18 is budgeted at around Rs 3,77,191 crs, of which revenue receipts is estimated to be Rs 3,19,397 crs and capital receipts to be Rs 57,793 crs.
- Total expenditure for FY18 is budgeted at around Rs 3,84,660 crs, of which revenue expenditure account for Rs 3,07,119 crs and capital expenditure Rs 77,541 crs.
- Revenue surplus for FY18 is estimated at Rs 12,279 crs.
- Fiscal deficit is projected to be lower for FY17 and FY18 compared with the amount in FY15. It is projected to contract by (-) 6 % in FY17 (RE) to Rs 55,021 crs compared with the last financial year and is budgeted at Rs 42,968 crs in FY18.
- An amount of Rs 36,000 crores has been allocated for farm loan waivers by UP government.
- A total of Rs 55,781 crs is earmarked for new schemes.

Contact:

Madan Sabnavis

Chief Economist
madan.sabnavis@careratings.com
91-22-67543489

Manisha Sachdeva

Associate Economist
manisha.sachdeva@careratings.com
91-22-6754 3675

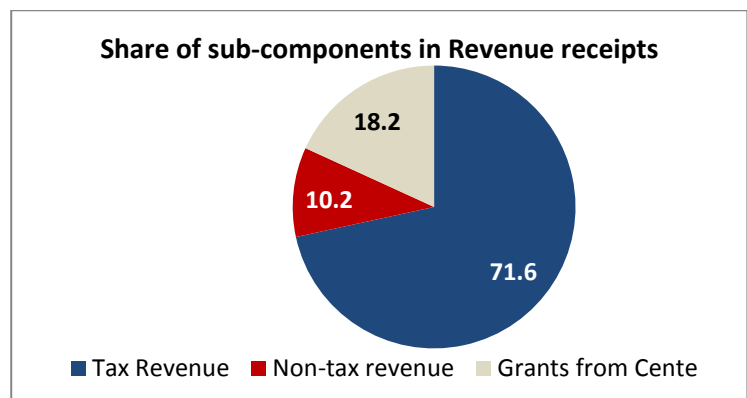
Mradul Mishra

mradul.mishra@careratings.com
91-022-6754 3515

Financial Analysis

Revenue account

Tax Revenue is the largest component in the total revenue receipts of Uttar Pradesh, having a share of 72% as per FY18 budgeted numbers, followed by Grants from the Centre (18%) and Non-tax revenues (10%). However, the share of tax revenue in total receipts has declined from 79% in FY13 to 72% in FY18 while it grew from 12 % to 18% during the same time period.



Source: Uttar Pradesh Budget Documents

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The total revenue receipts witnessed a CAGR of 17% during FY13-FY18. The revenue receipts for FY18 are budgeted to grow at a rate of 19% compared with the revised numbers of FY17. It is expected to be at around Rs 319,397 crs in FY18. The growth can be ascribed to increase in tax revenues by 21% in FY18 to Rs 232,908 crs. However, non-tax revenues of the state are expected to decline in FY18 by 33% to Rs 18,437 crs.

Grants from centre are also estimated to increase by 39% during the same time period as compared to the growth of 54% in the previous year.

Table 1: Trend in revenue receipts

Rs cr	FY13	FY14	FY15	FY16	FY17 (RE)	FY18 (BE)
A. Tax Revenue	115,595	129,358	140,795	172,080	192,869	232,908
B. Non-tax revenue	12,969	16,449	19,935	23,135	27,575	18,437
C. Grants from Centre	17,337	22,405	32,691	31,861	48,964	68,052
Revenue receipts	145,901	168,212	193,422	227,076	269,407	319,397

Source: Uttar Pradesh Budget Documents

Revenue expenditure

Uttar Pradesh's revenue expenditure is estimated to grow by 25% to Rs 307,119 crs in FY18 compared with the revised numbers of FY17, of which interest payments is estimated to grow by 21% during the same time period. The increase in revenue expenditure can be ascribed to farm loan waivers amounting to Rs 36,000 crs provided by the government.

Table 2: Trend in revenue expenditure

Rs cr	FY13	FY14	FY15	FY16	FY17 (RE)	FY18 (BE)
Total revenue expenditure	140,722	158,145	171,027	212,736	244,901	307,119

Source: Uttar Pradesh Budget Documents

Revenue Surplus

Revenue surplus is estimated to contract by 50% to Rs 12,279 crs, compared with 71% growth witnessed in FY17.

Table 3: Trend in revenue expenditure

Rs cr	FY13	FY14	FY15	FY16	FY17 (RE)	FY18 (BE)
Revenue surplus	5,179	10,067	22,394	14,340	24,506	12,279

Source: Uttar Pradesh Budget Documents

Capital account

Capital Receipts

Capital receipts of the state have grown significantly at a CAGR of 40% during FY13-FY18 in two phases- increasing sharply to Rs 75,239 crore in FY16 but declining subsequently to Rs 57,793 crore by FY18. This increase can be ascribed to increase in the internal debt since FY15 that increased sharply by 158% in FY15 and by 200% in FY16. However it is estimated to decline by 10% in FY18 to Rs 56,309 cr compared with FY17.

Table 4: Trend in capital receipts

Rs cr	FY13	FY14	FY15	FY16	FY17 (RE)	FY18 (BE)
Internal Debt	10,172	9,572	24,676	73,920	62,824	56,309
Loans from GOI	295	390	486	594	1,200	1,200
Recovery of Loans and advances	419	589	262	726	315	284
Total Capital receipts	10,886	10,551	25,424	75,239	64,340	57,793

Source: Uttar Pradesh Budget Documents

Capital Expenditure

Capital expenditure witnessed a CAGR of 20% during FY13-FY18. However, it is estimated to contract by 19% in FY18 to Rs 77,541 crs compared with the revised numbers of FY17.

Table 5: Trend in capital expenditure

Rs cr	FY13	FY14	FY15	FY16	FY17 (RE)	FY18 (BE)
Capital Expenditure	31,600	41,106	63,221	91,213	95,354	77,541

Source: Uttar Pradesh Budget Documents

Fiscal Roadmap

Even after waiving farm loans and allocation certain amount for new schemes, the State has managed to budget its fiscal deficit at 2.9% for FY18, below the threshold level of 3%. It is also lower than the revised fiscal deficit of 3.2% in FY17. The decline in fiscal deficit can be ascribed to increase in the total revenue receipts by 19% and a decline of 19% in capital expenditure in FY18 compared with FY17 revised numbers.

CORPORATE OFFICE:


CARE RATINGS LIMITED (Formerly known as CREDIT ANALYSIS & RESEARCH LIMITED)

Corporate Office: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022.

Tel: +91-22-6754 3456 | Fax: +91-22-6754 3457

E-mail: care@careratings.com | Website: www.careratings.com

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