

ACCOUNTS AT A GLANCE


2013 - 2014


GOVERNMENT OF MADHYA PRADESH

Preface

This is the Sixteenth issue of our annual publication '**Accounts at a Glance**'.

The Annual Accounts of the State Government are prepared and examined under the direction of 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 for being laid before the Legislature of the State. The Annual Accounts consist of (a) Finance Accounts and (b) Appropriation Accounts. Finance Accounts are summary statement of accounts under the Consolidated Fund, the Contingency Fund and the Public Account. The Appropriation Accounts record the Grant-wise expenditure against provisions approved by State Legislature and offer explanations for variations between the actual expenditure and the funds provided. The Principal Accountant General (Accounts and Entitlement) prepares the State Finance Accounts and the Appropriation Accounts.

"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. These figures have been adopted from the Finance and Appropriation Accounts of Government of Madhya Pradesh. In case of difference, the figures depicted in the Finance and Appropriation Accounts may be treated as correct.

We look forward to suggestions that would help us in improving the publication.

(**Rudra Saha**)

Principal Accountant General (A&E)-I
Madhya Pradesh

Place: Gwalior
Date: 18th Dec. 2014

Our Vision, Mission and Core Values

This 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:

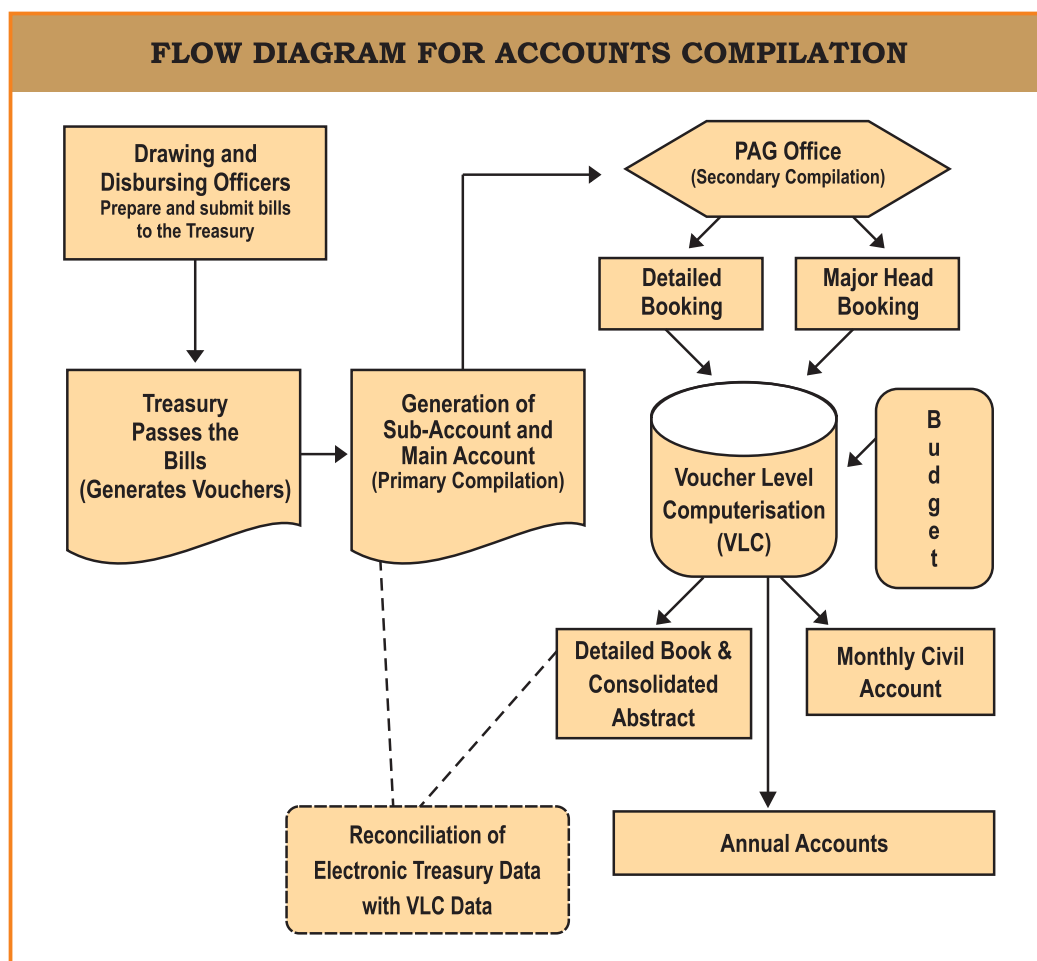
The Principal Accountant General (Accounts and Entitlements)-I, Madhya Pradesh compiles the accounts of receipts and expenditure of the Government of Madhya Pradesh. This compilation is based on the initial accounts rendered by the District Treasuries, Public Works and Forest Divisions and advices of the Reserve Bank of India. Following such compilation, the Principal Accountant General (A&E)-I prepares, annually, the Finance Accounts and the Appropriation Accounts, which are placed before the State Legislature after audit by the Accountant General (General and Social Sector Audit) Madhya 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:

Part 1 CONSOLIDATED FUND	Receipts and Expenditure on Revenue and Capital Accounts, Public Debt and Loans and Advances. Inter-State Settlement, Appropriation to Contingency Fund.
Part 2 CONTINGENCY FUND	Intended to meet unforeseen expenditure not provided for in the budget. Expenditure from this Fund is recouped subsequently from the Consolidated Fund.
Part 3 PUBLIC ACCOUNT	Comprises of Debt, Deposits, Advances, Remittances and Suspense transactions. Debt and Deposits represent repayable liabilities of the Government. Advances are receivables of the Government. Remittances and Suspense transactions are adjusting entries that are to be cleared eventually by booking to the final heads of account.

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, since 2009-10 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 Madhya Pradesh as depicted in the Finance Accounts 2013-14 are given below :-

(₹ in crore)

Receipts (Total : 8,57,62)	Revenue Total: 7,57,49	Tax Revenue	5,62,67
		Non-Tax Revenue	77,05
		Grants-in-Aid	1,17,77
	Capital Total: 1,00,13	Recovery of Loans and Advances	93
		Borrowings and Other Liabilities ¹	98,82
		Other Receipts ²	38
Disbursements (Total: 8,57,62)	Revenue		6,98,70
	Capital		1,08,13
	Loans and Advances		50,77
	Inter-State Settlement		2

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 ₹ 94,68³ crore (₹ 70,61⁴ 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 Borrowing and other Liabilities: Net (Receipts-Disbursements) of Public Debt (₹ 55,36 crore) + Net of Contingency Fund (Nil) + Net (Receipts - Disbursements) of Public Account (₹ 47,82 crore) + Net of Opening and Closing Cash Balance (₹ (-)4,36 crore).

² Includes capital receipts (₹ 36 crore) on account of refund of investment in share capital by co-operative societies/Banks and Inter-State Settlement (₹ 2 crore)

³ ₹ 92,80 crore as per Finance Account 2013-14.

⁴ ₹ 62,34 crore as per Finance Account 2012-13.

Figures have been taken from CPSMS portal of CGA website and these Figures do not tally with Finance Accounts as only major schemes incorporated in 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 55 charged Appropriations and 133 voted Grants.

The Appropriation Act, 2013-14 had provided for gross expenditure of ₹ 11,35,49.58 crore and reduction of expenditure (recoveries) of ₹ 24,97.54 crore. Against this, the actual gross expenditure was ₹ 9,04,32.05 crore and reduction of expenditure was ₹ 6,65.25 crore resulting in net savings of ₹ 2,31,17.53 crore (20.35 per cent) and an over-estimation of ₹ 18,32.29 crore (73.36 per cent) on reduction of expenditure. Reduction of expenditure, in Revenue and Capital was less than estimates. The gross expenditure includes ₹ 1.64 crore drawn on 255 Abstract Contingent (AC) Bills out of which 203 Detailed Contingent (DC) Bills amounting to ₹ 1.17 crore adjusted. Balance 52 AC Bills of ₹ 0.47 crore is still outstanding for want of DC Bills at the end of the year.

During 2013-14, ₹ 24.66 crore was transferred from the Consolidated Fund to Personal Deposit (PD) Accounts under the Public Account, which are maintained by designated Administrators for specific purposes. Normally, unspent balances under PD accounts are to be transferred back to the Government at the end of the financial year. However, details of such transfers, if any, and outstanding balances in individual PD accounts are available only with the treasuries, since they are responsible for maintaining such records.

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 Government to maintain their liquidity. Overdraft (OD) facilities are provided when there is a shortfall in the agreed minimum cash balance (₹ 1.96 crore) maintained with the RBI. During 2013-14, the Government of Madhya Pradesh did not resort to OD facilities and WMA.

1.4.2 Fund flow statement

The State had a Revenue Surplus of ₹ 58,79 crore and a Fiscal Deficit of ₹ 98,82 crore representing 1.30 per cent and 2.19 per cent of the Gross State Domestic Product (GSDP)⁵ respectively. The Fiscal Deficit Constituted 12 per cent of Total expenditure. This deficit was met from Public Debt (₹ 55,36 crore), Surplus in Public Account (₹ 47,82 crore) and net of opening and closing cash balance (₹ (-) 4,36 crore). Around 40 per cent of the revenue receipts (₹ 7,57,49 crore) of the State Government was spent on committed expenditure like salaries including wages (₹ 1,83,61 crore), interest payments (₹ 63,91 crore) and pensions (₹ 57,55 crore).

⁵ Except where indicated otherwise, GSDP figures used in this publication are adopted from the Economic Survey of the Planning Department, Government of Madhya Pradesh.

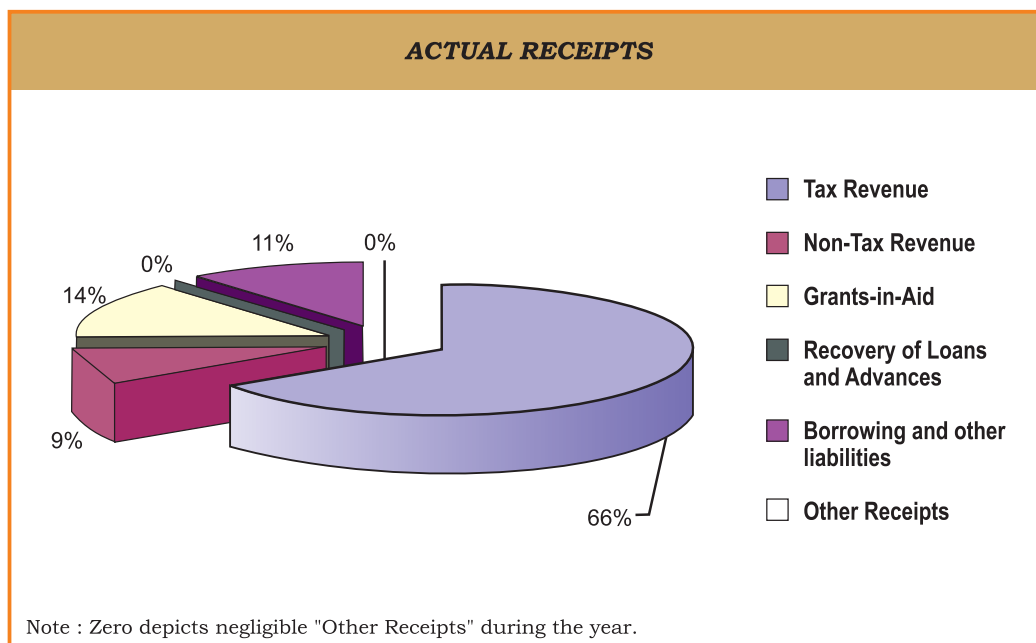
Sources and Application of Funds

(₹ in crore)

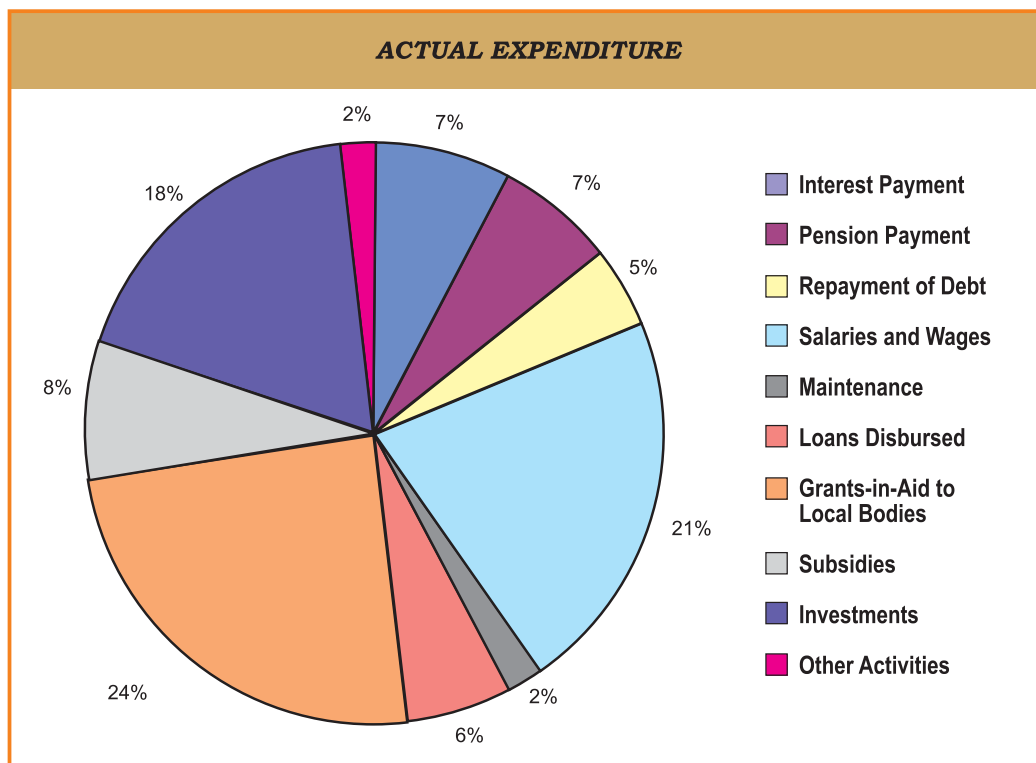
SOURCES	PARTICULARS	AMOUNT
	Opening Cash Balance as on 01 April 2013	(-) 2,63
	Revenue Receipts	7,57,49
	Capital Receipts	36
	Recovery of Loans & Advances	93
	Public Debt	95,41
	Small Savings, Provident Fund & Others	27,84
	Reserves & Sinking Funds	16,12
	Deposits Received	97,65
	Civil Advances Repaid	6,04
	Suspense Account	19,88,81
	Remittances	1,56,02
	Inter-State Settlement	2
	TOTAL	31,44,06

APPLICATION	Revenue Expenditure	6,98,70
	Capital Expenditure	1,08,13
	Loans Disbursed	50,77
	Repayment of Public Debt	40,05
	Small Savings, Provident Fund & Others	18,36
	Reserves & Sinking Funds	6,44
	Deposits Spent	1,02,55
	Civil Advances Given	6,02
	Suspense Account	19,58,13
	Remittances	1,53,16
	Closing Cash Balance as on 31 March 2014	1,73
	Inter-State Settlement	2
	Total	31,44,06

1.4.3 Where the Rupee came from



1.4.4 Where the Rupee went



1.5 Highlights of Accounts

(₹ in crore)

Items	B.E. 2013-14	Actuals	Percentage of actuals to B.E.	Percentage of actuals to GSDP ⁶
1. Tax Revenue ⁷	5,70,75	5,62,67	99	12
2. Non-Tax Revenue	75,84	77,05	102	2
3. Grants-in-Aid & Contributions	1,49,45	1,17,77	79	3
4. Revenue Receipts (1+2+3)	7,96,04	7,57,49	95	17
5. Recovery of Loans and Advances	125	93	74	0
6. Other Receipts ⁸	-	38	-	0
7. Borrowings & other Liabilities ⁹	1,22,91	98,82	80	2
8. Capital Receipts (5+6+7)	1,24,16	1,00,13	81	2
9. Total Receipts (4+8)	9,20,19	8,57,62	93	19
10. Non-Plan Expenditure ¹⁰	5,43,39	5,33,94	98	12
11. NPE on Revenue Account	5,08,27	5,04,43	99	11
12. NPE on interest Payments out of 11	65,19	63,91	98	1
13. NPE on Capital Account ¹¹	35,12	29,51	84	1
14. Plan Expenditure	3,76,08	3,23,68	86	7
15. PE on Revenue Account	2,35,62	1,94,27	82	4
16. PE on Capital Account ¹²	1,40,46	1,29,41	92	3
17. Total Expenditure (10+14)	9,19,47	8,57,62	93	19
18. Revenue Expenditure (11+15)	7,43,89	6,98,70	94	15
19. Capital Expenditure (13+16) ¹³	1,75,58	1,58,92	91	4
20. Revenue Surplus (4-18)	52,15	58,79	113	1
21. Fiscal Deficit (4+5+6-17)	1,22,19	98,82	81	2

⁶ GSDP figure of ₹ 45,09,00 crore adopted from the Economic Survey published by Planning Department, Government of Madhya Pradesh.

⁷ Includes State's share of Union Taxes of ₹ 2,27,15 crore.

⁸ See footnote 2 at page No.3.

⁹ See footnote 1 at page No.3.

¹⁰ Actual non-plan expenditure includes Revenue expenditure (₹ 5,04,43 crore), Capital expenditure (₹ 43 crore), Loans and Advances disbursed (₹ 29,06 crore) and Inter-State Settlement (₹ 2 crore).

¹¹ Includes ₹ 29,06 crore Loans and Advances, ₹ 2 crore Inter-State Settlement and ₹ 43 crore Capital Expenditure.

¹² Includes Plan Capital Expenditure ₹ 1,07,70 crore and Plan Loans and Advances expenditure ₹ 21,71 crore.

¹³ Expenditure on Capital Account includes Capital Expenditure (₹ 1,08,13 crore) and Loans and Advances disbursed (₹ 50,77 crore) and Inter-State Settlement (₹ 2 crore).

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.

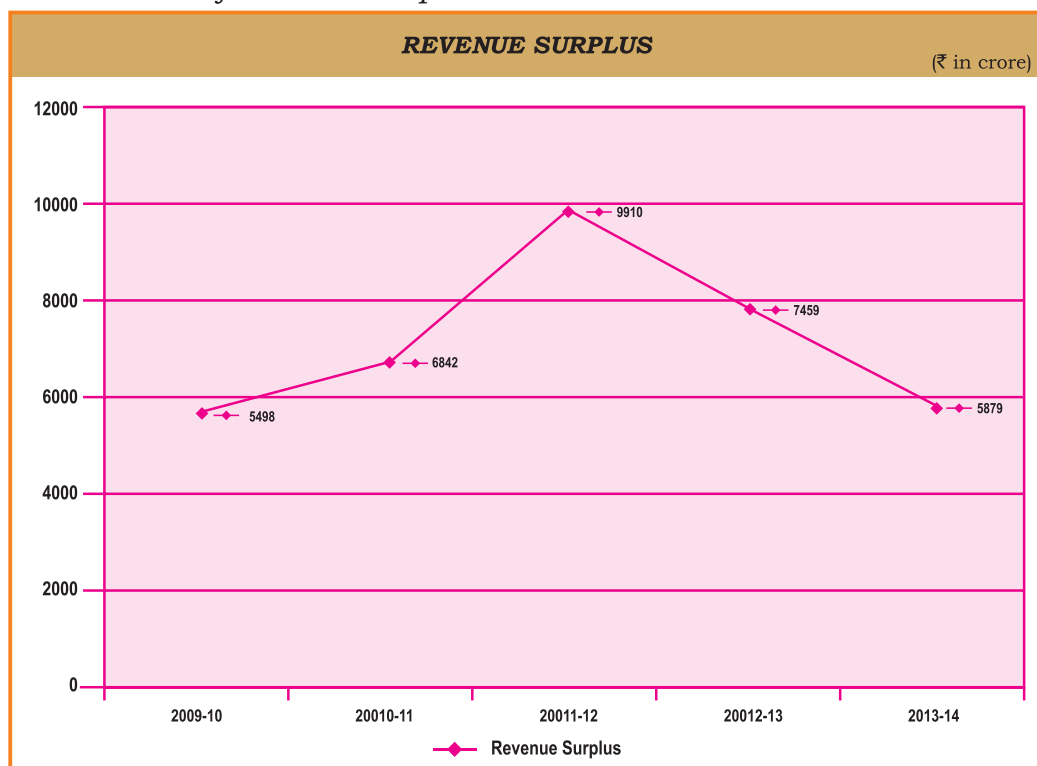
Deficit indicators, revenue augmentation and expenditure management are major yardsticks for judging the fiscal performance of the Government. The "Twelfth" Finance Commission had recommended that the State achieve revenue surplus by 2008-09 and reduce Fiscal Deficit to 3 per cent of GSDP by 2009-10. In view of the economic slow-down, Government of India further relaxed the acceptable ceiling for the Fiscal Deficit-GSDP ratio to 4 per cent in 2009-10, 3.5 per cent in 2010-11 and 3 per cent again from the year 2011-12. Consequently, the Government of Madhya Pradesh enacted the Fiscal Responsibility and Budget Management (FRBM) Act, 2005. As per the recommendations of 13th Finance Commission the fiscal deficit has been Kept within limit of 3 per cent and estimated 2.98 per cent with reference to GSDP during 2013-14¹⁴ by the State Government whereas the actual fiscal deficit for the year 2013-14 is 2.19 per cent.

The State Government has been successful in achieving the Revenue Surplus as early as in 2004-05 and maintaining it thereafter¹⁵.

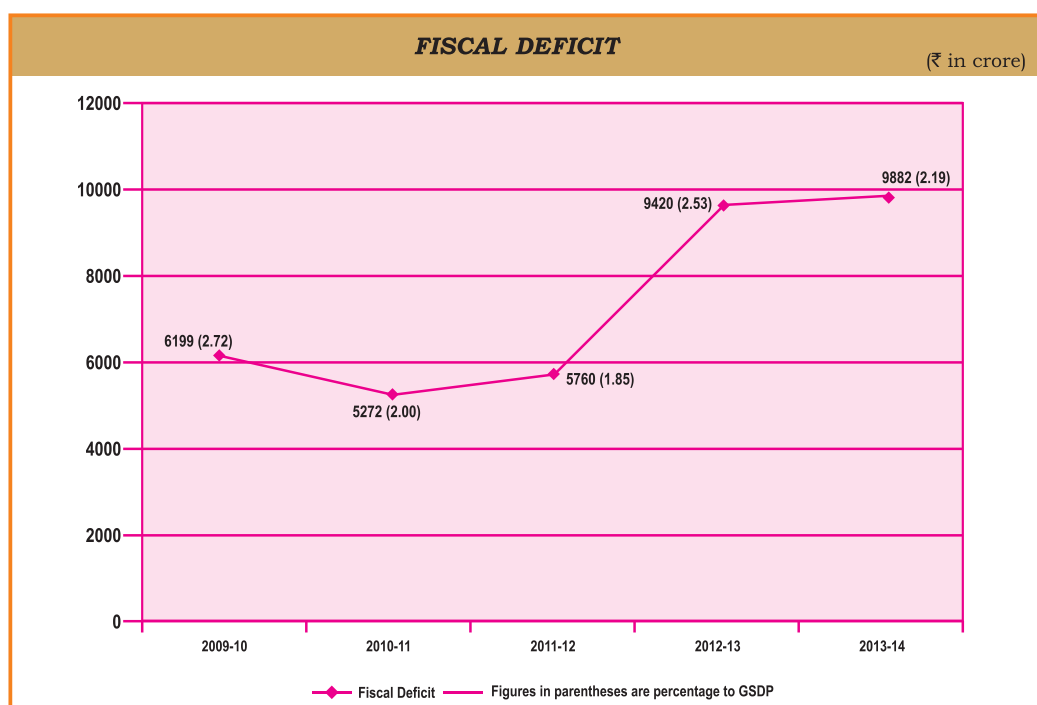
¹⁴ The Fiscal Deficit was ₹ 94,20 crore in 2012-13 and ₹ 98,82 crore in 2013-14.

¹⁵ The Revenue Surplus was ₹ 74,59 crore in 2012-13 and ₹ 58,79 crore in 2013-14.

1.6.1 Trend of Revenue Surplus

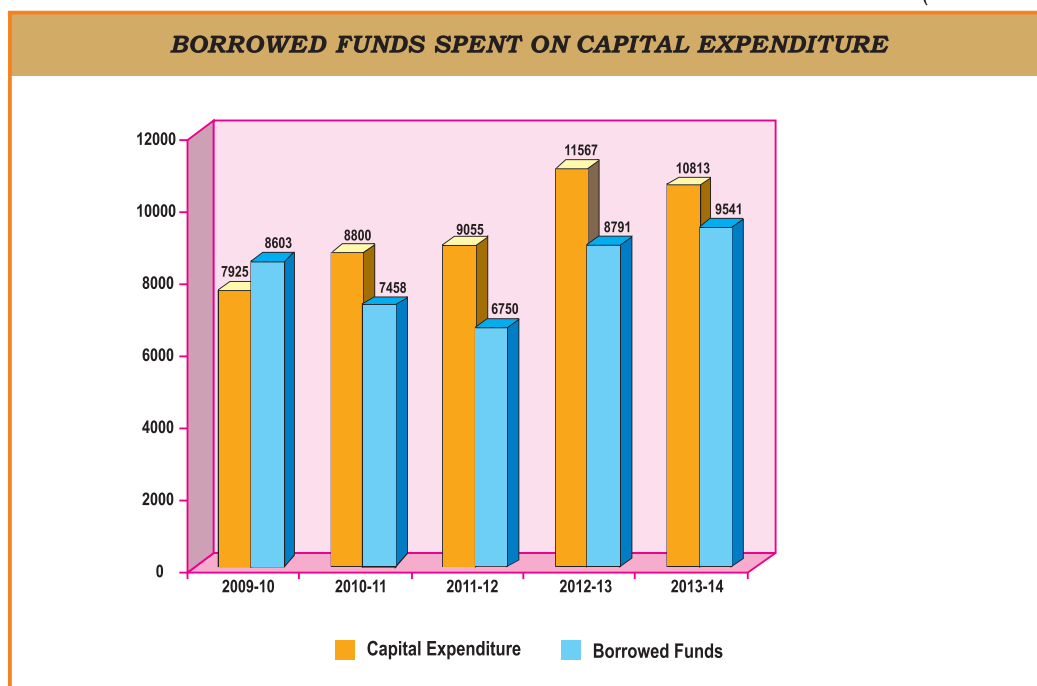


1.6.2 Trend of Fiscal Deficit



1.6.3 Proportion of borrowed funds spent on Capital expenditure

(₹ in crore)



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, received ₹ 95,41 crore as borrowings for the current year, out of this, ₹ 40,05 crore was spent on repayment of Public Debt.

Chapter 2

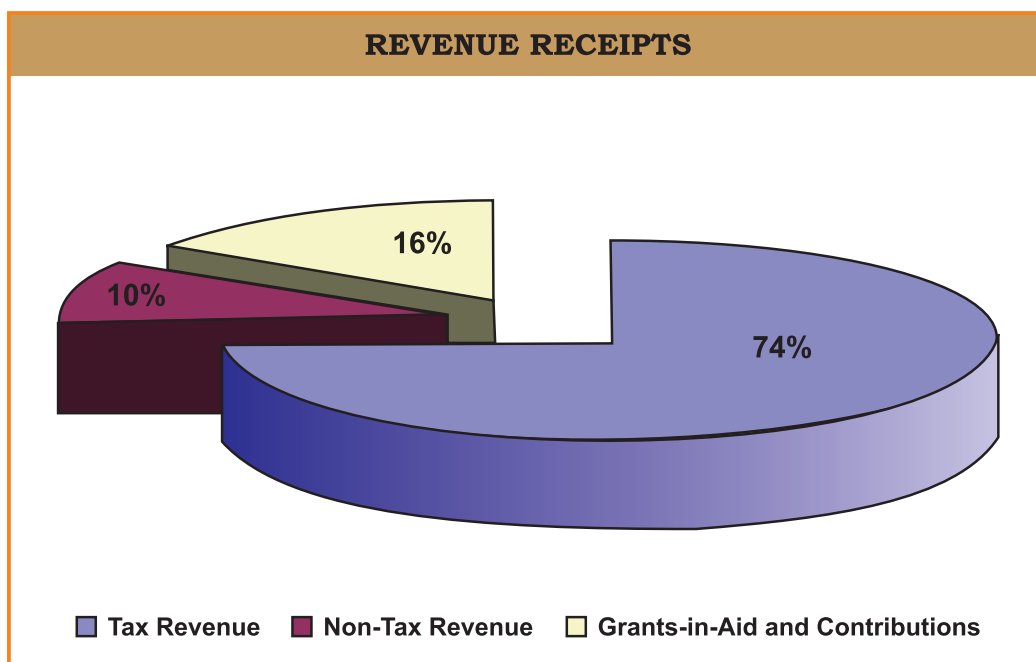
RECEIPTS

2.1 Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Receipts for 2013-14 were ₹ 8,57,62 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 Government and channelised through the Union Government. In turn, the State Government also gives Grants-in-aid to institutions like Panchayati Raj Institutions, Autonomous bodies etc.



Revenue Receipts Components

(₹ in crore)

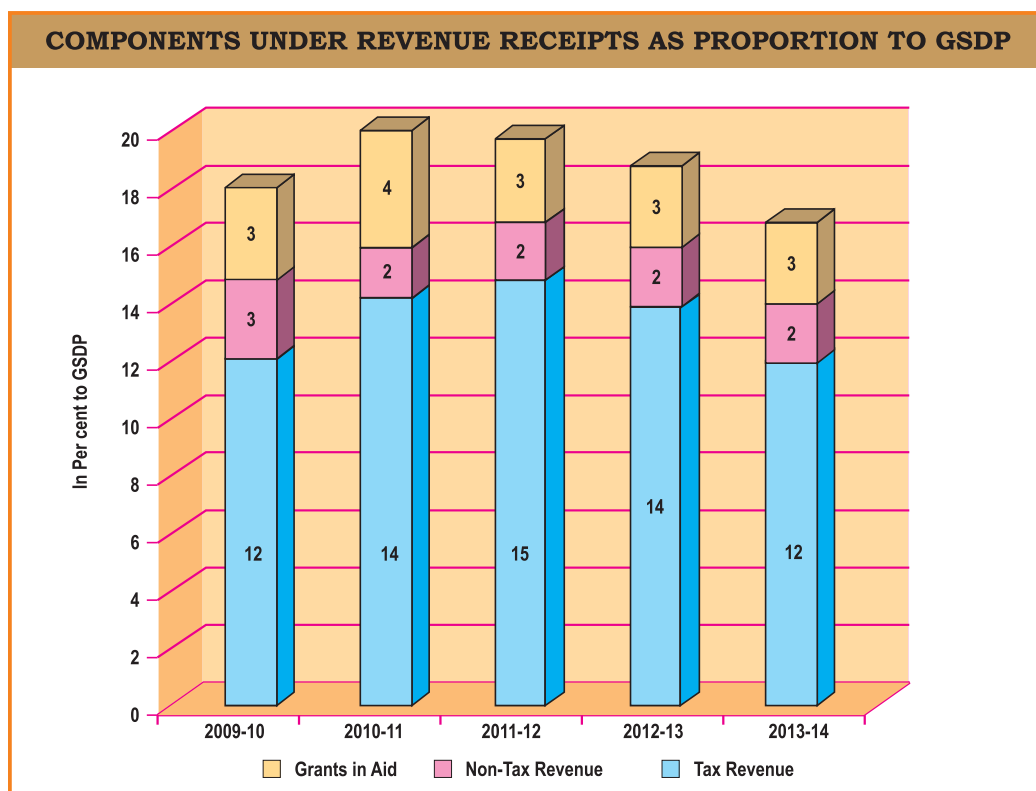
Components	Actuals
A. Tax Revenue	5,62,67
Taxes on income & Expenditure	1,29,45
Taxes on Property & Capital Transactions	44,54
Taxes on Commodities & Services	3,88,68
B. Non-Tax Revenue	77,05
Interest Receipts, Dividends and Profits	6,97
General Services	5,98
Social Services	21,97
Economic Services	42,13
C. Grants-in-Aid & Contributions	1,17,77
Total - Revenue Receipts	7,57,49

2.3 Trend of Receipts

	2009-10	2010-11	2011-12	2012-13	2013-14
Tax Revenue	2,83,50 (12)	3,70,58 (14)	4,51,92 (15)	5,13,87 (14)	5,62,67 (12)
Non-Tax Revenue	63,82 ¹⁶ (3)	57,20 (2)	74,83 (2)	70,00 (2)	77,05 (2)
Grants-in-Aid	66,63 (3)	90,76 (4)	99,29 (3)	1,20,40 (3)	1,17,77 (3)
Total Revenue Receipts	4,13,95 (18)	5,18,54 (20)	6,26,04 (20)	7,04,27 (19)	7,57,49 (17)
GSDP ¹⁷	22,75,57	26,33,96	31,16,70	37,21,71	45,09,00

Note : Figures in parentheses represent percentage to GSDP.

Though the growth of GSDP increased by 21 per cent in 2013-14 as compared to 2012-13, growth in revenue collection was only eight per cent. While tax revenue increased by nine percent and non-tax revenue by 10 percent in 2013-14 as compared to 2012-13.



¹⁶ Includes debt relief of ₹ 3,63 crore received under Debt Consolidation and Relief Facility to State by Central Government under recommendation of Twelfth Finance Commission.

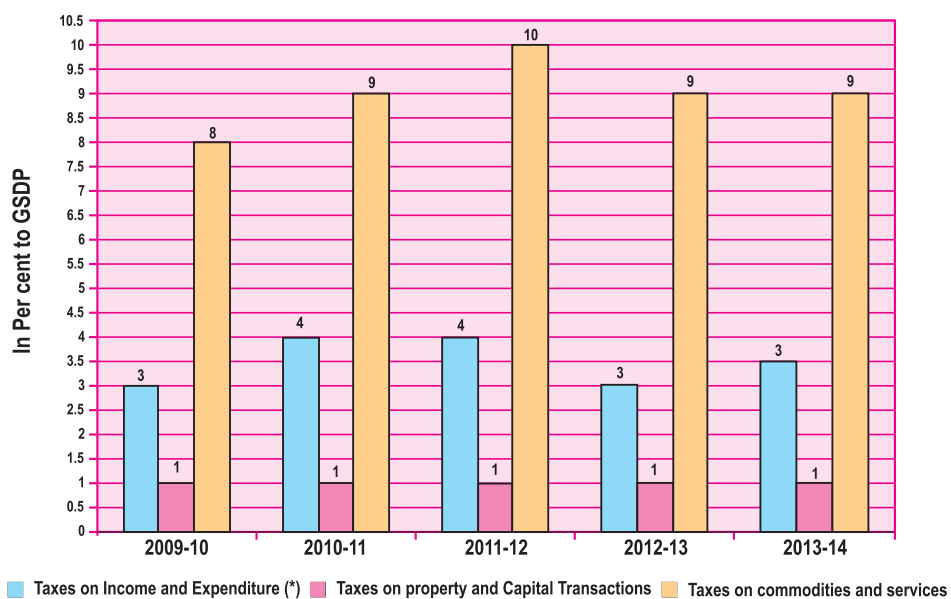
¹⁷ GSDP estimates at current prices are revised hence percentage ratio of various parameters with reference to GSDP indicated in earlier issues have also been revised.

Sector-wise Tax Revenue

(₹ in crore)

	2009-10	2010-11	2011-12	2012-13	2013-14
Taxes on Income and Expenditure	73,14	95,76	1,10,81	1,22,02	1,29,45
Taxes on Property & Capital Transactions	19,74	28,88	46,70	48,13	44,54
Taxes on Commodities and Services	1,90,62	2,45,94	2,94,41	3,43,72	3,88,68
Total Tax Revenue	2,83,50	3,70,58	4,51,92	5,13,87	5,62,67

TREND OF MAJOR TAXES IN PROPORTION TO GSDP



(*) 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
2009-10	2,83,50	1,10,77	1,72,73	8
2010-11	3,70,58	1,56,39	2,14,19	8
2011-12	4,51,92	1,82,19	2,69,73	9
2012-13	5,13,87	2,08,05	3,05,82	8
2013-14	5,62,67	2,27,15	3,35,52	7

2.5 Efficiency of Tax Collection

A. Taxes on property and Capital Transactions

(₹ in crore)

	2009-10	2010-11	2011-12	2012-13	2013-14
Revenue Collection	19,74	28,88	46,70	48,13	44,54
Expenditure on Collection	5,56	6,32	7,52	7,23	10,39
Efficiency of Tax Collection (in percent)	28	22	16	15	23

B. Taxes on Commodities and Services

(₹ in crore)

	2009-10	2010-11	2011-12	2012-13	2013-14
Revenue Collection	1,90,62	2,45,94	2,94,41	3,43,72	3,88,68
Expenditure on Collection	10,43	15,98	15,16	16,60	15,42
Efficiency of Tax Collection (in percent)	5	6	5	5	4

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 can be improved.

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

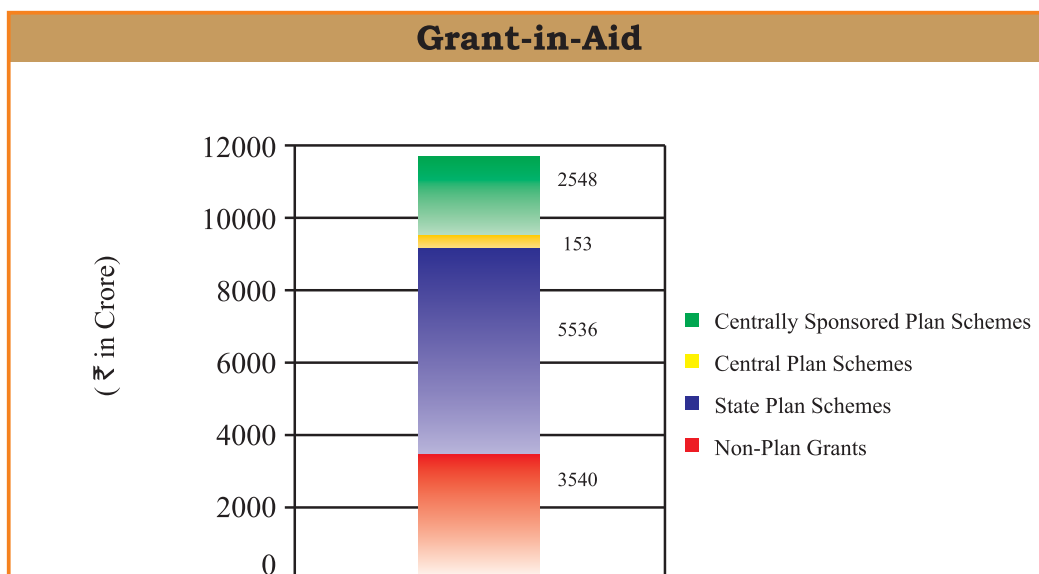
(₹ in crore)

	2009-10	2010-11	2011-12	2012-13	2013-14
Corporation Tax	45,59	61,13	71,71	74,73	76,39
Taxes on Income other than Corporation Tax	25,39	32,30	36,43	44,74	50,30
Taxes on Wealth	10	13	28	13	21
Customs	15,50	27,35	31,59	34,57	37,06
Union Excise Duties	12,49	19,89	20,44	23,50	26,18
Service Tax	11,70	15,59	21,74	30,38	37,01
State Share of Union Taxes	1,10,77	1,56,39	1,82,19	2,08,05	2,27,15
Total Tax Revenue	2,83,50	3,70,58	4,51,92	5,13,87	5,62,67
Per cent of Union Taxes to Total Tax Revenue	39	42	40	40	40

2.7 Grants-in-Aid

Grants-in-Aid represent assistance from the Government of India and comprise, Grants for State Plan Schemes, Central Plan Schemes and Centrally Sponsored Schemes approved by the Planning Commission and State Non-plan Grants recommended by the Finance Commission.

Total receipts during 2013-14 under Grants-in-Aid were ₹ 1,17,77 crore as shown below:



As against budget estimate of ₹ 1,49,45 crore of Union share in Non-Plan and Plan schemes, the State Government has actually received ₹ 1,17,77 as Grants-in-Aid (79 per cent of BE).

2.8 Public Debt

Trend of Public Debt over the past five years

	(₹ in crore)				
	2009-10	2010-11	2011-12	2012-13	2013-14
Internal Debt	53,20	43,52	31,97	42,98	50,86
Central Loans	8,88	5,77	4,03	9,09	4,50
Total Public Debt	62,08	49,29	36,00	52,07	55,36

Note:- Net figure = Receipts – Disbursements.

In 2013-14, six loans totalling ₹ 50,00 crore at interest rates varying from 9.29 per cent to 9.68 per cent and redeemable in the year 2023-24 were raised at par.

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 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, Co-operation, Energy, Industries, Transport etc.

3.2 Revenue Expenditure

Revenue Expenditure of ₹ 6,98,70 crore for 2013-14 was less than the budget estimates by ₹ 45,19 crore due to less disbursement of ₹ 3,84 crore under Non-Plan Expenditure and of ₹ 41,35 crore under plan Expenditure. State has maintained a revenue surplus in terms of the Madhya Pradesh FRBM Act, 2005.

The expenditure against budget estimates under Revenue section during the past five years is given below :-

(₹ in crore)

	2009-10	2010-11	2011-12	2012-13	2013-14
Budget Estimates	3,82,62	4,18,63	5,39,23	6,35,43	7,43,89
Actuals	3,58,97	4,50,12	5,26,94	6,29,68	6,98,70
Gap	23,65	(-) 31,49	12,29	5,75	45,19
% of gap over BE	6	(-) 8	2	1	6

The above table indicates that there was decrease (by 6 per cent) of Revenue Expenditure against budget estimates, which was mainly due to decrease in the Non-plan expenditure by ₹ 3,84 crore and in actual Plan Revenue Expenditure by ₹ 41,35 crore.

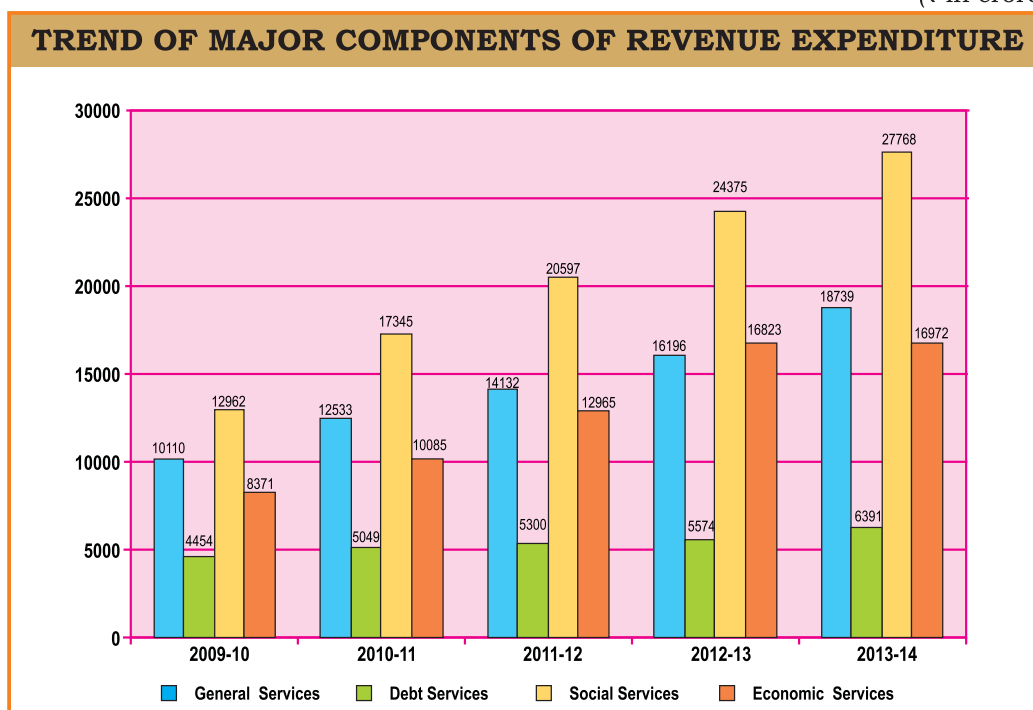
3.2.1 Sectoral distribution of Revenue Expenditure

(₹ in crore)

Components	Amount	Percentage
A. Fiscal Services	25,83	4
(i) Collection of Taxes on Property and Capital transactions	10,39	2
(ii) Collection of Taxes on Commodities and Services	15,42	2
(iii) Other Fiscal Services	2	--
B. Organs of State	8,38	1
C. Interest Payments and Servicing of debt	63,91	9
D. Administrative Services	48,34	7
E. Pensions and Miscellaneous General Services	59,45	9
F. Social Services	2,77,68	40
G. Economic Services	1,69,72	24
H. Grants-in-aid and Contributions	45,39	6
Total Expenditure (Revenue Account)	6,98,70	100

3.2.2 Major components of Revenue Expenditure (2009-14)

(₹ in crore)



* General Services excludes **MH 2049 (Interest payments)** and includes **MH 3604 (Compensation and assignment to Local Bodies and Panchayati Raj Institutions)**.

3.3 Capital Expenditure

3.3.1 Sectoral distribution of Capital Expenditure

During 2013-14, the Government spent ₹ 44,36 crore on various Projects (₹ 25,57 crore on Major Irrigation, ₹ 6,86 crore on Medium Irrigation and ₹ 11,93 crore on Minor Irrigation). Apart from above, the Government spent ₹ 73 crore on Construction of Buildings under the Head "Housing" and invested ₹ 6,19 crore in various Statutory Corporations/Government Companies/ Co-operatives.

(₹ in crore)

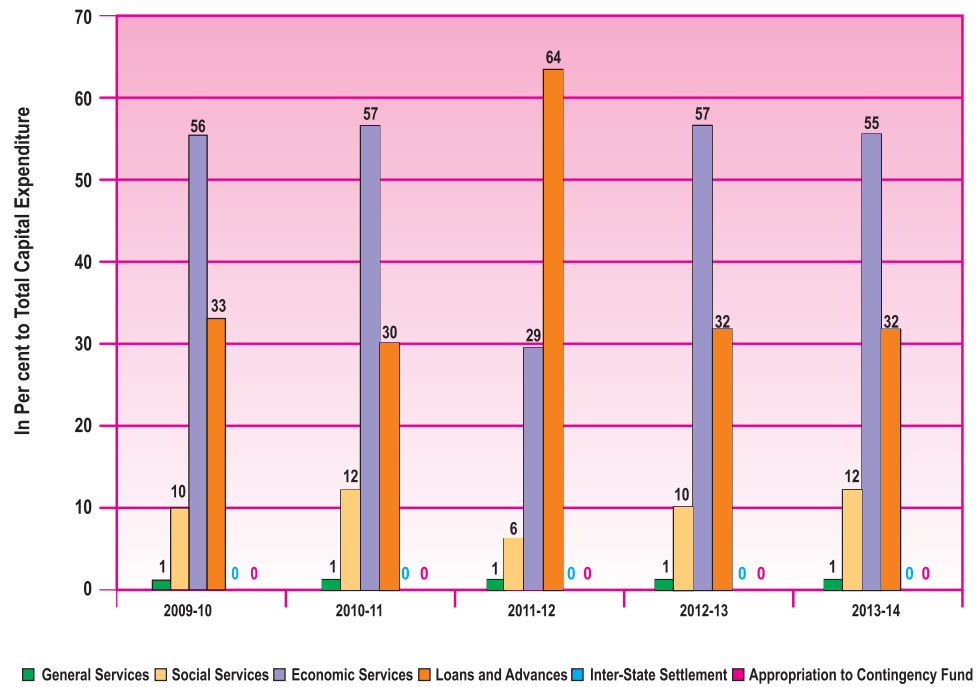
S.No.	Sector	Amount	Percentage
1.	General Services - Police, Land Revenue etc.	1,97	1
2.	Social Services - Education, Health & Family Welfare, Water Supply, Welfare of SC/ST etc.	18,99	12
3.	Economic Services - Agriculture, Rural Development, Irrigation, Co-operation, Energy, Industries, Transport etc.	87,17	55
4.	Loans and Advances Disbursed	50,77	32
5.	Inter State Settlement	2	-
Total		1,58,92	100

3.3.2 Sectoral distribution of capital expenditure over the past five years

(₹ in crore)

S. No.	Sector	2009-10	2010-11	2011-12	2012-13	2013-14
1.	General Services	1,19	1,79	1,67	2,05	1,97
2.	Social Services	11,78	15,32	15,99	16,21	18,99
3.	Economic Services	66,28	70,89	72,89	97,41	87,17
4.	Loans and Advances	38,17	37,15	1,57,60	53,78	50,77
5.	Inter State Settlement	3	2	4	7	2
	Total	1,17,45	1,25,17	2,48,19	1,69,52	1,58,92

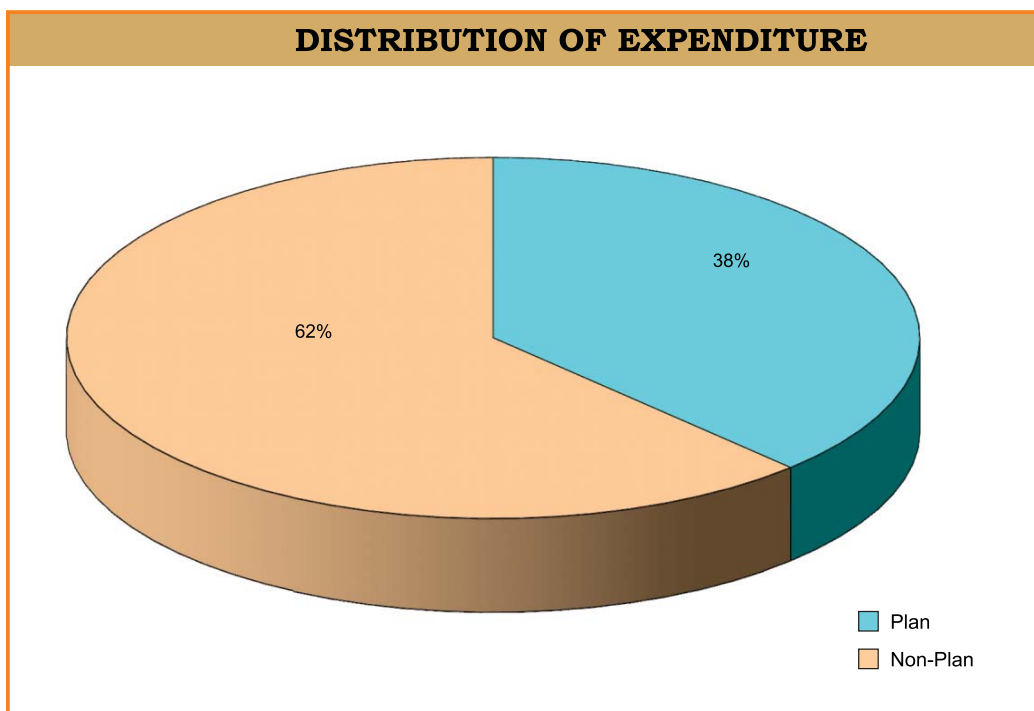
TREND OF SECTORAL DISTRIBUTION OF CAPITAL EXPENDITURE



Chapter 4

PLAN & NON-PLAN EXPENDITURE

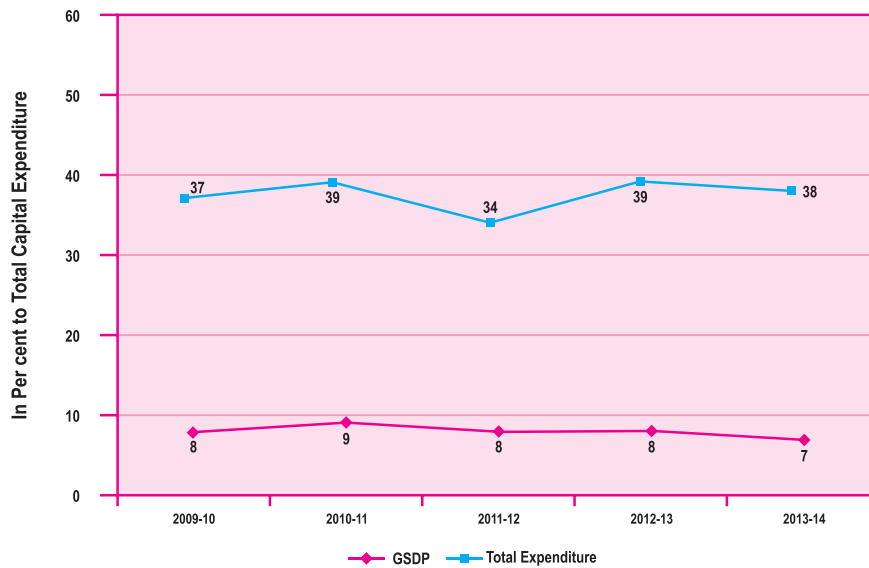
4.1 Distribution of Expenditure



4.2 Plan Expenditure

During 2013-14, Plan Expenditure, representing 38 per cent of total disbursements, was ₹ 3,23,68 crore (₹ 2,20,91 crore under State Plan, ₹ 81,06 crore under Centrally Sponsored/ Central Plan Schemes and ₹ 21,71 crore under Loans and Advances).

PLAN EXPENDITURE AS PROPORTION OF TOTAL EXPENDITURE AND GSDP



4.2.1 Plan expenditure under Capital Account

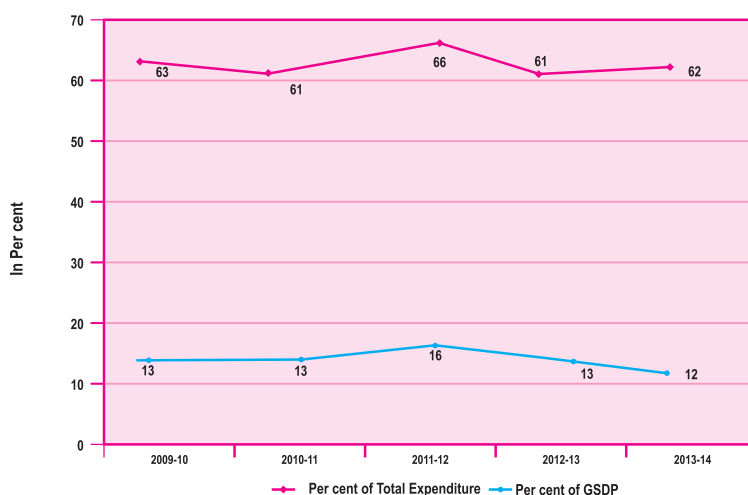
(₹ in crore)

	2009-10	2010-11	2011-12	2012-13	2013-14
Total Capital Expenditure	1,17,45	1,25,17	2,48,19	1,69,52	1,58,92
Capital Expenditure	79,11	96,17	1,01,02	1,30,79	1,29,41
Per cent of Capital Expenditure to Total Capital Expenditure	67	77	41	77	81

4.3 Non-Plan Expenditure

Non-Plan Expenditure during 2013-14, representing 62 per cent of total disbursements, was ₹ 5,33,94 crore, (₹ 5,04,43 crore under Revenue and ₹ 29,51 crore under Capital).

NON-PLAN EXPENDITURE AS PROPORTION OF TOTAL EXPENDITURE AND GSDP



4.4 Committed Expenditure

(₹ in crore)

TREND OF COMMITTED EXPENDITURE



Salary including wages increased by 15 per cent, interest payment increased by 15 per cent and Pension payment increased by 16 per cent over the previous year.

(₹ in crore)

Component	2009-10	2010-11	2011-12	2012-13	2013-14
Committed Expenditure	1,82,09	2,19,16	2,38,02	2,65,47	3,05,07
Revenue Expenditure	3,58,97	4,50,12	5,26,94	6,29,68	6,98,70
Revenue Receipts	4,13,95	5,18,54	6,26,04	7,04,27	7,57,49
Per cent of committed Expenditure to Revenue Receipts	44	42	38	38	40
Per cent of committed Expenditure to Revenue Expenditure	51	49	45	42	44

The major disbursement on Committed Expenditure leaves the Government with lesser flexibility for development spending.

Chapter 5

APPROPRIATION ACCOUNTS

5.1 Summary of Appropriation Accounts

(₹ in crore)

S. No.	Nature of expenditure	Original grant/ Appropriation	Supplementary grant/ Appropriation	Total	Actual expenditure	Savings (-) Excesses (+)	Surrender
1	Revenue						
	Voted	6,90,59.33	74,81.74	7,65,41.07	6,30,28.13	(-) 1,35,12.94	(-) 86,98.51
	Charged	74,75.99	7,00.56	81,76.55	73,52.50	(-) 8,24.05	(-) 2,42.88
2	Capital						
	Voted	1,14,31.69	25,18.61	1,39,50.30	1,09,51.03	(-) 29,99.27	(-) 21,42.38
	Charged	21.79	5.00	26.79	17.19	(-) 9.60	(-) 0.49
3	Public Debt						
	Charged	80,17.43	5.26	80,22.69	40,04.64	(-) 40,18.05	(-) 2.17
4	Loans and Advances						
	Voted	64,55.60	3,76.58	68,32.18	50,78.56	(-) 17,53.62	(-) 14,52.32
	Charged	—	—	—	—	—	—
	TOTAL	10,24,61.83	1,10,87.75	11,35,49.58	9,04,32.05	(-) 2,31,17.53	(-)1,25,38.75

5.2 Trend of Savings/Excess during the past five years

(₹ in crore)

Year	Savings (-)/Excess (+)				Total
	Revenue	Capital	Public Debt	Loans & Advances	
2009-10	(-) 58,66.67	(-)17,16.65	(-) 38,96.41	(-) 4,50.15	(-) 1,19,29.88
2010-11	(-) 67,91.87	(-)15,30.92	(-) 33,92.77	(-) 4,93.57	(-) 1,22,09.13
2011-12	(-) 79,87.73	(-)16,22.63	(-) 36,50.31	(-) 17,92.56	(-) 1,50,53.23
2012-13	(-) 91,98.39	(-) 22,69.64	(-) 39,03.16	(-) 20,90.01	(-) 1,74,61.20
2013-14	(-) 1,43,36.99	(-) 30,08.87	(-) 40,18.05	(-) 17,53.62	(-) 2,31,17.53

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 : -

(Saving in Per cent)

Grant	Nomenclature	2009-10	2010-11	2011-12	2012-13	2013-14
Revenue Voted Section						
01	General Administration & Lok seva Prabandhan	13.51	12.46	15.05	14.87	16.53
04	Other expenditure pertaining to Home Department	21.77	21.02	22.85	15.46	16.27
06	Finance	31.32	27.82	30.20	30.54	10.68
13	Farmer's Welfare and Agriculture Development	22.56	9.67	14.53	17.16	28.43
29	Law and Legislative Affairs	15.70	41.04	20.06	28.05	35.46
48	Narmada Valley Development	34.62	28.99	16.06	19.41	26.27
64	Scheduled Caste Sub Plan	21.55	13.00	15.09	15.13	24.54
Capital Voted Section						
01	General Administration & Lokseva Prabandhan	52.27	19.40	41.82	13.40	13.10
03	Police	10.92	17.19	51.79	27.73	59.84
23	Water Resources Department	36.50	8.04	10.93	13.81	16.43
41	Tribal Area Sub Plan	36.07	11.71	9.71	19.51	24.50
45	Minor Irrigation Works	29.65	50.90	11.35	11.35	5.59
58	Expenditure on Relief on account of Natural Calamities and Scarcity	64.29	69.64	85.47	76.77	100
64	Scheduled Caste Sub-Plan	11.55	9.01	19.36	23.48	24.23
67	Public Works-Building	14.61	33.28	38.11	32.98	49.97

During 2013-14, supplementary grants/Appropriation totalling ₹ 1,10,87.75 crore (12.26 percent of total expenditure of ₹ 9,04,32.05 crore) proved to be unnecessary in some cases, where there were significant savings at the end of the year against original allocations. A few instances are given below :-

(₹ in crore)

Grant	Nomenclature	Section	Original	Supple- mentary	Actual Expenditure
CH-II	Interest Payments & Servicing of Debt	<i>Revenue Charged</i>	65,18.52	4,39.79	63,91.32
CH-I	Public Debt	<i>Capital Charged</i>	80,17.43	5.26	40,04.64
03	Police	Revenue Voted	39,77.48	3,06.07	34,27.10
06	Finance	Revenue Voted Capital Voted	67,87.62 2,38.80	0.71 47.54	60,62.94 51.60
07	Commercial Tax	Revenue Voted	22,52.05	71.20	20,55.95
08	Land Revenue and District Administration	Revenue Voted Capital Voted	10,70.36 52.97	17.42 25.00	8,35.64 6.61
10	Forest	Revenue Voted	18,55.99	83.14	17,10.98
12	Energy	<i>Revenue Charged</i> Capital Voted	1,55.00 52,83.30	26.23 1,93.93	– 43,57.79
13	Farmers Welfare and Agriculture Development	Revenue Voted	11,07.98	69.78	8,42.82
15	Financial Assistance three tier Panchayati Raj Institutions under Scheduled Castes Sub Plan	Revenue Voted Capital Voted	9,87.26 76.20	40.13 5.64	7,94.56 28.38
19	Public Health & Family Welfare	Revenue Voted	27,10.52	66.55	23,30.83
20	Public Health Engineering	Revenue Voted Capital Voted	5,23.36 4,66.39	1.60 1,55.84	3,97.69 4,00.26
27	School Education (Primary Education)	Revenue Voted	54,76.94	89.03	47,93.73
29	Law and Legislative affairs	Revenue Voted <i>Revenue Charged</i>	8,71.75 88.17	68.47 5.24	6,06.75 65.75

Grant	Nomenclature	Section	Original	Supple- mentary	Actual Expenditure
41	Tribal Area Sub Plan	Revenue Voted Capital Voted	33,48.74 19,91.11	1,19.44 1,31.94	27,83.81 16,02.72
50	Horticulture and Food Processing	Revenue Voted	3,01.31	53.29	1,97.48
52	Financial Assistance to Tribal Area Sub Plan Three Tier Panchayati Raj Institution	Revenue Voted Capital Voted	17,11.27 1,01.75	1,14.85 7.76	14,83.89 40.36
55	Women and Child Development	Revenue Voted	27,76.04	66.68	22,50.69
61	Expenditure pertaining to Bundelkhand Package	Revenue Voted	1,00.00	1,00.00	19.44
64	Scheduled Castes Sub-Plan	Revenue Voted Capital Voted	22,94.32 19,26.68	1,03.90 2,30.40	18,09.65 16,34.35
75	Financial Assistance to Urban bodies	Revenue Voted	50,60.10	6,21.45	47,44.11
77	Other Expenditure pertaining to School Education Department (Excluding Primary Education)	Revenue Voted	15,12.05	1,34.17	12,63.43
	Total		6,96,41.46	34,02.45	5,69,95.27

5.4 Rush of Expenditure

Regular flow of expenditure in the year is a primary requirement of budgetary control. Rush of expenditure particularly in the closing month of the financial year is regarded as a breach of financial rules (Para 26.13 of Madhya Pradesh Budget Manual). It was, however, noticed that in nine cases the expenditure incurred during March 2014 ranged between 38 per cent to 97 per cent of the total expenditure during the year indicating the tendency to utilise the budget provision at the fag end of the financial year :-

(₹ in crore)

S. No.	Description of Grant	Total Budget Provision	Total expenditure (Net)	Expenditure in March	Percentage of expenditure in March to total expenditure
1	25 - Mineral Resources	6,21.22	6,14.65	5,93.43	96.55
2.	26 - Culture	1,94.97	1,26.72	58.76	46.37
3.	53 - Financial Assistance to Urban bodies under Scheduled Castes Sub Plan	2,96.45	1,99.62	75.98	38.06
4.	58-Expenditure on Relief on account of Natural Calamities and Scarcity	19,09.70	11,42.21	5,91.19	51.76
5.	61-Expenditure pertaining to Bundelkhand package	6,08.72	2,17.15	85.90	39.56
6.	63-Minority Welfare	72.16	36.36	25.50	70.13
7.	68-Financial Assistance to Tribal Area Sub-Plan Urban bodies	46.00	32.03	13.62	42.52
8.	70-Externally Aided Projects pertaining to Technical Education and Training Department	12.55	5.80	4.69	80.86
9.	76-New and Renewable Energy Sources	66.57	43.97	26.26	59.72

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 period of existing loans.

Total investments as share capital in statutory corporations, Government Companies, Joint Stock Companies, Banks, Co-operatives and Public Sector undertakings stood at ₹1,52,75¹⁸ crore at the end of 2013-14. However, dividends received during the year were ₹ 3,79 crore (i.e. 2.48 per cent) on investment. During 2013-14, investments increased by ₹ 6,18 crore and dividend income increased by ₹ 3,61 crore.

Cash Balance with RBI stood at ₹ (-) 2,63 crore on 31st March 2013 and increased to ₹ 1,73 crore at the end of March 2014. During the year cash balance of the State Government increased by ₹ 4,36 crore.

6.2 Debt and Liabilities

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.

¹⁸ Includes ₹ 10,76 crore yet to be allocated between MP and CG as per MP Re-organisation Act 2000.

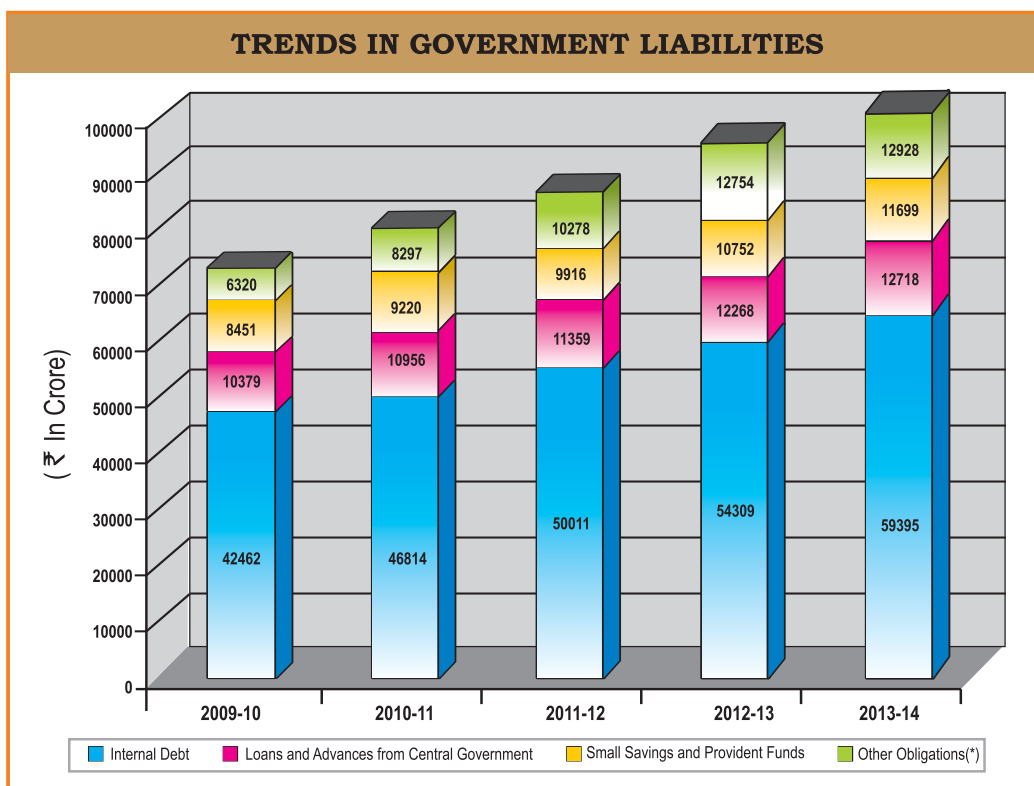
Details of the Public Debt and total liabilities of the State Government are as under: (₹ in crore)

Year	Public Debt	Per cent to GSDP	Public Account ^{*19}	Per cent to GSDP	Total Liabilities ^{*19}	Per cent to GSDP
2009-10	5,28,41	23	1,50,12	7	6,78,53	30
2010-11	5,77,69	22	1,77,35	7	7,55,04	29
2011-12	6,13,70	20	2,03,87	7	8,17,57	26
2012-13	6,65,77	18	2,35,91	6	9,01,68	24
2013-14	7,21,13	16	2,47,13	5	9,68,26	21

* Excludes suspense and remittance balances.

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

There is a net increase of ₹ 66,58 crore (7 per cent) in Public Debt and other liabilities in 2013-14 as compared to 2012-13.



(*) Non-interest bearing obligations such as deposits of Local Funds, other earmarked funds, etc.

¹⁹ An amount of ₹ 6,62 crore retained in MP pending allocation between MP and CG as per M.P. Re-organisation Act 2000.

6.3 Guarantees

The position of guarantees by the State Government for the re-payment of loans and capital and payment of interest thereon raised by Statutory Corporations, Government Companies, Corporations, Co-operative Societies, etc. is given below :-

(₹ in crore)

At the end of the year	Maximum Amount Guaranteed (Principal only)	Amount outstanding as on 31st March 2014
		Principal and Interest
2009-10	1,18,23	16,30
2010-11	84,39	51,11
2011-12	1,11,08	56,05
2012-13	1,47,52	77,20
2013-14	2,14,72	99,78

Note:- Details are available at Statement No.9 and are based on information received from the State Government and where available, from the respective institutions.

The State Government constituted the Guarantee Redemption Fund in 2006 in terms of the recommendation of the twelfth Finance Commission. During 2013-14, the State Government contributed ₹ 1.00 crore to the Fund. As on 31 March 2014, the balance in the Fund was ₹ 3,89.87 crore and the entire balance was invested in Central Government dated securities.

Chapter 7

OTHER ITEMS

7.1 Loans and Advances by the State Government

Total Loans and Advances made by the State Government at the end of 2013-14 was ₹ 3,20,72²⁰ crore. Of this, Loans and Advances to Government Corporations/Companies, non-Government Institutes and Local Bodies amounted to ₹ 3,20,44²¹ crore. During the year the State Government had disbursed loans and advances amounting to ₹ 50,77 crore and recovered outstanding loans amounting to ₹ 93 crore. ₹ 12 crore as interest was received during the year.

7.2 Financial Assistance to Local Bodies and Others

During the past five years, Grants-in-Aid to local bodies etc., increased from ₹ 80,88 crore in 2009-10 to ₹ 2,09,05 crore in 2013-14. Grants to Urban Local Bodies and Panchayati Raj Institutions (₹ 1,35,43 crore) represented 65 per cent of total grants given during the year.

Details of Grants-in-aid for the past five years are as under :-

(₹ in crore)

Year	Urban Local Bodies	Panchayati Raj Institutions	Others	Total
2009-10	4,29	--	76,59	80,88
2010-11	37,58	--	1,11,29	1,48,87
2011-12	42,42	54,13	64,89	1,61,44
2012-13	51,74	69,00	66,14	1,86,88
2013-14	67,48	67,95	73,62	2,09,05

²⁰ Includes ₹ 21,86 crore retained in M.P. yet to be reconciled.

²¹ Includes ₹ 21,19 crore retained in M.P. yet to be reconciled.

7.3 Cash Balance and Investment of Cash Balance

(₹ in crore)

Component	As on 1st April, 2013	As on 31st March, 2014	Net increase(+)/decrease (-)
Cash Balance	(-) 2,63	1,73	4,36
Investment from cash balance (GoI Treasury Bills & GoI securities)	68,06	38,99	(-) 29,07
Investment from earmarked fund balances	3,98	4,01	3
(a) Sinking Fund	-	-	-
(b) Guarantee Redemption Fund	3,89	3,92	3
(c) Other Funds	9	9	--
(d) Interest Realised	2,48	2,41	(-) 0,07

Interest realised on investment of cash balance decreased by 3 per cent during the year as compared to 2012-13.

7.4 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 Principal Accountant General (Accounts and Entitlements). This exercise is to be conducted by respective Heads of Departments. In 2013-14 only 41 per cent (₹ 3,52,16.12 crore) of the total expenditure of ₹ 8,57,62.16 crore excluding repayments under “Public Debt” of the State Government was reconciled. Similarly, out of total receipts of ₹ 7,58,80.88 crore, only 31 per cent (₹ 2,31,58.46 crore) was reconciled.

The status of reconciliation of accounts in respect of the Budget Controlling Officers (BCO) of different department is given below:-

Particulars	Total No. of BCOs	Fully Reconciled	Partially Reconciled	Not Reconciled
Expenditure	117	42	62	13
Receipts	117	01	05	111

7.5 Submission of Accounts by Treasuries

During the year 2013-14 out of 667 monthly accounts, 19 accounts were received after due dates, though these were incorporated in the monthly civil accounts of respective months.

Timely submission of accounts may be ensured by the Treasury.

The details are as below:-

Treasury Accounts

Month	No. of due A/cs	No. of A/cs received on due date	No. of A/cs received after due date	No. of A/cs included	No. of A/cs excluded	On which date civil A/cs render to State Govt.
04/2013	55	54	01	55	–	23.05.13
05/2013	55	54	01	55	-	25.06.13
06/2013	55	53	02	55	-	24.07.13
07/2013	55	52	03	55	-	23.08.13
08/2013	55	53	02	55	-	24.09.13
09/2013	56	55	01	56	-	24.10.13
10/2013	56	55	01	56	-	22.11.13
11/2013	56	53	03	56	-	23.12.13
12/2013	56	56	–	56	-	24.01.14
01/2014	56	53	03	56	-	25.02.14
02/2014	56	54	02	56	-	25.03.14
03/2014	56	56	–	56	-	09.05.14
Total	667	648	19	667	–	-

7.6 Existence of Majorities Abstract Contingent Bills (AC Bills)

When money is required in advance or when 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 supported by presenting Detailed Contingency (DC) bills before the 25th of the succeeding month.

The State Government has by issuing order dated 2 September 1999 banned drawal of AC bills by all departments, except the department of Sports and Youth Welfare, which is permitted to make such drawals only in respect of expenditure relating to activities in the National Cadet Corps (NCC). At the end of March 2014, 599 DC bills amounting to ₹ 14.96 crore was outstanding.

7.7 Outstanding Utilization Certificates (UCs) against Grants-in-Aid given by the State Government

In the case of conditional grants a formal Utilization Certificate (UC) about the proper utilization of the grant from the administrative, technical and financial point of view is to be furnished to the Principal Accountant General (A&E) by the sanctioning authority on or before September 30 of the year following that to which the Grant is related as per rule 182 of Madhya Pradesh Financial Code. At the end of March 2014 36414 UCs amounting to ₹ 2,73,73 crore were outstanding. UCs outstanding beyond the specified period indicate absence of assurance on utilisation of the grants for intended purposes.