

**REPORT OF THE
COMPTROLLER AND AUDITOR GENERAL OF INDIA**

on

STATE FINANCES

for the year ended 31 March 2013

The Report has been laid on the table of the State Legislature Assembly on 22-07-2014

GOVERNMENT OF MADHYA PRADESH

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Preface

1. This Report has been prepared for submission to the Governor of Madhya Pradesh under Article 151 of the Constitution.
2. Chapters 1 and 2 of this Report contain audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts respectively of the State Government for the year ended 31 March 2013. Information has been obtained from the Government of Madhya Pradesh wherever necessary.
3. Chapter 3 on 'Financial Reporting' provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the current year.
4. The Report containing the findings of performance audit and audit of transactions in various departments and observations arising out of audit of Statutory Corporations, Boards and Government Companies and the Report containing observations on Revenue Receipts are presented separately.

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Background

The Report on the Finances of the Government of Madhya Pradesh is brought out with a view to assess the financial performance of the State during 2012-13 based on audit analysis of financial data. In order to give a perspective to the analysis, we have attempted to compare the achievements made by the State Government *vis-a-vis* the targets envisaged in the Fiscal Responsibility and Budget Management Act (FRBM Act), 2005, Budget Documents, norms recommended by the Thirteenth Finance Commission and other financial data obtained from various Government Departments and organisations.

The Report

Based on the audited accounts of the Government of Madhya Pradesh for the year ended March 2013, this Report provides an analytical review of the Annual Accounts of the State Government. The report is structured in three Chapters.

Chapter 1 is based on the audit of the Finance Accounts and makes an assessment of the Madhya Pradesh Government's fiscal position as on 31 March 2013. It provides an insight into the trends in the overall finances of the State, Actual Expenditure *vis-a-vis* Budget Estimates, Salaries and Wages, Pensions, Interest Payments and Subsidies, Expenditure and Borrowing patterns, besides giving a brief account of Central funds transferred directly to the State implementing agencies through the off-budget route. It also makes an assessment of the adequacy of the State's Fiscal priorities to Developmental, Social Sectors and Capital Expenditure.

Chapter 2 is based on audit of Appropriation Accounts and gives a grant-wise description of appropriations and the manner in which the allocated resources were managed by the service delivery departments. Besides, comments arising out of review of one grant i.e. Grant No. 19 pertaining to Public Health and Family Welfare Department have also been made in this Chapter.

Chapter 3 is an inventory of the Madhya Pradesh Government's compliance with various reporting requirements and financial rules.

The Report also compiles the data collated from various government departments/organisations in support of the findings. At the end of the Report a glossary of abbreviations is given.

Audit findings

Management of fiscal imbalances and resource mobilisation

- The State maintained Revenue Surplus during the year 2012-13 at ₹ 7,459 crore. However, it decreased by ₹ 2,451 crore over the previous year. Though the Fiscal Deficit of the State (₹ 9,420 crore) was within the limits prescribed by XIII FC, FRBM Act and Budget estimates, the Fiscal Deficit increased from the previous year (by ₹ 3,660 crore). The Fiscal Deficit relative to GSDP also increased from 1.86 *per cent* in 2011-12 to 2.60 *per cent* in the current year.
- Revenue Receipts (₹ 70,427 crore) grew by 12.50 *per cent* over 2011-12. Growth of Revenue Receipts showed increasing trend during 2008-11, thereafter decreased gradually during 2011-13, mainly due to lesser growth in State's own Tax Revenue. During 2012-13, 53 *per cent* of Revenue Receipts came from State's own resources and 47 *per cent* was contributed by Central tax transfer and Grants-in-aid from GoI.
- The GSDP growth rate during 2012-13 at current price (16.85 *per cent*) of the State was higher than that of India's GDP (13.26 *per cent*).

Expenditure Management and Fiscal Priority

- The Revenue Expenditure (RE) of the State increased by 19.50 *per cent* from ₹ 52,694 crore in 2011-12 to ₹ 62,968 crore in 2012-13. The Non-Plan Revenue Expenditure (NPRE) increased by 21.65 *per cent* and constituted 71 *per cent* of RE. Actual NPRE was 39.83 *per cent* more than the XIII FC projection, but almost equal to the projection made in the MTFPS of the State.
- Capital Expenditure in 2012-13 (₹ 11,567 crore) increased by 28 *per cent* over the previous year. The increase was mainly under Rural Development and Irrigation and flood control.
- Expenditure on salaries and wages, pension payments, interest payments and subsidies together constituted 51 *per cent* of Revenue Expenditure and 46 *per cent* of Revenue Receipts. Out of total subsidy payments of ₹ 5,697 crore, 47 *per cent* pertained to Energy Department.
- The priority given to Social Sector Expenditure and expenditure on Education and Health Sectors in Madhya Pradesh was not adequate during 2012-13, when compared with the General Category States' Average.

Funds transferred to State Implementing Agencies outside the State Budget

- A total amount of ₹ 6,233.66 crore was directly transferred to the State agencies during 2012-13 for implementing various schemes. These funds were not routed through State Budget. There is no mechanism for monitoring the utilisation of such funds.

Incomplete projects

- In Water Resources Department, expenditure of ₹ 2,412.53 crore incurred on 55 incomplete projects remained unfruitful as of March 2013. Of these, initial estimated cost of 24 projects was revised by the Government involving a cost overrun of ₹ 2,067.92 crore.

Return on investment

- During 2012-13, return (₹ 18.38 crore) on investment of ₹ 14,656.50 crore made by the Government up to 2012-13 in Statutory corporations, companies, Co-operative societies, etc. was only 0.13 *per cent* against the average borrowing cost of 6.48 *per cent* during the year.

Net availability of funds

- During the year 2012-13, repayment of internal debt, GOI loans and other obligations and interest thereon constituted 86 *per cent* of fresh debts leaving very less funds for asset creation.

Management of Liabilities

- At the end of the year 2012-13, total liabilities (TL) of the State was ₹ 90,168 crore. The ratio of TL to GSDP (24.92 *per cent*) was within the limit of 40 *per cent* fixed under the FRBM Act, 2005 and also within 36.8 *per cent* prescribed by XIII FC. However, the buoyancy of TL with respect to GSDP increased from 0.44 in 2011-12 to 0.61 during 2012-13.
- Net Market Borrowings (₹ 3,363 crore) of the State continued to finance a major portion of Fiscal Deficit during 2012-13. Government raised market loans despite having sufficient cash balances during the period 2009-13, which were invested in low interest bearing '14 days Treasury Bills'. The assessment of market borrowings in the Annual Plans, Budget Estimates and Revised Estimates was injudicious.

Financial Management and Budgetary Control

- Against the total budget provision of ₹ 1,01,423 crore during 2012-13, expenditure incurred was ₹ 83,962 crore. Supplementary provision of ₹ 10,581 crore during 2012-13 proved unnecessary as there was an overall saving of ₹ 17,461 crore. In 11 cases (eight departments) savings were more than ₹ 100 crore in each case aggregating to ₹ 9,026 crore (52 *per cent* of total savings).
- We observed that only ₹ 5,670.36 crore (32 *per cent* of the total savings) was surrendered during the year. In 33 cases, significant savings (more than ₹ 10 crore in each) aggregating ₹ 2,135 crore was surrendered on the last day of the financial year, leaving no scope for utilizing the funds for other works.
- A sum of ₹ 389 crore was transferred to Civil Deposit in Public Account at the end of the year inflating the expenditure of the year under the Consolidated Fund of the State.

- Expenditure of ₹ 335 crore was incurred without any provision in the State Budget. Also, Re-appropriation/surrender of funds in 19 cases was made injudiciously which resulted in savings/excess in each scheme.
- Excess expenditure of ₹ 0.24 crore incurred during 2012-13 which require regularisation under Article 205 of the Constitution. Besides, ₹ 3,015 crore relating to the period 1997-98 to 2011-2012 also remained unregularised.

Financial Reporting

- State Government's compliance with various financial rules and procedures was deficient. Large number of Utilisation Certificates (38623) in respect of grants given for ₹ 28,240.91 crore were awaited from the grantee institutions, indicating lack of proper monitoring by the Departments in the utilisation of grants.
- There were significant delays (up to 57 months) in submission of accounts by the autonomous bodies, affecting their transparency and accountability.
- Government's compliance towards disposal of cases of losses, misappropriation, etc. amounting to ₹ 51.76 crore was pending.
- Detailed Countersigned Contingent bills against ₹ 15.24 crore drawn on Abstract Contingent bills were awaited at the end of 2012-13.
- As on 31 March 2013, ₹ 2,063 crore was retained in 904 Personal Deposit Account in violation of the provisions of Madhya Pradesh Treasury Code.
- Controlling Officers of 23 Departments did not reconcile expenditure amounting to ₹ 27,580.95 crore during 2012-13.

Chapter-1

FINANCES OF THE STATE GOVERNMENT

CHAPTER 1

Finances of the State Government

Profile of State

The State of Madhya Pradesh is located in the central part of India. It is the second largest State in terms of geographical area (308 thousand square kilometre) and the sixth largest by population (7.26 crore as per 2011 census). The composite State of Madhya Pradesh was founded on 1 November 1956. In terms of the Madhya Pradesh Reorganisation Act 2000 (No. 28 of 2000), 16 districts¹ of the erstwhile State of Madhya Pradesh were carved out to form the new State of Chhattisgarh on 1 November 2000.

As indicated in **Appendix 1.1** the State's population increased from 196 persons per sq.km in 2001 to 236 persons in 2011 (provisional figure). The State recorded a decadal population growth of 16.58 *per cent* during 2003-04 to 2012-13. In the State, percentage of population below poverty line (38.30 *per cent*) was higher than that of the All-India average (21.92 *per cent*). The Gross State Domestic Product (GSDP) of the State in 2012-13 at current prices was ₹ 3,61,874 crore, which grew at 16.85 *per cent* over the previous year. The State's literacy rate marginally increased from 69.69 *per cent* in 2001 to 70.63 *per cent* as per 2011 census, which was lower than the All India average of 74.04 *per cent* (2011 census). The decadal growth of *per capita* income in Madhya Pradesh (13.06 *per cent*) was lower than that of the General Category States (14.94 *per cent*) during 2003-04 to 2012-13.

The general data (including development indicators) relating to the State is given in **Appendix-1.1**.

Gross State Domestic Product (GSDP)

GSDP is the market value of all officially recognised final goods and services produced within the State in a given period of time. The growth of GSDP of the State is an important indicator of the State's economy as it indicates the standard of living of the State's population. The trend in the annual growth of India's GDP and that of the State's GSDP at current prices are indicated below:

Annual growth rate of GDP of India and GSDP of Madhya Pradesh at current prices

Year	(₹ in crore)				
	2008-09	2009-10	2010-11	2011-12 (QE)*	2012-13 (AE)*
India's GDP at current price	53,03,567	61,08,903	72,66,967	83,53,495	94,61,013
Growth rate of GDP (<i>per cent</i>)	15.75	15.18	18.96	14.95	13.26
GSDP of MP at current price	1,97,276	2,27,984	2,60,198	3,09,687	3,61,874
Growth rate of GSDP [®] (<i>per cent</i>)	22.17	15.57	14.13	19.02	16.85

(Source: Planning Commission Data tables and the Directorate of Economic and Statistics, Government of Madhya Pradesh)

*QE-Quick Estimates, AE-Advance Estimates

[®] GSDP estimates at current prices for the years 2010-11 and 2011-12 are revised, hence, percentage ratio/buoyancies of various parameters with reference to GSDP for 2010-11 and 2011-12 indicated in earlier Reports have also been revised.

¹

Bastar, Bilaspur, Dantewara, Dhamtari, Durg, Janjgir-Champa, Jashpur, Kanker, Kawardha, Korba, Koria, Mahasamund, Raigarh, Raipur, Rajnandgaon and Surguja.

Sector-wise performance of GSDP during the period 2010-13 is given below:

(₹ in crore)

Name of Sector	2010-11 (P)	2011-12 (Q)	2012-13 (A)
Primary Sector ²	63,698 (24)	80,093 (26)	95,088 (26)
Secondary Sector ³	77,178 (30)	88,241 (28)	99,717 (28)
Tertiary Sector ⁴	1,19,323 (46)	1,41,353 (46)	1,67,069 (46)

(P)- Provisional, (Q)-Quick, (A)- Advance

Figures in brackets indicates contribution of sectors in total GSDP

1.1 Introduction

This Chapter provides an audit perspective on the finances of the Government of Madhya Pradesh during 2012-13 and analyses the critical changes observed in the major fiscal aggregates relative to the previous year, keeping in view the overall trends during the last five years. The analysis is based on the Finance Accounts of the Government of Madhya Pradesh and information provided therein. The structure and form of Government Accounts and the layout of the Finance Accounts are depicted in **Appendix 1.2 Part-A**.

The apportionment of assets and liabilities of the composite State of Madhya Pradesh prior to the date of reorganisation as well as other financial adjustments is carried out in accordance with the provisions of the Madhya Pradesh Reorganisation Act 2000 (No. 28 of 2000). The actual progress achieved in this direction is indicated in **Appendix 1.2 Part-B**.

The methodology adopted for the assessment of the fiscal position and norms/ceilings prescribed under the Fiscal Responsibility and Budgetary Management (FRBM) Act, 2005, trends in select fiscal indicators and the time series data of State Finances are depicted in **Appendix 1.3** and **Appendix 1.4**.

1.1.1 Summary of fiscal transactions in 2012-13

Table 1.1 presents the summary of the State Government's fiscal transactions during the current year (2012-13) *vis-a-vis* the previous year (2011-12), while **Appendix 1.5 Part-A** provides details of receipts and disbursements as well as overall fiscal position during the current year.

Table 1.1: Summary of Fiscal operations in 2012-13

(₹ in crore)

Receipts	2011-12	2012-13	Disbursements	2011-12	2012-13		
					Non-Plan	Plan	Total
Section-A: Revenue							
Revenue Receipts	62,604.07	70,427.28	Revenue Expenditure	52,693.71	44,619.20	18,349.33	62,968.53
Tax revenue	26,973.44	30,581.70	General Services	16,228.64	17,613.11	92.03	17,705.14
Non-Tax revenue	7,482.73	7,000.22	Social Services	20,296.94	12,686.85	11,688.62	24,375.47
Share of Union Taxes/ Duties	18,219.13	20,805.16	Economic Services	12,964.91	11,019.66	5,803.69	16,823.35
Grants from GoI	9,928.77	12,040.20	Grants-in-aid & Contributions	3,203.22	3,299.57	765.00	4,064.57
Section-B: Capital & others							
Misc. Capital Receipts	22.65	31.45	Capital Outlay	9,055.16	23.91	11,542.98	11,566.89
			General Services	167.16	4.73	200.16	204.89

² includes Agriculture (including Animal Husbandry), Forestry, Fishing etc.

³ includes Mining and Quarrying, Manufacturing, Electricity, Gas and Water Supply, Construction, etc.

⁴ includes Trade, Hotels and Restaurants, Transport, Storage, Communication, Financing, Insurance, Real Estate and Business Services, Community, Social & Personal Services, etc.

			Social Services	1,599.12	9.68	1,611.31	1,620.99
			Economic Services	7,288.88	9.50	9,731.51	9,741.01
Recoveries of Loans and Advances	9,122.56	32.53	Loans and Advances disbursed	15,760.56	3,842.13	1,536.12	5,378.25
Inter-State settlement	2.65	9.14	Inter-State settlement	3.70			7.02
Public Debt receipts	6,750.25	8,791.16*	Repayment of Public Debt	3,149.79			3,583.94*
Contingency Fund	100.00	-	Contingency Fund	100.00			-
Public Account receipts	76,315.22	86,247.57	Public Account disbursements	73,279.04			82,735.57
Opening Cash Balance	6,900.44	7,775.88	Closing Cash Balance	7,775.88			7,074.81
Total	1,61,817.84	1,73,315.01	Total	1,61,817.84			1,73,315.01

*Excluding net transactions under ways and means advances and overdraft.

(Source: Finance Accounts)

The significant changes during 2012-13 over the previous year are as under:

- Revenue Receipts grew by ₹ 7,823.21 crore (12 per cent) due to increase in own Tax Revenue (by ₹ 3,608.26 crore), share of Union taxes/duties (by ₹ 2,586.03 crore) and grants-in-aid and contribution from GoI (by ₹ 2,111.43 crore). The actual Revenue Receipts for the year 2012-13 exceeded the projection made in the Medium Term Fiscal Policy Statement (MTFPS) by ₹ 513.77 crore.
- Revenue Expenditure increased by ₹ 10,274.82 crore (19.5 per cent). Increase was under economic services sector (by ₹ 3,858.44 crore), social services sector (by ₹ 4,078.53 crore), general services sector (by ₹ 1,476.50 crore) and grants-in-aid and contributions (by ₹ 861.35 crore).
- Capital Expenditure increased by ₹ 2,511.73 crore (28 per cent). Increase was mainly under economic services sector (by ₹ 2,452.13 crore). Increase under general services sector and social services sector was ₹ 37.73 crore and ₹ 21.87 crore respectively.
- Public Debt receipts (excluding ways and means advances) increased by ₹ 2,040.91 crore (30.23 per cent) while repayment of Public Debt increased by ₹ 434.15 crore (13.78 per cent).
- Public Account receipts and disbursement increased respectively by ₹ 9,932.35 crore (13 per cent) and ₹ 9,456.53 crore (13 per cent).
- Cash balances of the State Government decreased by ₹ 701.07 crore.

1.1.2 Review of the fiscal situation

In response to the Twelfth Finance Commission's recommendation, the Government of Madhya Pradesh enacted the Fiscal Responsibility and Budget Management (FRBM) Act, 2005, which came into force from 1 January 2006 with a view to ensuring prudence in fiscal management and fiscal stability by progressive elimination of revenue deficit, sustainable debt management consistent with fiscal deficit, greater transparency in fiscal operations of the Government and conduct of fiscal policy within a Medium-term Fiscal Framework.

In accordance with the provisions of FRBM Act 2005, the State Government has placed (a) Macro-Economic framework Statement, (b) Medium Term Fiscal Policy Statement (MTFPS) and (c) Fiscal Policy Strategy Statement

along with the Budget for 2012-13. The actuals for 2010-11, Revised Estimates for 2011-12 and Budget Estimates for 2012-13 for select indicators are presented in MTFPS (**Appendix 1.3 Part-C**).

The fiscal forecasts as prescribed by Thirteenth Finance Commission (XIII FC), FRBM Act and those framed in Medium Term Fiscal Policy Statement (MTFPS) for the year 2012-13 are presented in **Table 1.2**.

Table 1.2: Fiscal forecasts under FRBM Act, MTFPS and XIII FC for 2012-13

(₹ in crore)

Fiscal forecasts	XIII FC targets for the State	Targets prescribed in FRBM Act/MTFPS	Targets proposed in the budget	Actual achievement
Revenue Deficit (-)/ Surplus (+)	0.0 <i>per cent</i>	Reduce Revenue Deficit in each financial year so as to eliminate it by 31 March 2009 and generate Revenue Surplus thereafter	(+)6,370 (1.89 <i>per cent</i> of GSDP)	(+) 7,459 (2.06 <i>per cent</i> of GSDP)
Fiscal Deficit (-)/ GSDP)	3.0 <i>per cent</i>	To be reduced to not more than three <i>per cent</i> of GSDP by 31 March, 2012.	(-)10,018 (2.98 <i>per cent</i> of GSDP)	(-) 9,420 (2.60 <i>per cent</i> of GSDP)
Ratio of total outstanding debt	36.80 <i>per cent</i>	40 <i>per cent</i> of GSDP by 31 March 2015	28.09 <i>per cent</i>	24.92 <i>per cent</i> of GSDP
Outstanding Guarantees	--	Not to exceed 80 <i>per cent</i> of the total Revenue Receipts (RR) of the preceding year	7.99 <i>per cent</i> of RR of preceding year	12.33 <i>per cent</i> of RR of the preceding year

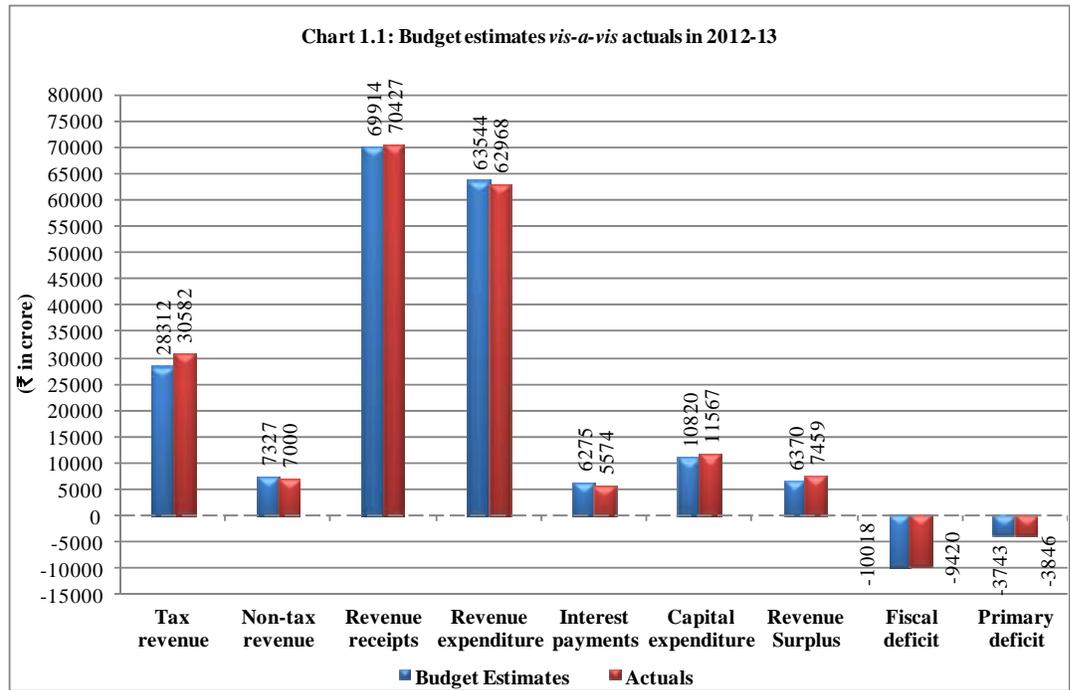
(Source: XIII FC recommendation 2010-15, MPFRBM Act 2005, Statement laid before the Legislature under FRBM Act during 2012-13 and Finance Accounts 2012-13)

- The State had achieved Revenue Surplus in the year 2004-05 and maintained the surplus thereafter.
- The Fiscal Deficit at 2.60 *per cent* of GSDP during 2012-13 was within the limit prescribed in the FRBM targets, XIII FC and the projections of MTFPS. The ratio however, was higher than that in 2011-12 (1.86 *per cent*).
- The total outstanding debt to GSDP ratio at 24.92 *per cent* was within the FRBM target (40 *per cent*) to be achieved by 31 March 2015 and also within the limit prescribed (36.8 *per cent*) by the XIII FC. It was also less than the projection made (28.09 *per cent*) in MTFPS.
- The outstanding guarantees during the year was 12.33 *per cent* of the Revenue Receipts of the preceding year, which was well within the limit prescribed in the FRBM targets (80 *per cent*) but more than the projections of MTFPS (7.99 *per cent*).

1.1.3 Budget Estimates and Actuals

The importance of accuracy in the budget estimates of revenue receipts and expenditure is widely accepted in the context of effective implementation of fiscal policies for overall economic management. Deviations from the Budget Estimates are indicative of non-attainment and non-optimisation of the desired fiscal objectives.

Chart 1.1 represents the budget estimates and actuals for some important fiscal parameters for 2012-13.



(Source: Finance Accounts and Budget Estimates 2012-13)

- The State's Revenue Receipts (₹ 70,427 crore) were marginally higher than the budget estimates by ₹ 513 crore (0.7 per cent).
- The State's Tax Revenue (₹ 30,582 crore) was more than the budget estimate by ₹ 2,270 crore (eight per cent). Further, Non-Tax Revenue was less than the budget estimate by ₹ 327 crore (four per cent).
- Revenue Expenditure was less than the budget estimate while Capital Expenditure was more than the budget estimate by ₹ 575 crore (one per cent) and ₹ 747 crore (seven per cent) respectively.
- Interest payments was less than the budget estimates by ₹ 701 crore (11 per cent) mainly due to decrease in interest on Market Loans and interest on Loans for State Union Territory Plan.
- The key fiscal indicators viz, Revenue Surplus and Fiscal Deficit showed improvement with reference to the Budget Estimates (BEs) while Primary Deficit was more than the budgeted estimates.

1.1.4 Gender Budgeting

Gender Budget of the State discloses the expenditure proposed to be incurred within the overall budget on schemes which are designed to benefit women fully or partially. Gender budgeting was introduced in 2007-08 and separate volume of Gender budget was submitted along with the budget to make available the details of budget provisions relating to women and girls. Schemes relating to gender budget were bifurcated in two categories (1) Scheme in which 100 per cent budget provisions were related to women and (2) Scheme in which at least 30 per cent of budget provisions were related to women. During 2012-13, there were 22 departments⁵ in which budget provisions were made for benefit of women.

⁵ 1. Sports and Youth Welfare, 2.Commerce, Industry & Employment, 3.Farmer Welfare & Agriculture Development, 4. Public Health and Family Welfare, 5.Urban Administration & Development, 6. School Education, 7.Panchayat, 8.Scheduled Castes Welfare, 9. Social Justice, 10. Food and Civil Supplies, 11.

As per the information furnished (September 2012) by Finance Department (FD), the year-wise allocation, expenditure and percentage of demand covered in respect of categories 1 and 2 for the years from 2008-09 to 2012-13 are given in **Table 1.3**.

Table 1.3: Gender budgetary allocations during 2008-13

(₹ in crore)

Year	Category 1			Category 2		
	Outlay	Expenditure	Percentage of expenditure to outlay	Outlay	Expenditure	Percentage of expenditure to outlay
2008-09	309.59	398.39	128.68	9,792.29	8,470.67	86.50
2009-10	638.68	868.67	136.01	11,977.79	1,510.02	12.61
2010-11	858.27	780.56	90.95	12,809.86	1,467.60	11.46
2011-12	1,510.02	1,245.41	82.48	20,500.64	6,908.51	33.70
2012-13	1,467.60	NA	NA	21,932.76	NA	NA

*NA- Not available with Finance Department

(Source: Information provided by Finance Department, GoMP)

Finance Department (FD) issued instructions (December 2006) that records relating to reporting and monitoring of Gender Budgeting should be maintained by the concerned Departments and FD would provide guidance to sort out problems relating to Gender Budget. On being asked regarding impact analysis on social and economic conditions of women after introduction of Gender Budgeting and furnishing of a study Report available for such analysis, no reply was furnished by the FD (September 2013). However, an analysis of information furnished (September 2013) by the Commissioner, Integrated Child Development Services and Women Empowerment (Women and Child Development), Bhopal revealed the following:

- (i) In three schemes⁶ under Category 1 and seven schemes⁷ under category 2, expenditure during 2012-13 was much less than the amount prescribed for Categories 1 and 2, as detailed in **Appendix-1.6**.
- (ii) During 2012-13, ₹ 12.53 crore relating to schemes under Category 1 (₹ 0.47 crore) and Category 2 (₹ 12.06 crore) meant for purchase of medicine kits, printing of registers and sabla kits were transferred to Public Account (under the head 8443-Civil Deposit-800-other Deposit) by exhibiting the same as final expenditure. Transfer of scheme funds to Deposit Account not only affects achievement of the intended benefits for the women, but also inflates the expenditure of the year.

1.2 Resources of the State

1.2.1 Resources of the State as per Annual Finance Accounts

Revenue and Capital are the two streams of receipts that constitute the resources of the State Government. Revenue Receipts consist of tax revenues, non-tax revenues, State's share of Union Taxes and Duties and grants-in-aid from the Government of India (GoI). Capital receipts comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from

Animal Husbandry, 12. Higher Education, 13. Man Power Planning, 14. Aviation, 15. Women & Child Development, 16. Rural Industry, 17. Welfare of Backward Classes, 18. Scheduled Castes Welfare, 19. Rural Development, 20. Horticulture & Food Processing, 21. Ayoush Department, 22. Vimukta, Ghumakkad evam Ardhangumakkad Castes Welfare

⁶ Centres for Security and assistance of women against domestic violence (Usha Kiran), Schemes under Women Welfare Funds and Indira Gandhi Mother Assistance Scheme (IGMSY)

⁷ Atal Bal Arogya Mission, Construction of Anganwadi Centres, Construction of Building Directorate, Integrated Child Protection Schemes, Maintenance of building of Women and Child Development, Probation unit and Construction of Anganwadi centres by pre-feb technic under NABARD

financial institutions/commercial banks) and Loans and Advances from GoI as well as accruals from Public Account.

The components of the State’s receipts during 2012-13 have been categorized in **Chart 1.2**.

Chart 1.2: Components and sub-components of Resources

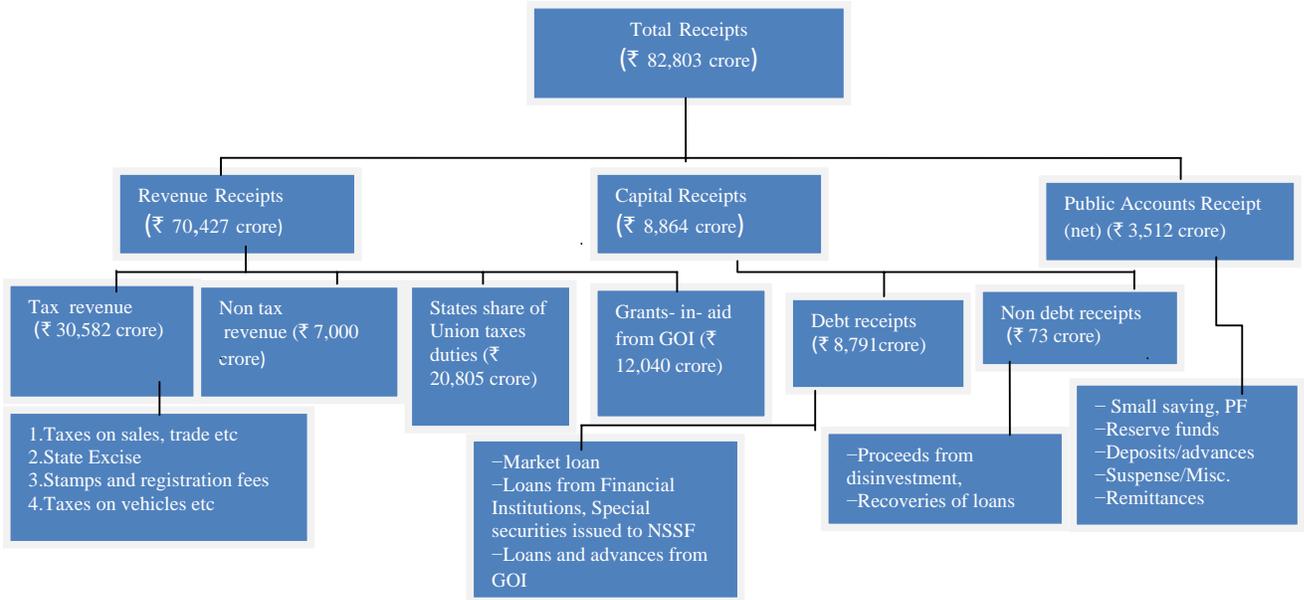
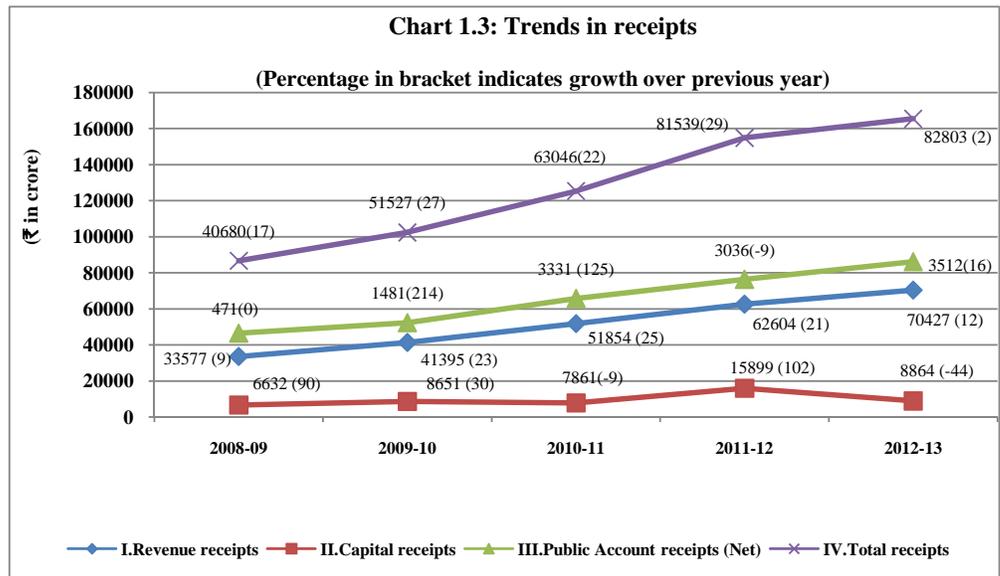
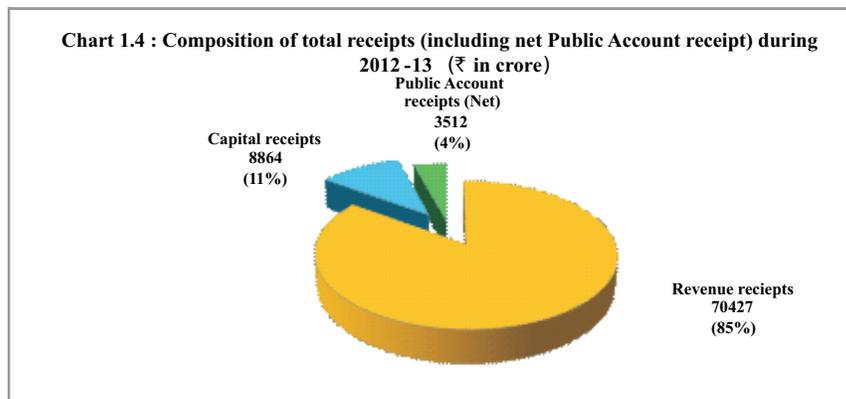


Table 1.1 presents the receipts and disbursements of the State during the current year as recorded in its Annual Finance Accounts while **Chart 1.3** depicts the trends in various components of the receipts of the State during the period 2008-13 and **Chart 1.4** depicts the composition of receipts during 2012-13.



(Figures in brackets indicated growth rates)
(Source: Finance Accounts)



(Source: Finance Accounts)

- The Revenue, Capital and Public Account receipts (Net) constituted 85 per cent, 11 per cent and four per cent of the total receipts respectively during 2012-13. The total receipts (including net Public Accounts receipts) of the State increased by 104 per cent during the period 2008-13. Revenue Receipts and Capital Receipts increased by 110 per cent and 34 per cent respectively during the period. The net receipts under the Public Account significantly increased during the period 2008-13.
- Growth rate of the total receipts was only two per cent in 2012-13 over the year 2011-12. We observed that the relative share of Revenue Receipts in total receipts during the period 2008-13 ranged between 77 per cent and 85 per cent. The share of Capital Receipts in total receipts during 2008-13 ranged between 11 per cent and 19 per cent.
- The Public Debt Receipts increased from ₹ 6,750 crore (8.28 per cent of total receipts) in 2011-12 to ₹ 8,791 crore (10.62 per cent of total receipts) in 2012-13 due to more borrowings under Special Securities issued to National Small Savings Fund of the Central Government, Loans from Central Government for State/Union Territory Plan Scheme and Market Loans.
- Total Capital Receipts decreased by ₹ 7,035 crore (44.25 per cent) mainly due to decrease in recovery of Loans and Advances (by ₹ 9,090 crore) and increase in Public Debt receipts (by ₹ 2,041 crore).

1.2.2 Funds transferred to State Implementing Agencies outside the State Budget

The Central Government transfers a sizeable quantum of funds directly to the State implementing agencies for implementation of various schemes/programmes in social and economic sectors, which are recognised as critical. In the present mechanism, these funds are not routed through the State Budget/State Treasury System and hence do not find mention in the Finance Accounts of the State. As such, the Annual Finance Accounts of the State does not provide a complete picture of the resources under the control of the State Government.

Details of funds transferred directly to State implementing agencies in respect of the Central Plan Schemes during 2012-13 and in 2011-12 are furnished in **Table 1.4.**

Table 1.4: Funds transferred directly to State Implementing Agencies in the State

(₹ in crore)				
Sl. No	Name of the Programme/ Scheme	Implementing Agency/Department in the State	GOI releases 2011-12	GOI releases 2012-13
1	Mahatma Gandhi National Rural Employment Guarantee Scheme(90:10)	Madhya Pradesh State Employment Guarantee, Bhopal	2,968.51	1,610.15
2	Sarva Shiksha Abhiyan (SSA) (65:35)	M.P. Sarva Shiksha Abhiyan Mission	1,904.27	1,353.43
3	Pradhan Mantri Gram Sadak Yojana (PMGSY)	Madhya Pradesh Rural Road Development Authority, Bhopal	1,138.05	242.88
4	National Rural Health Mission (NRHM) Centrally Sponsored (85:15)	State Health Society, Madhya Pradesh	600.84	14.96
5	Rural Housing-IAY (75:25)	DRDA (All Districts)	426.68	237.89
6	National Rural Drinking Water Programme	State Water and Sanitation Mission(SWSM), Madhya Pradesh, Bhopal	140.09	550.37
7	Rashtriya Madhyamik Shiksha Abhiyan (RMSA)	M.P. Madhyamik Shiksha Abhiyan Samiti	242.39	461.22
8	Scheme for setting up of 6000 model schools at Block Level as Bench Mark of Excellence	M.P. Madhyamik Shiksha Abhiyan Samiti	202.74	22.93
9	Central Rural Sanitation Programme	State Water and Sanitation Mission Madhya Pradesh	150.76	257.80
10	National Food Security Mission (100)	State Institute of Agriculture Extension and Training	146.82	247.15
11	Indian Institute of Science Education and Research,	Indian Institute of Science Education and Research	142.00	167.36
12	MPs Local Area Development Scheme (MPLADS)	District Collector (All Districts)	132.10	223.00
13	Integrated Watershed Management Programme (IWMP)	DRDA (All Districts)	1.32	128.30
14	Aajeevika	DRDA (All Districts)	115.39	142.71
15	National Mission on Micro Irrigation	Director Horticulture, Madhya Pradesh	109.64	63.84
16	Assistance to IHMS FCIS etc.	Indian Institute of tourism and Travel Management	12.54	16.92
17	Others		367.62	492.75
Total			8,801.76	6,233.66

(Source: Finance Accounts)

During 2012-13, the total receipts of the State (₹ 1,65,539 crore)⁸ do not include the amount received on direct transfers (₹ 6,233.66 crore).

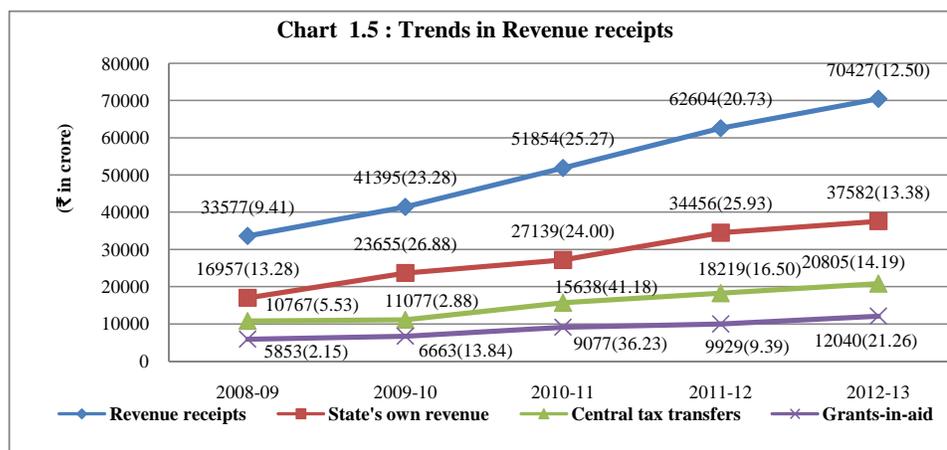
Direct transfers from the GoI to the State implementing agencies are required to be accompanied by adequate control mechanisms for effective oversight of utilisation of funds. However, there was no mechanism in the Government for monitoring the utilisation of such funds, which could inhibit the FRBM Act's requirement of transparency in fiscal operations and accountability.

1.3 Revenue Receipts

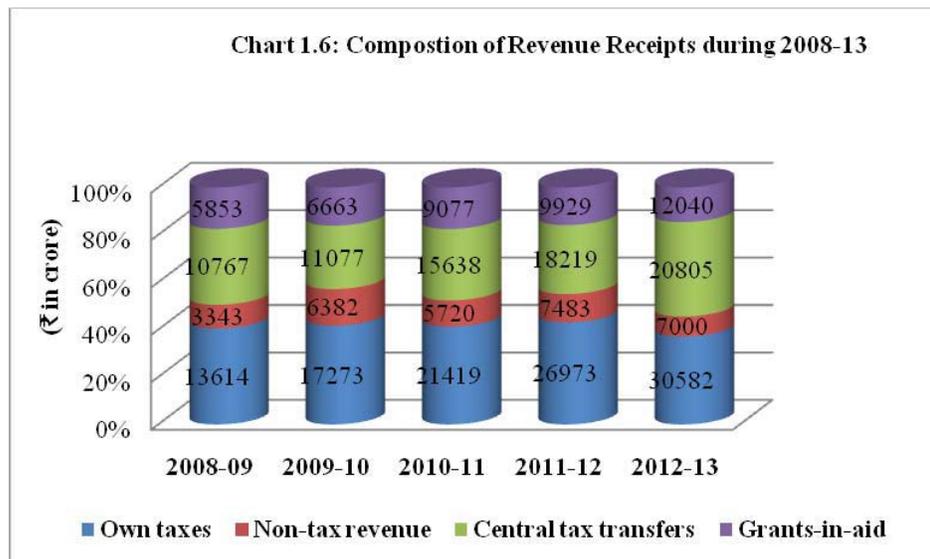
Statement-11 of the Finance Accounts details the Revenue Receipts of the Government. The Revenue Receipts consist of own tax and non-tax revenues, Central tax transfers and grants-in-aid from GoI. The trends and composition

⁸ Includes gross Public Accounts Receipts

of Revenue Receipts over the period 2008-13 are presented in **Appendix 1.4** and also depicted in **Charts 1.5** and **1.6** respectively.



(Figures in bracket indicate growth rate)
(Source: Finance Accounts)



(Source: Finance Accounts)

General trends

- The Revenue Receipts of the State increased by 110 per cent from ₹ 33,577 crore in 2008-09 to ₹ 70,427 crore in 2012-13. While 53 per cent of the Revenue Receipts during 2012-13 had come from the State's own resources comprising Tax Revenue (43 per cent) and Non-Tax Revenue (10 per cent), the balance 47 per cent was contributed by Central tax transfers and grants-in-aid together.
- The relative share of the State's own tax revenue in total revenue receipts ranged between 41 per cent and 43 per cent during the period 2008-13, while non-tax revenue exhibited fluctuating trend, which ranged between 10 per cent and 15 per cent. Relative share of Central tax transfers and grants-in-aid also showed increasing trend during 2008-13.

- Of the total increase of ₹ 7,823 crore in the Revenue Receipts of the State during 2012-13, ₹ 4,697 crore (60 per cent) was contributed by Central transfers and the remaining ₹ 3,126 crore (40 per cent) by the State's own resources.
- The trends of Revenue Receipts relative to GSDP are presented in **Table 1.5**.

Table 1.5: Trends of Revenue Receipts relative to GSDP

	2008-09	2009-10	2010-11	2011-12	2012-13
Revenue Receipts (RR) (₹ in crore)	33,577	41,395	51,854	62,604	70,427
Rate of growth of RR (<i>per cent</i>)	9.41	23.28	25.27	20.73	12.50
Rate of growth of GSDP (<i>per cent</i>)	22.17	15.57	14.13	19.02	16.85
Rate of growth of Fiscal liabilities (<i>per cent</i>)	9.26	12.28	11.28	8.28	10.29
Rate of growth of State's own Taxes (<i>per cent</i>)	13.28	26.88	24.00	25.93	13.38
R R/GSDP (<i>per cent</i>)	17.02	18.16	19.93	20.22	19.46
Buoyancy Ratios⁹					
Revenue Buoyancy w.r.t GSDP	0.42	1.50	1.79	1.09	0.74
State's Own Tax Buoyancy w.r.t GSDP	0.60	1.73	1.70	1.36	0.79
Revenue Buoyancy with reference to State's own taxes	0.70	0.87	1.05	0.80	0.93
Fiscal liabilities w.r.t GSDP	0.42	0.79	0.80	0.44	0.61

(Source: Finance Accounts and information furnished by Directorate of Economics and Statistics, Government of Madhya Pradesh)

Ideally, the growth rate of revenue receipts should be higher than GSDP growth rate so that over the time the budget can be better balanced. An analysis of the **Table 1.5** revealed the following:

- The Revenue Receipts relative to GSDP increased consistently from 17.02 per cent in 2008-09 to 20.22 per cent in 2011-12 but decreased marginally to 19.46 per cent in 2012-13.
- Growth of Revenue Receipts increased from 9.41 per cent in 2008-09 to 25.27 per cent in 2010-11, but decreased to 12.5 per cent in 2012-13, mainly due to lesser growth in State's own Tax Revenue.
- The revenue buoyancy as well as State's Own Tax Buoyancy with reference to GSDP decreased in 2012-13 (0.74 and 0.79 respectively) as compared to the previous year (1.09 and 1.36 respectively), due to less growth of Revenue Receipts (20.73 per cent in 2011-12 to 12.50 per cent in 2012-13).

1.3.1 State's Own Resources

As the State's share in Central taxes and grants-in-aid from GoI are determined on the basis of recommendations of the Finance Commission, the State's performance in mobilisation of resources is assessed in terms of its own resources comprising own tax and non-tax sources.

The State's actual tax and non-tax receipts for the year 2012-13 *vis-a-vis* assessment made by XIII FC, in RE and in MTFPS are given in **Table 1.6**.

⁹ Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For instance revenue buoyancy at 0.6 implies that revenue receipts tend to increase by 0.6 percentage points if the GSDP increases by one per cent.

Table 1.6: Tax Revenue and Non-Tax Revenue

(₹ in crore)				
	XIII FC projections	Revised Budget Estimates (RE) 2012-13	MTFPS projection	Actual
Tax Revenue	21,982	51,110	28,312	30,582
Non-Tax Revenue	5,172	7,517	7,327	7,000

Source: Finance Accounts and Statement laid before the legislature under FRBM Act along with State Budgets 2012-13 and 2013-14 and the recommendations of XIII FC.

It would be seen that the actual realisation under Tax Revenue and Non-Tax Revenue was higher than the assessment made by the XIII FC (by 39.12 per cent and 35.34 per cent respectively). Actual realisation under Tax Revenue was higher compared to MTFPS projections (by eight per cent) but lower under Non-Tax Revenue (by four per cent).

1.3.1.1 Tax Revenue

The gross collection in respect of major taxes and duties are given in **Table 1.7**.

Table 1.7 : Components of Tax Revenue of the State

(₹ in crore)						
Revenue Head	2008-09	2009-10	2010-11	2011-12	2012-13	Increase(+)/decrease (-) over previous year (in per cent)
Taxes on Sales, Trades etc.	6,843	7,724	10,257	12,517	14,856	(+) 18.69
State Excise	2,302	2,952	3,603	4,317	5,078	(+) 17.63
Taxes on Vehicles	773	919	1,198	1,357	1,531	(+) 12.82
Stamps and Registration Fees	1,479	1,783	2,514	3,284	3,944	(+) 20.10
Land Revenue	339	180	361	279	444	(+) 59.14
Taxes on Goods and Passengers	1,333	1,333	1,746	2,047	2,395	(+) 17.00
Other Taxes*	545	2,382	1,740	3,172	2,334*	(-)26.42
Total Tax Revenue	13,614	17,273	21,419	26,973	30,582	(+) 13.38

* Other taxes include Taxes and Duties on Electricity (₹1,478 crore), Taxes on Immovable Property other than Agricultural Land (₹ 413 crore), Other Taxes on Income and Expenditure (₹ 255 crore), Other Taxes and Duties on Commodities and Services (₹ 188 crore).

(Source: Finance Accounts)

- Taxes on Sales, Trades, etc. were the major contributors (49 per cent) of the State's own tax revenue followed by State Excise (17 per cent), Stamps and Registration Fees (13 per cent), Taxes on Goods and Passengers (eight per cent) and Taxes on Vehicles (five per cent) during 2012-13.
- The increase in receipts under Taxes on Sales, Trades etc. (by ₹ 2,339 crore) was mainly due to enhancing registration fee and imposing five per cent VAT on clothes, sugar and electricity generation under State Sales Tax Act. The increase in State Excise receipts (by ₹ 761 crore) was mainly under the head 102-Country fermented liquors and 104-Liquor. The increase under Stamps and Registration Fees (by ₹ 660 crore) was mainly due to increase in receipt under Sale of Stamps.
- The decrease under Taxes on Immovable property other than Agricultural Land (by ₹ 666 crore) was mainly due to less receipt of taxes under ordinary collection. The decrease under Taxes and duties

on Electricity (by ₹ 295 crore) was mainly due to less receipt of fees under Indian Electricity Rules and under Other receipts.

Cost of collection of revenues

The gross collection of Taxes on Vehicles, Taxes on Sales, Trade etc., Stamps and Registration Fees and State Excise, expenditure incurred on their collection and its percentage to gross collection during the years 2011-13 along with their All India average cost of collection for the respective previous years are indicated in **Table 1.8**.

Table 1.8: Cost of collection of Revenue Receipts

S.No	Head of revenue	Year	BE (Budget Estimates) (₹ in crore)	Actual collection (₹ in crore)	Expenditure on collection of revenue (₹ in crore)	Percentage of expenditure on collection	All-India Average (in per cent)
1.	Taxes on Sales, Trades, etc.	2011-12	11,830.00	12,516.73	111.36	0.89	0.75
		2012-13	14,000.00	14,856.30	129.32	0.87	0.83
2	Taxes on Vehicles	2011-12	1,285.00	1,357.12	40.40	2.97	3.71
		2012-13	1,400.00	1,531.25	40.07	2.62	2.96
3.	State Excise	2011-12	4,050.00	4,316.49	973.88	22.56	3.05
		2012-13	4,800.00	5,078.06	1,188.87	23.41	2.98
4.	Stamps and Registration Fees	2011-12	2,000.00	3,284.41	63.71	1.94	1.60
		2012-13	3,200.00	3,944.24	79.00	2.00	1.89

(Source: Finance Accounts and information furnished by AG (E&RSA), MP)

During 2012-13, the gross collection was more than the Budget Estimates in respect of Taxes on Sales, Trade etc., Taxes on Vehicles, State Excise and Stamps and Registration Fees. Percentage of expenditure on collection of Revenue Receipts under Taxes on Sales, Trades etc., State Excise and Stamps and Registration Fees was higher than the All-India Average, while it was lesser under Taxes on Vehicles.

1.3.1.2 Non-Tax Revenue

Non-Tax Revenue comprises receipts mainly from Interest, Non-Ferrous Mining and Metallurgical Industries, Forestry and Wildlife, Education, Sports, Art and Culture as indicated in **Table 1.9**.

Table 1.9 :Growth rate of Non-Tax Revenue

Revenue Head	2008-09	2009-10	2010-11	2011-12	2012-13	Increase(+)/ decrease (-) over previous year (in per cent)
Interest receipts	163	1,284	299	1,571	301	(-)80.84
Non-Ferrous Mining and Metallurgical Industries	1,361	1,590	2,121	2,038	2,443	(+)19.87
Forestry and Wildlife	686	80	837	879	910	(+)3.53
Education, Sports, Art and Culture	319	745	1,194	1,551	1,682	(+)8.45
Dividends and Profits	69	50	32	38	18	(-)52.63
Other non-tax receipts	745	2,633	1,237	1,406	1,646	(+)17.07
Total	3,343	6,382	5,720	7,483	7,000	(-)6.45

(Source- Finance Accounts)

- Non-tax revenue decreased by ₹ 483 crore from ₹ 7,483 crore in 2011-12 to ₹ 7,000 crore in 2012-13, mainly due to decrease in receipts under Interest Receipts (by ₹ 1,270 crore), offset by increase under Non-Ferrous Mining and Metallurgical Industries (by ₹ 405 crore) and

Other Administrative services (by ₹ 345 crore). The decrease in Interest receipts was mainly under interest from public sector and other undertakings (by ₹ 1,172 crore).

- Major contributors of non-tax revenue during 2012-13 were Non-Ferrous Mining and Metallurgical Industries (35 per cent), Education, Sports, Art and Culture (24 per cent), Forestry and Wildlife (13 per cent).
- No debt waivers under Debt Consolidation and Relief Facilities (DCRF) schemes were received by the State Government.

1.3.2 Grants-in-aid from GoI

Grants-in-aid from GoI increased from ₹ 5,853 crore in 2008-09 to ₹ 12,040 crore in 2012-13 as shown in **Table 1.10**.

Table 1.10: Grants-in-Aid from GoI

Particulars	(₹ in crore)				
	2008-09	2009-10	2010-11	2011-12	2012-13
Non-Plan Grants	1,015	1,533	1,636	2,114	333
Grants for State Plan Schemes	2,824	3,102	4,522	4,215	7,099
Grants for Central Plan Schemes	201	393	649	364	500
Grants for Centrally Sponsored Schemes	1,813	1,635	2,270	3,236	4,108
Grants for Special Plan Schemes	--	--	--	--	--
Total	5,853	6,663	9,077	9,929	12,040
Percentage of increase over previous year	2.15	13.84	36.23	9.39	21.26
Total grants as a percentage of Revenue Receipts	17.44	16.10	17.50	15.86	17.10

(Source: Finance Accounts)

The increase of ₹ 2,111 crore under GoI grants during 2012-13 over the previous year was due to increase in State Plan Schemes (by ₹ 2,884 crore), Centrally Sponsored Plan Schemes (by ₹ 872 crore) and Central Plan schemes (by ₹ 136 crore), offset by decrease in non-plan grants (by ₹ 1,781 crore). Increase in grants for State Plan Schemes in 2012-13 was mainly under Block Grants (by ₹ 696 crore) and Panchayati Raj (by ₹ 1,819 crore). The increase of ₹ 872 crore under grants for Centrally Sponsored schemes was mainly on account of increase under Welfare of Backward Classes-Education (by ₹ 816 crore), Urban Family Welfare Services (by ₹ 210 crore), Mid-day Meal Programme (by ₹ 466 crore) and Agriculture Economics and Statistics (by ₹ 452 crore) partly offset by decrease under Child Welfare (by ₹ 988 crore). The increase in grants for Central plan schemes was mainly under Forest Conservation Development and Regeneration (by ₹ 131 crore).

1.3.3 Central Tax transfers

The Central tax devolutions are determined by the Finance Commission award. The Central tax transfer of ₹ 20,805 crore during 2012-13 was marginally less than the estimated amount of ₹ 21,604 crore as given in Macro Economic Framework Statement. However, Central tax transfer increased from ₹ 18,219 crore in 2011-12 to ₹ 20,805 crore in 2012-13.

1.3.4 Optimisation of the XIII FC grants

During 2012-13, the XIII Commission had recommended ₹ 2,853.95 crore as grant-in-aid including specific grants to the State. Against these, the State

Government received grants aggregating ₹ 2,527.84 crore. Details are given in **Table 1.11**.

Table 1.11: Transfers recommended and actual release of grants-in-aid

(₹ in crore)

Sl no.	Transfers	Recommendation of the XIII FC	Actual release
1.	Local Bodies	1,246.44	1,170.41
	Grants to PRIs	920.61	964.43
	General Basic Grants	519.17	545.46
	General performance grants to PRI	356.30	373.83
	Special Area Basic Grant	22.57	22.57
	Special Area Performance Grant	22.57	22.57
	Grants to ULBs	325.83	202.98
	General Basic Grants	188.53	198.08
	General performance grants to ULBs	129.40	Nil
	Special Area Basic Grant	3.95	3.95
	Special Area Performance Grant	3.95	3.95
2	Disaster Relief	324.76	324.76
3	Improving outcome grants	141.42	4.84
	(i)Reduction in Infant Mortality Rates	--	4.84
	(ii)Improvement in Supply of Justice	81.48	--
	(iii)Incentive for issuing UIDs	49.94	--
	(iv)Improvement of Statistical Systems at State and District Level	10.00	--
4	Environment related grants	159.58	122.58
	(i)Protection of Forests	122.58	122.58
	(ii)Water Sector Management (WRD)	37.00	--
5	Elementary education	452.00	452.00
6	Roads and bridges	222.00	222.00
7	State specific grants	307.75	231.25
	(i) Anganwadi Centres	100.00	100.00
	(ii) Police Training	45.00	45.00
	(iii)Development of Tourism	45.00	42.50
	(iv) Health Infrastructure	62.50	--
	(v) Conservation of Heritage	43.75	43.75
	(vi)Establishment of virology Laboratory at Gandhi Medical College	6.00	--
	(vii) Upgradation of MTH Hospital, Indore	5.50	--
	Total	2,853.95	2,527.84

(Source: Information obtained from Finance Department, Madhya Pradesh)

During test check of records (June 2013) of three Departments we noticed submission of excess/inaccurate Utilisation Certificates (UCs), non-utilisation of XIII FC grant and parking of fund in Deposit Account.

Women and Child Development (W&CD) Department

- Based on recommendation of the XIII FC, the GoI sanctioned (April 2011) ₹ 400 crore for construction of Anganwadi Centres (AWCs) during the award period 2010-15. As per GoI orders (December 2012) the second instalment of the funds would be released after utilization of two-thirds of the amount released in first instalment. The GoI released (March 2012) ₹ 100 crore under ICDS for the year 2011-12, against which expenditure of ₹ 48.55 crore was incurred during the year. However, W&CD Department submitted (January 2013) through Finance Department inflated UCs to GoI for ₹ 100 crore. We observed that GoI further released (March 2013) ₹ 100 crore for 2012-13, which also remained unutilised (June 2013). Thus, XIII FC grant of ₹ 51.43 crore out of ₹ 100 crore released during 2011-12 remained

unutilized. Besides, the next instalment of ₹ 100 crore for 2012-13 also remained unutilised.

The Deputy Director (Works) of W&CD Departments stated (June 2013) that the grant of ₹ 100 crore received for the year 2012-13 would be released to the DDOs after sanction of the works. He, however, did not give reply about unspent balance and submission of inflated UCs during 2011-12.

Department of Culture

- During 2011-12, XIII FC grant of ₹ 34.87 crore was provided for development and maintenance of monuments/museums. As per orders of the Finance Department the Commissioner, Archaeological Archives and Museum (AA&M) (Directorate) deposited the amount under the head 8443-Civil Deposit on 31 March 2012. We observed that in January 2013, Directorate submitted UCs to GoI for ₹ 26.04 crore. On being asked (June 2013) the Directorate stated that an amount of ₹ 15.07 crore was utilised on development and conservation of 47 monuments as of June 2013. He also stated that permission for drawal of ₹ 26.04 crore was received from Finance Department, based on which the UCs were sent to the GoI. However, the details of expenditure incurred could not be furnished by the Directorate. We also observed that, GOI released (12 March 2013) ₹ 48.58 crore for the year 2012-13, which also remained unspent as of June 2013.

Commissioner, AA&M Bhopal stated (August 2013) that budget provision of ₹ 48.58 crore was again made in financial year 2013-14, which will be utilised in the next financial year. Reply is not in order as XIII FC grant of ₹ 68.38 crore remained unutilised as of June 2013 and inflated UC of ₹ 26.04 crore was submitted to GoI against expenditure of ₹ 15.07 crore.

Forest Department

During 2012-13, grants-in-aid of ₹ 122.58 crore was released for 'Protection of Forests' of which 25 *per cent* was to be used for preservation and maintenance of Forests. Accordingly, ₹ 30.65 crore was provided to Forest Department as approved by the High Level Monitoring Committee, (HLMC)¹⁰ headed by Chief Secretary. The following observations were made in audit:

- **Satpura Tiger Reserve (STR)**

The High Level Monitoring Committee (HLMC) approved (August 2012) ₹ 3.30 crore on alternative source of energy including *unnat chulha* for the year 2012-13, with a view to reduce biotic pressure on forest resources in the villages of buffer zone of project tiger areas. The HLMC further directed to utilise the balance fund, if any, in the villages where work of rehabilitation of degraded forest is done.

We noticed (June 2013) during the scrutiny of records of Additional Principal Chief Conservator of Forest (APCCF)/Development that an amount of ₹ 1.60 crore was allotted to the Field Director, Satpura Tiger Reserve (STR) on their proposal for utilising the amount on

¹⁰

Responsible for monitoring of both physical and financial targets ensuring adherence to the specific conditions in respect of the grant and approving working plan.

providing alternative source of energy in office building, rest houses, line quarters and patrolling camps. As a result, the objective of providing alternative sources of energy in villages in buffer zone of STR remained unfulfilled and the allotment of ₹ 1.60 crore was contrary to the directions of the HLMC.

On this being pointed out, Government stated (October 2013) that the HLMC approved the agenda proposed by Forest Department to take up the work of development of alternative source of energy in buffer areas of the National Park on priority basis but there was no restriction of other works.

The reply is not in order since incurring expenditure on Government buildings was in deviation from the objective for which the fund was provided, by the HLMC.

➤ **Human Resource Development activities-training of forest officials**

Out of ₹ 30.65 crore provided to Forest Department, the HLMC approved (August 2012) the proposal of ₹ two crore for the year 2012-13 for Human Resource Development (HRD) activities, to be utilised on training of Rangers and Subordinate Staff of Forest Department. The amount was allotted to the APCCF (HRD) in August 2012. We noticed (June 2013) that the entire amount remained unutilised up to February 2013 due to lack of trainees and place for imparting training. Out of this unutilised amount, the Department provided (February 2013) ₹ 1.35 crore to the Forest Development Committee (FDC) for maintenance and development of forest and ₹ 65 lakh to Eco-tourism Board (Board) for providing alternative source of energy. Thus, the proposal of training was submitted to HLMC without proper planning resulting in non-utilisation of allotment and diversion of funds for other activities.

Government stated (October 2013) that the approved activities would be done in next financial years. Fact remains that the XIII FC grants were not utilized for the intended purpose during the year 2012-13.

1.3.5 Foregone revenue

The details of evasion of revenue as on 31 March 2013 as reported by the Departments of Taxes on Sales, Trade etc., State Excise and Stamps and Registration are given in **Table 1.12**.

Table: 1.12 Evasion of tax

Sl. No.	Nature of revenue	No. of cases pending as on 31 March 2012	No. of cases detected during 2012-13	Total No. of cases	No. of cases in which assessments/investigations completed and additional demand including penalty etc. raised		No. of pending cases as on 31 March 2013
					No. of cases	Amount (₹ in crore)	
1.	Taxes on Sales, Trade etc.	253	239	492	220	122.81	267 ¹¹
2.	State Excise	29	NIL	29	NIL	NIL	29
3.	Stamps and Registration fees	13,685	10,734	24,419	8,025	32.20	16,394

(Source: Information obtained from concerned departments)

¹¹

The Department did not furnish any reason for difference of five cases in closing balance.

Thus, there was increase in the number of pending cases relating to taxes on sales, trade etc, and stamps and registration fees.

1.4 Capital Receipts

The trends in growth and composition of Capital Receipts are presented in Table 1.13.

Table 1.13: Trends in growth and composition of receipts

(₹ in crore)

Sources of State's Receipts	2008-09	2009-10	2010-11	2011-12	2012-13
Capital Receipts (CR)	6,632	8,651	7,861	15,899	8,864
Miscellaneous Capital Receipts	24	22	367	23	31
Inter-State Settlement	1	3	2	3	9
Recovery of Loans and Advances	54	23	34	9123	33
Public Debt Receipts	6,553	8,603	7,458	6,750	8,791
Rate of growth of debt capital receipts (per cent)	94.39	31.28	-13.31	-9.49	30.24
Rate of growth of non-debt capital receipts (per cent)	-33.05	-39.24	739.58	2,170.22	-99.20
Rate of growth of GSDP (per cent)	22.17	15.57	14.13	19.02	16.85
Rate of growth of CR (per cent)	90.08	30.44	-9.13	102.25	-44.25

(Source: Finance Accounts)

1.4.1 Proceeds from disinvestment

As per Finance Account 2012-13, disinvestment of Co-operative Societies/Banks under Miscellaneous Capital Receipts marginally decreased from ₹ 22.62 crore in 2011-12 to ₹ 21.45 crore in 2012-13.

1.4.2 Recoveries of loans and advances

The recovery of Loans and Advances of ₹ 32.53 crore during the year was lower than the Budget Estimates (₹ 99.48 crore). The significant decrease of ₹ 9,090 crore in actual recovery over the previous year was mainly under loans for power projects. Recovery of loans was abnormally high in 2011-12 mainly due to recovery of loans from Electricity Distribution Company for Working Capital (₹ 7,351 crore), short term loans to MPSEB for working capital (₹ 4.94 crore) and strengthening of sub-transmission and distribution system (₹ 6.42 crore).

1.4.3 Public Debt Receipts

Public Debt Receipts consisted of Internal Debts and Loans from GoI. During 2012-13, Public Debt Receipts were increased mainly under Internal Debt.

- **Debt receipts from internal sources**

Internal Debt receipts increased by ₹ 1,516 crore from ₹ 5,718 crore in 2011-12 to ₹ 7,234 crore in 2012-13, mainly due to increase under Market Loans and special securities issued to NSSF of Central Government.

- **Loans and Advances from GoI**

Loans and Advances from GoI increased by ₹ 524.71 crore from ₹ 1,032.60 crore in 2011-12 to ₹ 1,557.31 crore in 2012-13, entirely under Loans for State Plan Scheme.

1.5 Public Accounts Receipts

Receipts and disbursements in respect of certain transactions such as small savings, provident funds, reserve funds, deposits, suspense, remittances etc. which do not form part of the Consolidated Fund, are kept in the Public Account set up under Article 266(2) of the Constitution and are not subject to vote by the State legislature. Here the Government acts as a banker. The balance after disbursements is the fund available with the government for use.

The trends in respect of Public Account Receipts during 2008-13 are presented in **Table 1.14**.

Table 1.14: Trends in Public Account Receipts

(₹ in crore)					
Resources under various heads	2008-09	2009-10	2010-11	2011-12	2012-13
Public Account Receipts	46,460	52,353	65,675	76,315	86,248
a. Small Savings, Provident Fund etc.	1,387	1,512	1,737	2,033	2,319
b. Reserve Fund	599	764	1,191	1,534	2,441
c. Deposits and Advances	7,911	9,334	9,724	9,872	6,502
d. Suspense and Miscellaneous	27,446	31,457	41,810	50,620	59,819
e. Remittances	9,117	9,286	11,213	12,256	15,167

(Source: Finance Accounts)

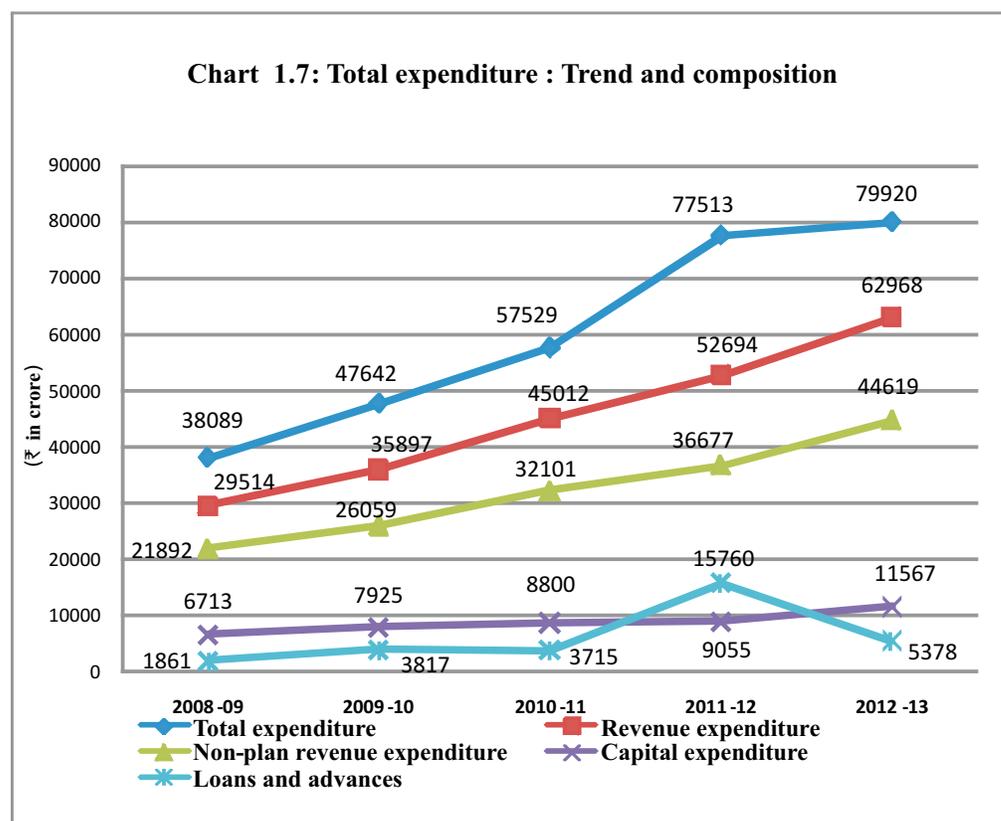
Public Account Receipts increased by ₹ 9,933 crore (13 per cent) from ₹ 76,315 crore in 2011-12 to ₹ 86,248 crore in 2012-13. The increase was mainly under Suspense and Miscellaneous (by 18 per cent) and Remittances (by 24 per cent) partly offset by decrease under Deposits and Advances (by 34 per cent).

1.6 Application of Resources

Analysis of the allocation of expenditure at the State Government level assumes significance since major expenditure responsibilities are entrusted with them. Within the framework of fiscal responsibility legislations, there are budgetary constraints in raising public expenditure financed by deficit or borrowings. It is, however, important to ensure that the ongoing fiscal correction and consolidation process at the State level is not at the cost of the expenditure directed towards development of social sector.

1.6.1 Growth and composition of Expenditure

Chart 1.7 presents the trends in total expenditure (excluding Public Debt repayments) over a period of the last five years (2008-13). Expenditure under various components is depicted in **Chart 1.8** and the trend of expenditure by activities/services is shown in **Chart 1.9**.



(Source : Finance Accounts)

The total expenditure of the State increased by ₹ 41,831 crore (110 per cent) during 2008-13. The Capital Expenditure and Revenue Expenditure increased by ₹ 4,854 crore (72 per cent) and ₹ 33,454 crore (113 per cent) respectively during the same period.

The share of Revenue Expenditure in Total Expenditure increased from 77 per cent in 2008-09 to 79 per cent in 2012-13 with inter-year variations. The share of Capital expenditure in total expenditure decreased from 18 per cent in 2008-09 to 12 per cent in 2011-12 and then increased to 14 per cent in 2012-13. During 2012-13, the Non-Plan Revenue Expenditure increased by ₹ 7,942 crore over the previous year. The total Plan expenditure¹² during 2012-13 increased by ₹ 5,310 crore and the total Non-Plan expenditure¹³ decreased by ₹ 2,906 crore over the previous year. The Plan expenditure and Non-Plan expenditure during 2012-13 consisted 39 per cent and 61 per cent respectively of Total Expenditure.

The increase of ₹ 2,407 crore in total expenditure (by three per cent) during 2012-13 over 2011-12 was mainly due to increase of ₹ 10,274 crore (19 per cent) in Revenue Expenditure and ₹ 2,512 crore (28 per cent) in Capital Expenditure, partly offset by decrease of ₹ 10,382 crore (66 per cent) under Loans and Advances.

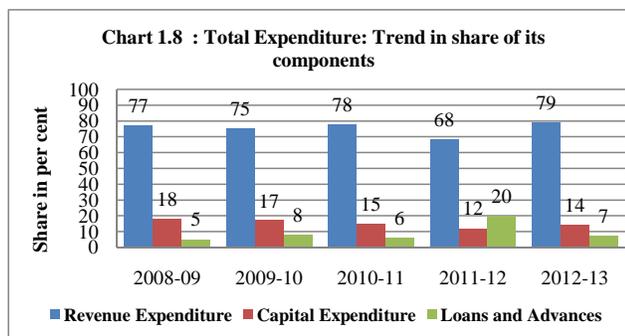
The increase in Capital Expenditure was mainly due to increase in Irrigation and Flood Control (by ₹ 951 crore), Rural Development (by ₹ 477 crore), Transport (by ₹ 387 crore), Agriculture and Allied Activities (by ₹ 218 crore),

¹² Includes Plan Expenditure under Revenue, Capital and Loans & Advances

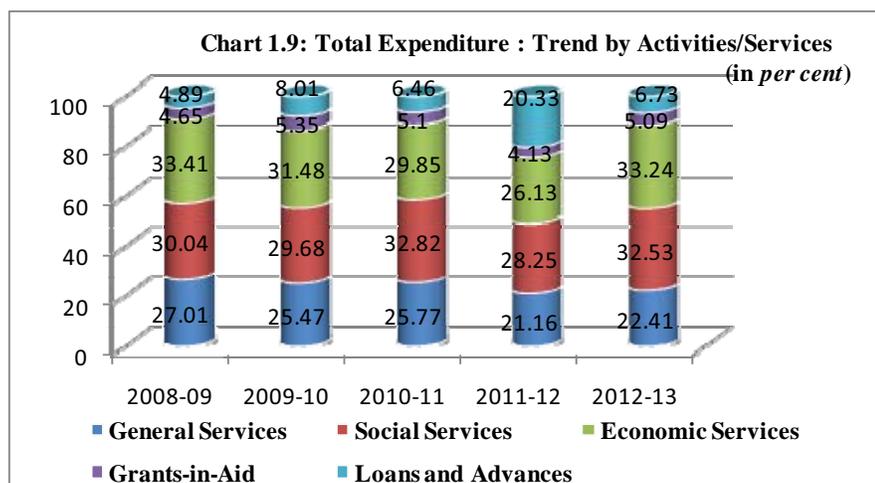
¹³ Includes Non-Plan Expenditure under Revenue, Capital and Loans & Advances

Capital Outlay on Energy (by ₹ 201 crore), Industry and Minerals (by ₹ 174 crore) partly offset by decrease in Social Welfare and Nutrition (by ₹ 99 crore) and Education, Sports, Art & Culture (by ₹ 25 crore).

In 2012-13, 88 per cent of the Total Expenditure (₹ 79,920 crore) could be met out of Revenue Receipts (₹ 70,427 crore).



(Source: Finance Accounts)



(Source: Finance Accounts)

- The share of expenditure under General Services (including Interest Payments), considered as non-developmental expenditure, to total expenditure declined from 27.01 per cent in 2008-09 to 22.41 per cent in 2012-13, while the share of expenditure under Social Services increased from 30.04 per cent in 2008-09 to 32.53 per cent in 2012-13 with inter-year variations. The share of Economic Services indicated a decreasing trend from 33.41 per cent in 2008-09 to 26.13 per cent in 2011-12 and then increased to 33.24 per cent in 2012-13. The development expenditure comprising Social and Economic Services together increased from 63.45 per cent in 2008-09 to 65.77 per cent in 2012-13.
- The share of Grants-in-aid increased from 4.13 per cent in 2011-12 to 5.09 per cent in 2012-13.

- The share of Loans and Advances in Total Expenditure ranged between 4.89 per cent and 20.33 per cent during 2008-13. During 2012-13, it was 6.73 per cent of total expenditure.

1.6.2 Capital Expenditure

- Capital Expenditure increased from ₹ 6,713 crore in 2008-09 to ₹ 11,567 crore in 2012-13 indicating average annual growth rate of 14.5 per cent over the period. During 2012-13 increase was ₹ 2,512 crore (by 28 per cent) over the previous year. During 2012-13, 99.79 per cent of the total Capital Expenditure was Plan Capital Expenditure (₹ 11,543 crore) which increased by ₹ 2,520 crore from the level of ₹ 9,023 crore in 2011-12. The increase in Plan Capital expenditure was mainly under Economic services in Rural Development (by ₹ 477 crore), Irrigation and flood control (by ₹ 951 crore), Energy (by ₹ 201 crore) and Transport (by ₹ 387 crore).

1.6.3 Trends in growth of Revenue Expenditure

- The Revenue Expenditure of the State increased from ₹ 29,514 crore in 2008-09 to ₹ 62,968 crore in 2012-13, showing an average annual growth of 22.6 per cent over the period. Total increase of Revenue Expenditure during 2012-13 was ₹ 10,274 crore (19.50 per cent) over the previous year. Of these, increase under Non-Plan Revenue Expenditure (NPRE) amounted to ₹ 7,942 crore (77 per cent) while increase under Plan Revenue Expenditure amounted to ₹ 2,332 crore (23 per cent).
- The actual NPRE was much higher (by 39.83 per cent) than the assessment made by the XIII FC, but it was almost equal to the assessment made by State Government in MTFPS, as shown in **Table 1.15**.

Table 1.15: Trends in the growth of Non-Plan Revenue Expenditure

Year	(₹ in crore)		
	Assessments made by XIII FC	Assessments made by State Government in MTFPS	Actual NPRE
2012-13	31,909	44,597	44,619

(Source : Finance Accounts and XIII FC Recommendations and Statement laid under F.R.B.M. Act)

- NPRE increased from ₹ 21,892 crore in 2008-09 to ₹ 44,619 crore in 2012-13 showing an average annual growth of 20.80 per cent over the period. NPRE increased (by 21.65 per cent) over the previous year. Presently, NPRE constitutes 71 per cent of total Revenue Expenditure.
- The increase in NPRE (by ₹ 7,942 crore) during 2012-13 was mainly due to increase in expenditure on General Education (by ₹ 1,252 crore), Power (by ₹ 1,096 crore), Agriculture and Allied Activities (by ₹ 877 crore), Non-ferrous Mining and Metallurgical Industries (by ₹ 815 crore), Compensation and assignment to Local Bodies and Panchayati Raj Institutions (by ₹ 673 crore), Pension and other retirement benefits (by ₹ 558 crore) and Water supply, Sanitation, Housing & Urban Development (by ₹ 517 crore).

- The Plan Revenue Expenditure (PRE), which consistently increased during the period 2008-13, increased by ₹ 2,332 crore (14.56 per cent) during 2012-13 over previous year. The increase in PRE over 2011-12 was mainly under Water supply, Sanitation, Housing and Urban Development (by ₹ 685 crore), Social Welfare and Nutrition (by ₹ 568 crore), Welfare of SC, ST and OBC (by ₹ 430 crore), Rural Development (by ₹ 529), Health and Family Welfare (by ₹ 413 crore) partly offset by decrease under Education, Sports, Art and Culture (by ₹ 247 crore).

1.6.4 Committed Expenditure

The committed expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages, pensions and subsidies. **Table 1.16** and **Chart 1.10** present the trends of expenditure on these components during the period 2008-13.

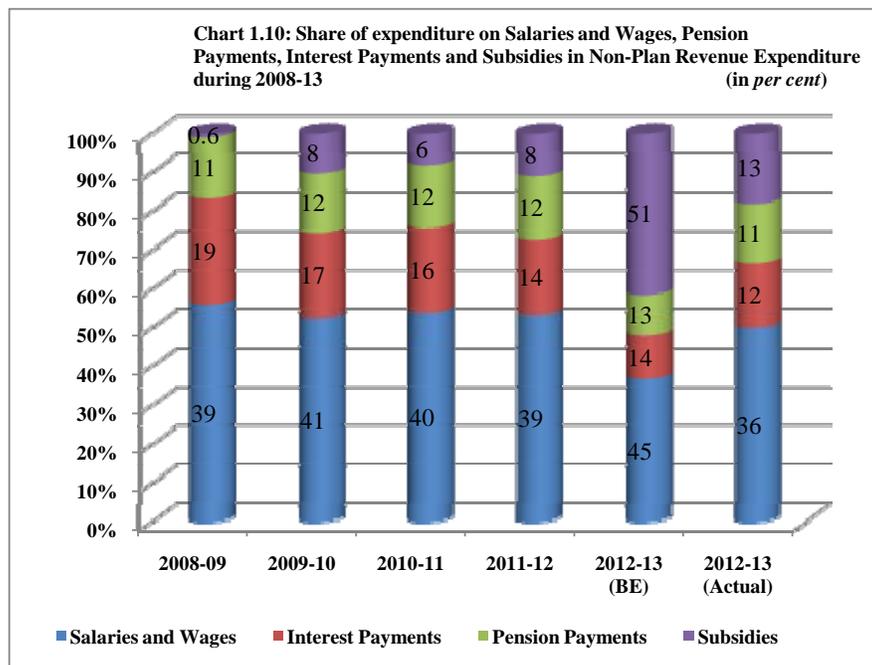
Table 1.16: Components of Committed Expenditure

Components of Committed Expenditure	2008-09	2009-10	2010-11	2011-12	2012-13	
					BE	Actuals
Salaries and Wages, Of which	8,547 (25.45)	10,678 (25.80)	13,100 (25.26)	14,113 (22.54)	19,901	16,026 (22.76)
<i>Non-Plan Head</i>	7,660	9,406	11,490	12,274	---	14,133
<i>Plan Head**</i>	887	1,272	1,610	1,839	---	1,893
Interest Payments	4,192 (12.48)	4,454 (10.76)	5,049 (9.74)	5,300 (8.47)	6,275	5,574 (7.91)
Pension Payments	2,433 (7)	3,077 (7)	3,767 (7.26)	4,389 (7.01)	5,826	4,947 (7.02)
Subsidies	132 (0.39)	2,033 (4.91)	1,810 (3.49)	2,926 (4.67)	22,768	5,697 (8.09)
Total	15,304 (46)	20,242 (49)	23,726 (46)	26,728 (43)	54,770 (78)	32,244 (46)

Note: Figures in parentheses indicate percentage of Revenue Receipts

** Plan Head also includes the salaries and wages paid under Centrally Sponsored Schemes.

(Source: Finance Accounts and VLC data)



(Source: Finance Accounts, data compiled by AG (A&E) Madhya Pradesh and Budget documents)

During 2012-13, total expenditure on Salaries and Wages, Pension Payments, Interest Payments and Subsidies (₹ 32,244 crore) was 51 per cent of Revenue expenditure and 72 per cent of NPRE. The overall expenditure on Salaries and Wages, Pension Payments, Interest Payments and Subsidies increased by 111 per cent during the period 2008-13, at an average annual growth of 22.2 per cent. The increase was 20.64 per cent during 2012-13 as compared to 12.65 per cent during 2011-12. As a percentage of Revenue Receipts, it ranged between 43 and 49 per cent during the period 2008-13. During 2012-13, it constituted 46 per cent of the Revenue Receipts and was less than the Budget estimates. The component-wise analysis is given as under:

Salaries and Wages

- The expenditure on salaries and wages increased by 87 per cent from ₹ 8,547 crore in 2008-09 to ₹ 16,026 crore in 2012-13. Expenditure on salaries and wages as a percentage of Revenue Receipts ranged between 22.54 per cent and 25.80 per cent during the period 2008-13.
- There was an increase of 15 per cent in expenditure on salaries and wages under the Non-Plan head during 2012-13 over the previous year. Actual expenditure on salaries and wages of ₹ 16,026 crore in 2012-13 was less than the projections in the BE (₹ 19,901 crore).

Pension Payments

- Expenditure on Pension payments increased from ₹ 2,433 crore in 2008-09 to ₹ 4,947 crore in 2012-13. The increase during 2012-13 over the previous year was ₹ 558 crore (by 13 per cent) mainly on account of increase under superannuation and retirement allowances (by ₹ 270 crore), gratuities (by ₹ 135 crore), Family Pensions (by ₹ 58 crore) and Government Contribution for defined Contribution Pension Scheme (by ₹ 32 crore).

- Actual pension payment at ₹ 4,947 crore in 2012-13 was 15.09 *per cent* less than the BE of ₹ 5,826 crore and 39.39 *per cent* more than ₹ 3,549 crore as projected by the XIII FC.

Interest payments

- Interest payment during the period 2008-09 to 2012-13 is given in **Table 1.17**.

Table 1.17: Interest Payments

	(₹ in crore)				
	2008-09	2009-10	2010-11	2011-12	2012-13
Interest payment	4,192	4,454	5,049	5,300	5,574

- Interest payments of ₹ 5,574 crore during 2012-13 accounted for 7.91 *per cent* of the revenue receipts and constituted 8.85 *per cent* of revenue expenditure. Interest payments were mainly on Special Securities issued to National Small Saving Fund (NSSF) of the Central Government (₹ 1,770 crore), market loans (₹ 1,694 crore), loans borrowed from the Central Government (₹ 662 crore), State Provident Fund (₹ 947 crore) and other internal debt (₹ 395 crore).
- The increase of ₹ 274 crore in interest payment during 2012-13 over the previous year was the result of increase under interest on special securities issued to NSSF of Central Government (by ₹ 295 crore), interest on other obligations (by ₹ 84 crore), interest on market loans (by ₹ 34 crore), partly offset by decrease mainly under interest on State provident funds (by ₹ 103 crore) and interest on other internal debts (by ₹ 31 crore).
- Interest payments of ₹ 5,574 crore during the year were less than both the BE of ₹ 6,275 crore and the projection (₹ 6,366 crore) made by the XIII FC for 2012-13.

Subsidies

- Subsidy payment of ₹ 5,697 crore (Non-plan: ₹ 4,148 crore and Plan: ₹ 1,549 crore) accounted for 8.09 *per cent* of the Revenue Receipts and constituted 9.05 *per cent* of the Revenue Expenditure during 2012-13. The details of subsidies in Non- plan and Plan Revenue Expenditure are presented in **Appendix-1.7**.
- During 2012-13, out of the total subsidies of ₹ 5,697 crore, ₹ 2,673 crore (47 *per cent*) was mainly under the Energy Department.
- The increase in the amount of subsidy (by ₹ 2,771 crore) in 2012-13 over the previous year was mainly due to increase in subsidy of Food and Civil supply (by ₹ 1,453 crore), Rural Development (by ₹ 71 crore), Public Relation (by ₹ 100 crore).

1.6.5 Financial Assistance by State Government to Local Bodies and other institutions

The quantum of assistance provided by way of Grants and Loans to Local Bodies and other institutions during three years period 2010-13 is presented in **Table 1.18**.

Table 1.18: Financial Assistance to Local Bodies and other institutions

(₹ in crore)

Financial assistance to institutions	2010-11	2011-12	2012-13
Educational Institutions	1,481.13	2,107.33	2,520.24
Medical Health and Public Health	623.35	753.28	564.11
Housing	156.36	201.04	267.98
Urban Development	579.60	778.14	1,008.92
Welfare of SC/ST/OBC	277.68	353.58	404.78
Social Security and Welfare	644.37	671.01	880.75
Rural Development	768.21	711.40	464.38
Rural Employment	227.99	336.50	282.00
Panchayati Raj	3,966.17	4,446.96	2,258.54
Water Supply and Sanitation	160.08	111.04	178.57
Other Institutions	232.12	360.02	4,656.77
Total	9,117.06	10,830.30	13,487.04
Assistance as a percentage of Revenue Expenditure	20.25	20.55	21.42

(Source: VLC data of Accountant General (A&E), Madhya Pradesh)

- Financial assistance to Local Bodies and other institutions increased by ₹ 2,656.74 crore from ₹ 10,830.30 crore in 2011-12 to ₹ 13,487.04 crore in 2012-13. The increase was mainly on account of financial assistance to Educational Institutions (by ₹ 412.91 crore: 20 per cent) and Urban Development (by ₹ 230.78 crore: 30 per cent).
- The assistance as a percentage of Revenue Expenditure marginally increased from 20.55 per cent in 2011-12 to 21.42 per cent in 2012-13.

1.6.5.1 Devolution of Funds and Auditing Arrangements of Local Bodies

(a) Urban Local Bodies

After the 74th Constitution Amendment Act, 1992, the Urban Local Bodies (ULBs) were made full fledged and vibrant institutions of Local Self Government by vesting them with clearly defined functions and responsibilities. Accordingly, the State Government organised these institutions into three types of ULBs namely Municipal Corporations for larger urban areas, Municipal Councils for smaller urban areas and Nagar Parishads for a transitional areas.

There are 377 ULBs (14 Municipal Corporations, 100 Municipal Councils and 263 Nagar Parishads) in the State which are governed by elected bodies.

Transfer of Funds, Functions and Functionaries

- Article 243W of 74th Constitutional Amendment Act, 1992 envisages that the powers authority and responsibilities of Municipalities subject to the provisions of this Constitution, the Legislature of State may, by law, endow- the Municipalities with such powers and authority as may be necessary to enable them to function as institutions of self government and such law may contain provision for devolution of powers and responsibilities upon Municipalities, subject to such conditions as may be specified therein. According to 74th amendment, 18 functions were to be devolved to ULBs.
- The State Government devolved all 18 functions (enshrined in Twelfth schedule of the Constitution) to ULBs as detailed in **Appendix-1.8** and these functions are managed by ULBs concerned. However, no separate funds and functionaries have been transferred (July 2013).

Devolution of Grants to ULBs

- The Third State Finance Commission (SFC) recommended (accepted by State Government in February 2010) that one *per cent* of divisible fund¹⁴ of the State Government should be devolved to ULBs.
- During the year 2012-13, the devolution of SFC grants, as shown in **Table 1.19** was made by Finance Department of Madhya Pradesh to ULBs.

Table 1.19: Devolution of grants

(₹ in crore)			
Year	Divisible fund of State Government	Grant was to be devolved to ULBs	Grant actually devolved to ULBs
2012-13	20,240.70	202.41	202.41

Thus, no less devolution was made during the year 2012-13.

Revenue generated from Own resources

- Details of receipts and expenditure of ULBs from their own sources were sought from Urban Administration and Development Department (UADD) in July 2013. The Commissioner (UADD) stated (July 2013) that the same would be collected and furnished to Audit, but information is still awaited (October 2013).

Audit arrangements

- As per recommendations of the Eleventh Finance Commission (EFC), audit by Director Local Fund Audit (DLFA) has been brought (November 2001) under the Technical Guidance and Supervision (TGS) of the Comptroller and Auditor General of India (C&AG). According to TGS arrangement, the DLFA would pursue the compliance of paragraphs in the inspection reports of the Accountant General (Audit) in the same manner as if these are his own reports.
- The records of 57 ULBs including nine Municipal Corporations were test checked by the Principal Accountant General during 2012-13 and inspection reports were sent to DLFA for technical guidance. 5606 observations (including 603 observations issued during 2012-13) were outstanding at the end of 2012-13.
- Para 10.121 of the recommendations of the XIII FC envisages that the State Government must put in place an audit system for all Local Bodies and the C&AG be entrusted with the TGS of all Local Bodies in the State. Further, the Annual Technical Inspection Report (ATIR) of C&AG as well as the Annual Report of the Director of Local Fund Audit (DLFA) should be placed before the State Legislature. Accordingly, the State Government amended the Madhya Pradesh Municipal Corporation Act, 1956 and Madhya Pradesh Municipalities Act, 1961 in January 2012 comprising the provisions for audit by DLFA at the State level to whom the C&AG shall give technical guidance and supervision over the audit of Municipal Corporations and Municipal Councils, and, laying of Annual Report of DLFA in the State Legislature. The status of Annual Report of DLFA was sought in September 2013 and was awaited (October 2013).

¹⁴ Divisible Fund means total tax revenue of previous year minus ten percent of expenditure for collection of taxes and deduction of assigned revenue to PRIs and ULBs.

(b) Panchayati Raj Institutions

To promote greater autonomy at the grass root level and to involve people in identification and implementation of development programmes involving Gram Sabhas, the 73rd Constitutional Amendment Act, 1992 was promulgated. According to the provisions of Article 243 G of the Constitution, a State Legislature may, by law, endow the Panchayats with such powers and authority as may be necessary to enable them to function as institutions of self-government and such law may contain provision for the devolution of powers and responsibility upon the Panchayat at the appropriate level.

Consequently, a three-tier system of Panchayati Raj Institutions (PRIs)¹⁵ was established in the State. There are 50 Zilla Parishads (ZPs), 313 Janpad Panchayats (JPs) and 23006 Gram Panchayats (GPs) in the State.

Transfer of Funds, Functions and Functionaries

- Article 243G of 73rd Constitutional Amendment Act, 1992 envisages that the powers, authority and responsibilities of Panchayats subject to the provisions of this Constitution, the Legislature of State may, by law, endow- the Panchayats with such powers and authority as may be necessary to enable them to function as institutions of self government and such law may contain provision for devolution of powers and responsibilities upon Panchayats, subject to such conditions as may be specified therein. According to 73rd amendment, 29 functions (enshrined in Eleventh schedule of the Constitution) were to be devolved to PRIs. None of the functions have been devolved by State Government to PRIs.

Devolution of Grants to PRIs

- The Third State Finance Commission (SFC) recommended (accepted by State Government in February 2010) that four *per cent* of divisible fund¹⁶ of the State Government should be devolved to PRIs.
- During the year 2012-13, the devolution of SFC grants made by the Finance Department to PRIs is shown in **Table 1.20**.

Table 1.20: Devolution of grants to PRIs

(₹ in crore)			
Year	Divisible fund of State Government	Grant was to be devolved	Grant actually devolved
2012-13	20,240.70	809.62	809.62

Audit arrangements

- As per recommendations of the Eleventh Finance Commission (EFC), audit by DLFA has been brought (November 2001) under the TG&S of the C&AG. According to TGS arrangement, the DLFA would pursue the compliance of paragraphs in the inspection reports of the Accountant General (Audit) in the same manner as if these are his own reports. The records of 604 PRIs (ZPs: 33, JPs:117 and GPs: 454) were test checked by the Principal Accountant General during 2012-13 and inspection reports were sent to DLFA for technical guidance. A total of 20933 observations (including 3674 observations issued during 2012-13) were outstanding at the end of 2012-13.

¹⁵ Zila Panchayat for a district, Janpad Panchayat for a block and Gram Panchayat for a village

¹⁶ Divisible Fund means total tax revenue of previous year minus ten percent of expenditure for collection of taxes and deduction of assigned revenue to PRIs and ULBs.

- Para 10.121 of the recommendations of XIII FC envisage that State Government must put in place an audit system for all local bodies (all tiers of PRIs). The C&AG must be given TG&S for all the local bodies in a State at every tier and his Annual Technical Inspection Report as well as the Annual Report of Director/Commissioner of Local Fund Audit (DLFA) must be placed before the State Legislature. Accordingly, the MP *Panchayat Raj Avam Gram Swaraj Adhiniyam*, 1993 was amended in July 2011 comprising the provisions for audit by DLFA at the State level to whom the C&AG shall give technical guidance and supervision over the audit of Panchayats, and, laying of Annual Report of DLFA in the State Legislature. The status of first Annual Report of DLFA was sought (September 2013). Reply was awaited (November 2013).

1.7 Quality of Expenditure

The availability of better social and physical infrastructure in the State generally reflects the quality of its expenditure. The improvement in the quality of expenditure basically involves three aspects *viz.*, adequacy of expenditure (i.e. adequate provisions for providing public services), efficiency of expenditure use and its effectiveness (assessment of outlay-outcome relationships for selected services).

1.7.1 Adequacy of Public Expenditure

The expenditure responsibilities relating to the social and economic infrastructure assigned to the State Government are largely State subjects. Enhancing human development levels require the States to step up their expenditure on key social services like, education, health, etc. Low fiscal priority (ratio of expenditure category to aggregate expenditure) can be stated to have been attached to a particular sector if the priority given to that particular head of expenditure is below the General Category States' average for that year.

Table 1.21 analyses the fiscal priority of the State Government with regard to development expenditure, social expenditure and capital expenditure relative to General Category States' average in 2009-10 and the current year 2012-13.

Table 1.21: Fiscal priority of the State in 2009-10 and 2012-13

Fiscal Priority by the State	(in per cent)					
	AE/GSDP	DE [#] /AE	SSE/AE	CE/AE	Expenditure on Education/AE	Expenditure on Health/AE
*General Category States Average (Ratio) 2009-10	17.06	66.05	35.73	14.96	16.19	4.24
Madhya Pradesh's Average (Ratio) 2009-10	24.50	69.08	30.10	16.63	13.65	3.49
*General Category States Average (Ratio) 2012-13	15.93	65.79	32.77	13.23	17.23	4.47
Madhya Pradesh's Average (Ratio) 2012-13	22.09	72.44	32.69	14.47	13.82	4.14
* General Category States excluding Delhi, Goa and Puducherry AE: Aggregate Expenditure, DE: Development Expenditure, SSE: Social Sector Expenditure, CE: Capital Expenditure # Development Expenditure includes Development Revenue Expenditure, Development Capital Expenditure and Loans and Advances disbursed. Source: For GSDP, the information was collected from the State's Directorate of Economics and Statistics.						

Comparative analysis revealed the following:

- Madhya Pradesh spent a higher proportion of its GSDP on Aggregate Expenditure during 2009-10 and 2012-13 as compared to General Category States.
- Development Expenditure as a proportion of Aggregate Expenditure in Madhya Pradesh during 2009-10 and 2012-13 has also been higher than the General Category States Average.
- Development Expenditure consists of both Economic Services Expenditure and Social Sector Expenditure. However, Social Sector Expenditure (as a proportion of Aggregate Expenditure) in Madhya Pradesh during 2009-10 and 2012-13 and also has been lower than that of the average of General Category States. Further, during both the years priority given to Health as well as to Education sectors was not adequate, since smaller proportion of expenditure was incurred on these two sectors as compared to General Category States' Average.
- It was observed that Capital Expenditure as a percentage of Aggregate Expenditure in Madhya Pradesh was higher than that of General Category States' Average during the years 2009-10 and 2012-13.

1.7.2 Efficiency of expenditure use

In view of the importance of public expenditure on development heads from the point of view of Social and Economic Development, it is important for the State Governments to take appropriate expenditure rationalisation measures and lay emphasis on provision of Core Public and Merit goods¹⁷. Apart from improving the allocation towards Development Expenditure¹⁸, particularly in view of the fiscal space being created on account of the decline in debt servicing in the recent years, the efficiency of expenditure use is also reflected by the ratio of Capital Expenditure to Total Expenditure (and/or GSDP) and the proportion of Revenue Expenditure being spent on Operation and Maintenance of the existing Social and Economic Services. The higher the ratio of these components to the Total Expenditure (and/or GSDP), the better would be the quality of expenditure.

Table 1.22 provides the details of Capital Expenditure and the components of Revenue Expenditure incurred on maintenance of selected Social and Economic Services.

¹⁷ Core public goods are goods which all citizens enjoy in common, in the sense that each individual's consumption of such goods leads to no subtractions from any other individual's consumption of those goods, e.g. enforcement of law and order, security and protection of our rights; pollution free air and other environmental goods and road infrastructure etc.

Merit goods are commodities that the public sector provides free or at subsidised rates because an individual or society should have them on the basis of some concept of need, rather than the ability and willingness to pay the Government and therefore, wishes to encourage their consumption. Examples of such goods include the provision of free or subsidised food for the poor to support nutrition, delivery of health services to improve quality of life and reduce morbidity, providing basic education to all, drinking water and sanitation etc.

¹⁸ The analysis of expenditure data is disaggregated into development and non-development expenditure. All expenditure relating to Revenue Account, Capital Outlay and Loans and Advances is categorized into Social Services, Economic Services and General Services. Broadly, the Social and Economic Services constitute development expenditure, while expenditure on General Services is treated as non-development expenditure.

Table 1.22: Efficiency of Expenditure Use in Selected Social and Economic Services

Social/Economic Infrastructure	(in per cent)					
	2011-12			2012-13		
	Share of CE to TE	In concerned sector of RE, the share of		Share of CE to TE	In concerned sector of RE, the share of	
	S &W	O&M		S &W	O&M	
Social Services (SS)						
Education, Sports, Art and Culture	1.72	53.39	0.08	1.33	53.57	0.16
Health and Family Welfare	5.50	65.09	0.19	5.36	57.02	0.22
Water Supply, Sanitation, Housing and Urban Development	27.71	11.97	9.38	22.44	8.76	6.37
Other Social Services	7.98	10.02	0.06	5.81	9.29	0.08
Total (SS)	7.26	37.75	0.92	6.20	35.15	0.84
Economic Services (ES)						
Agriculture and Allied Activities	2.31	34.21	0.19	5.18	30.50	0.17
Irrigation and Flood Control	83.53	67.61	5.76	85.57	68.19	4.79
Power and Energy	5.64	0.01	0.79	14.29	0.01	0.28
Transport	65.96	7.43	59.11	62.35	5.95	69.42
Other Economic Services	19.60	9.88	1.41	12.61	3.96	1.39
Total (ES)	20.32	20.48	5.03	30.66	17.12	6.58
Total (SS+ES)	15.35	31.02	2.52	19.63	27.79	2.19

TE: Total Expenditure; CE: Capital Expenditure; RE: Revenue Expenditure; S&W: Salaries and Wages; O&M: Operations and Maintenance

(Source: Finance Accounts and information furnished by A G (A&E), Madhya Pradesh)

Table 1.22 reveals that under Social Services, share of Capital Expenditure to Total Expenditure decreased from 7.26 per cent in 2011-12 to 6.20 per cent in 2012-13. However, under Economic Services, the share increased from 20.32 per cent in 2011-12 to 30.66 per cent in 2012-13.

- The decrease in share of Capital Expenditure under Social Services was mainly under the sector Water supply, Sanitation, Housing and Urban Development while the increase in the share of Capital Expenditure under Economic Services was mainly under the sectors Energy and Agriculture and Allied Activities. This indicated that priority for Capital Expenditure under social sector needs to be improved.
- In Revenue Expenditure, the share of salaries and wages under Social and Economic Services together decreased from 31.02 per cent in 2011-12 to 27.79 per cent in 2012-13. In case of O&M also, expenditure decreased from 2.52 per cent in 2011-12 to 2.19 per cent in 2012-13, mainly under Water Supply, Sanitation, Housing & Urban Development and Irrigation and Flood Control. This indicated improvement in fiscal situation.
- We observed that during the decade 2003-04 to 2011-12, the Compound Annual Growth Rate (CAGR) of revenue expenditure on Health sector in case of Madhya Pradesh was less than that of other General Category States, while on Education it was higher than that of General Category States. This indicated that the expenditure on Health sector needed to be increased (**Appendix 1.1**).

1.8 Financial analysis of Government Expenditure and Investments

In the post-FRBM framework, the Government is expected to keep its fiscal deficit (borrowing) not only at low levels but also meet its capital expenditure/investment (including loans and advances) requirements. In

addition, the State Government needs to initiate measures to earn adequate return on its investments and recover cost of borrowed funds rather than bearing the same in its budget in the form of implicit subsidy and take requisite steps to infuse transparency in financial operations. This section presents the broad financial analysis of investments and other capital expenditure undertaken by the Government during the 2012-13 *vis-à-vis* previous years.

1.8.1 Incomplete projects

We observed that no information in respect of incomplete projects was received from the State Government for incorporation in the Finance Accounts for the years 2008-09 to 2012-13. However, based on the information collected from the Department of Water Resources (WR), the position of some incomplete projects, as on 31 March 2013, each costing above ₹ one crore is given in **Table 1.23**.

Table 1.23: Position of Incomplete Projects as on 31 March 2013

(₹ in crore)					
Particulars	Number of incomplete projects	Initial budgeted cost	Revised total cost of projects	Cumulative actual expenditure	Cost overrun
Water Resources Department, Madhya Pradesh					
Incomplete projects in which initial budgeted cost revised	24	1,164.02	3,231.94	1,787.73	2,067.92
Incomplete projects in which initial budgeted cost have not been revised	25	821.20	821.20	595.08	--
Incomplete projects in which initial budgeted cost have not been revised but actual expenditure exceeded initial budgeted cost	06	19.51	19.51	29.72	10.21
Total	55	2,004.73	4072.65	2,412.53	2,078.13

(Source: Information obtained from the concerned department)

The above categories of projects are listed in **Appendix 1.9(A) to 1.9 (C)**.

The reasons for non-completion of these projects of Water Resources Department are delay in land acquisition, revision of schedule of rates, work not being done by contractors, delay in rehabilitation and resettlement and slow progress by agency etc.

1.8.2 Investment and returns

The Government invested ₹ 14,656.50 crore in Statutory Corporations (26), Government Companies (34), Joint Stock Companies and Partnerships (23), Banks (one) and Co-operative, Societies (130) etc. as of 31 March 2013 (**Table 1.24**). The average return on these investments was 0.37 *per cent* during the period 2008-13 while the Government paid an average rate of interest (6.89 *per cent*) on the borrowings during the same period.

Table 1.24: Return on Investments

(₹ in crore)					
Investment/return/cost of borrowings	2008-09	2009-10	2010-11	2011-12	2012-13
Investment at the end of the year (₹ in crore)	9,643.35	11,686.28	12,216.04	13,183.59	14,656.50
Return (₹ in crore)	69.05	49.75	32.20	37.98	18.38
Return (<i>per cent</i>)	0.72	0.43	0.26	0.29	0.13
Average rate of interest on Government borrowings (<i>per cent</i>)	7.24	6.94	7.04	6.74	6.48
Difference between interest rate and return (<i>per cent</i>)	6.52	6.51	6.78	6.45	6.35

(Source: Finance Accounts)

- Out of the total investment of ₹ 14,656.50 crore at the end of March 2013, ₹ 1,076.04 crore pertained to the composite State of Madhya Pradesh and was pending allocation between Madhya Pradesh and Chhattisgarh (Statutory Corporations: ₹ 411 crore; Government Companies: ₹ 180.49 crore; Co-operative Banks and Societies: ₹ 483.01 crore and Joint-Stock Companies and Partnerships: ₹ 1.54 crore).
- The return on these investments was 0.13 *per cent* in 2012-13, while the Government paid interest at the average rate of 6.48 *per cent* on its borrowings during 2012-13. Thus, return on Government investments was meagre as compared to cost of its borrowing.

1.8.3 Public Private Partnership (PPP) Projects

Recourse to the PPP mode for project financing is encouraged because it provides valuable fiscal space for the provision of public goods in areas where such financing may not be forthcoming. PPP projects in sectors that come under the purview of Government of Madhya Pradesh are Road, Energy, Water Supply, Other Urban Infrastructure, Tourism, Transport, Education, Warehousing and Logistics, Sports, Health Services, Information Technology and Dairy.

We observed that out of 209 PPP projects (involving ₹ 25,726.22 crore) initiated under various sectors as of September 2013, only 40 projects (19 *per cent*) costing ₹ 5,341.51 crore were completed. While 115 projects costing ₹ 13,709.74 crore were in progress, 54 others (cost: ₹ 6,674.97 crore) were not taken up. The details are given in **Appendix 1.10**.

1.8.4 Loans and advances by the State Government

In addition to investments in Co-operative societies, Corporations and Companies, the Government has also provided loans and advances to many of these institutions/organisations. **Table 1.25** presents the outstanding loans and advances as on 31 March 2013, interest receipts *vis-à-vis* interest payments during the last three years.

Table-1.25: Average interest received on Loans and Advances given by the State Government

Quantum of loans/interest receipts/ cost of borrowings	2010-11	2011-12	2012-13	
			BE	Actual
Opening Balance of loans given	11,424	15,105	--	21,742
Amount advanced during the year	3,715	15,760	5,667	5,378
Amount repaid during the year	34	9,123	99	32
Closing Balance	15,105	21,742	--	27,088
Net addition	3,681	6,637	5,568	5,346
Interest received	21	1,200	202	42
Interest receipts as percentage of outstanding Loans and Advances	0.16	6.51	--	0.17
Interest payments as percentage of outstanding fiscal liabilities of the State Government.	7.04	6.74	--	6.48
Difference between interest payments and interest receipts (<i>per cent</i>)	6.88	0.23	--	6.31

(Source: Finance Accounts and Budget Estimate 2012-13)

- The total outstanding loans and advances as on 31 March 2013 was ₹ 27,088 crore. The interest received against these loans was ₹ 42 crore. Loans advanced to various State Government institutions were

higher than the amount of loans recovered resulting in an increase in outstanding loans and advances.

- It was observed that 81 per cent (₹ 21,917 crore) of outstanding Loans and Advances as on 31 March 2013, pertained to Madhya Pradesh State Electricity Board (MPSEB) and its successor companies and another eight per cent was to be recovered from units engaged in Water Supply, Sanitation, Housing and Urban Development (₹ 2,259 crore), four per cent from those under Miscellaneous General Services (₹ 1,034 crore) and three per cent from those in Agriculture and allied activities (₹ 719 crore).
- Considering the average interest paid on borrowings at the rate of 6.48 per cent during 2012-13, the rate of interest received was very low at 0.17 per cent on Loans and Advances given by the Government.
- The significant decrease in disbursement of Loans and Advances was mainly in respect of loans to Public Sector and other undertakings (by ₹ 10,772 crore).
- During 2012-13, the significant decrease by ₹ 9,091 crore in actual recoveries over the previous year was mainly under loans for power projects.
- During 2012-13, interest received (₹ 42 crore) was less than the BE for 2012-13 (₹ 202 crore) and actuals for 2011-12 (₹ 1,200 crore), mainly due to non-receipt of interest from power projects.

1.8.5 Cash balances and Investment of Cash balances

Table 1.26 depicts the Cash Balances and Investments made by the State Government out of the Cash Balances during the year.

Table-1.26: Cash balances and Investment of Cash Balances

	(₹ in crore)		
	Opening balance on 1 April 2012	Closing balance on 31 March 2013	Increase (+)/ Decrease(-)
1(a) General Cash Balance [(i) to (iv)+2]	7,375.29	6,543.70	(-)831.59
(i)Cash in Treasuries	--	--	--
(ii)Deposits with Reserve Bank	692.55	(-)262.75	(-)955.30
(iii)Deposits with other Banks	--	--	--
(iv)Remittances in transit - Local	2.61	--	(-) 2.61
Total (i) to (iv)	695.16	(-)262.75	(-) 957.91
2. Investments held in Cash Balance investment account	6,680.13	6,806.45	(+) 126.32
3(b) Other Cash Balances and Investments [(i) to (iii)]	400.59	531.11	(+) 130.52
(i)Departmental cash balances	2.48	132.24	(+) 129.76
(ii)Permanent Imprest	0.81	0.81	--
(iii)Investment out of earmarked funds	397.30	398.06	(+) 0.76
Overall Cash position 1(a)+ 3(b)	7,775.88	7,074.81	(-) 701.07

(Source: Finance Accounts)

- The Cash Balances of the Government at the end of the year 2012-13 decreased by ₹ 701.07 crore from the level of ₹ 7,775.88 crore in the previous year.
- As per Finance Accounts 2012-13, ₹ 6,806.45 crore was invested in Government of India Treasury Bills, which earned an interest of ₹ 248

crore during the year. Maintaining large cash balances is not advisable as these are invested in low interest-bearing 14 days Treasury Bills.

- Under an agreement with the Reserve Bank of India (RBI), the Government of Madhya Pradesh has to maintain with the RBI a minimum Cash Balance of ₹ 1.96 crore. If this balance falls below the agreed minimum on any day, the deficiency is made good by taking Ordinary and Special Ways and Means Advances/Overdrafts from time to time. No Ways and Means Advance (Normal/Special) was taken by the State during the years 2011-12 and 2012-13.

Outstanding balances under the head ‘Cheques and Bills’

The head ‘Cheques and Bills’ is a intermediary account head for initial record of transactions which are to be cleared eventually. Outstanding balances under the major head 8670-Cheques and Bills represents the amount of unencashed cheques. As per Finance Account 2012-13, outstanding balance at the end of the year under this Head was ₹ 27.27 crore in 2012-13 as compared to ₹ 75.57 crore in 2011-12. The cash balances were overstated to the extent of outstanding cheques.

The Finance Department stated (August 2013) that the decline was due to implementation of e-payment procedure. Outstanding balances are related to the treasury cheques which were issued but not encashed at the end of financial year.

1.9 Assets and Liabilities

1.9.1 Growth and composition of Assets and Liabilities

In the existing Government accounting system, comprehensive accounting of fixed assets like land and building owned by the Government is not done. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred.

Appendix 1.5 Part B gives an abstract of such liabilities and assets as on 31 March 2013 compared with the corresponding position as on 31 March 2012.

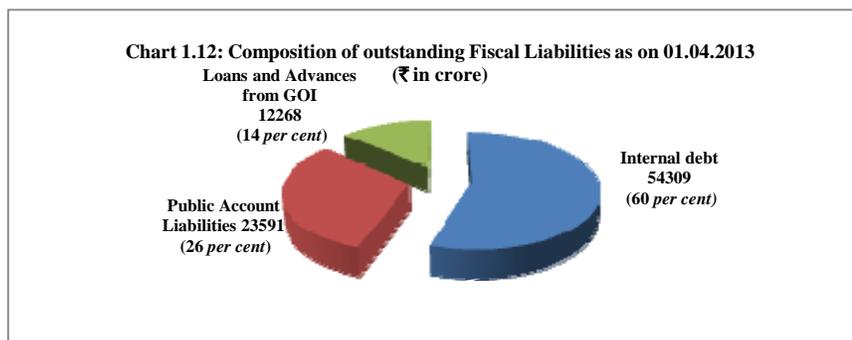
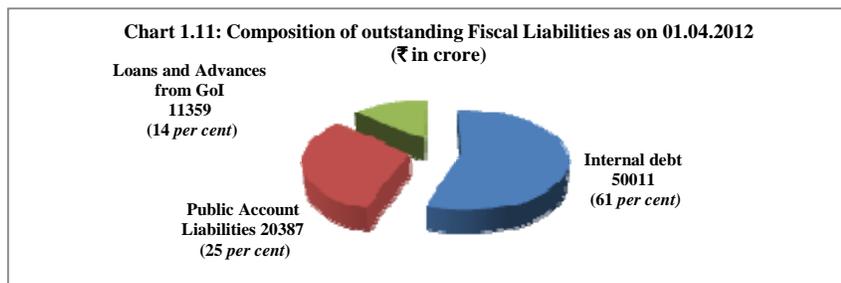
Total liabilities, as defined in the FRBM Act, 2005 are the liabilities under the Consolidated fund and the Public Account of the State. Consolidated Fund liabilities consist of Internal Debt and Loans and Advances from GoI.

Further, the internal debt includes market loans, special securities issued to NSSF of Central Government, Compensation and other Bonds and Loans from Financial Institutions. The Constitution of India provides that States may borrow within the territory of India upon the security of their Consolidated Funds, within such limits, as may from time to time be fixed by an Act of the Legislature and give guarantees within such limits as may be fixed. The public Accounts liability includes small savings, provident fund, etc., reserve funds and other deposits.

Assets comprise assets under Consolidated Fund and cash. The assets under Consolidated Fund consist of capital outlay on fixed assets- investments in shares of companies and corporations and loans and advances, which in turn consist of loans for power projects and other development loans.

1.9.2 Fiscal liabilities

The trends in outstanding fiscal liabilities of the State are presented in **Appendix 1.4**. The composition of fiscal liabilities during the year 2012-13 *vis-a-vis* the previous year is presented in **Charts 1.11** and **1.12**.



The overall Fiscal Liabilities of the State increased from ₹ 60,432 crore in 2008-09 to ₹ 90,168 crore in 2012-13. These liabilities increased by 10.29 *per cent* during 2012-13 as against 8.28 *per cent* in 2011-12. The increase in Fiscal Liabilities during 2012-13 over the previous year was mainly under Market Loans (₹ 3,363 crore), Loans from NABARD (₹ 1,168 crore), Loans and Advances from Government of India (₹ 909 crore) and Special Securities issued to National Small Saving Fund (NSSF) (₹ 725 crore).

Table 1.27 depicts the details of Fiscal Liabilities of the State during 2011-12 and 2012-13.

Table-1.27: Components of Fiscal Liabilities of the State

		(₹ in crore)	
S.No.	Name	2011-12	2012-13
1.	Consolidated Fund Liabilities (Public Debt)	61,370	66,577
(i)	Market loans	28,044	31,407
(ii)	Special Securities issued to NSSF	16,081	16,806
(iii)	Compensation and issue of other bonds	1,773	1,413
(iv)	Loans from NABARD	3,516	4,684
(v)	Loans and Advances from GoI	11,359	12,268
(vi)	Other Loans	597	511
2.	Public Account liabilities	20,387	23,591
(i)	Small Savings, Provident Funds etc.	9,916	10,752
(ii)	Interest bearing obligations	295	490
(iii)	Non- interest bearing obligations	10,176	12,349

(Source: Finance Accounts)

Fiscal liabilities at the end of 2012-13 were 24.92 *per cent* of GSDP, 1.28 times the Revenue Receipts and 2.40 times the State's own resources. The buoyancy of these liabilities with respect to GSDP increased from 0.44 in

2011-12 to 0.61 during the year mainly due to increase in the growth rate of these liabilities and decrease in growth rate of GSDP (**Table 1.5**).

1.9.3 Setting-up of Sinking Fund for amortization of all loans

As per Para No.12.59 of the Twelfth Finance Commission Report (2005-10), all States should set-up Sinking Fund for amortization of all loans including loans from bank, liabilities on account of NSSF etc. The Fund should be maintained outside the Consolidated Fund of the State and should not be used for any other purpose, except for redemption of loans. We observed that the Sinking Fund was not set-up in the State as of September 2013.

Finance Department accepted the fact and stated (September 2013) that action is being taken to set-up Sinking Fund of the State.

1.9.4 Status of Guarantees – Contingent Liabilities

Guarantees are liabilities contingent on the Consolidated Fund of the State in cases of default by the borrowers for whom the guarantee are extended.

Madhya Pradesh State Government Guarantee Rules (MPSGGR) 2009 (amended) came into force from 20 November 2009 and apply in all cases where State Government stands guarantee for repayment of loans and interest thereon under article 293 of the Constitution of India. Sanction orders of the guarantees are issued by the Finance Department.

Clause 9(2)(d) of the MPFRBM Act, 2005 prescribes the fiscal target of limiting annual incremental guarantees so as to ensure that the total guarantees do not exceed 80 *per cent* of the total Revenue Receipts in the year preceding the current year. During the years 2010-11 to 2012-13 the annual incremental guarantees were within the ceiling limit fixed under the MPFRBM Act.

As per Statement 9 of the Finance Accounts, the maximum amount for which guarantees were given by the State and outstanding guarantees for the last three years are given in **Table 1.28**.

Table 1.28: Guarantees given by the Government of MP

Particulars of Guarantees	₹ in crore)		
	2010-11	2011-12	2012-13
Maximum amount guaranteed	8,438.50	11,107.51	14,751.71
Outstanding amount of guarantees	5,110.54	5,605.03	7,719.54
Percentage of maximum amount of guarantee to total revenue receipt	16.27	17.74	20.95
Percentage of outstanding guarantee to total revenue receipts of preceding year	12.35	10.81	12.33
80 <i>per cent</i> of the total revenue receipts in the year preceding the current year (criterion as per FRBM Act)	33,116.00	41,483.20	50,083.20
Guarantee or fee receivable	Awaited	Awaited	Awaited
Guarantee or fee received	0.78	0.44	4.81

(Source: Finance Accounts)

During the year 2012-13, the outstanding guarantees increased by 38 *per cent* over the previous year. Guarantees were given in respect of Power Sector (59), Co-operative Sector (5), State Financial Corporation Sector (18), Urban Development & Housing Sector (58) and other infrastructure (44). Maximum

amount guaranteed increased substantially by ₹ 3,644 crore over the previous year during 2012-13 as can be seen from the **Table 1.28** above.

The Government constituted the Guarantee Redemption Fund during the year 2005-06, which had a closing balance of ₹ 388.87 crore at the end of 2012-13. There were 133 institutions under 10 Departments¹⁹ to whom the guarantees were sanctioned by the Government. No guarantee was invoked during 2010-11 to 2012-13.

As per Rule 10 of MPSGG Rules, 2009 (amended), complete details in respect of guarantee cases shall be maintained in the Debt Management Cell of Finance Department. On being requisitioned of such information/records from the FD, it was stated (April 2013) that complete records were maintained by the Administrative Departments and the information was being called from the Administrative Departments. The information was, however, not furnished to Audit (September 2013).

Reply of the FD is not in order because the FD was responsible for maintaining all necessary details since the sanctions of guarantees are issued by the FD. Further, due to non maintenance of the details, information about guarantee receivable was not indicated in Finance Accounts as well as in the Statement laid in *Vidhan Sabha* as required under FRBM Act 2005.

During scrutiny of records and collection of information (September 2013) from the Energy Department, we observed that three Distribution (Vidyut vitran) Companies (DISCOMS) did not pay guarantee fees of ₹ 69.82 crore²⁰ for the years 2010-11 to 2012-13. Energy Department stated (September 2013) that DISCOMS are not regular in making payment of guarantee fees due to financial difficulty and letters have been issued (September 2013) to all the DISCOMS for credit of outstanding guarantee fees in Government Account and to ensure timely deposit of guarantees fees.

1.9.5 Inoperative Reserve Funds

We observed that the following Reserve Funds under the Major Head Development and Welfare Fund having credit balances shown against each of them were neither utilised nor invested for last five years as detailed in **Table 1.29**.

Table 1.29: Reserve Funds neither utilised nor invested during 2008-13
(₹ in crore)

Name of Reserve Fund	Balance as on 31 March 2013
(i) Panchayat Land Revenue Cess and Stamp Duty Fund	1,116.81
(ii) M P Gramin Vikas Fund	414.21
(iii) Forest Development Fund	189.50
(iv) Compensatory Forestry Fund	31.81
Total	1,752.33

(Source: Finance Accounts)

¹⁹ Home Department, Finance Department, Energy Department, Co-operative (Sahkarita) Department, Urban Administration & Developments Department, Tribal Welfare Department, Housing & Environment Department, Gramodayog Department, Pichhda Varg Avam Alpsankhyak Kalyan Department, Scheduled Castes Welfare Department.

²⁰ MP Madhya Kshetra Vidyut Vitran Co. Ltd. Bhopal, M.P. (₹ 29.24 crore) Paschim Kshetra Vidyut Vitran Co. Ltd. Indore (₹ 16.26 crore) and M.P. Poorva Kshetra Vidyut Vitran Co. Ltd. Jabalpur (₹ 24.32 crore).

Reasons for non-utilisation of Reserve Fund have not been intimated (September 2013). On being pointed out, Finance Department stated that letter has been issued to concerned departments for furnishing of information.

1.10 Debt Management

1.10.1 Debt Sustainability

Apart from the magnitude of debt of the Government, it is important to analyse various indicators that determine the Debt Sustainability²¹ of the State. This section assesses the sustainability of debt of the Government in terms of Debt Stabilisation²²; Sufficiency of Non-debt Receipts²³; Net Availability of Borrowed Funds²⁴; the burden of Interest Payments (measured by the ratio of Interest Payments to Revenue Receipts) and the maturity profile of Government Securities. **Table 1.30** analyses the debt sustainability of the State according to these indicators for the period 2008-13.

Table 1.30: Debt Sustainability: Indicators and Trend

	(₹ in crore)				
Indicators of Debt Sustainability	2008-09	2009-10	2010-11	2011-12	2012-13
Debt Stabilisation (Quantum Spread + Primary Deficit)	3,764	2,117	8,333	10,390	4,632
Sufficiency of Non-debt Receipts (Resource Gap)	(-)1,649	(-)1,766	927	-488	-3,660
Net availability of Borrowed Funds (percentage in bracket)	791 (5)	3,131 (16)	2,606 (13)	955 (5)	2,838 (15)
Burden of Interest Payments (Interest Payments/Revenue Receipt Ratio)	0.12	0.11	0.10	0.08	0.08

1.10.2 Debt Stabilisation

An important condition for debt sustainability is stabilisation in terms of debt to GSDP ratio. When the quantum spread and primary deficit are negative, the debt-GSDP ratio will be high indicating unsustainable levels of public debt and when the quantum spread and primary deficit are positive, debt-GSDP ratio will be low indicating sustainable levels of public debt.

Analysis of Primary Deficit together with the quantum spread revealed that their sums remained positive during the period 2008-13 indicating that the debt was at sustainable level.

²¹ Debt Sustainability is defined as the ability of the State to maintain a constant debt-GSDP ratio over a period of time and also embodies the concern about the ability to service its debt. Sustainability of debt, therefore, also refers to sufficiency of liquid assets to meet current or committed obligations and the capacity to keep a balance between costs of additional borrowings with returns from such borrowings. It means that the rise in fiscal deficit should match the increase in capacity to service the debt.

²² A necessary condition for stability states that if the rate of growth of the economy exceeds the interest rate or cost of public borrowings, the debt-GSDP ratio is likely to be stable provided the primary balances are either zero or positive or are moderately negative. Given the rate spread (GSDP growth rate – interest rate) and Quantum Spread (Debt x rate spread), the debt sustainability condition states that if the Quantum Spread, together with the Primary Deficit is zero, the debt-GSDP ratio would be constant or the debt would stabilise eventually. On the other hand, if the Primary Deficit together with the Quantum Spread turns out to be negative, the debt-GSDP ratio would be rising and in case it is positive, the debt-GSDP ratio would eventually be falling.

²³ Adequacy of incremental Non-debt receipts of the State to cover the incremental interest liabilities and incremental Primary Expenditure. The Debt Sustainability could be significantly facilitated if the incremental Non-debt receipts could meet the incremental interest burden and the incremental Primary Expenditure.

²⁴ Defined as the ratio of the Debt Redemption (Principal + Interest Payments) to total Debt Receipts and indicates the extent to which the debt receipts are used in Debt Redemption indicating the Net Availability of Borrowed Funds.

1.10.3 Sufficiency of Non-Debt receipts

Another indicator of debt sustainability is the sufficiency of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. Debt sustainability could be facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure. A positive resource gap strengthens the capacity of the State to sustain the debt in the medium to long run while a negative resource gap indicates otherwise.

During the year 2010-11, Non-debt receipts met not only the incremental requirement of the primary expenditure but also after meeting the incremental interest liabilities, resulted in a positive resource gap indicating the increasing capacity of the State to sustain its debt. During the periods 2008-10 and 2011-13, incremental Non-debt receipts were not enough to meet the incremental primary expenditure resulting in a negative resource gap. No significant recovery of loans were noticed during the period 2008-10 and 2011-13.

1.10.4 Net availability of borrowed funds

Debt Redemption ratio indicated a fluctuating trend during the period 2008-13 (**Appendix 1.4**). It decreased from 0.95 in 2008-09 to 0.87 in 2010-11 and then increased to 0.95 in 2011-12. It again decreased to 0.86 during 2012-13, leaving very less funds for asset creation. During the year 2012-13, internal debt repayment (₹ 2,936 crore) was 41 *per cent* of fresh internal debt receipts (₹ 7,234 crore), repayment of GoI loans (₹ 648 crore) was 42 *per cent* of fresh debt receipts of ₹ 1,557 crore while in case of other obligations (₹ 7,582 crore), repayments were 70 *per cent* of fresh receipts of ₹ 10,787 crore. This indicated that fresh debt receipts were partly utilised for repayment of debt.

Out of receipts of ₹ 7,234 crore under Internal Debt during the year, the Government raised ₹ 4,500 crore from market loans at an average interest rate of 8.70 *per cent* per annum, ₹ 1,250 crore from NABARD, ₹ 1,439 crore from NSSF and ₹ 45 crore from National Co-operative Development Corporation.

The receipt of Loans and Advances from GoI increased from ₹ 1,032 crore in 2011-12 to ₹ 1,557 crore in 2012-13 mainly due to increase in the receipt of Block Loans under 'Loans for State/Union Territories Plan Scheme'. Market loans constituted the major part of the Internal Debt.

1.10.5 Maturity Profile of State Debt

Table 1.31: Maturity Profile of State Debt for the years 2011-12 and 2012-13

(₹ in crore)

In Years	FY 2011-12				FY 2012-13			
	6003-Internal Debt Amount	6004-Loans and Advances Amount	Total Amount	Percentage of Repayment due to Debt	6003-Internal Debt Amount	6004-Loans and Advances Amount	Total Amount	Percentage of Repayment due to Debt
0-1	1,851.66	536.77	2,388.43	3.89	2,155.17	1,116.55	3,271.72	4.91
1-3	5,013.71	1,108.28	6,121.99	9.98	5,338.84	1,154.89	6,493.73	9.75
3-5	4,901.40	1,146.62	6,048.02	9.85	5,816.11	1,178.33	6,994.44	10.51
5-7	8,159.39	1,164.56	9,323.95	15.19	11,624.32	1,183.68	12,808.00	19.24
7-9	11,510.14	1,164.40	12,674.54	20.65	9,833.07	1,183.46	11,016.53	16.55
9-11	5,789.14	1,164.18	6,953.32	11.33	6,433.07	867.75	7,300.82	10.97
11-13	1,789.14	848.46	2,637.60	4.30	1,896.61	250.37	2,146.98	3.22
13-15	1,675.56	231.08	1,906.64	3.11	1,738.67	161.58	1,900.25	2.85
above 15	3,434.85	211.06	3,645.91	5.94	3,377.15	107.32	3,484.47	5.23
Misc.*	5,886.02	3,783.50	9,669.52	15.76	6,096.32	5,063.88	11,160.20	16.76
Total	50,011.01	11,358.91	61,369.92		54,309.33	12,267.81	66,577.14	

(Source: Finance Accounts)

* Information about the maturity of loans awaited from State Government/Reserve Bank of India

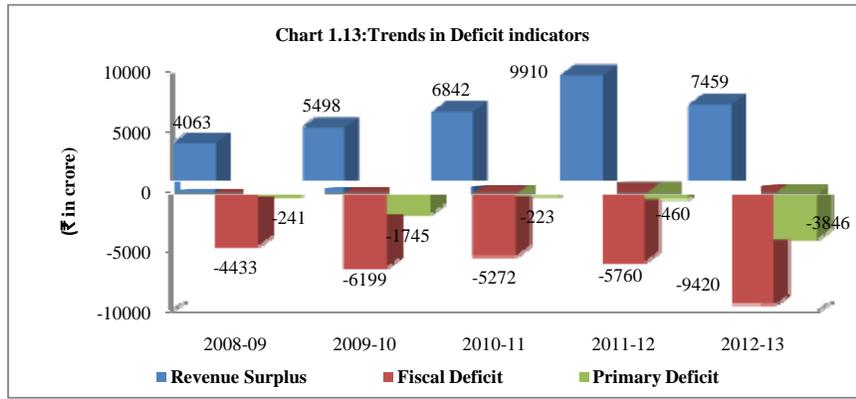
The maturity profile of State debt as given above indicates that the State Government will have to repay 25 per cent of its debt between one and five years, 47 per cent between five and 11 years, 11 per cent between 11 and 15 years above. The maturity profile of repayment of about 17 per cent of State debt was not available as the information had not been received from the Government/Reserve Bank of India.

1.11 Fiscal Imbalances

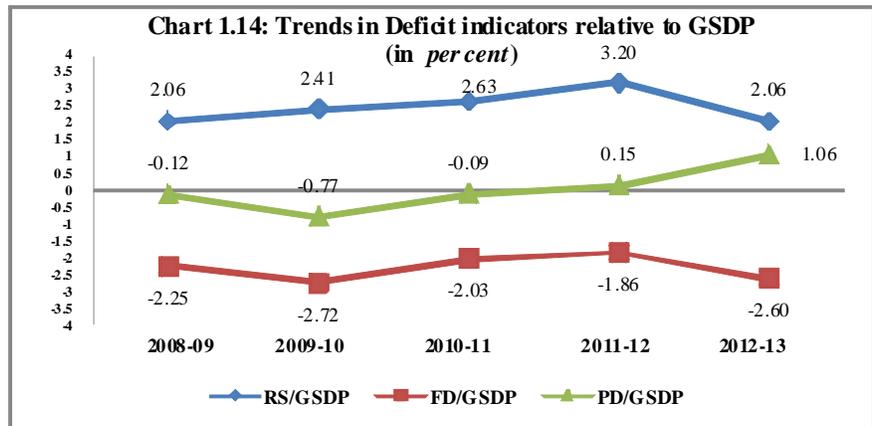
Three key fiscal parameters - Revenue, Fiscal and Primary deficits - indicate the extent of overall fiscal imbalances in the finances of the State Government during a specified period. The deficit in the Government accounts represents the gap between its receipts and expenditure. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further, the ways in which the deficit is financed and the resources raised are applied are important pointers to its fiscal health. This section presents the trends, nature, magnitude and the manner of financing these deficits and also the assessment of actual levels of Revenue, Primary and Fiscal Deficits *vis-a-vis* the targets set under FRBM Act/Rules for the financial year 2012-13.

Trends of Deficits

Chart 1.13 and 1.14 present the trends in deficit indicators over the period 2008-13.



(Source: Finance Accounts)



(Source: Finance Accounts and Directorate of Economic and Statistics Government of Madhya Pradesh)

- The fiscal target of eliminating the Revenue Deficit by March 2009 as laid down in the FRBM Act, 2005 was achieved by the State in the year 2004-05. Thereafter, the State maintained a Revenue Surplus which steadily increased from ₹ 4,063 crore in 2008-09 to ₹ 9,910 crore in 2011-12, then decreased (by ₹ 2,451 crore) to ₹ 7,459 crore in 2012-13. The Revenue Surplus as a percentage of GSDP decreased from 3.20 per cent in 2011-12 to 2.06 per cent in 2012-13 due to decrease in Revenue Receipts as a percentage of GSDP. It was more than the BE of 1.89 per cent during 2012-13.
- The Fiscal Deficit, which represents the total borrowings of the Government and its total resource gap, increased from ₹ 4,433 crore in 2008-09 to ₹ 9,420 crore in 2012-13 with inter year fluctuations. During the current year, Fiscal Deficit increased by ₹ 3,660 crore over the previous year. The Fiscal Deficit relative to GSDP increased from 1.86 per cent in 2011-12 to 2.60 per cent in 2012-13, which remained within the BE (2.98 per cent) and also within the limit of three per cent recommended by the XIII FC as well as prescribed under the FRBM Act 2005.
- The Primary Deficit of ₹ 241 crore in 2008-09 increased to ₹ 3,846 crore during 2012-13 with inter-year fluctuations.

1.11.1 Components of Fiscal Deficit and its Financing Pattern

Fiscal Deficit is the total borrowing requirement of the State and is the excess of the Revenue and Capital Expenditure including Loans and Advances over Revenue and Non-debt Capital Receipts. Decomposition of Fiscal Deficit reveals the extent of various borrowings resorted to by the State to meet its requirement of funds over and above Revenue and Non-debt receipts.

The financing pattern of the Fiscal Deficit is reflected in **Table 1.32**.

Table 1.32: Components of Fiscal Deficit and its Financing Pattern

(₹ in crore)

	Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
Decomposition of Fiscal Deficit						
	Fiscal Deficit	-4,433	-6,199	-5,272	-5,760	-9,420
1	Revenue Surplus	4,063	5,498	6,842	9,910	7,459
2	Net Capital Expenditure	-6,689	-7,903	-8,433	-9,032	-11,534
3	Net Loans and Advances	-1,807	-3,794	-3,681	-6,638	-5,345
Financing pattern of Fiscal Deficit						
1	Market Borrowings	3,957	5016	3,258	3,166	3,363
2	Loans from GoI	709	888	577	403	909
3	Special Securities issued to NSSF	-126	492	1,582	-167	725
4	Loans from Financial Institutions	51	-188	-488	198	210
5	Reserve Funds	12	324	275	1,191	2,020
6	Small Savings, PF etc.	204	412	773	698	837
7	Deposits and Advances	237	705	1,678	783	348
8	Suspense and Miscellaneous	-43	10	86	-28	-93
9	Remittances	62	31	519	391	400
10	Cash balances increase(+)/ decrease(-)	+630	+1491	+2,988	+875	-701

(Source: Finance Accounts)

In 2012-13, Market Borrowings by the State Government continued to finance a major portion of Fiscal Deficit. Its share in financing Fiscal Deficit decreased from 55 *per cent* in 2011-12 to 36 *per cent* in 2012-13. The share of NSSF loans, Small Savings, Provident Funds etc., in financing Fiscal Deficit was higher in 2012-13 than in 2011-12 indicating increase of interest burden in the future.

1.12 Market Borrowing of Government of Madhya Pradesh

1.12.1 Introduction

Fiscal deficit represents the borrowing requirement of the Government during a year. Borrowings can be divided into Internal Debt of the State Government and Loans and Advances from the Central Government. The Internal Debt is further divided into Market loans and negotiated loans. Market borrowings are controlled by the Government of India (GoI) and managed by the Reserve Bank of India (RBI). States may not, without the consent of the GoI, raise any loan if they are indebted to the Central Government as envisaged in the Article 293 of the Constitution of India.

The ceiling for fiscal deficit (equal to borrowings) of the States is recommended by the Finance Commission (GoI). For the years 2011-12 and 2012-13, the limit was three *per cent* of GSDP. Accordingly, the State Government also fixed same limit in the State FRBM Act. The Act prescribed use of borrowings for generation of productive assets. Planning Commission (GoI) approves the scheme of financing the Annual Plan and the borrowing

requirement. State Government prepares estimates for receipts and repayments under Market loans for State Budget. During 2008-13, State Government raised all Market loans through auction by RBI having tenure of 10 years.

The present review was conducted (May-September 2013) to examine whether the requirement of market borrowings was assessed efficiently and the borrowed funds were applied for creation of productive assets.

1.12.2 Position of Market Borrowing in Madhya Pradesh

Table 1.33 shows amount of market loans raised by the GoMP during 2008-13 and amount of market loan outstanding at the end of each year.

Table 1.33: Position of Market Loan

Particulars	₹ in crore)				
	2008-09	2009-10	2010-11	2011-12	2012-13
Opening balance	12,647	16,604	21,620	24,878	28,044
Market loans raised during the year	4,495	5,821	3,900	4,000	4,500
Repayment made during the year	538	805	642	834	1,137
Outstanding at the end of the year	16,604	21,620	24,878	28,044	31,407
Net increase	3,957	5,016	3,258	3,166	3,363

(Source: Finance Accounts)

1.12.3 Debt sustainability indicators- market loans vis-a-vis total liabilities

The position of market borrowings vis-a-vis total liabilities and Public Debts in the State during the years 2008-09 to 2012-13 is in **Table 1.34**.

Table 1.34: Debt sustainability- market loans vis-a-vis total liabilities

Description	₹ in crore)				
	2008-09	2009-10	2010-11	2011-12	2012-13
Total liabilities at the end of the year	60,432	67,853	75,504	81,757	90,168
Growth rate of total liabilities (in per cent)	9.26	12.28	11.28	8.28	10.29
Total Public Debt (Outstanding)	46,632	52,841	57,769	61,370	66,577
Growth rate of Public Debt (in per cent)	10.92	13.31	9.33	6.23	8.48
Total Market loans (Outstanding)	16,604	21,620	24,878	28,044	31,407
Growth of Market Borrowing	31.30	30.21	15.07	12.73	11.99
Percentage of market loans to total liabilities	27.48	31.86	32.95	34.30	34.83
Percentage of market loans to public debt	35.61	40.92	43.06	45.70	47.17
Interest paid on market loans	1,009	1,488	1,804	1,660	1,694
Weighted average interest rate on market loans raised during the financial year	7.48	8.36	8.41	8.91	8.69
GSDP growth rate to Interest rate ratio	2.96	1.86	1.68	2.13	1.94
Interest payments to Revenue Receipts ratio	0.12	0.11	0.10	0.08	0.08
Fiscal Deficit	4,433	6,199	5,272	5,760	9,420
Percentage of Fiscal Deficit to GSDP	2.25	2.72	2.03	1.86	2.60
Percentage of total liabilities to GSDP	30.63	29.76	29.02	26.40	24.92
Percentage of total Public Debt to GSDP	23.64	23.18	22.20	19.82	18.40
Outstanding Guarantees (at the end of year)	1,930	1,630	5,111	5,605	7,720
GSDP growth rate (in per cent)	22.17	15.57	14.13	19.02	16.85

(Source: Finance Accounts and Statement laid under the MPFRBM Act of respective years)

Analysis of the above indicates the following:

- Though the total liabilities and the Public Debt (major component of total liabilities) continuously increased during the period 2008-13, the ratios of total liabilities to GSDP and Public Debt to GSDP declined during this period.

- The amount of outstanding Market borrowing increased by 89.15 *per cent* during the period 2008-13, but the growth declined gradually from 31.30 *per cent* in 2008-09 to 11.99 *per cent* in 2012-13. The share of market borrowings in Public Debt increased from 35.61 *per cent* in 2008-09 to 47.17 *per cent* in 2012-13, which indicating more dependence on market borrowings, which are of untied nature.
- The ratio of Interest Payments to Revenue Receipts has declined steadily from 0.12 in 2008-09 to 0.08 in 2012-13 which indicated improvement in debt sustainability and resources of the State.

1.12.4 Market loans raised despite availability of sufficient cash balance

The XIII FC has recommended that States with large cash balances should make efforts towards utilising existing cash balance before resorting to fresh borrowings and follow the practice of borrowings on requirement rather than on availability. We observed that GoMP resorted to Market loans despite availability of sufficient cash balance under '14 days Treasury Bills'. During 2008-09, the minimum cash balance came down to 'zero' (29.10.2008). However, during the years 2009-10 to 2012-13, the minimum balances ranged between ₹ 1,936 crore and ₹ 4,510 crore (against the required minimum balance of ₹ 1.96 crore prescribed by RBI). Despite having large cash balances Government raised market loans every year ranging from ₹ 3,870 crore to ₹ 5,821 crore during the years 2008-09 to 2012-13.

We also observed that the cash balance investment in Treasury Bills on the day of raising market loan (also minimum balance during next 15 days) was much more than the amount of market loans raised on each occasion. Details are given in **Appendix 1.11(A)**. Thus, the market loan raised on each occasion was more than the actual requirement, increasing the cash balance investment from ₹ 1,647 crore in January 2009 to ₹ 7,096 crore in March 2013.

Finance Department stated (September 2013) that to assess the requirement of Market loans, in addition to the cash balance and cash flow trends, anticipated committed liabilities and development activities were also considered. The reply is not in order since the amount of investment in '14 days Treasury Bills' increased during 2008-13, due to raising of loans in excess of requirement.

Further, we observed that Government earned interest at a rate of five *per cent* per annum while the State Government raised Market loans at higher rate of interest ranging from 8.36 *per cent* to 8.91 *per cent* during the period 2009-13. Details are given in **Appendix 1.11 (B)**.

Finance Department stated (September 2013) that investment in long term Treasury Bills would be considered to gain higher rate of interest. Market loans invested in '14 days Treasury Bills' are high liquidity instruments and are utilised as per requirement of the State. Non-raising of Market loans in anticipation of creation of interest liability may result in obstruction of development activities.

Reply of the FD regarding raising of loans is not in consonance with the recommendation of the XIII FC.

1.12.5 Advance Indicative Calendar for Market borrowings

Advance Indicative Calendar for Market borrowings prepared by the RBI are sent to the State Government with the request to indicate the tentative amount

and timing of the open Market borrowing programme of the State for the coming quarter of a financial year enclosing the indicative dates. Scrutiny revealed that GoMP prepared borrowing calendars for all the quarters only for the years 2009-10 and 2012-13. Even in those years actual market borrowings were much in variation with the proposed advance borrowing calendar. Details are given in **Appendix 1.11(C)**.

1.12.6 Borrowing limits of Market borrowing by the Planning Commission vis-a-vis BEs, REs and Actual

Details of approved limit by the Planning Commission vis-a-vis BEs, REs and actuals of Market borrowings during 2008-13 are given in **Table 1.35**.

Table 1.35: Borrowing limits/estimates vis-a-vis Actual

	(₹ in crore)				
Borrowing limits of Market borrowings	2008-09	2009-10	2010-11	2011-12	2012-13
Limit approved by Planning Commission	2,414	5,821	4,965	5,237	6,277
Budget Estimates	2,923	5,721	6,500	6,267	8,594
Revised Estimates	4,330	6,150	4,173	6,283	7,414
Actual Market borrowings	4,495	5,821	3,900	4,000	4,500

(Source: Annual Plans approved by Planning Commission and statements laid along with State Budgets)

It would be seen from the above that there were substantial differences between the actual market borrowing and the BEs, REs and limits of Planning Commission indicating injudicious assessment for market borrowings.

During 2008-09, the State Government proposed the Planning Commission to revise the limit to ₹ 3,864.72 crore due to shortfall in expected receipt of NSSF (₹ 729.23 crore). However, approval of the same was not available on records. In all the years, actual Market loans were obtained with the consent/permission of GoI under article 293(3) of the Constitution.

1.12.7 Maturity trend of Market loans

The year-wise position of maturity trend of market loans for the period 2013-14 to 2022-23 is given in **Table 1.36**.

Table 1.36: Maturity trends of market loans

(as on 31 March 2013)

Maturity Year	Maturity amount (₹ in crore)	As a per cent of outstanding market loans ₹ 31,407 crore as on 31 March 2013
2013-14	1,429	4.55
2014-15	2,129	6.78
2015-16	1,709	5.44
2016-17	1,549	4.93
2017-18	2,500	7.96
Total (2013-18)	9,316	29.66
2018-19	3,870	12.32
2019-20	5,821	18.53
2020-21	3,900	12.42
2021-22	4,000	12.74
2022-23	4,500	14.33
Total (2018-23)	22,091	70.34
Grand Total	31,407	100

(Source: Finance Accounts)

It would be seen from the above that the redemption liabilities of Market loans during the period 2018-19 to 2022-23 would be 70.34 per cent of outstanding

market loans as against 29.66 per cent during the next five years. We observed that Government is continuing with the policy of taking loans for tenure of 10 years and on being asked (April 2013), whether any analysis was done by the FD to roll over the market loan, no information was made available by the FD.

1.12.8 Interest rate profile

Interest rates on market loans raised during 2008-13 are given in **Table 1.37**.

Table 1.37: Interest rate profile

Rate of interest (per cent)	Market loans raised during the year (₹ in crore)					
	2008-09	2009-10	2010-11	2011-12	2012-13	Total
5-5.99	Nil	Nil	Nil	Nil	Nil	Nil
6-6.99	900	Nil	Nil	Nil	Nil	900
7-7.99	1,960	Nil	Nil	Nil	Nil	1,960
8-8.99	1,635	5,821	3,900	3,000	4,500	18,856
9-9.99	Nil	Nil	Nil	1,000	Nil	1,000
Total	4,495	5,821	3,900	4,000	4,500	22,716
Weighted average interest rate	7.48	8.36	8.41	8.91	8.69	

(Source: Finance Accounts)

The position shows that a substantial 87 per cent of the Market loans raised (₹ 19,856 crore out of ₹ 22,716 crore) during 2008-13 carry interest rate ranging 8 to 9.99 per cent. It was further noticed that during 2011-12 the Government raised ₹ 1,000 crore on 18 October 2011 at interest rate of 9.05 per cent per annum, though cash balance of ₹ 4,594 crore was lying in 14 days Treasury bills on the same date.

1.12.9 System to watch utilisation of Market Borrowing

The MPFRBM Act, 2005 prescribed use of borrowings for generation of productive assets. The Government, in each tranche of loan, notified the objective of raising of market loan as financing of development schemes. We observed that no system was evolved for monitoring utilisation of the Market loans raised by the FD. As a result, utilisation/application of Market loans for the intended objectives such as capital formation and financing the development schemes could not be ascertained. We observed that the amounts of Capital Expenditure (including loans disbursed) were higher than the net borrowings in all the years during the period 2008-13. The details of Capital Expenditure has already been discussed in paragraph 1.6.2.

Finance Department stated (September 2013) that Market loans were part of the total resources. There was no procedure of incurring expenditure directly from the Market loans. Classification of expenditure on separate development schemes from Market loans and from cash balances was not possible. Utilisation of Market loans could be ensured from the capital expenditure of the State, which was higher in comparison to Market loans.

Reply of the FD is not in consonance with the provision of MPFRBM Act and notifications issued by the State Government because it could not be ascertained whether productive assets were generated and which development schemes were financed out of market loans.

1.13 Quality of Deficit/Surplus

The ratio of Revenue Deficit to Fiscal Deficit and the decomposition of Primary Deficit into Primary Revenue Deficit and Capital Expenditure (including Loans and Advances) would indicate the quality of deficit in the

State's finances. In case of Madhya Pradesh there has been a Revenue Surplus since 2004-05. The bifurcation of the Primary Deficit (**Table 1.38**) indicates the extent to which the Deficit has been on account of enhancement in Capital Expenditure, which may be desirable to improve the productive capacity of the State's economy.

Table 1.38: Primary Deficit/Surplus – bifurcation of factors

(₹ in crore)

Year	Non-debt Receipts	Primary Revenue Expenditure	Capital Expenditure (CE)	Loans and Advances*	Primary Expenditure (PE)	Non-debt Receipt vis-à-vis Primary Revenue Expenditure	Primary Deficit (-)/surplus(+)	CE as per cent of PE
1	2	3	4	5	6 (3+4+5)	7 (2-3)	8 (2-6)	9
2008-09	33,656	25,322	6,713	1,862	33,897	8,334	-241	19.80
2009-10	41,443	31,443	7,925	3,820	43,188	10,000	-1,745	18.35
2010-11	52,257	39,963	8,800	3,717	52,480	12,294	-223	16.77
2011-12	71,753	47,394	9,055	15,764	72,213	24,359	-460	12.54
2012-13	70,500	57,394	11,567	5,385	74,346	13,106	-3,846	15.56

*Including Inter-State settlement
(Source: Finance Accounts)

Bifurcation of the factors resulting in Primary Deficit of the State during the period 2008-13 reveals that the Primary Deficit was on account of Capital Expenditure incurred and Loans and Advances disbursed by the State Government. In other words, Non-debt receipts of the State were not only adequate to meet the Primary Revenue Expenditure but also met the whole/part of the Capital Expenditure. Although the surplus Non-debt receipts were enough to meet the Capital Expenditure in all the years, they were not enough to meet the entire Loans and Advances resulting in Primary Deficit during the period 2008-13.

1.14 Conclusion

Management of fiscal imbalances and resource mobilisation

- The State maintained Revenue Surplus during the year 2012-13 at ₹ 7,459 crore. However, it decreased by ₹ 2,451 crore over the previous year. Though the Fiscal Deficit (FD) of the State (₹ 9,420 crore) was within the limits prescribed by XIII FC, FRBM Act and Budget estimates, the FD increased from the previous year (by ₹ 3,660 crore). The FD relative to GSDP also increased from 1.86 per cent in 2011-12 to 2.60 per cent in the current year.
- Revenue Receipts (₹ 70,427 crore) grew by 12.50 per cent over 2011-12. Growth of Revenue Receipts showed increasing trend during 2008-11, thereafter decreased gradually during 2011-13, mainly due to lesser growth in State's own Tax Revenue. During 2012-13, 53 per cent of Revenue Receipts came from State's own resources and 47 per cent was contributed by Central tax transfer and Grants in aid from GoI.
- The GSDP growth rate during 2012-13 at current price (16.85 per cent) of the State was higher than that of India's GDP (13.26 per cent).

Expenditure Management and Fiscal Priority

- The Revenue Expenditure (RE) of the State increased by 19.50 *per cent* from ₹ 52,694 crore in 2011-12 to ₹ 62,968 crore in 2012-13. The Non-Plan Revenue Expenditure (NPRE) increased by 21.65 *per cent* and constituted 71 *per cent* of RE. Actual NPRE was 39.83 *per cent* more than the XIII FC projection, but almost equal to the projection made in the MTFPS of the State.
- Capital Expenditure in 2012-13 (₹ 11,567 crore) increased by 28 *per cent* over the previous year. The increase was mainly under Rural Development and Irrigation & flood control.
- Expenditure on salaries & wages, pension payments, interest payments and subsidies together constituted 51 *per cent* of Revenue Expenditure and 46 *per cent* of Revenue Receipts. Out of total subsidy payments of ₹ 5,697 crore, 47 *per cent* pertained to Energy Department.
- The priority given to Social Sector Expenditure and expenditure on Education and Health Sectors in Madhya Pradesh was not adequate during 2012-13, when compared with the General Category States' Average.

Funds transferred to State Implementing Agencies outside the State Budget

- A total amount of ₹ 6,233.66 crore was directly transferred to the State agencies during 2012-13 for implementing various schemes. These funds were not routed through State Budget. There is no mechanism for monitoring the utilisation of such funds.

Incomplete projects

- In Water Resources Department, expenditure of ₹ 2,412.53 crore incurred on 55 incomplete projects remained unfruitful as of March 2013. Of these, initial estimated cost of 24 projects was revised by the Government involving a cost overrun of ₹ 2,067.92 crore.

Return on investment

- During 2012-13, return (₹ 18.38 crore) on investment of ₹ 14,656.50 crore made by the Government up to 2012-13 in Statutory corporations, companies, Co-operative societies, etc. was only 0.13 *per cent* against the average borrowing cost of 6.48 *per cent* during the year.

Net availability of funds

- During the year 2012-13, repayment of internal debt, GoI loans and other obligations and interest thereon constituted 86 *per cent* of fresh debts leaving very less funds for asset creation.

Management of Liabilities

- At the end of the year 2012-13, total liabilities (TL) of the State was ₹ 90,168 crore. The ratio of TL to GSDP (24.92 *per cent*) was within the limit of 40 *per cent* fixed under the FRBM Act, 2005 and also within 36.8 *per cent* prescribed by XIII FC. However, the buoyancy of

TL with respect to GSDP increased from 0.44 in 2011-12 to 0.61 during 2012-13.

- Net Market Borrowings (₹ 3363 crore) of the State continued to finance a major portion of Fiscal Deficit during 2012-13. Government raised market loans despite having sufficient cash balances during the period 2009-13, which were invested in low interest bearing '14 days Treasury Bills'. The assessment of market borrowings in the Annual Plans, Budget Estimates and Revised Estimates was injudicious.

1.15 Recommendations

- Increasing fiscal liabilities coupled with low returns on Government investments may put fiscal stress on the State in the long run, unless suitable measures are initiated to make the investments commercially viable, compress Non-Plan Revenue Expenditure and mobilise additional resources in the ensuing years.
- Government should give greater fiscal priority to Social Services particularly to the Education Sector and Health Sector in the State.
- For better monitoring of the funds directly transferred by GoI, the State Agencies should follow uniform accounting practice and ensure proper documentation and timely reporting of expenditure.
- The Government should formulate guidelines and improve monitoring for expediting completion of incomplete projects.
- Surplus cash balances should be utilised by the State before resorting to fresh borrowings. A system may be evolved for assessing the requirement of market borrowing and monitoring their proper utilisation for the stated objectives of financing of development schemes and generation of productive assets.

Chapter-2

FINANCIAL MANAGEMENT AND BUDGETARY CONTROL

CHAPTER 2

Financial Management and Budgetary Control

2.1 Introduction

Appropriation Accounts are accounts of the expenditure, voted and charged, of the Government for each financial year compared with the amounts of voted grants and appropriations charged for different purposes as specified in the schedules appended to the Appropriation Act. These Accounts list the original budget estimates, supplementary grants, surrenders and re-appropriations distinctly and indicate actual capital and revenue expenditure on various specified services *vis-a-vis* those authorised by the Appropriation Act in respect of both charged and voted items of the budget. Appropriation Accounts thus facilitate management of finances and monitoring of budgetary provisions and are therefore, complementary to the Finance Accounts.

Audit of Appropriations by the Comptroller and Auditor General of India seeks to ascertain whether the expenditure actually incurred under various grants is within the authorisation given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution is so charged. It also ascertains whether the expenditure so incurred is in conformity with the law, relevant rules, regulations and instructions.

2.2 Summary of Appropriation Accounts

The summarised position of Actual Expenditure during 2012-13 against 80 grants/appropriations is as given in **Table 2.1**.

Table 2.1: Summarised position of Actual Expenditure *vis-a-vis* Original/ Supplementary Provisions
(₹ in crore)

	Nature of expenditure	Original grant/ appropriation	Supplementary grant/ Appropriation	Total	Actual expenditure	Savings (-)/ Excess (+)
1	2	3	4	5	6	7
Voted	I Revenue	58,124.77	5,700.34	63,825.11	55,564.55	(-)8,260.56
	II Capital	11,509.28	2,457.65	13,966.93	11,698.09 ¹	(-)2,268.84
	III Loans and Advances	5,678.26	1,794.63	7,472.89	5,387.55	(-)2,085.34
Total Voted		75,312.31	9,952.62	85,264.93	72,650.19²	(-)12,614.74
Charged	IV Revenue	8,031.83	473.54	8,505.37	7,567.54	(-)937.83
	V Capital	15.87	150.12	165.99	160.52	(-)5.47
	VI Public Debt-Repayment	7,482.73	4.37	7,487.10	3,583.94	(-)3,903.16
Total Charged		15,530.43	628.03	16,158.46	11,312.00	(-)4,846.46
Grand Total		90,842.74	10,580.65	1,01,423.39	83,962.19³	(-)17,461.20

(Source: Appropriation Accounts)

¹ Includes ₹7.02 crore in respect of Inter-State Settlement.

² Gross figure without taking into account the recoveries adjusted as reduction of expenditure under Revenue Expenditure: ₹163.56 crore and Capital Expenditure: ₹294 crore.

³ The actual expenditure was overstated to the following extent for the reasons mentioned below: ₹388.98 crore (Revenue Voted section: ₹94.86 crore and Capital Voted section: ₹294.12 crore) being the unspent amount transferred to Major Head 8443-Civil Deposit, 800-Other Deposits through NIL payment vouchers on 31 March 2013.

Out of ₹1.66 crore drawn on Abstract Contingent bills during 2012-13, Detailed Contingent bills for ₹0.46 crore were not submitted by the Deputy Director, National Cadet Corps, Bhopal.

- Supplementary provision of ₹ 10,580.65 crore obtained during the year constituted 11.65 per cent of the original provision.
- Considering the actual savings of ₹ 17,461.20 crore, entire supplementary budget of ₹ 10,580.65 crore proved unnecessary.
- The overall savings of ₹ 17,461.20 crore was the result of savings of ₹ 17,460.96 crore in 72 grants and 42 appropriations under the Revenue Section and 49 grants and eight appropriations under the Capital Section, offset by an excess of ₹ 0.24 crore in one appropriation under the Revenue Section and one appropriation under the Capital Section.

The savings/excesses were intimated (July 2013) to the Controlling Officers asking them to explain the reasons for the significant variations. Reasons for final savings have not been intimated by the concerned Departments (August 2013).

2.3 Financial Accountability and Budget Management

2.3.1 Appropriation vis-a-vis Allocative Priorities-significant savings

Appropriation Audit conducted by us revealed that in 27 cases there were significant savings aggregating ₹ 9,654.86 crore. In each case, the savings exceeded ₹ 10 crore and were also more than 20 per cent of the respective budget provisions (**Appendix 2.1**). Out of the total savings of ₹ 17,461.20 crore (**Table 2.1**), significant savings exceeding ₹ 100 crore in each case aggregating ₹ 9,026.17 crore (51.69 per cent) occurred in 11 cases⁴, as indicated in **Table 2.2**.

Table 2.2: List of Grants/Appropriations with savings of ₹ 100 crore and above and more than 20 per cent of total provision

(₹ in crore)							
Sl. No.	Number and Name of the Grant/Appropriation	Original provision	Supplementary provision	Total	Actual expenditure	Savings	Percentage of saving
1	2	3	4	5	6	7	8
Revenue-Voted							
1.	06-Finance	7,288.95	1.10	7,290.05	5,063.40	2,226.65	30.54
2.	29-Law and Legislative Affairs	638.85	46.27	685.12	492.92	192.20	28.05
3.	31-Planning, Economics and Statistics	240.94	39.09	280.03	68.49	211.54	75.54
4.	38-Ayush	341.84	2.30	344.14	208.02	136.12	39.55
5.	61-Expenditure pertaining to Bundelkhand Package	99.00	60.46	159.46	52.46	107.00	67.10
Capital-Voted							
6.	06-Finance	1,433.80	5.06	1,438.86	64.33	1,374.53	95.53
7.	20-Public Health Engineering	479.88	26.32	506.20	400.97	105.23	20.79
8.	55-Women and Child Development	69.75	50.00	119.75	2.26	117.49	98.11

⁴ Exceeding ₹ 100 crore and also more than 20 per cent of the total provision in each case.

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Sl. No.	Number and Name of the Grant/ Appropriation	Original provision	Supplementary provision	Total	Actual expenditure	Savings	Percentage of saving
1	2	3	4	5	6	7	8
9.	61-Expenditure pertaining to Bundelkhand Package	400.00	304.50	704.50	454.79	249.71	35.44
10.	64-Scheduled Castes sub-plan	1,499.76	214.82	1,714.58	1,312.04	402.54	23.48
Capital-Charged							
11.	Public Debt	7,482.73	4.37	7,487.10	3,583.94	3,903.16	52.13
Total		19,975.50	754.29	20,729.79	11,703.62	9,026.17	43.54

(Source: Appropriation Accounts)

Significant savings were noticed in 34 schemes under the grants/appropriations shown above, which ranged between ₹ 13 crore and ₹ 2,000 crore. Details are given in the **Appendix 2.2 (A)**. Out of the savings of ₹ 249.71 crore shown under the Grant 'Bundelkhand Package' (serial number- 9 above) ₹ 294.12 crore was transferred to 8443-Civil Deposits-800-Other Deposits on 31 March 2013 by exhibiting the same as final expenditure in the accounts under the Major Head 4401-Capital Outlay on Crop Husbandry (₹ 243 crore) and 4702-Capital Outlay on Minor Irrigation (₹ 51.12 crore).

2.3.2 Persistent savings

In seven cases, during the last five years from 2008-09 to 2012-13, there were persistent savings of more than ₹ one crore in each case and also by 20 per cent or more of the total provision under the relevant grant/appropriation as shown in **Table 2.3**.

Table 2.3: List of grants/appropriations indicating persistent savings during 2008-13

(₹ in crore)

Sl. No.	Number and name of the grant/ appropriation	Amount of Savings (Per cent to total grant in brackets)				
		2008-09	2009-10	2010-11	2011-12	2012-13
Revenue-Voted						
1	06-Finance	624.61 (20.04)	1,434.33 (31.32)	1,501.85 (27.82)	1,966.21 (30.20)	2,226.65 (30.54)
Savings occurred mainly in various schemes under the Major Heads 2052-Secretariat-General Services, 2054-Treasury and Accounts Administration and 2071-Pensions and Other Retirement Benefits.						
Revenue-Charged						
2	06-Finance	10.70 (84.05)	9.99 (78.48)	12.41 (97.49)	14.23 (96.28)	12.93 (52.18)
Savings occurred mainly under the Major Head 2071-Pensions and other Retirement Benefits.						
Capital-Voted						
3	06-Finance	314.61 (81.02)	113.33 (68.34)	74.94 (70.18)	1,501.78 (92.80)	1,374.53 (95.53)
Savings occurred mainly in the schemes under the Major Heads 6075-Loans for Miscellaneous General Services and 6801-Loans for Power Projects.						

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4	22-Urban Administration and Development– Urban Bodies	125.22 (45.45)	174.67 (52.34)	95.08 (38.50)	44.23 (28.68)	61.21 (37.99)
Savings occurred mainly in various schemes under the Major Head 4217-Capital Outlay on Urban Development and 6217-Loans for Urban Development.						
5	53-Financial Assistance to ULBs under Scheduled Castes Sub-Plan	24.59 (39.70)	8.61 (21.04)	25.43 (41.56)	11.23 (30.11)	15.39 (41.06)
Savings occurred mainly under the various schemes under Major Heads 4217-Capital Outlay on Urban Development and 6217-Loans for Urban Development.						
6	58-Expenditure on Relief on account of Natural Calamities and Scarcity	2.50 (100)	2.70 (64.29)	2.93 (69.76)	2.50 (85.62)	2.50 (76.69)
Savings occurred mainly under the various schemes under Major Head 6245-Loans for relief on account of Natural Calamities.						
Capital-Charged						
7	Public Debt	1,875.55 (48.89)	3,896.40 (61.94)	3,392.77 (57.29)	3,650.31 (53.68)	3,903.17 (52.13)
Savings occurred mainly under 6003-110-0637-Ways and Means Advances and 0779-Advances to meet Shortfall.						

(Source: Appropriation Accounts of respective years)

The persistent savings indicated that the budget estimates were not prepared in a realistic manner and budgetary controls in the concerned Departments were not effective.

2.3.3 Excess expenditure under schemes

In 43 cases, expenditure aggregating ₹ 2,143.57 crore under various schemes exceeded the approved provision by ₹ 10 crore or more in each case and also by more than 20 per cent of the provisions made for each scheme. The details are given in **Appendix 2.2 (B)**.

2.3.4 Unutilised provisions under schemes

In 57 cases, the entire provision made under various schemes (₹ 10 crore or more in each case) aggregating to ₹ 8,916.30 crore remained unutilised. The details are given in **Appendix 2.2 (C)**.

2.3.5 Excess over provision during 2012-13 requiring regularisation

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/appropriation regularised by the State Legislature. If any money has been spent on a service in excess of the amount granted by the State Legislature for the purpose, the Public Accounts Committee (PAC) shall examine with reference to the facts of the case, the circumstances leading to such an excess and may make recommendation for its regularisation.

Table 2.4 presents the summary of total excess expenditure in two cases amounting to ₹ 0.24 crore over the authorisation from the Consolidated Fund of the State during 2012-13, which require regularisation under Article 205 of

the Constitution. Reasons for the above excesses have not been intimated (August 2013).

Table 2.4: Excess over provision requiring regularisation during 2012-13

(₹ in crore)					
Number and name of the appropriation	Original Provision	Supplementary Provision	Total appropriation	Expenditure	Excess
10-Forest (Revenue charged)	34.59	82.40	116.99	117.22	0.23
24-Public Works Roads and Bridges (Capital charged)	12.50	138.45	150.95	150.96	0.01
Total	47.09	220.85	267.94	268.18	0.24

(Source: Appropriation Accounts)

2.3.6 Excess over provisions relating to previous years requiring regularisation

The excess expenditure amounting to ₹ 3,014.94 crore for the years 1997-98 to 2000-01, 2002-03 to 2006-07 and 2008-09 to 2011-12 is yet to be regularised as detailed in **Appendix 2.3**. The year-wise break-up of the amount of excess expenditure pending regularisation is summarised in **Table 2.5**.

Table 2.5: Excess over provision relating to previous years requiring regularisation

Year	Number of		Excess expenditure (₹ in crore)	Status of Regularisation (as on 25 th October 2013)
	Grants	Appropriations		
1	2	3	4	5
1997-98	10	03	302.79	Explanatory notes submitted by the concerned Department to PAC.
1998-99	01	--	0.10	Explanatory notes submitted by the concerned Department to PAC.
1999-2000	11	06	1,584.94	Explanatory notes submitted by the concerned Department to PAC.
2000-01	03	04	265.07	Explanatory notes submitted by the concerned Department to PAC.
2002-03	03	05	424.79	Explanatory notes submitted by the concerned Department to PAC, except for ₹ 31,000 in respect of Grant No. 53.
2003-04	04	03	2.54	Explanatory notes submitted by the concerned Department to PAC, except for a sum of ₹ 1.24 crore in respect of Grant No. 68.
2004-05	13	02	83.66	Explanatory notes submitted by the concerned Department to PAC, except for a sum of ₹ 4.09 crore in respect of Grant No. 84 & 86.
2005-06	04	02	37.58	Explanatory notes submitted by the concerned Department to PAC, except for a sum of ₹ 2.27 crore in respect of Grant No. 39.
2006-07	02	01	35.99	Explanatory notes submitted by the concerned Department to PAC.
2008-09	02	02	5.80	Explanatory notes submitted by the concerned Department to PAC, except for ₹ 4.18 crore in respect of Grant No. 62 and 24 (both charged).
2009-10	04	Nil	123.96	Explanatory notes submitted by the concerned Department to PAC, except for ₹ 4.65 crore in respect of Grant No. 49.
2010-11	Nil	02	12.62	Explanatory notes not submitted by the concerned Department to PAC.
2011-12	04	02	135.10	Information awaited.
Total	61	32	3,014.94	

Non-regularisation of the excess over provision under the grants/appropriations over the years is a breach of legislative control over grants/appropriations.

2.3.7 Unnecessary/Excessive/Inadequate Supplementary provision

In 42 cases of grants/appropriations, Supplementary provision of ₹ one crore or more in each case aggregating ₹ 2,483.20 crore obtained during the year proved entirely unnecessary as the actual expenditure was less than the original provision. Details are shown in **Appendix 2.4**. In 25 cases, against the additional requirement of ₹ 3,850.97 crore, supplementary provision of ₹ 5,684.87 crore proved excessive. The resultant savings exceeding ₹ 20 lakh in each case, aggregating ₹ 1,833.90 crore are shown in **Appendix 2.5**. In two cases, the supplementary provision proved insufficient leaving uncovered excess expenditure of ₹ 0.24 crore as shown in **Table 2.4** above.

2.3.8 Excessive/unnecessary re-appropriation/surrender of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. Injudicious re-appropriations/surrenders (Re-appropriation amount is irregular by more than 25 per cent irrespective of the final excess/saving) in respect of 19 cases resulted in savings/excess of more than ₹ one crore in each scheme as detailed in **Appendix 2.6**.

2.3.9 Injudicious surrenders

In three cases, the amounts surrendered (₹ one crore or more in each case) were in excess of the actual savings indicating lack of budgetary control by the Departments. As against savings of ₹ 66.75 crore, the amount surrendered was ₹ 69.17 crore, resulting in excess surrender of ₹ 2.42 crore as shown in **Table 2.6**.

Table 2.6: Surrenders (₹ one crore or more) in excess of actual savings

(₹ in crore)					
Sl. No.	Number and name of the Grant/ Appropriation	Total Grant/ Appropriation	Saving	Amount surrendered	Amount surrendered in excess
1	2	3	4	5	6
Revenue (Voted)					
1	02-Other Expenditure pertaining to General Administration Department	46.14	0.70	1.75	1.05
Revenue (Charged)					
2	01-General Administration & Lok Seva Prabandhan	24.45	3.73	3.92	0.19
Capital (Voted)					
3	19-Public Health and Family Welfare	122.90	62.32	63.50	1.18
Total		193.49	66.75	69.17	2.42

(Source: Appropriation Accounts)

2.3.10 Anticipated savings not surrendered

According to para 26.9 of the Madhya Pradesh Budget Manual (MPBM), statements of anticipated savings in expenditure are required to be submitted by the Budget Controlling Officers to the Finance Department by 15th January.

At the close of the year 2012-13, out of total savings of ₹ 17,461.20 crore under all the grants/appropriations only a sum of ₹ 5,670.36 crore were surrendered resulting in non surrender of savings aggregating ₹ 11,790.84

crore (67.52 per cent of total savings) by the concerned Departments. These included 54 cases of significant savings (one crore and above and also more than 20 per cent of saving in each case) aggregating ₹ 10,914.37 crore which were not surrendered, details of which are shown in **Appendix 2.7**.

Besides, in 33 cases, (surrender of funds in excess of ₹ 10 crore in each case), savings aggregating ₹ 2,134.85 crore (**Appendix 2.8**) were surrendered on the last date of the financial year, leaving little scope for utilising the funds for other development purposes.

2.3.11 Rush of expenditure

According to para 26.13 of the Madhya Pradesh Budget Manual (MPBM), rush of expenditure particularly in the closing months of the financial year will ordinarily be regarded as a financial irregularity.

We noticed that in respect of 70 cases of grants/appropriations listed in **Appendix 2.9**, expenditure exceeding ₹ 10 crore and also more than 50 per cent of the total expenditure in each case, aggregating ₹ 7,523.29 crore was incurred in the month of March 2013. Besides, ₹ 8,151.54 crore (92 per cent) was incurred during last quarter of the financial year. These indicated deficient financial management and non maintenance of uniform flow of expenditure which is a primary requirement of budgetary control.

2.3.12 Drawal of funds in advance of requirement

As per the provisions of the Madhya Pradesh Treasury Code (MPTC) Part I Sub-Rule 284, no money should be drawn from the treasury unless it is required for immediate disbursement.

During 2012-13, a sum of ₹ 388.98 crore was drawn on 30 & 31 March 2013 and transferred to 8443-Civil Deposits-800-Other Deposits by showing the amounts as final expenditure under the relevant scheme in the accounts, as shown in **Appendix 2.10**. This included a sum of ₹ 373.98 crore relating to the Central Schemes. Thus, funds were drawn in advance of requirement and to avoid lapse of Central funds, which was contrary to the codal provision.

2.3.13 Expenditure incurred without provision

We observed that expenditure of ₹ 334.99 crore was incurred in two cases without any provision in the budget estimates. Reasons for expenditure of ₹ 330.32 crore in one case has not been intimated (August 2013). Details are shown in **Table 2.7**.

Table 2.7: Expenditure incurred without provision during 2012-13

(₹ in crore)

Sl. No.	Grant No.	Head of Account	Expenditure	Reasons
1	2	3	4	5
1	IP-Interest Payment and Servicing of Debt	2049-04-109-5691-Integrated Interest on State Plan Loans as per recommendations of 12 th Finance Commission	330.32	Reasons have not been intimated (August 2013)
2	PD-Public Debt	6003-109-7061-Payment of Loan to Rural Electrification Corporation under Rajiv Gandhi Rural Electricity Scheme	4.67	Due to making erroneous provision under Grant no. 6 instead of Charged Appropriation – Public Debt in the Appropriation Act of 2012-13 (Second Supplementary)
Total			334.99	

(Source: Appropriation Accounts)

2.3.14 Non-utilisation of provision for New items of expenditure in the Budget

Scrutiny of the schedule of new expenditure in the Budget during 2012-13 revealed that ₹ 186 crore in 24 schemes relating to nine grants were provided as new items of expenditure (provision ₹ one crore and above in each case). Entire provision remained unutilised during the year 2012-13, reasons for which have not been intimated (August 2013). The details are given in **Appendix 2.11**.

2.3.15 Excess payment of family pension

Rule 47 of MP Pension Rule provides that Family Pension at enhanced rate is payable for a period of seven years or till the date on which the Government servant would have attained the age of 67 years, had he survived, whichever is earlier.

During inspection of treasuries (February 2012 to March 2013) by the office of the Principal Accountant General (A&E), it was noticed that family pension at enhanced rate was continued to be paid even after lapse of the prescribed period for which enhanced rate of family pension was payable. This resulted in excess payment of family pension amounting to ₹ 26 lakh in eight treasuries as indicated in **Table 2.8**.

Table 2.8: Excess payment of family pension

Sl. No.	Name of Treasuries	Period of Inspection	No. of family pensioners	Period of excess payment	Excess payment as on date of inspection (₹)
1	2	3	4	5	6
1	Seoni	02/12 to 01/13	1	02/10 to 10/12	97,788
2	Morena	04/12 to 03/13	7	08/10 to 02/13	1,54,332
3	Khandwa	02/12 to 01/13	6	01/09 to 01/13	7,62,869
4	Bhopal	02/12 to 01/13	1	12/08 to 12/12	38,845
5	Harda	04/12 to 03/13	2	11/11 to 03/12	59,059
6	Bhind	04/12 to 03/13	7	12/11 to 03/13	2,49,895
7	Satna	03/12 to 01/13	11	12/08 to 12/12	11,71,332
8	Sehore	04/12 to 03/13	3	--	73,200
Total			38		26,07,320

(Source: Office of the Principal Accountant General (A&E))

Matter was referred to Government (June 2013), Government had issued instructions to all the Treasury Officers to recover the excess payment of Family Pension. Action against erring Banking officials is also requested to the State Government.

2.4 Review of Grant No. 19- Public Health & Family Welfare Department

After voting on Demands for grants has been completed in the Legislative Assembly, an Appropriation Bill is introduced for appropriation out of the Consolidated Fund of the State for moneys required to meet (a) the grants made by the Assembly and (b) the expenditure charged on the Consolidated Fund. After the Governor's assent to the Bill, amounts shown in the Appropriation Act and schedules thereof become the sanctioned grants for expenditure under various Demands.

Review of budgetary procedure in Public Health and Family Welfare Department including Tribal Area Sub Plan and Scheduled Castes Sub Plan (Grant No. 19,41 and 64) for the year 2012-13 was conducted on the basis of data in Appropriation Accounts and test check of records (June 2013) in the Office of Budget Controlling Officer (Director, Health and Family Welfare Department). The following observations are made:

2.4.1. Summarised position

The details of amount budgeted for, expenditure incurred and savings under the Grant-19 are summarised in **Table 2.9**.

Table 2.9: Summarised Appropriation

(₹ in crore)							
Particular of Grants	Section	Original Budget	Supplementary Budget	Total Grant	Actual Expenditure	Savings	Percentage of saving to Total Grant
1	2	3	4	5	6	7	8
Grant No. 19	Revenue (Voted)	2,145.15	136.04	2,281.19	2,041.38	239.81	10.51
	Capital (Voted)	122.90	Token	122.90	60.58	62.32	50.71
Grant No. 41(17)-Public Health and Family Welfare Department (Tribal Area Sub Plan)	Revenue (Voted)	165.31	94.90	260.21	206.08	54.13	20.80
	Capital (Voted)	84.80	Nil	84.80	31.93	52.87	62.35
Grant No. 64(17)-Public Health and Family Welfare Department (Scheduled Castes Sub Plan)	Revenue (Voted)	117.95	40.77	158.72	120.73	37.99	23.94
	Capital (Voted)	86.40	Nil	86.40	37.71	48.69	56.35
Total		2,722.51	271.71	2,994.22	2,498.41	495.81	16.56

(Source: Appropriation Accounts)

An analysis of the above table revealed that there were over all savings of ₹ 495.81 crore (16.56 per cent of total grant) as against the total budget provision of ₹ 2,994.22 crore. Out of savings of ₹ 495.81 crore, savings of

₹ 331.93 crore (67 per cent) and ₹ 163.88 crore (33 per cent) occurred in Revenue Section and Capital Section respectively. Further Supplementary provision of ₹ 271.71 crore provided under Revenue and Capital sections were not required as the expenditure was even less than original provision.

2.4.2 Substantial saving

In Revenue Section, substantial savings of more than ₹ 10 crore in each aggregating to ₹ 78.95 crore (23.79 per cent of total savings: ₹ 331.93 crore) occurred mainly under three schemes. In Capital Section, substantial savings (₹ 10 crore and above) of ₹ 92.84 crore (56.65 per cent of total savings) occurred under four schemes. Details are in **Table 2.10**.

Table 2.10: Substantial savings under various Schemes during 2012-13

(₹ in crore)		
Sl. No.	Name of schemes	Savings
Revenue Section		
1	2210-01-110-0701-Centrally Sponsored Schemes (Normal)-5613-National Health Insurance Scheme	15.00
2	(Grant No.41/17-Public Health and Family Welfare Department) 2210-06-796-800-0102-Tribal Area Sub Plan-7193- Special State Incentive Scheme for Family Welfare	14.20
3	(Grant No.41/17-Public Health and Family Welfare Department) 2210-06-796-800-0102-Tribal Area Sub Plan-7201-Special Assistance to Pregnant Women of Scheduled Castes/Scheduled Tribe	49.75
Total (Revenue section)		78.95
Capital Section		
4	4210-01-110-0101- State Plan Schemes (Normal) -7648-Construction of Buildings for Hospitals and Dispensaries	37.56
5	(Grant No.41/17-Public Health and Family Welfare Department) 4210-02-796-104-0102-Tribal Area Sub Plan-7204-Construction of Pre-fabricated Sub-Health Centres	13.06
6	(Grant No.41/17-Public Health and Family Welfare Department) 4210-04-796-112-0102-Tribal Area Sub- Plan -7202- Establishment of Nursing College	14.90
7	(Grant No.64/17-Public Health and Family Welfare Department) 4210-01-789-110-1303-Central Finance Commission (S.C.S.P.)-6453-Strengthening of Health Infrastructure	27.32
Total (Capital section)		92.84

(Source: Appropriation Accounts)

Reasons for savings under all the above schemes except at serial no. 5 had not been intimated (August 2013). Saving under serial no. 5 above was partly due to delay in fixing of agency for execution of works (₹ 6.42 crore). Fact remains that such substantial savings were indicative of unrealistic assessment of budget estimates and laxity in budgetary controls. The savings could have been utilised in other schemes where funds were required, had these been timely surrendered. Further, supplementary provision could have been avoided to the extent of savings.

We also observed that in 26 schemes entire budget provisions aggregating to ₹ 113.93 crore remained unutilised. Details are given in **Appendix-2.12**. The BCO stated (June 2013) that funds could not be utilised due to non-providing of administrative sanction by the financial committees and discontinuance of the scheme by the Department as per the consent of State Planning

Commission. Fact remains that the funds should have been surrendered timely to utilise the resources for other works. Matter was reported to Government (August 2013) reply had not been received (September 2013).

2.4.3 Unutilised Supplementary provision

Under the scheme 2210-03-197-5998-Community Health Centres, Supplementary provision was made for ₹ 2.65 crore. However, there was saving of ₹ 3.19 crore. Thus, entire supplementary provision remained unutilised. Reasons for saving have not been intimated (August 2013).

2.4.4 Preparation of Budget Estimate

As per para B-7 & 8 of MP Government Budget Manual Vol-I (Part-B), all BCOs are responsible for collating estimates of expenditure and receipts prepared by the DDOs under them as well as for preparing estimates of Off Budget funds likely to be received for departmental schemes during the ensuing financial year and for finalisation of estimates of expenditure and receipts. BCO should collate all estimates prepared by DDOs and review the same.

There were no records to show that the estimates of expenditure and receipts were obtained by the BCO from the DDOs for finalisation of the budget estimates.

The BCO stated (June 2013) that before preparation of Budget, instructions are issued to DDOs to submit Budget proposals in the prescribed format of *Mudra* software. On this basis, Budget proposals for next year are prepared in *Mudra* software and are sent to Finance Department. The BCO has, however, not stated whether the procedure was observed by the DDOs and the BCO while preparing the budget estimates for 2012-13.

2.4.5 Misclassification of Budget provision under the object head 63-Machines in Revenue section instead of Capital section

We observed that under 26 schemes, Budget provision of ₹ 37.22 crore under the object head 63-Machines was incorrectly classified under Revenue section, while the nature of object head 63-Machines is related to Capital section. Object head wise and Scheme wise details are given in **Appendix 2.13**.

On being pointed out by Audit (June 2013) Director, Health Services stated (June 2013) that provisions under object head 63- Machines have been made under Revenue section by the Finance Department, therefore it was booked under Revenue section. Fact remains that object head 63-Machines is related to Capital Nature and misclassified in Revenue section in the Budget.

2.5 Conclusion

Against the total budget provision of ₹ 1,01,423 crore during 2012-13, a total expenditure of ₹ 83,962 crore was incurred. Supplementary provision of ₹ 10,581 crore during 2012-13 proved unnecessary as there was an overall saving of ₹ 17,461 crore. In 11 cases (eight departments) savings were more than ₹ 100 crore in each case aggregating to ₹ 9,026 crore (52 per cent of total savings). We observed that ₹ 5,670.36 crore (32 per cent of the total savings) was surrendered during the year. In 33 cases, significant savings (more than

₹ 10 crore in each) aggregating ₹ 2,135 crore was surrendered on the last day of the financial year, leaving no scope for utilizing the funds for other works. A sum of ₹ 389 crore was transferred to Civil Deposit in Public Account at the end of the year inflating the expenditure of the year under the Consolidated Fund of the State. Expenditure of ₹ 335 crore was incurred without any provision in the State Budget. Also, Re-appropriation/surrender of funds in 19 cases was made injudiciously which resulted in savings/excess in each scheme. Excess expenditure of ₹ 0.24 crore incurred during 2012-13 which require regularisation under Article 205 of the Constitution. Besides, ₹ 3,015 crore relating to the period 1997-98 to 2011-2012 also remained unregularised.

2.6 Recommendations

- Budgetary control mechanism should be strengthened in the Government Departments by proper monitoring of expenditure and timely surrender of funds.
- Excessive/unnecessary supplementary provision and re-appropriation of funds should be avoided.
- The funds transferred to Civil Deposit head at the fag end of the financial year but not utilized results in overstatement of State expenditure and should be avoided.
- Regularisation of excess expenditure pending since 1997-98 may be done on priority basis.

Chapter-3

FINANCIAL REPORTING

CHAPTER 3

Financial Reporting

A sound internal financial reporting system with relevant and reliable information significantly contributes to efficient and effective governance by the State Government. Compliance with financial rules, procedures and directives as well as the timeliness and quality of reporting on the status of such compliance is one of the attributes of good governance. The reports on compliance and controls, if effective and operational, assist the State Government in meeting its basic stewardship responsibilities, including strategic planning and decision-making. This Chapter provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the year 2012-13.

3.1 Delay in furnishing Utilisation Certificates

As per Rule 182 of the Madhya Pradesh Financial Code Vol. I, in case of an annual or a non-recurring conditional grant, the Departmental Officer on whose signature or counter-signature the grant-in-aid bill is drawn, shall furnish the Utilisation Certificates (UCs) to the Accountant General on or before 30 September of the year following that to which the grant is related.

The position of outstanding UCs against grants-in-aid sanctioned to various Departments up to 2012-13 is given in **Table 3.1**.

Table 3.1: Year-wise position of outstanding Utilisation Certificates

(₹ in crore)

Year	Opening balance		Utilisation Certificate due during the current year		Total		UCs received during the year		Outstanding Utilisation Certificate at the end of the year	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Up to 2010-11	35761	17,733.88	6933	8,773.78	42694	26,507.66	6544	8,379.87	36150	18,127.79
2011-12	36150	18,127.79	4551	15,020.76	40701	33,148.55	296	1,730.83	40405	31,417.72
2012-13	40405	31,417.72	687	3,708.83	41092	35,126.55	2469	6,885.64	38623	28,240.91

(Source : Finance Accounts 2012-13)

As seen from the above, 38623 UCs for an aggregate amount of ₹ 28,240.91 crore were outstanding as on 31 March 2013 in respect of 33 Departments. Details are given in **Appendix 3.1**. Large pendency in submission of UCs was mainly in respect of Urban Administration (₹ 9,548 crore), Rural Development (₹ 4,881 crore), Food and Civil Supplies (₹ 4,942 crore), School Education (₹ 4,285 crore) and Energy (₹ 997 crore) Departments.

Non-submission of UCs in time indicates lack of monitoring of utilisation of grants by the Departments and could result in misutilisation of the grants.

3.2 Delay in submission of Accounts/Separate Audit Reports (SARs) of Autonomous Bodies

The State Government has set up several Autonomous Bodies (ABs) in the fields of Agriculture, Housing, Labour Welfare, Urban Development, etc. The audit of accounts of seven ABs¹ in the State has been entrusted to the Comptroller and Auditor General of India. The status of entrustment of audit, rendering of accounts to Audit, issuance of Separate Audit Reports (SAR) and their placement in the Legislature as on 30 June 2013 is given in **Table 3.2**.

Table 3.2 : Status of rendering Accounts of the Autonomous Bodies.

Sl. No.	Name of body	Period of entrustment	Year up to which accounts were rendered	Period up to which SARs were issued	Placement of SAR in the Legislature	Delay in submission/non-submission of accounts (in Months)
1	Madhya Pradesh (MP) Housing Board Bhopal	up to 2011-12	2010-11	2007-08	2003-04	2008-09 (40) 2009-10 (34) 2010-11 (22) 2011-12 (12)
2	MP Khadi and Village Industries Board, Bhopal	up to 2011-12	2008-09	2008-09	2004-05	2009-10 (36) 2010-11 (24) 2011-12 (12)
3	MP Human Rights Commission, Bhopal	up to 2012-13	2011-12	2011-12	2008-09	2011-12 (Nil) 2012-13 (Nil)
4	MP Building and Construction Workers Welfare Board, Bhopal	up to 2012-13	2008-09	2005-06	Information awaited	2006-07 (57) 2007-08 (45) 2008-09 (33) 2009-10 (36) 2010-11 (24) 2011-12 (12) 2012-13 (Nil)
5	MP State Electricity Board	01.4.12 to 25.04.12	2012-13	2012-13	Information awaited	-
6	MP Electricity Regulatory Commission	up to 2012-13	2012-13	2011-12	Information awaited	-
7	MP State Legal Service Authority, Jabalpur	Entrustment vide Act of Parliament	Not rendered since inception (1997-98)	-	Information awaited	180

Period of delay taken from the due date of receipt of accounts i.e. 30th June of the ensuing Financial year till 30th June 2013.

¹ As per instructions issued in June 2011 State Legal Services Authority is responsible for collection of accounts of all District Legal Services Authorities, as such status of accounts of 42 DLSAs have not been shown separately.

Out of seven ABs, Madhya Pradesh State Legal Service Authority, Jabalpur did not submit their accounts since inception of the AB (1997-98) even after lapse of 15 years. Correspondence was made (July 2013) with the Member Secretary, MP State Legal Services Authority, Jabalpur for submission of the accounts. As seen from the **Table 3.2**, there were significant delays up to 57 months in submission of accounts by three ABs (Serial No. 1, 2 and 4).

The inordinate delays in submission of accounts and presentation of the SARs to the State Legislature result in delays in scrutiny of the functioning of these bodies, where Government investments are made, beside delays in initiating of necessary remedial action on financial irregularities in the ABs.

3.3 Reporting of Misappropriation, Losses, Defalcations etc.

Rule 22(1) of the Madhya Pradesh Financial Code Vol. I states that any loss of public money, caused by defalcation or otherwise, should be immediately reported to the Accountant General, even when such loss has been made good by the party responsible for it.

The State Government reported 3165 cases of misappropriation, losses, defalcations, etc., involving Government money amounting to ₹ 51.76 crore up to 31 March 2013 on which final action was pending as of June 2013. The amount included ₹ 2.41 crore (175 cases) for the year 2012-13. A large number of cases involving ₹ 27.77 crore and ₹ 14.66 crore were pending for recovery/regularisation against the School Education and Forestry & Wild Life Departments respectively. The Department-wise details of pending cases of misappropriation, losses, defalcations etc. at the end of 2012-13 and their age-wise analysis is given in **Appendix 3.2**. Department-wise and nature of irregularity-wise details of nature of these cases are given in **Appendix 3.3**. The age-profile of the pending cases with nature of irregularities emerging from these Appendices are summarised in **Table 3.3**.

Table 3.3: Profile of Misappropriation, Losses, Defalcations, etc.

Age-profile of the pending cases			Details of the pending cases		
Range in years	Number of cases	Amount involved (₹ in crore)	Nature of the case	Number of cases	Amount involved (₹ in crore)
0 – 5	554	38.17	Theft	228	2.54
5 – 10	426	3.55			
10 – 15	482	4.37	Misappropriation/ Loss of material	2937	49.22
15 – 20	404	2.47			
20 – 25	699	1.69			
25 & above	600	1.51			
Total	3165	51.76	Total	3165	51.76

Further analysis indicated that the cases were outstanding owing to reasons listed in **Table 3.4**.

Table 3.4: Reasons for outstanding cases of Misappropriation, Losses, Defalcations etc.

Reasons for the delay/outstanding cases		Number of cases	Amount (₹ in crore)
(i)	Awaiting departmental and criminal investigation	36	0.30
(ii)	Departmental action initiated but not finalised	21	1.21
(iii)	Criminal proceedings finalised but execution of certificate cases for the recovery of the amount pending.	05	0.06
(iv)	Awaiting orders for recovery or write off	3096	46.43
(v)	Pending in the Courts of law	07	3.76
Total		3165	51.76

Thus, out of 3165 cases involving ₹ 51.76 crore, 2185 cases (69 per cent) involving ₹ 10.04 crore were pending for more than 10 years. In 3096 cases (98 per cent), orders for recovery or write off were awaited.

Further, 66 cases of losses involving an amount of ₹ 11.66 lakh were written off during the year 2012-13, as detailed in **Appendix-3.4**.

3.4 Pendency in submission of DCC bills

3.4.1 Pendency in submission of Detailed Countersigned Contingent (DCC) bills against Abstract Contingent (AC) bills

As per Rule 313 of the Madhya Pradesh Treasury Code (MPTC), every Drawing and Disbursing Officer (DDO) has to certify in each AC bill that DCC bills for all contingent charges drawn by him prior to the first of the current month have been forwarded to the concerned Controlling Officers (CO) for countersignature and transmission to the Accountant General (A&E). As per MPTC Subsidiary Rule 327, DDOs should submit monthly DCC bills along with necessary certificate to the CO within fifth of the following month. The CO is required to submit the passed DCC bills to AG, so that these may be received in AG's office before 25th of the same month. However, drawal of amounts by way of AC bills has been prohibited by the Finance Department instructions (September 1999) for all the Departments except Sports and Youth Welfare Department (only for expenditure on NCC).

We observed that 673 DCC bills aggregating to ₹ 15.24 crore were pending at the end of March 2013. The age-wise details of pendency in submission of DCC bills against the AC bills drawn are given in **Table 3.5**.

Table 3.5: AC bills outstanding for want of DCC bills for the year ending March 2013

(₹ in crore)

Year	Opening balance		AC bills drawn during the year		Total		DC bills received during the year		Outstanding DC bills at the end of the year	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Up to 2010-11	1343	21.11	203	1.53	1546	22.64	207	1.21	1339	21.43
2011-12	1339	21.43	8	0.05	1347	21.48	477	1.98	870	19.50
2012-13	870	19.50	300	1.66	1170	21.16	497	5.92	673	15.24

(Source : Finance Accounts 2012-13)

Department-wise pending DCC bills for the years up to 2012-13 is detailed in **Table 3.6.**

Table 3.6: Pending DCC bills for the year up to 2012-13

Sl. No.	Name of Departments/Controlling Officers	Number of AC bills	Amount (₹ in crore)
1	State Protocol Officer, Mantralaya, Bhopal	19	7.59
2	Deputy Director, (NCC) State, Bhopal	57	0.46
3	Commissioner, Tribal Welfare Department, Bhopal	37	0.37
4	Director, Farmers Welfare and Agriculture Development, Bhopal.	529	6.45
5	Joint Director (Soil Conservation), Farmers Welfare and Agriculture Development, Bhopal	31	0.37
Total		673	15.24

3.5 Non-reconciliation of Departmental figures

According to Para 24.9.3 of the Madhya Pradesh Budget Manual (MPBM), Budget Controlling Officers (BCOs) are responsible for reconciliation of accounts maintained by them with those appearing in the Accountant General (A&E)'s books and for identifying and correcting misclassifications. Even though non-reconciliation of departmental figures is pointed out regularly in our Audit Reports, lapses on the part of Controlling Officers (COs) in this regard continued to persist during 2012-13.

We observed that against the total expenditure of ₹ 79,920 crore during 2012-13, reconciliation was carried out by the 81 out of 104 Controlling Officers for ₹ 52,339.05 crore (65 per cent). Controlling Officers of 23 Departments did not reconcile expenditure amounting to ₹ 27,580.95 crore as on 31 March 2013.

Further, all BCOs are required to reconcile the receipts of the Government with the figures accounted for by the Principal Accountant General (A&E). Such reconciliation had been completed for ₹ 4,398.53 crore (6.24 per cent) only against the total non-debt receipt of ₹ 70,500 crore of the Government during the year 2012-13. Non-reconciliation of expenditure and receipts by the controlling officers indicated deficient financial management.

3.6 Booking under Minor Head '800-Other Receipts' and '800-Other Expenditure'

As per para 8.3.5(VI) of MP Budget Manual, Budget Controlling Officers are to ensure Operation of omnibus minor head '800-Other Receipts' and '800-Other Expenditure'. Since most of the government activities are well defined in the list of Major and Minor Heads of Accounts of Union and States, issued by the Controller General of Accounts, operation of the minor head '800-Other Receipts/Expenditure' should be minimised. In case, classification of expenditure under this minor head is necessitated by special circumstances, estimates should be accompanied with a detailed explanation and would require vetting by the Accountant General.

Scrutiny of Finance Accounts 2012-13 disclosed that expenditure of ₹10,462.42 crore, consisting 14 per cent of total expenditure (revenue and capital) recorded under the respective major heads, was classified under the minor head '800- Other Expenditure'. Under 15 Major heads of accounts (revenue and capital), ₹ 6,819.50 crore (77 per cent of total expenditure under these 15 major heads: ₹ 8,870.43 crore) were classified under the minor head of accounts '800-Other Expenditure' in the accounts. The amounts under each minor head ranged between 51 and 100 per cent of total expenditure under the respective major head. Details are in **Appendix-3.5**.

Similarly, revenue receipts of ₹ 14,944.51 crore, constituting 21 per cent of the total revenue receipts (₹ 70,427.28 crore) recorded under the respective major head, were classified under the minor head '800-Other Receipts'. Under 18 major head of accounts (revenue receipt) ₹ 12,140.63 crore (71 per cent) out of total receipts under these major heads amounting to ₹ 17,208.44 crore were classified under '800-Other Receipts', which ranged between 51 and 101 per cent of total revenue receipts under the respective heads. Details are given in **Appendix-3.6**.

Large amounts booked under the minor head '800- Others' affects the transparency in financial reporting as it fails to indicate disaggregated information on different activities of the Government separately in the accounts.

3.7 Non-submission of the details of grants or loans paid to bodies and authorities

In order to identify institutions/organisations which attract audit under Sections 14 and 15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act 1971 (C&AG'S DPC Act), the Government/Heads of the Departments are required to furnish to Audit every year the detailed information about the financial assistance given to various institutions, the purpose for which the assistance is granted and the total expenditure of the institutions. Further, Regulation on Audit and Accounts 2007 provides that Governments and heads of departments which sanction grants and /or loans to bodies or authorities shall furnish to the Audit Office by the end of July every year a statement of such bodies and authorities to which grants and/or loans aggregating ₹ 10 lakh or more were paid during the preceding year indicating (a) the amount of assistance (b) the purpose for which the assistance was sanctioned and (c) the total expenditure of the body or authority.

As of September 2013, none of the departments of the Government of Madhya Pradesh furnished such details for the year 2012-13. The matter was also taken up (August 2013) with the Chief Secretary of the Government and also with the Finance Department.

Finance Department stated (September 2013) that necessary instructions would be issued to the concerned Departments.

3.8 Personal Deposit Accounts

The Personal Deposit (PD) Accounts are Deposit Accounts kept in Treasuries in the name of the Administrators of the Accounts. The moneys are placed under 8443- Civil deposits 106 Personal Deposit. These accounts can be opened with the approval of the Finance Department. AG's consent is not required as per the existing rules. In terms of provisions made for maintenance of PD Accounts in Subsidiary Rules 543 and 584 to 590 of Madhya Pradesh Treasury Code (MPTC) Part-1, the PD Accounts which are opened by debit to the Consolidated Fund of the State should be closed at the end of the financial year by minus debit to relevant service heads. As per Finance Department instructions of February 2010, if it is necessary to open a PD Account in the next year, the same may be opened in the usual manner. The PD Accounts which remained inoperative for continuous three years, should be closed by the Treasury Officer by giving notice to the Administrator of the PD Account and action for transfer of balance amount as Revenue deposit credit to Government Account should be initiated. Periodical reconciliation of PD accounts with treasury accounts is the responsibility of the Administrator concerned.

Overall position of PD Accounts

The transactions relating to PD accounts of Government and Semi-Government institutions which are opened by debit to the consolidated fund of the State for the period 2010-13 are detailed in **Table 3.7**.

Table 3.7: Status of balance under the PD accounts

(₹ in crore)

Year	Opening balance		Opened during the year		Closed during the year		Existing PD accounts at the close of the year	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
2010-11	683	1,894.03	87	109.43	05	0.02	765	2,003.45
2011-12	765	2,003.45	128	3.93	07	0.08	886	2,007.30
2012-13	886	2,007.30	27	80.96	09	25.24	904*	2,063.02

(Source: Finance Accounts)

*236 PD Accounts containing ₹ 42.30 crore were inoperative for more than one year

Analysis of above table revealed that there were 904 PD accounts (Government: 898, Semi Government: 06) having balance of ₹ 2,063.02 crore as of 31 March 2013 in 55 District Treasuries. The closing balance in PD accounts indicated that the administrators did not close the PD accounts by minus debit to the relevant service head at the close of financial year, as required under the rules. Since the amounts transferred to PD Accounts are shown as final expenditure from the Consolidated Fund of the State, non-closing of the PD accounts at the close of the year resulted in overstatement of expenditure under Consolidated Fund during the year.

Our test check of records of Administrators (May to September 2013) of two PD Accounts² revealed the following:

- Director of Animal Husbandry deposited ₹ 73.23 crore of various schemes³, in his PD Account (No. 38) during the period 2007-13. The PD Account was not closed at the end of the years. As on 31 March 2013, the closing balance was ₹ 11.71 crore, which included ₹ 10.14 crore pertaining to Bundelkhand Package transferred during 2011-12.

Further, there was discrepancy of ₹ 0.59 crore (treasury figure: ₹11.12 crore and Cash book figure: ₹ 11.71 crore) as on 31 March 2013 between the departmental figures and the treasury figures due to non-reconciliation with the treasury records.

On this being pointed out, the Director stated (August 2013) that money had been drawn and kept in PD Account with the approval of the Finance Department and correspondence with Accountant General has

² (1)Director, Animal Husbandry, Bhopal (2)Commissioner, Institutional Finance(Fund Manager)Bhopal.

³ (1) Fodder & Fodder Land Development,(2)Up-gradation of Biosecurity Laboratory,(3)Rural Backyard Poultry Development,(4)National Agricultural Development Programme,(5)Avian Influenza,(6)Bird flu livestock link worker training programme,(7)Bundelkhand Package.

been carried out to reconcile the difference. Fact remains that provisions of MPTC regarding closing of PD Accounts and periodical reconciliation were not followed by the Administrator.

- Scrutiny of the PD Account (No. 17) of the Fund Manager, Madhya Pradesh Infrastructure Investment Fund Board (MPIIFB) under Finance Department (Institutional Finance) revealed that an amount of ₹ 9.37 crore was retained continuously from April 2008 to June 2012. No action was taken by the Treasury Officer and the Administrator for transferring the amount in Government account, as required under the rule. Of this, ₹ 9.24 crore was spent during 2012-13. As on 31 March 2013, there was a closing balance of ₹ 13.25 lakh in the account.

Finance Department while forwarding the reply of MPIIFB stated (October 2013) that from this PD Account, funds were disbursed mainly to Madhya Pradesh Road Rural Development Corporation for Viability Gap Funding only for achievement of necessary milestone. The Board stated that timely approval was obtained (January 2012) for continuing the PD Account since 2011-12. It also stated that MPTC Rule 543 does not apply to this PD Account, as it was not opened after debiting the Consolidated fund of the State.

Reply is not acceptable, as the Administrator did not obtain permission for continuation of PD Account before start of each financial year. MPTC Rule 543 did apply to this PD Account as it was opened with concurrence of AG in which it was clearly stated that PD Account should be closed at the end of the financial year. Thus, funds of ₹ 9.37 crore remained blocked for four years.

The matter was referred to the Government (August 2013); their reply had not been received (October 2013).

3.9 Conclusion

State Government's compliance with various financial rules and procedures was deficient. Large number of Utilisation Certificates (38623) in respect of grants given for ₹ 28,240.91 crore were awaited from the grantee institutions, indicating lack of proper monitoring by the Departments in the utilisation of grants. There were significant delays (up to 57 months) in submission of accounts by the autonomous bodies, affecting their transparency and accountability. Government's compliance towards disposal of cases of losses, misappropriation, etc. amounting to ₹ 51.76 crore was pending. Detailed Countersigned Contingent bills against ₹ 15.24 crore drawn on Abstract Contingent bills were awaited at the end of 2012-13. As on 31 March 2013, ₹ 2,063 crore was retained in 904 Personal Deposit Account in violation of the provisions of Madhya Pradesh Treasury Code. Controlling Officers of 23 Departments did not reconcile expenditure amounting to ₹ 27,580.95 crore during 2012-13. All these deficiencies reflected on lack of internal controls and ineffective governance in the Departments.

3.10 Recommendations

- The Departments should ensure timely submission of Utilisation Certificates in respect of the grants released to the grantee institutions.
- Timely submission of accounts by Autonomous Bodies should be ensured.
- Departmental enquiries in all cases of misappropriations, losses, etc., should be expedited to bring the defaulters to book. Internal controls should be strengthened to prevent recurrence of such cases.
- Closing of PD Accounts at the end of the financial year may be ensured and funds transferred to the Consolidated Fund of the State.

**Gwalior
The**

**(K. K. SRIVASTAVA)
Principal Accountant General
(General and Social Sector Audit)
Madhya Pradesh**

Countersigned

**New Delhi
The**

**(SHASHI KANT SHARMA)
Comptroller and Auditor General of India**

APPENDICES

APPENDIX-1.1
STATE PROFILE (MADHYA PRADESH)
(REFERENCE: PARAGRAPH PROFILE OF STATE AND 1.7.2; PAGE 1,31)

A		General Data*		Figures	
Sl.No	Particulars		Figures		
1	Area		3,08,245 sq km		
2	Population				
	a.	As per 2001 Census	6.03 crore		
	b.	As per 2011 Census	7.26 crore		
3	a.	Density of Population (2001 Census) (All India Density = 325 persons per sq.km)	196 persons per sq km		
	b.	Density of Population (2011 Census) (All India Density = 382 persons per sq.km)	236 persons per sq km		
4	Population below poverty line (All India Average = 21.92%)		38.30 per cent		
5	a.	Literacy (as per 2001 Census) (All India Average = 64.8%)	69.69 per cent		
	b.	Literacy (2011 Census) (All India Average = 74.04%)	70.63 per cent		
6	Infant mortality (per 1000 live births) (All India Average = 42 per 1000 live births)		67		
7	Life Expectancy at birth** (All India Average = 66.1 years)		58 years		
8	Gini Coefficient***				
	a.	Rural (All India=0.29)	0.29		
	b.	Urban (All India=0.38)	0.36		
9	Gross State Domestic Product (GSDP) 2012-13 at current price		₹ 3,61,874 crore		
10	Per Capita GSDP CAGR (2003-04 to 2012-13)	Madhya Pradesh	13.06 per cent		
		General Category States	14.94 per cent		
11	GSDP CAGR (2003-04 to 2012-13)	Madhya Pradesh	15.00 per cent		
		General Category States	16.37 per cent		
12	Population Growth (2003-04 to 2012-13)	Madhya Pradesh	16.58 per cent		
		General Category States	13.22 per cent		
B		Financial Data			
		Particulars		Figures (in per cent)	
				2003-04 to 2011-12	
		CAGR		2003-04 to 2012-13	
				Madhya Pradesh	
a.	of Revenue Receipt	17.48	17.84	19.39	
b.	of Own Tax Revenue	17.44	16.56	18.20	
c.	of Non Tax Revenue	12.64	19.73	18.85	
d.	of Total Expenditure	14.15	15.58	15.97	
e.	of Capital Expenditure	16.83	14.49	17.65	
f.	of Revenue Expenditure on Education	16.85	17.17	18.55	
g.	of Revenue Expenditure on Health	15.35	13.78	17.01	
h.	of Salary and Wages	14.18	11.47	13.05	
i.	of Pension	18.36	15.53	17.07	

Source: Financial data is based on Finance Accounts

* General data: BPL (Planning Commission & NSSO data, 61st round).

** Life Expectancy at birth (Office of the Registrar General on India Ministry of Home Affairs), Economic Review 2011-12, excluding Union Territories.

*** Gini Coefficient is a measure of inequality of income among the population. Value rate is from zero to one, closer to zero inequality is less, closer to one inequality is higher.

Note: All India average of General States has been calculated on the basis of figures provided by 16 General Category States (excluding Delhi, Goa and Puduchery).

APPENDIX-1.2

PART A STRUCTURE OF GOVERNMENT ACCOUNTS (REFERENCE: PARAGRAPH 1.1, PAGE 2)

The accounts of the State Government are kept in three parts viz., Consolidated Fund, Contingency Fund and Public Account.

Part I: Consolidated Fund: All revenues received by the State Government, all loans raised by issue of treasury bills, internal loans and all moneys received by the Government in repayment of loans shall form one Consolidated Fund entitled 'the Consolidated Fund of State' established under Article 266(1) of the Constitution of India.

Part II: Contingency Fund: Contingency Fund of the State established under Article 267(2) of the Constitution is in the nature of an imprest placed at the disposal of the Governor to enable him to make advances to meet urgent unforeseen expenditure, pending authorisation by the Legislature. Approval of the Legislature for such expenditure and for withdrawal of an equivalent amount from the Consolidated Fund is subsequently obtained, whereupon the advances from the Contingency Fund are recouped to the fund.

Part III: Public Account: Receipt and Disbursement of certain transactions such as small savings, provident funds, reserve funds, deposits, suspense, remittances etc., which do not form part of the Consolidated Fund, are kept in the Public Account set up under Article 266(2) of the Constitution and are not subject to vote by the State Legislature.

Layout of Finance Accounts 2012-13

Finance Accounts is prepared in two Volumes with Volume 1 presenting the summarized financial statements of Government and Volume 2 presenting the detailed statements. The layout is detailed below. Further, Volume 2 contains details such as comparative expenditure on salaries and subsidies by major head, grants-in-aid and assistance given by the State Government, externally aided projects, expenditure on plan scheme, direct transfer of Central schemes funds to implementing agencies, summary of balances, financial results of irrigation schemes, implications of major policy decisions on new schemes proposed in the budget and maintenance expenditure which are brought out in various appendices.

Statement No.	Layout
1	Summarised Financial position of the State giving cumulative figures of Assets and Liabilities of the Government as at the end of 2012-13.
2	Summary of Receipts and Disbursements during the year in all the three parts of accounts of Government.
3	Summary of receipts under Consolidated Fund, grants from Government of India and Capital, Public Debt and Other receipts.
4	Summary of expenditure for the current year under various sectors of Consolidated Fund of State.
5	Details of Capital Expenditure major head wise incurred during and to the end of 2012-13.
6	Summary of debt position of the State including borrowing from Internal Debt, Government of India, other obligations and servicing of debt.
7	Summary of Loans and Advances given by the State Government during the year and repayments made, recoveries in arrears etc.
8	Summarised statement of Grants-in-Aid given by Government both in cash and in kind and also grants released for creation of capital assets.
9	Summary of guarantees given by the government for repayment of loans etc., raised by Statutory Corporations, Local Bodies and Other Institutions.
10	Distribution of expenditure between Charged and Voted.
11	Detailed account of Revenue and Capital Receipts by minor heads.
12	Detailed account of Revenue Expenditure by minor heads under Non-Plan, Plan and Centrally Sponsored scheme separately.
13	Detailed accounts of Capital Expenditure by minor heads under Non-Plan, Plan and Centrally Sponsored scheme separately during the year and Total Expenditure up to the end of 2012-13.
14	Details of investments of the State Government in Statutory Corporations, Government Companies, other Joint Stock Companies, Co-operative Banks, Societies etc., up to the end of 2012-13 and also giving the comparative summary of investment between the share capital and debentures.
15	Detailed account on borrowings and other liabilities showing Public Debt and other interest bearing obligation during and up to the end of 2012-13, maturity profile, repayment schedule and interest rate profile.
16	Detailed account of Loans and Advances given by the Government of Madhya Pradesh, the amount of loan repaid during the year, the balance as on 31 March 2013 and also loans advanced during the year for plan purpose and Centrally Sponsored schemes.
17	Detailed account on sources and application of funds other than on revenue account.
18	Detailed account on Contingency Fund and Public Account transactions.
19	Details of earmarked balance of reserve funds.

**APPENDIX- 1.2 CONCLUDED
PART B**

**STATEMENT SHOWING APPORTIONMENT OF ASSETS AND LIABILITIES OF
THE ERSTWHILE STATE OF MADHYA PRADESH AS ON 31 MARCH 2013
BETWEEN SUCCESSOR STATES OF MADHYA PRADESH AND CHHATTISGARH**

(REFERENCE: PARAGRAPH 1.1, PAGE 2)

(₹ in crore)

Items	Balance as on 31 October 2000	Apportioned to		Balance retained in MP accounts pending apportionment	Reference to Finance Accounts Statements Nos.
		Madhya Pradesh	Chhattisgarh		
I-Liabilities-					
1.Small savings, provident funds, etc.	7371.51	5570.57	1239.45	561.49	17 and 18
2.Deposits	1872.19	1516.52	358.05	(-)2.38	17 and 18
3.Reserve Funds	657.94	45.49	11.55	102.47	17 and 18
4.Suspense and Miscellaneous Balances	39.58	25.46	5.93	8.18	18
II-Assets-					
1.Gross Capital Outlay	15760.57	4993.86	1499.12	8788.75	5 and 13
2.Loans and Advances	2883.18	559.83	135.91	2186.26	7 and 16
3.Guarantees	9709.60	--	--	1185.46	9

Note: Please see Finance Accounts for further details

APPENDIX - 1.3
METHODOLOGY ADOPTED FOR THE ASSESSMENT OF FISCAL POSITION
(REFERENCE: PARAGRAPH 1.1., PAGE 2)
PART A

The norms/ceilings prescribed by the TFC for selected fiscal variable along with its projections for a set of fiscal aggregates and the commitments/projections made by the State Governments in their Fiscal Responsibility Acts and in other Statements required to be laid in the legislature under the Act (**Part B of Appendix 1.3**) are used to make qualitative assessment of the trends and pattern of major fiscal aggregates. Assuming that GSDP is the good indicator of the performance of the State's economy, major fiscal aggregates like tax and non-tax revenue, revenue and capital expenditure, internal debt and revenue and fiscal deficits have been presented as percentage to the Gross State Domestic Product (GSDP) at current market prices. The buoyancy coefficients for relevant fiscal variables with reference to the base represented by GSDP have also been worked out to assess as to whether the mobilization of resources, pattern of expenditure etc, are keeping pace with the change in the base or these fiscal aggregates are also affected by factors other than GSDP.

The trends in GSDP for the last five years are indicated below:

Trends in Gross State Domestic Product (GSDP)

	2008-09	2009-10	2010-11	2011-12	2012-13
Gross State Domestic Product (₹ in crore)	197276	227984	260198	309687	361874
Growth rate of GSDP* (in per cent)	22.17	15.57	14.13	19.02	16.85

Source: The Directorate of Economics and Statistics, Government of Madhya Pradesh

** GDP estimates for the period 2010-11 and 2011-12 are revised, therefore, percentage ratio/buoyancies of various parameters with reference to GDP for 2010-11 and 2011-12 indicated in earlier Reports have also been revised.*

APPENDIX - 1.3 CONTD...
FISCAL RESPONSIBILITY AND BUDGET MANAGEMENT (FRBM) ACT, 2005
(REFERENCE: PARAGRAPH 1.1, PAGE 2)

PART B

The State Government has enacted the Madhya Pradesh Rajkoshiya Uttardayitva Avam Budget Prabandhan Adhiniyam, 2005 (Fiscal Responsibility and Budget Management (FRBM) Act 2005) which came into force from 1 January 2006 to ensure prudence in fiscal management and fiscal stability by progressive elimination of revenue deficit, reduction in fiscal deficit, prudent debt management consistent with fiscal sustainability, greater transparency in fiscal operations of the Government and conduct of fiscal policy in a medium term framework and for matters connected therewith or incidental thereto. To give effect to the fiscal management objectives as laid down in the Act, and/or the rules framed (30 January 2006) thereunder the following fiscal targets were prescribed for the State Government:

- Reduce revenue deficit in each financial year so as to eliminate it by 31 March 2009 and generate revenue surplus thereafter;
- As per amendment to FRBM Act, 2005 in respect of fiscal deficit shall be, reduce fiscal deficit so as to bring it down to not more than 3 *per cent* of GSDP by 31 March 2012 and maintain it thereafter;
- Ensure that within a period of 10 years, i.e. as on the 31 March 2015, total liabilities do not exceed 40 *per cent* of the estimated GSDP for that year; and
- Limit the annual incremental guarantees so as to ensure that the guarantees do not exceed 80 *per cent* of the total revenue receipts in the year preceding the current year.

Provided that revenue deficit and fiscal deficit may exceed the limits specified under this section due to ground(s) of shortfall in the Central tax devolutions in relation to the budgetary estimates of the Union of India and/or unforeseen demands on the finances of the State Government arising out of internal disturbance or natural calamity or such other exceptional grounds as the State Government may specify.

Roadmap to achieve the Fiscal Targets as laid down in FRBM Act/Rules

In accordance with the provisions of the FRBM Act 2005, the State Government has placed the (a) Macro-Economic framework Statement, (b) Medium Term Fiscal Policy Statement (MTFPS) and (c) Fiscal policy strategy statement along with the Budget for 2012-13. The actuals for 2010-11, RE for 2011-12 and BE for 2012-13 for select indicators are presented in MTFPS (**Appendix 1.3 Part-C**).

Definitions of the selected terms used in assessing the trends and patterns of fiscal aggregates are also given below:

DEFINITIONS OF SELECTED TERMS USED IN ASSESSING THE TRENDS AND PATTERN OF FISCAL AGGREGATES

Terms	Basis of calculation
Buoyancy of a parameter	Rate of Growth of the parameter/GSDP Growth
Buoyancy of a parameter (X) With respect to another parameter (Y)	Rate of Growth of parameter (X)/ Rate of Growth of parameter (Y)
Rate of Growth (ROG)	$[(\text{Current year Amount} / \text{Previous year Amount}) - 1] * 100$
Development Expenditure	Social Services + Economic Services
Average interest paid by the State	$\text{Interest payment} / [(\text{Amount of previous year's Fiscal Liabilities} + \text{Current year's Fiscal Liabilities}) / 2] * 100$
Interest spread	GSDP growth – Average Interest Rate
Quantum spread	Debt stock * Interest spread
Interest received as <i>per cent</i> to Loans Outstanding	$\text{Interest Received} / [(\text{Opening balance} + \text{Closing balance of Loans and Advances}) / 2] * 100$
Revenue Deficit	Revenue Receipt - Revenue Expenditure
Fiscal Deficit	Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts – Miscellaneous Capital Receipts
Primary Deficit	Fiscal Deficit – Interest payments
Balance from Current Revenue (BCR)	Revenue Receipts minus all Plan grants and Non-plan Revenue Expenditure excluding expenditure recorded under the major head 2048 – Appropriation for reduction of Avoidance of debt
Sufficiency of Non-debt receipts (Resource Gap)	Incremental Non-debt Receipts - (Incremental Primary Expenditure + Incremental Interest Payment)

APPENDIX-1.3
PART C (Concluded)
TREND IN SELECT FISCAL INDICATORS
(REFERENCE: PARAGRAPH 1.1 AND 1.1.2, Page 2, 4)

(₹ in crore)

Sl. No.	Fiscal Indicators	2010-11 Account	Previous Year	Current Year	Percentage change in previous year over 2010-11	Percentage change in current year over previous year
			2011-12 R.E.	2012-13 B.E.		
1	2	3	4	5	6	7
1	Revenue Receipts (2+3+4)	51854.18	63535.25	69913.51	22.53	10.04
2	Tax Revenue (2.1+2.2)	37057.85	44674.90	49916.44	20.55	11.73
2.1	State Tax	21419.34	25888.43	28311.96	20.86	9.36
2.2	Share in Central Taxes	15638.51	18786.47	21604.48	20.13	15.00
3	Non-Tax Revenue	5719.77	6991.20	7326.89	22.23	4.80
4	Grant-in-aid from Central Government	9076.56	11869.15	12670.18	30.77	6.75
5	Capital Receipts (6+7+8)	5009.65	19731.74	10086.73	293.87	-48.88
6	Recovery of loans and advances	401.84	9171.97	99.48	2182.49	-98.92
7	Net public debt	4928.71	7434.17	9460.35	50.83	27.25
8	Net Receipts from Public Account	-320.90	3125.60	526.90	-1074.01	-83.14
9	Total Receipts (1+5)	56863.83	83266.99	80000.24	46.43	-3.92
10	Revenue Expenditure (10.1+10.2)	45011.59	55744.10	63543.50	23.84	13.99
10.1	Non-Plan Revenue Expenditure	32100.87	39200.52	44597.10	22.12	13.77
10.2	Plan Revenue Expenditure	12910.72	16543.58	18946.40	28.14	14.52
10.3	Revenue Expenditure Of which					
10.3.1	Interest payments	5048.95	5666.73	6275.08	12.24	10.74
10.3.2	Subsidies	16709.14	20032.19	22768.08	19.89	13.66
10.3.3	Wages & Salaries	13290.76	17035.33	19901.04	28.17	16.82
10.3.4	Pension Payments	3766.53	4968.05	5825.85	31.90	17.27
11	Capital Expenditure (11.1+11.2)	8799.88	9274.61	10820.22	5.39	16.66
11.1	Non-Plan Capital Expenditure	142.81	45.98	46.05	-67.80	0.15
11.2	Plan Capital Expenditure	8657.07	9228.63	10774.17	6.60	16.75
12	Loans and Advances (12.1+12.2)	3716.58	15619.46	5667.26	320.26	-63.72
12.1	Non- Plan Loans and Advances	2763.51	14068.40	3644.35	409.08	-74.10
12.2	Plan Loans and Advances	953.07	1551.06	2022.91	62.74	30.42
13	Total Expenditure (13.1+13.2)	57528.05	80638.17	80030.98	40.17	-0.75
13.1	Non-Plan Expenditure (10.1+11.1+12.1)	35007.19	53314.90	48287.50	52.30	-9.43
13.2	Plan Expenditure (10.2+11.2+12.2)	22520.86	27323.27	31743.48	21.32	16.18
14	Revenue Deficit (1-10)	6842.59	7791.15	6370.01	13.86	-18.24
15	Fiscal Deficit (1+6-13)	-5272.03	-7930.95	-10017.99	50.43	26.32
16	Primary Deficit [1+6-(13-10.3.1)]	-223.08	-2264.22	-3742.91	914.98	65.31

APPENDIX-1.4
TIME SERIES DATA ON THE STATE GOVERNMENT FINANCES
(REFERENCE: PARAGRAPHS 1.1, 1.9.2 AND 1.10.4; PAGE 2, 36, 40)

(₹ in crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
Part A. Receipts					
1. Revenue Receipts	33577(39)	41395(40)	51854(41)	62604(41)	70427(43)
(i) Tax Revenue	13614(41)	17273(42)	21419(41)	26973(43)	30582(43)
Taxes on Agricultural Income	--	--	--	--	--
Taxes on Sales, Trade, etc	6843(50)	7724 (45)	10257(48)	12517(46)	14856(49)
State Excise	2302(17)	2952 (17)	3603(17)	4317(16)	5078(17)
Taxes on Vehicles	773(6)	919 (5)	1198(6)	1357(5)	1531(5)
Stamps and Registration fees	1479(11)	1783 (10)	2514(12)	3284(12)	3944(13)
Land Revenue	339(2)	180 (1)	361(2)	279(1)	444(1)
Taxes on Goods and Passengers	1333(10)	1333 (8)	1746(8)	2047(8)	2395(8)
Other Taxes	545(4)	2382 (14)	1740(8)	3172(12)	2334(8)
(ii) Non-Tax Revenue	3343(10)	6382 (15)	5720(11)	7483(12)	7000(10)
(iii) State's share of Union taxes and duties	10767(32)	11077(27)	15638(30)	18219(29)	20805(30)
(iv) Grants-in-Aid from Government of India	5853(17)	6663 (16)	9077(18)	9929(16)	12040(17)
2. Miscellaneous Capital Receipts	24	22	367	23	31
2A. Inter-State settlement	1	3	2	3	9
3. Recoveries of Loans and Advances	54	23	34	9123	33
4. Total Revenue and Non- debt capital receipts (1+2+2A+3)	33656	41443	52257	71753	70500
5. Public Debt Receipts	6553(8)	8603(8)	7458(6)	6750(4)	8791
Internal Debt (excluding Ways and Means Advances and Overdrafts)	5399(82)	7258 (84)	6363(85)	5718(85)	7234(82)
Net transactions under Ways and Means Advances and Overdrafts	--	--	--	--	--
Loans and Advances from Government of India	1154(18)	1345 (16)	1095(15)	1032(15)	1557(18)
6. Total Receipts in the Consolidated Fund (4+5)	40209	50046	59715	78503	79291
7. Contingency Fund Receipts	--	--	--	100	--
8. Public Account Receipts	46460(54)	52353(51)	65675(52)	76315(49)	86248(52)
9. Total Receipts of the State (6+7+8)	86669	102399	125390	154918	165539
Part B. Expenditure/Disbursement					
10. Revenue Expenditure	29514(77)	35897(75)	45012(78)	52694(68)	62968(79)
Plan	7622(26)	9838 (27)	12911(29)	16017(30)	18349(29)
Non- Plan	21892(74)	26059(73)	32101(71)	36677(70)	44619(71)
General Services (including interest payments)	10162(34)	12014(34)	14647(33)	16229(31)	17705(28)
Social Services	10146(34)	12962 (36)	17345(39)	20297(38)	24375(39)
Economic Services	7431(25)	8371 (23)	10084(22)	12965(25)	16823(27)
Grants-in-Aid and Contributions	1775(6)	2550 (7)	2935(7)	3203(6)	4065(6)
11. Capital Expenditure	6713(18)	7925 (17)	8800(15)	9055(12)	11567(14)
Plan	6503(97)	7864 (99)	8657(98)	9023(100)	11543(100)
Non- Plan	210(3)	61 (1)	143(2)	32(0)	24(0)
General Services	125(2)	119 (1)	179(2)	167(2)	205(2)
Social Services	1295(19)	1178 (15)	1532(17)	1599(18)	1621(14)
Economic Services	5293(79)	6628 (84)	7089(81)	7289(80)	9741(84)

(₹ in crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
12. Disbursement of Loans and Advances	1861(5)	3817 (8)	3715(6)	15760(20)	5378(7)
13. Inter-state settlement	1	3	2	4	7
14. Total (10+11+12+13)	38089	47642	57529	77513	79920
15. Repayments of Public Debt	1961	2394	2529	3150	3584
Internal Debt (excluding Ways and Means Advances and Overdrafts)	1516	1938	2012	2520	2936
Net transactions under Ways and Means Advances and Overdraft	--	--	--	--	--
Loans and Advances from Government of India	445	456	517	630	648
16. Appropriation to Contingency Fund	--	--	--	100	--
17. Total disbursement out of Consolidated Fund (14+15+16)	40050	50036	60058	80763	83504
18. Contingency Fund disbursements	--	--	--	--	--
19. Public Account disbursements	45989	50872	62344	73279	82736
20. Total disbursement by the State (17+18+19)	86039	100908	122402	154042	166240
Part C. Deficits					
21. Revenue Deficit(-)/Revenue Surplus (+) (1-10)	4063	5498	6842	9910	7459
22. Fiscal Deficit (-)/Fiscal Surplus (+) (4-14)	-4433	-6199	-5272	-5760	-9420
23. Primary Deficit(-)/Surplus(+) (22+24)	-241	-1745	-223	-460	-3846
Part D. Other data					
24. Interest Payments (included in revenue expenditure)	4192	4454	5049	5300	5574
25. Financial Assistance to local bodies etc.	1087	1434	9117	10830	13487
26. Ways and Means Advances/Overdraft availed (days)	--	--	--	--	--
Ways and Means Advances availed (days)	2	--	--	--	--
Overdraft availed (days)	--	--	--	--	--
27. Interest on Ways and Means Advances/ Overdraft	0.01/00	--	--	--	--
28. Gross State Domestic Product (GSDP) ¹	197276	227984	260198	309687	361874
29. Outstanding Fiscal liabilities (year end)	60432	67853	75504	81757	90168
30. Outstanding guarantees (year end) (including interest)	1930	1630	5111	5605	7720
31. Maximum amount guaranteed (year end)	11991	11823	8439	11108	14752
32. Number of incomplete projects	NA	NA	NA	45	55 ²
33. Capital blocked in incomplete projects	NA	NA	NA	9356.46	2412.53 ²
Part E: Fiscal Health Indicators					
I Resource Mobilization					
Own Tax revenue/GSDP (per cent)	6.90	7.58	8.23	8.71	8.45
Own Non-Tax Revenue/GSDP (per cent)	1.69	2.80	2.20	2.42	1.93
Central Transfers ³ /GSDP (per cent)	8.42	7.78	9.50	9.09	9.08
Revenue Buoyancy with reference to State's own taxes	0.70	0.87	1.05	0.80	0.93

NA: Not Available

¹ Revised GSDP figures as communicated by the Government adopted.² Information made available by the concerned Department.³ Central Transfers comprising of Share of Union Taxes/Duties and Grants from GoI.

(₹ in crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
II Expenditure Management					
Total Expenditure/GSDP (<i>per cent</i>)	19.31	20.90	22.11	25.03	22.09
Total Expenditure/Revenue Receipts (<i>per cent</i>)	113.44	115.09	110.94	123.81	113.48
Revenue Expenditure/Total Expenditure (<i>per cent</i>)	77.49	75.35	78.24	67.98	78.79
Expenditure on General Services/Total Expenditure (<i>per cent</i>)	27.08	25.56	25.81	21.16	22.47
Expenditure on Social Services/Total Expenditure (<i>per cent</i>)	30.65	30.10	33.14	28.43	32.69
Expenditure on Economic Services/Total Expenditure (<i>per cent</i>)	37.61	38.98	35.93	46.28	39.75
Capital Expenditure/Total Expenditure (<i>per cent</i>)	17.62	16.63	15.30	11.68	14.47
Capital Expenditure on Social and Economic Services/Total Expenditure (<i>per cent</i>)	17.29	16.38	14.99	11.47	14.22
III Management of Fiscal Imbalances					
Revenue Deficit(-)/Surplus(+)/GSDP	+2.06	+2.41	+2.63	+3.20	+2.06
Fiscal Deficit(-)/GSDP (<i>per cent</i>)	-2.25	-2.72	-2.03	-1.86	-2.60
Primary Deficit(-)/Surplus(+)/GSDP	-0.12	-0.77	-0.09	-0.15	-1.06
Revenue Deficit/Fiscal Deficit	NA	NA	NA	NA	NA
Primary Revenue Balance/GSDP (<i>per cent</i>)	12.84	13.79	15.36	15.30	15.86
IV Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP	30.63	29.76	29.02	26.40	24.92
Fiscal Liabilities/RR	179.98	163.92	145.61	130.59	128.03
Primary Deficit <i>vis-a-vis</i> Quantum Spread	(+)3764	(+)2117	(+)8333	(+)10390	(+)4632
Debt Redemption (Principal +Interest)/ Total Debt Receipts (Ratio)	0.95	0.84	0.87	0.95	0.86
V Other Fiscal Health Indicators					
Return on Investment (₹ in crore and <i>per cent</i> in bracket)	69.05 (0.72)	49.75 (0.43)	32.20 (0.26)	37.98 (0.29)	18.38 (0.13)
Balance from Current Revenue (₹ in crore)	6846	10206	12313	18112	14101
Financial Assets/Liabilities	1.01	0.91	0.82	0.72	0.67

Figures in brackets represent percentages (rounded) to total of each sub-heading

Explanatory Notes for Appendices 1.4 and 1.5

- The abridged accounts in the foregoing statements have to be read with comments and explanations in the Finance Accounts. Government accounts being mainly on cash basis the deficit on Government account as shown in **Appendix 1.5** indicates the position on cash basis as opposed to accrual basis in commercial accounting. Consequently items payable or receivable or items like depreciation or variation in stock figures etc. do not figure in the accounts. Suspense and Miscellaneous balances include cheques issued but not paid payments made on behalf of the State and other pending settlements etc.
- At the close of March 2013 accounts, there remained a difference of ₹ 17.43 crore (Debit) between the figures of ₹ 262.75 crore (Credit) reflected in accounts and those intimated by RBI ₹ 280.18 crore (Debit) under "Deposits with Reserve Bank". After close of May 2013 accounts, the net difference to be reconciled was ₹ 18.36 crore (Debit). The difference under Deposits with Reserve Bank is due to misreporting of transactions by Agency Bank to RBI and Treasury Officers in the accounts.
- NA-Not Applicable as the State has maintained Revenue Surplus since 2004-05 to the current year.

APPENDIX-1.5
PART A
ABSTRACT OF RECEIPTS AND DISBURSEMENTS FOR THE YEAR 2012-13
(REFERENCE: PARAGRAPH 1.1.1, PAGE 2)

(₹ in crore)

Receipts				Disbursements				
						2012-13		
2011-12		2012-13	2011-12		Non-plan	Plan	Total	
Section-A: Revenue								
62604.07	I	Revenue Receipts	70427.28	52693.71	Revenue Expenditure	44619.20	18349.33	62968.53
26973.44		- Tax Revenue	30581.70	16228.64	General Services	17613.11	92.03	17705.14
				20296.94	Social Services	12686.85	11688.62	24375.47
7482.73		- Non-Tax Revenue	7000.22	9808.89	-Education, Sports, Art and Culture	8134.29	2762.13	10896.42
				2431.38	-Health and Family Welfare	2014.77	1113.45	3128.22
18219.13		-State's Share of Union Taxes	20805.16	1803.83	-Water Supply, Sanitation Housing and Urban Development	910.41	1831.08	2741.49
2113.47		-Non Plan Grants	332.93	92.48	- Information and Broadcasting	143.38	5.87	149.25
				1809.68	-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	357.92	1920.01	2277.93
4215.28		-Grants for State Plan Schemes	7099.43	167.60	-Labour and Labour Welfare	135.77	53.95	189.72
				4151.89	-Social Welfare and Nutrition	899.64	4002.13	4901.77
3600.02		-Grants for Central and Centrally Sponsored Plan Schemes	4607.84	31.19	-Others	90.67	-	90.67
				12964.91	Economic Services	11019.66	5803.69	16823.35
				5029.90	-Agriculture and Allied Activities	3778.15	2242.93	6021.08
				2922.22	-Rural Development	1156.29	2583.99	3740.28
				654.09	-Irrigation and Flood Control	514.91	205.21	720.12
				2070.86	-Energy	2441.61	358.00	2799.61
				1207.50	-Industries and Minerals	1781.25	279.32	2060.57
				891.88	-Transport	1277.74	0.07	1277.81
				46.84	-Science, Technology and Environment	5.55	57.78	63.33
				141.62	-General Economic Services	64.16	76.39	140.55
				3203.22	Grants-in-aid and Contributions	3299.57	765.00	4064.57
	II	Revenue Deficit carried over to Section B		9910.36	Revenue Surplus carried over to Section B			7458.75
62604.07		Total	70427.28	62604.07	Total			70427.28

Section B							
6900.44	III	Opening Cash Balance including Permanent Advances and Cash Balance Investment	7775.88	--	Opening Overdraft from RBI		
22.65	IV	Miscellaneous Capital Receipts	31.45	9055.16	Capital Outlay	23.91	11542.98
				167.16	General Services	4.73	200.16
				1599.12	Social Services	9.68	1611.31
				171.72	-Education, Sports, Art and Culture		147.02
				141.57	-Health and Family Welfare	3.49	173.31
				743.38	-Water Supply, Sanitation, Housing and Urban Development	-	827.32
					- Information and Broadcasting	-	-
				420.74	-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	-	440.60
				107.28	-Social Welfare and Nutrition	6.19	2.26
				14.43	-Other Social Services		20.80
				7288.88	Economic Services	9.50	9731.51
				127.48	-Agriculture and Allied Activities	-	345.60
				974.37	-Rural Development	-	1451.76
				3317.73	-Irrigation and Flood control	-	4268.95
				1025.83	-Energy	-	1226.49
				39.19	-Industries and Minerals	9.50	203.97
				1728.41	-Transport	-	2115.75
				3.85	-Science, Technology and Environment	-	29.00
				72.02	-General Economic Services	-	89.99
9122.56	V	Recoveries of Loans and Advances	32.53	15760.56	Loans and Advances disbursed	3842.13	1536.12
9084.67		-From Power Projects	--	15100.22	-For Power Projects	3770.64	786.63
					-For Agriculture and Allied Activities		310.33
					-For Industries and Minerals		336.08
-0.10		-From Government Servants	0.17	0.04	-To Government Servants	0.01	--
37.99		-From Others	32.36	660.30	-To Others	71.48	749.49
2.65	VI	Inter-State Settlement	9.14	3.70	Inter- State Settlement		7.02

9910.36	VII	Revenue Surplus brought down	7458.75		Revenue Deficit brought down			
6750.25	VIII	Public Debt Receipt	8791.16	3149.79	Repayment of Public Debt			3583.94
5717.65		-Internal Debt other than Ways and Means Advances and Overdraft	7233.85	2520.28	-Internal Debt other than Ways and Means Advances and Overdraft			2935.53
		Net transactions under Ways and Means Advances	-	--	Net transactions under Ways and Means Advances			-
		Net transactions under Overdraft	-	--				
1032.60		-Loans and Advances from Central Government	1557.31	629.51	-Repayment of Loans and Advances to Central Government			648.41
--	IX	Appropriation to the Contingency Fund	--	100.00	Appropriation to the Contingency Fund			-
100.00	X	Amount transferred to Contingency Fund	--	--	Expenditure from Contingency Fund			-
76315.22	XI	Public Account Receipts	86247.57	73279.04	Public Account Disbursements			82735.57
2033.07		-Small Savings and Provident Funds	2319.03	1335.10	-Small Savings and Provident Funds			1481.96
1534.55		-Reserve Funds	2441.27	342.74	-Reserve Funds			421.48
50619.85		-Suspense and Miscellaneous	59818.65	50648.06	-Suspense and Miscellaneous			59911.79
12256.15		-Remittances	15167.15	11865.16	-Remittances			14766.89
9871.60		-Deposits and Advances	6501.47	9087.98	-Deposits and Advances			6153.45
	XII	Closing Overdraft from Reserve Bank of India	--	7775.88	Cash Balance at the end of the year			7074.81
				2.61	-Cash in Treasuries and Local Remittances			--
				692.55	-Deposits with Reserve Bank			(-262.75 ⁴)
				3.29	-Departmental Cash Balance including Permanent Advances			133.05
				7077.43	-Cash Balance Investment and Investment of Earmarked Funds			7204.51
171728.20		Total	180773.76	171728.20	Total			180773.76

⁴ At the close of March 2013 accounts, there remained a difference of ₹17.43 crore (Debit) between the figures of ₹262.75 crore (Credit) reflected in accounts and those intimated by RBI ₹280.18 crore (Debit) under "Deposits with Reserve Bank". After close of May 2013 accounts, the net difference to be reconciled was ₹18.36 crore (Debit). The difference under Deposits with Reserve Bank is due to misreporting of transactions by Agency Bank to RBI and Treasury Officers in the accounts.

APPENDIX-1.5 CONTD...
PART B (CONCLUDED)
SUMMARISED FINANCIAL POSITION OF THE GOVERNMENT OF MADHYA
PRADESH AS ON 31 MARCH 2013
(REFERENCE: PARAGRAPH 1.9.1, PAGE 35)

(₹ in crore)

As on 31.03.2012	Liabilities	As on 31.03.2013
50011.01	Internal Debt -	54309.33
28043.60	Market Loans bearing interest	31406.58
0.38	Market Loans not bearing interest	0.43
105.48	Loans from Life Insurance Corporation of India	94.37
5780.53	Loans from other Institutions	6001.52
16081.02	Special Securities issued to NSS Fund of Central Government	16806.00
Nil	Ways and Means Advances (including interest paid)	Nil
Nil	Overdrafts from Reserve Bank of India	Nil
11358.91	Loans and Advances from Central Government -	12267.81
1.88	Pre 1984-85 Loans	1.88
53.87	Non-Plan Loans	50.17
11303.16	Loans for State Plan Schemes	12215.76
--	Loans for Central Plan Schemes	--
--	Loans for Centrally Sponsored Plan Schemes	--
200.00	Contingency Fund	200.00
9916.31	Small Savings, Provident Funds etc.	10752.33
7300.27	Deposits	7649.77
3567.37	Reserve Funds	5587.16
166.06	Suspense and Miscellaneous balances	87.81
680.39	Remittance Balance	1080.65
83200.32	Total	91934.86
	Assets	
76917.21	Gross Capital Outlay on Fixed Assets -	88452.66
13183.59	Investments in shares of Companies, Corporations etc.	14656.50
63733.62	Other Capital Outlay	73796.16
21742.39	Loans and Advances -	27088.10
17359.84	Loans for Power Projects	21917.11
4353.52	Other Development Loans	5142.12
29.03	Loans to Government servants and Miscellaneous loans	28.87
11.00	Advances	12.49

(₹ in crore)

As on 31.03.2012	Assets	As on 31.03.2013
--	Remittance Balances	--
7775.88	Cash -	7074.81
2.61	Cash in Treasuries and Local Remittances	--
692.55	Deposits with Reserve Bank	(-)262.75 ⁵
3.29	Departmental Cash Balance including Permanent Advances	133.05
6680.13	Cash Balance Investments	6806.45
397.30	Reserve Fund Investments	398.06
-23246.16⁶	Deficit on Government Account -	-30693.20
-9910.36	(i) Less Revenue Surplus of the current year	-7458.75
1.05	(a) Inter-State Settlement	-2.14
2.68	(b) Amount closed to Government account	14.89
-1.11	(c) Proforma adjustment during the year	-1.04
100.00	(d) Contingency Fund	--
-13438.42	Accumulated deficit at the beginning of the year	-23246.16
83200.32	Total	91934.86

⁵ At the close of March 2013 accounts, there remained a difference of ₹17.43 crore (Debit) between the figures of ₹262.75 crore (Credit) reflected in accounts and those intimated by RBI ₹280.18 crore (Debit) under "Deposits with Reserve Bank". After close of May 2013 accounts, the net difference to be reconciled was ₹18.36 crore (Debit). The difference under Deposits with Reserve Bank is due to misreporting of transactions by Agency Bank to RBI and Treasury Officers in the accounts.

⁶ Differs from figures in Statement no.1 of Finance Accounts due to rounding off ₹0.01 crore in Remittance Balances and ₹0.01 crore in Suspense and Miscellaneous Balances.

APPENDIX 1.6

**DETAILS OF SCHEMES IN WHICH EXPENDITURE WAS LESS THAN THE
PRESCRIBED PERCENTAGE IN GENDER BUDGET 2012-13**

(REFERENCE: PARAGRAPH 1.1.4; PAGE 6)

(₹ in crore)

Scheme	Outlay	Expenditure	Percentage	Reasons for non-utilisation of outlay
CATEGORY 1				
Security and assistance centres for women against domestic violence (Usha Kiran)	2.20	0.94	43	Non-receipt of proposal of grants for operation of shelter home and consulting centres
Schemes under Women Welfare Funds	0.75	0.39	52	Non-organization of international women day on 8 March
Indira Gandhi Mother Assistance Scheme (IGMSY)	21.98	15.25	69	Non-availability of beneficiaries
CATEGORY 2				
Atal Bal Arogya Mission	25.28	8.91	35	Non-submission of work plan by the Districts
Construction of Anganwadi Centres	100.00	Nil	Nil	Delayed receipt of funds from the 13 th Finance Commission
Construction of Building Directorate	0.50	Nil	Nil	Non-receipt of sanction of competent financial committee
Integrated Child Protection Schemes	30.05	14.63	49	Non-receipt of Central share
Maintenance of building of women and child Development	5.00	1.49	30	Non-drawal of the funds by the districts
Probation unit	1.56	0.45	29	Posts remaining vacant
Construction of Anganwadi centres by pre-feb technic under NABARD	50.00	Nil	Nil	Non-completion of tender process

(Source: Information made available by the Finance Department)

APPENDIX-1.7
DETAILS OF SUBSIDIES PAYMENT DURING 2011-12 AND 2012-13
(REFERENCE: PARAGRAPH 1.6.4, PAGE 25)

(₹ in crore)

Sl. No.	Department	Description and Head of Account	2011-12			2012-13		
			Non-Plan	Plan (including CSS and CP)	Total	Non-Plan	Plan (including CSS and CP)	Total
1	2	3	4	5	6	7	8	9
1	Animal Husbandry	2403-Animal Husbandry	--	4.72	4.72	--	6.75	6.75
2	Ayush	2210-Medical and Public Health	--	--	--	0.02	--	0.02
3	Bio-Diversity and Bio-Technology	3425-Other Scientific Research	--	--	--	--	0.54	0.54
4	Commerce, Industries and Employment	2230-Labour and Employment	1.84	--	1.84	2.06	--	2.06
5	Commerce, Industries and Employment	2851-Village and Small Industries	--	35.02	35.02	--	40.10	40.10
6	Commerce, Industries and Employment	2852-Industries	0.08	113.94	114.02	0.31	102.26	102.57
7	Co-operation	2425-Co-operation	--	240.34	240.34	--	250.82	250.82
8	Culture	2205-Art and Culture	--	--	--	--	0.02	0.02
9	Energy	2801-Power	1344.45	207.00	1551.45	2440.90	232.00	2672.90
10	Farmers Welfare and Agriculture Development	2401-Crop Husbandry	3.73	401.21	404.94	--	275.75	275.75
11	Finance	2052-Secretariat General Service	--	25.38	25.38	--	--	--
12	Fisheries	2405-Fisheries	--	--	--	0.10	5.31	5.41
13	Food and Civil Supplies	2408-Food Storage and Warehousing	40.00	--	40.00	1470.22	22.80	1493.02
14	Forest	2406-Forestry and Wild Life	0.06	--	0.06	0.06	--	0.06
15	General Administration	2012-President, Vice-President/ Governor, Administrator of Union Territories	0.24	--	0.24	0.26	--	0.26
16	General Administration	2013-Council of Ministers	52.91	--	52.91	60.73	--	60.73
17	General Administration	2235-Social Security and Welfare	1.80	--	1.80	1.89	--	1.89

1	2	3	4	5	6	7	8	9
18	Higher Education	2202-General Education	--	1.01	1.01	--	4.54	4.54
19	Home	2235-Social Security and Welfare	0.80	--	0.80	--	--	--
20	Home	2055-Police	0.60	--	0.60	0.60	--	0.60
21	Horticulture and food Processing	2401-Crop Husbandry	--	69.75	69.75	--	21.71	21.71
22	Information Technology	3425-Other Scientific Research	--	--	--	--	10.98	10.98
23	Man power Planning	2203-Technical Education	0.50	3.29	3.79	--	5.19	5.19
24	Man power Planning	2230-Labour and Employment	--	0.15	0.15	--	0.44	0.44
25	New and Renewal Energy	2810-Non-Conventional Sources of Energy	--	6.01	6.01	--	16.15	16.15
26	Planning Economics and Statistics	2515-Other Rural Development Programmes	18.34	--	18.34	18.47	--	18.47
27	Public Health and Family Welfare	2210-Medical and Public health	65.00	--	65.00	77.87	--	77.87
28	Public Relation	2220-Information and Publicity	0.35	--	0.35	1.00	--	1.00
29	Religious Trust and Endowment	2250-Other Social Service	0.03	--	0.03	59.50	--	59.50
30	Revenue	2245-Relief on account of Natural Calamity	12.81	--	12.81	14.00	--	14.00
31	Rural Development	2216-Housing	--	--	--	--	71.49	71.49
32	Schedule Tribes Welfare	2202-General Education	--	39.52	39.52	--	--	--
33	Schedule Tribes Welfare	2225-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	--	--	--	--	3.30	3.30
34	Schedule Caste Welfare	2202-General Education	--	36.99	36.99	--	--	--
35	Schedule Caste Welfare	2225-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	--	--	--	--	17.33	17.33
36	School Education	2202-General Education	--	172.52	172.52	--	283.39	283.39
37	Science And Technology	3425-Other Scientific Research	--	--	--	--	7.95	7.95
38	Social Justice	2052-Secretariat General Service	--	--	--	--	20.29	20.29

1	2	3	4	5	6	7	8	9
39	Social Justice	2235-Social Security and Welfare	--	0.47	0.47	--	78.96	78.96
40	Sports and Youth Services	2204-Sports and Youth Services	--	--	--	0.22	25.59	25.81
41	Urban Administration and Development	2217-Urban Development	--	14.00	14.00	--	10.10	10.10
42	Village Industries	2851-Village and Small Industries	--	11.17	11.17	--	20.24	20.24
43	Welfare Of Backward Class And Minorities	2225- Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	--	0.25	0.25	--	0.10	0.10
44	Women and Child Welfare	2235-Social Security and Welfare	--	--	--	--	15.10	15.10
Total			1543.54	1382.73	2926.27	4148.21	1549.20	5697.41

APPENDIX-1.8
DEVOLUTION OF FUNCTIONS BY STATE GOVERNMENT TO URBAN
LOCAL BODIES

(REFERENCE: PARAGRAPH 1.6.5.1; PAGE 26)

S No.	Name of Function
1.	Urban Planning including Town Planning;
2.	Regulation of land-use and construction of buildings
3.	Planning for economic and social development
4.	Roads and bridges;
5.	Water supply for domestic, industrial and commercial purposes
6.	Public health, sanitation conservancy and solid waste management
7.	Fire services
8.	Urban forestry, protection of the environment and promotion of ecological aspects
9.	Safeguarding the interests of weaker sections of society, including the handicapped and mentally retarded
10.	Slum improvement and upgradation
11.	Urban poverty alleviation
12.	Provision of Urban amenities and facilities such as parks, gardens, playgrounds
13.	Promotion of cultural, educational and aesthetic aspects
14.	Burials and burial grounds; cremations, cremation grounds and electric crematoriums
15.	Cattle pounds, prevention of cruelty to animals
16.	Vital Statistics including registration of birth and deaths
17.	Public amenities including street lighting, parking lots, bus stops and public conveniences
18.	Regulation of slaughter houses and tanneries

APPENDIX-1.9
PART A
DETAILS OF INCOMPLETE PROJECTS IN WHICH INITIAL BUDGETED COST
HAVE BEEN REVISED-
WATER RESOURCES DEPARTMENT
(REFERENCE: PARAGRAPH 1.8.1; PAGE 32)

(₹ in crore)

Department	S.No.	Name of Incomplete Projects	Initial Budgeted Cost (Col.4)	Revised Total Cost of Projects (Col.5)	Cost Overrun (Col.5-Col.4)	Cumulative Actual Expenditure (March 2013)
1	2	3	4	5	6	7
Water Resources Division, Narsinshgarh	1	Jarkheda Tank	209.15	466.23	257.08	348.45
	2	Narayanpura Tank	189.00	408.16	219.16	271.46
S.A.S Dn. Vidisha	1	Barrow Minor Scheme	8.13	17.40	9.27	8.55
WRD Gwalior	1	Parsen Tank	5.43	10.00	4.57	7.79
	2	Sindh Ramowa	5.96	19.52	13.56	15.23
	3	Upper Kaketo Project	183.07	254.37	71.30	127.72
	4	Sindh Phase I	12.86	56.43	43.57	77.71
WR Division Rewa	1	Narwar Tank	2.02	2.68	0.66	0.00
	2	Kaduawan Tank	3.83	6.10	2.27	3.81
	3	Patanari Tank	2.17	3.41	1.24	1.89
	4	Juda Tank	3.74	5.91	2.17	4.55
Mahan Canal Division Sidhi	1	Mahan Project	140.86	486.96	346.10	418.56
WR Division Shajapur	1	Piliyakhal Tank	12.83	25.00	12.17	21.06
	2	Kham Tank	2.40	4.35	1.95	3.33
Kutni Dam Division Khajwa, Rajnagar Distt-Chhatarpur	1	Kutni Feeder Reservoir (Bariyarpur Left Canal Project Unit-I)	190.86	545.90	355.04	170.47
	2	Singhpur Barrage Project (Medium)	94.38	260.63	166.25	133.76
Harsi High Level Canal Division Dabra	1	Sindh Project Phase-II	78.13	620.42	542.29	151.89
Gandhisagar Dam Division	1	Goverdhanpura Tank	1.58	2.45	0.87	1.00
	2	Rajpuriya LIS	1.53	6.62	5.09	1.56
WR Division Barwani	1	Badgaon Tank	7.25	9.13	1.88	9.52
WR Division Narsinghpur	1	Alod Tank	2.73	8.00	5.27	4.30
	2	Dobh Tank	1.99	3.82	1.83	1.38
	3	Gadarwarakheda Tank	2.09	4.64	2.55	1.27
Hiran Division Jabalpur	1	Dungargawa Tank	2.03	3.81	1.78	2.47
Total	24		1164.02	3231.94	2067.92	1787.73

Col.: Column

(Source: Information made available by the concerned Department)

APPENDIX-1.9

PART B (COND...)

DETAILS OF INCOMPLETE PROJECTS IN WHICH INITIAL BUDGETED COST HAVE NOT BEEN REVISED –WATER RESOURCES DEPARTMENT

(REFERENCE: PARAGRAPH 1.8.1; PAGE 32)

(₹ in Lakh)

Division/Zone	S.No.	Name of Incomplete Project	Initial Budgeted Cost	Revised Total Cost of Projects	Cost Overrun	Cumulative Actual Expenditure (March 2013)
1	2	3	4	5	6	7
EE Kolar canal Division Nasrullaganj	1	Mardanpur lift irrigation Scheme	16.28	--	0.00	11.40
	2	Strengthening of canal of LMBC Kolar Project	8.15	--	0.00	7.24
WRD Division Rewa	1	Sankarpur Tank	3.80	--	0.00	2.75
	2	Papura Weir Stop Dam	3.79	--	0.00	0.88
WRD Division Ujjain	1	Pentisa Tank	672.26	--	0.00	487.59
EE WRD Division II Betul	1	Godhna Tank	13.02	--	0.00	9.99
	2	Bakud Tank	16.35	--	0.00	14.42
	3	Maru Tank	8.49	--	0.00	7.43
	4	Batki Tank	1.83	--	0.00	0.85
	5	Kaudi Tank	5.27	--	0.00	3.73
	6	Chilkapur Tank	5.09	--	0.00	3.14
	7	Jamjhiri Tank	2.35	--	0.00	0.83
	8	Kuadiya Tank	5.19	--	0.00	3.06
	9	Saliwada Tank	6.41	--	0.00	3.05
WRD Khandwa	1	Ardala Tank	9.19	--	0.00	5.17
	2	Navli Tank	9.54	--	0.00	7.04
	3	Itwamamahdoh Tank	2.66	--	0.00	2.21
	4	Medhapani Tank	4.30	--	0.00	3.50
WRD Barwani	1	Ambafaliya Tank	2.49	--	0.00	1.43
WRD Narsinghpur	1	Neelkund Ghat FPS	1.90	--	0.00	1.10
WR Division Nowgaon	1	Baxwaha Tank	3.78	--	0.00	2.59
	2	Khiriya Buzurg Tank	8.02	--	0.00	6.71
	3	Bhelda Tank	3.77	--	0.00	2.58
	4	Gonchi Tank	4.07	--	0.00	2.43
	5	Tendua Tank	3.20	--	0.00	3.96
Total	25		821.20	--	0.00	595.08

(Source: Information made available by the concerned Department)

Total initial cost of (24 +25+06) 55 projects = (1164.02+821.20 + 19.51) = 2004.73

Total cumulative actual expenditure of (24+25+06) 55 projects as on 31.03.2013= (1787.73 + 595.08+29.72) = 2412.53

APPENDIX 1.9

PART C (CONCLUDED)

**DETAILS OF INCOMPLETE PROJECTS IN WHICH THE ACTUAL
EXPENDITURE IS MORE THAN THE INITIAL BUDGET BUT COST OF
PROJECTS HAS NOT BEEN REVISED WATER RESOURCES DEPARTMENT**

(REFERENCE: PARAGRAPH 1.8.1; PAGE 32)

(₹ in crore)

Division/Zone	S.No.	Name of incomplete project	Initial Budgeted Cost	Revised Total Cost of Projects	Cost Overrun (Col.7-col.4)	Cumulative Actual Expenditure (March 2013)
1	2	3	4	5	6	7
WR Division Nowgaon	1	Kushmar Tank	2.24	--	2.01	4.25
	2	Didonia Tank	1.86	--	1.12	2.98
	3	Rajiya Tank	2.82	--	3.41	6.23
	4	Pali Tank	2.66	--	0.44	3.10
	5	Mamon Tank	5.75	--	2.90	8.65
	6	Benisagar Diversion Canal	4.18	--	0.33	4.51
Total			19.51		10.21	29.72

(Source: Information made available by the concerned Department)

APPENDIX-1.10

**STATUS OF PPP PROJECTS UNDER VARIOUS SECTORS AS ON
SEPTEMBER 2013**

(REFERENCE: PARAGRAPH 1.8.3; PAGE 33)

(₹ in crore)

S.No.	Sector	Total Projects		Under planning / Pipeline		Under Bidding		Under Implementation/ construction		Completed	
		No.	Cost	No.	Cost	No.	Cost	No.	Cost	No.	Cost
1.	Animal Husbandry	2	80.00	2	80.00	Nil	Nil	Nil	Nil	Nil	Nil
2.	Biodiversity and Biotechnology	1	130.00	1	130.00	Nil	Nil	Nil	Nil	Nil	Nil
3.	Commerce, Industry and Employment	5	838.58	3	621.00	Nil	Nil	2	217.58	Nil	Nil
4.	Energy	4	552.72	Nil	Nil	Nil	Nil	3	522.72	1	30.00
5.	Farmer, Welfare and Agriculture Development	1	138.50	Nil	Nil	Nil	Nil	1	138.50	Nil	Nil
6.	Food, Civil Supplies and consumer protection	1	300.00	1	300.00	Nil	Nil	Nil	Nil	Nil	Nil
7.	Forest	3	147.68	1	130.00	Nil	Nil	2	17.68	Nil	Nil
8.	Horticulture and Food Processing	3	174.75	Nil	Nil	3	174.75	Nil	Nil	Nil	Nil
9.	Housing and Environment	7	2133.13	5	2131.13	Nil	Nil	Nil	Nil	2	2.00
10.	Information and Technology	3	263.00	3	263.00	Nil	Nil	Nil	Nil	Nil	Nil
11.	Public Health and Family Welfare	1	67.00	Nil	Nil	Nil	Nil	Nil	Nil	1	67.00
12.	Public Works	147	17374.10	Nil	Nil	17	1895.94	97	10382.65	33	5,095.51
13.	School Education	2	496.20	2	496.20	Nil	Nil	Nil	Nil	Nil	Nil
14.	Sports and Youth Welfare	1	900.00	Nil	Nil	Nil	Nil	1	900.00	Nil	Nil
15.	Technical Education and Skill Development	2	155.00	Nil	Nil	Nil	Nil	2	155.00	Nil	Nil
16.	Tourism	3	35.00	1	15	2	20	Nil	Nil	Nil	Nil
17.	Transport	1	1094.00	Nil	Nil	Nil	Nil	1	1094.00	Nil	Nil
18.	Urban Administration and Development	22	846.56	11	393.05	2	24.9	6	281.61	3	147
	Total	209	25726.22	30	4559.38	24	2115.59	115	13709.74	40	5341.51

(Source: Information obtained from Commissioner, Institutional Finance, Madhya Pradesh)

APPENDIX -1.11

(REFERENCE: PARAGRAPH 1.12.4 AND 1.12.5; PAGES 45,46)

A: YEAR-WISE AND DATE-WISE DETAILS OF MARKET LOANS RAISED VIS-A-VIS CASH BALANCE LYING IN INVESTMENT IN TREASURY BILLS

(₹ in crore)

Sl. No	Year	Market loan raised amount	Date on which raised (Auction)	Amount lying in Treasury Bill on the same date	Minimum Amount lying in Treasury Bill before 15 days	Minimum Amount lying in Treasury Bill after 15 days
1	2	3	4	5	6	7
1	2008-09	900	6.1.2009	1647	1659	1719
2		885	22.1.2009	1833	1646	2518
3		1075	27.2.2009	2591	2658	2291
4		1010.25	17.3.2009	2884	2291	2654
	Total	3870.25				
5	2009-10	1560	8.9.2009	2343	2568	2964
6		1560	8.12.2009	2513	1937	3904
7		1553	5.1.2010	3646	3762	4126
8		1148	9.3.2010	4436	4427	5571
	Total	5821				
9	2010-11	1200	7.12.2010	4848	4409	6407
10		1000	4.1.2011	5788	5615	5635
11		700	1.3.2011	7208	5794	7140
12		1000	15.3.2011	8411	5794	9226
	Total	3900				
13	2011-12	1000	18.10.2011	4594	4573	4510
14		1500	24.1.2012	4745	4658	6031
15		1500	6.3.2012	7444	6625	8379
	Total	4000				
16	2012-13	1000	7.8.2012	4949	4037	5941
17		1000	22.1.2013	3518	3249	4412
18		1000	18.2.2013	4643	4447	4643
19		1500	19.3.2013	7096	5573	6819
	Total	4500				

(Source: Daily cash balance report and information collected from Finance Departments)

B: MINIMUM CASH BALANCE UNDER 'INVESTMENT IN 14 DAYS TREASURY BILLS' NOT UTILISED THROUGHOUT THE YEAR

(₹ in crore)

Year	Minimum balance available under investment in 14 days Treasury Bills which was not utilised throughout the year	Interest rate received on 14 days Treasury Bills	Weighted average interest rate paid on Market loans raised
1	2	3	4
2009-10	1936	5%	8.36%
2010-11	3302	5%	8.41%
2011-12	4510	5%	8.91%
2012-13	3249	5%	8.69%

(Source: Finance Accounts and Daily Cash Balance Reports)

**C: EACH QUARTER-WISE ACTUAL MARKET BORROWING VIS-A-VIS
PROPOSED IN ADVANCED BORROWING CALENDAR (ABC)**

(₹ in crore)

Details of quarters	2008-09		2009-10		2010-11		2011-12		2012-13	
	1	2	3	4	5	6				
	As per ABC	Actual								
Total Market loans raised	--	4495	--	5821	--	3900	--	4000	--	4500
1 st quarter	NA	Nil	Nil	Nil	NA	Nil	NA	Nil	Nil	Nil
2 nd quarter	NA	Nil	Nil	1560	NA	Nil	NA	Nil	2000	1000
3 rd quarter	NA	625	2701	1560	NA	1200	3000	1000	1500	Nil
4 th quarter	1790	3870	2701	2701	NA	2700	2404	3000	3000	3500
Percentage of loan raised in last quarter to total Market loans raised.	--	86	--	46	--	69	--	75	--	78

(Source: Finance Accounts and documents in FD)

NA: Not Available

APPENDIX 2.1

**STATEMENT OF VARIOUS GRANTS/APPROPRIATIONS WHERE SAVINGS
WERE MORE THAN ₹ 10 CRORE AND ALSO MORE THAN 20 PER CENT OF
THE TOTAL PROVISION**

(REFERENCE: PARAGRAPH 2.3.1; PAGE 52)

(₹ in crore)

Sl. No.	Grant No.	Name of the Grant/ Appropriation	Total Grant/ Appropriation	Savings	Percentage
1	2	3	4	5	6
1	PD	Public Debt (Capital Charged)	7487.10	3903.17	52.13
2	03	Police (Capital Voted)	96.38	26.73	27.73
3	06	Finance (Revenue Voted)	7290.05	2226.65	30.54
4	06	Finance (Revenue Charged)	24.78	12.93	52.18
5	06	Finance (Capital Voted)	1438.86	1374.53	95.53
6	09	Expenditure pertaining to Revenue Department (Revenue Voted)	52.22	11.08	21.22
7	16	Fisheries (Revenue Voted)	57.17	12.25	21.43
8	19	Public Health and Family Welfare (Capital Voted)	122.90	62.32	50.71
9	20	Public Health Engineering (Capital Voted)	506.20	105.23	20.79
10	22	Urban Administration and Development-Urban Bodies (Capital Voted)	161.11	61.21	37.99
11	26	Culture (Revenue Voted)	138.31	54.63	39.50
12	27	School Education (Primary Education) (Capital Voted)	26.26	13.06	49.73
13	29	Law and Legislative Affairs (Revenue Voted)	685.11	192.19	28.05
14	29	Law and Legislative Affairs (Revenue Charged)	78.57	21.99	27.99
15	31	Planning, Economics and Statistics (Revenue Voted)	280.03	211.54	75.54
16	36	Transport (Revenue Voted)	63.38	13.91	21.95
17	38	Ayush (Revenue Voted)	344.14	136.12	39.55
18	42	Public Works Relating to Tribal Area Sub-Plan-Roads and Bridges (Capital Voted)	536.48	185.20	34.52
19	43	Sports and Youth Welfare (Revenue Voted)	60.67	20.49	33.77
20	50	Horticulture and Food Processing (Revenue Voted)	239.40	58.75	24.54
21	53	Financial Assistance to Urban Bodies under scheduled castes sub-plan (Capital Voted)	37.48	15.39	41.06
22	55	Women and Child Development (Capital Voted)	119.75	117.49	98.11
23	61	Expenditure Pertaining to Bundelkhand Package (Revenue Voted)	159.46	107.00	67.10
24	61	Expenditure Pertaining to Bundelkhand Package (Capital Voted)	704.50	249.71	35.44
25	64	Scheduled Castes Sub-Plan (Capital Voted)	1714.58	402.54	23.48
26	67	Public Works-Buildings (Capital Voted)	138.85	45.79	32.98
27	70	Externally Aided Projects Pertaining to Technical Education and Training Department (Revenue Voted)	13.36	12.96	97.01
Total			22577.10	9654.86	42.76

(Source: Appropriation Accounts)

APPENDIX 2.2 (A)

**CASES OF SCHEMES IN WHICH SUBSTANTIAL SAVINGS OCCURRED IN
RESPECT OF GRANTS/APPROPRIATIONS GIVEN IN TABLE 2.2
(REFERENCE: PARAGRAPH 2.3.1; PAGE 53)**

(₹ in crore)

Sl. No.	Head concerned	Name of the scheme	Savings	Reasons for savings
1	2	3	4	5
06-Finance (Revenue Voted)				
1	2054-Treasury and Accounts Administration	Works related to Information Technology	70.78	Not intimated (August 2013)
2	2070-Other Administrative Services	Other Expenditure	1200.00	Not intimated (August 2013)
3	2071-Pension and Other Retirement Benefits-Minor Head 101-Superannuation and Retirement Allowances	Composite State of Madhya Pradesh	526.58	Not intimated (August 2013)
4	104-Gratuities	Composite State of Madhya Pradesh	308.38	Not intimated (August 2013)
5	105-Family Pensions	Composite State of Madhya Pradesh	155.41	Not intimated (August 2013)
6	115-Leave Encashment Benefits	Composite State of Madhya Pradesh	82.40	Not intimated (August 2013)
29-Law and Legislative Affairs (Revenue Voted)				
7	2014-Administration of Justice	General Establishment	84.71	Not intimated (August 2013)
8	2014-Administration of Justice	Reforms in Judicial System (Thirteenth Finance Commission)	50.60	Savings were partly attributed to posts remaining vacant, ten percent economy cut imposed by finance department, non-preparation of project reports, gap analysis of 'Courts of Tomorrow' scheme and E-courts project (₹ One crore). Reasons for remaining saving had not been intimated (August 2013).
9	2015-Election	Preparation and Printing of Voter Lists	23.65	Not intimated (August 2013)
31-Planning, Economics and Statistics (Revenue Voted)				
10	3451-Secretariat-Economic Services-State Plan Schemes (Normal)	Lump-Sum Provision for Plan schemes	75.10	Not intimated (August 2013)
11	3454-Census, Surveys and Statistics-Central Finance Commission (Normal)	Incentive for U.I.D.A. (Thirteenth Finance Commission)	49.94	Not intimated (August 2013)
12	Central Sector Schemes Normal	Sixth Economics Census	38.91	Not intimated (August 2013)
38- Ayush (Revenue Voted)				
13	2210- Medical and Public Health-Minor Head-101	Ayurvedic Hospitals and Dispensaries	97.10	Saving was partly attributed to post remaining vacant and retirement of the staff (₹ Four crore). Reasons for remaining saving had not been intimated (August 2013)
61- Expenditure pertaining to Bundelkhand Package (Revenue Voted)				
14	2700- Major Irrigation-Additional Central Assistance (Normal)	Disposal of Waste	99.00	Not intimated (August 2013)
06-Finance (Capital Voted)				
15	6075-Loans for Miscellaneous General Services	Provision for Settlement of Guaranteed Loans	300.00	Not intimated (August 2013)
16	6075-Loans for Miscellaneous General Services	Loan Assistance for restructuring of State Government undertakings	255.75	Not intimated (August 2013)
17	6801- Loans for Power Projects	Loans for Infrastructure Development	800.00	Not intimated (August 2013)

1	2	3	4	5
20-Pubic Health Engineering (Capital Voted)				
18	4215-Capital Outlay on Water Supply and Sanitation –Minor head 101-Urban Water Supply – Central Schemes Normal	Construction of New Laboratory	13.10	Not intimated (August 2013)
19	102- Rural Water Supply- Centrally Sponsored Schemes Normal	Rural Piped Water Supply Scheme	37.44	Not intimated (August 2013)
20	800- Other Expenditure- Central Sector Schemes Normal	Ground Water Fostering Programmes	40.95	Not intimated (August 2013)
21	800- Other Expenditure- Central Sector Schemes Normal	<i>Sahayak Gatividhiyan</i>	16.66	Not intimated (August 2013)
55- Women and Child Development (Capital Voted)				
22	4235- Capital Outlay on Social Security and Welfare-Minor Head 102-NABARD (Normal)	Construction of <i>Anganwadi</i> Buildings with Pre-Feb Technique under NABARD	50.00	Not intimated (August 2013)
23	Central Finance Commission (Normal)	Construction of Buildings for <i>Anganwadi</i> Centers	64.00	Not intimated (August 2013)
61- Expenditure pertaining to Bundelkhand Package (Capital Voted)				
24	4401-Capital Outlay on Crop Husbandary-102-Additional Central Assistance (S.C.S.P.)	Store and Marketing	23.70	Not intimated (August 2013)
25	Additional Central Assistance (Normal)	Store and Marketing	37.80	Not intimated (August 2013)
26	4700-Capital Outlay on Major Irrigation-001-Additional Central Assistance (Normal)	Disposal of Waste	400.00	Savings was partly attributed to providing funds for under Construction Schemes of Bundelkhand Package in Water Resources Department and non-availability of any scheme (₹ 220.59 crore)
64-Scheduled Castes sub-plan (Capital Voted)				
27	4801- Capital Outlay on Power Project-Externally Aided Project (S.C.S.P.)	Arrangement of Independent Feeder for Agricultural use	142.39	Savings were attributed to non-adjustment of the amount of bill owing to delay in examination and certification.
28	4801- Capital Outlay on Power Project-Externally Aided Project (S.C.S.P.)	Strengthening of Transmission System	29.14	making budget provision in share capital in place of Loan
29	4801- Capital Outlay on Power Project-Externally Aided Project (S.C.S.P.)	Strengthening of Sub Transmission and Distribution System	93.59	non-adjustment of the amount owing to delay in scrutiny and certification of bills
30	4210- Capital outlay on Medical and Public Health- Central Finance Commission (S.C.S.P.)	Strengthening of Health Infrastructure (Thirteenth Finance Commission)	27.32	Not intimated (August 2013)
31	5054-Capital outlay on Roads and Bridges- Externally Aided Projects (S.C.S.P.)	M.P. Road Development Programme	49.00	Not intimated (August 2013)
32	NABARD (S.C.S.P.)	Construction of Rural Roads (NABARD)	61.89	Not intimated (August 2013)
Public Debt (Capital Charged)				
33	6003-Internal Debt of the State Government	Ways and Means Advances	2000.00	Not intimated (August 2013)
34	6003-Internal Debt of the State Government	Advances to meet short falls	2000.00	Not intimated (August 2013)

(Source: Appropriation Accounts)

APPENDIX 2.2 (B)

**STATEMENT OF VARIOUS SCHEMES UNDER GRANTS/APPROPRIATIONS
WHERE EXCESS EXPENDITURE WAS MORE THAN ₹ 10 CRORE EACH AND
ALSO MORE THAN 20 PER CENT OF THE TOTAL PROVISION
(REFERENCE: PARAGRAPH 2.3.3; PAGE 54)**

(₹ in crore)

Sl. No.	Grant/ Appropriation No. and Name	Name of the scheme under Grant/ Appropriation	Total Provision (Orig. + Supp.)	Expenditure	Excess	Percentage of excess expenditure
1	2	3	4	5	6	7
1	Public Debt	6004-02-101-9086-Back to Back Loan for Externally Aided Projects	1.35	111.64	110.29	8169.63
2	06-Finance	2071-01-104-9998-Madhya Pradesh	168.00	308.32	140.32	83.52
3	06-Finance	2071-01-115-9998-Madhya Pradesh	42.56	88.25	45.69	107.35
4	06-Finance	2071-01-117-6854-Contributory Pension Scheme	75.00	122.72	47.72	63.63
5	11-Commerce, Industry and Employment	4851-101-0101-State Plan Schemes (Normal)-6749-Land Acquisition, Survey and Demarkation, Service Charge	41.97	74.99	33.02	78.67
6	12-Energy	6801-190-7161-Working Capital Loan to Electricity Generating Company	200.00	250.00	50.00	25.00
7	14-Animal Husbandry	2403-800-1501-Additional Central Assistance (Normal)-5626- National Agriculture Development Scheme	41.15	52.37	11.22	27.27
8	15-Financial Assistance to Three Tier Panchayati Raj Institutions Under Scheduled Castes Sub-Plan	2216-03-789-198-0703-Centrally Sponsored Scheme S.C.S.P. – 5198-Indira Awas Yojna	28.96	42.53	13.57	46.86
9	23-Water Resources Department	4700-13-800-1501-Additional Central Assistance (Normal)-2884- Canal and Appurtenant Construction Works	145.19	177.29	32.10	22.11
10	23-Water Resources Department	4700-13-800-0420-Mineral Area Development Fund-2884-Canal and Appurtenant Construction Works	0.01	29.69	29.68	296800

1	2	3	4	5	6	7
11	23-Water Resources Department	4700-24-800-1501-Additional Central Assistance (Normal)-2884- Canal and Appurtenant Construction Works	13.39	24.50	11.11	82.97
12	23-Water Resources Department	4701-01-800-0101-State Plan Schemes (Normal)-6619-Thikaria Medium Irrigation Scheme	30.00	69.78	39.78	132.60
13	23-Water Resources Department	4701-60-800-0101-State Plan Schemes- (Normal)- 2884- Canal and Appurtenant Construction Works	40.50	91.48	50.98	125.88
14	23-Water Resources Department	4701-80-001-0101-State Plan Schemes (Normal)-3368-Construction work of Medium Irrigation	5.65	64.74	59.09	1045.84
15	24-Public Works-Roads and Bridges	5053-02-102-0101-State Plan Schemes (Normal)-4727-Construction and Extension of Air Strips	6.50	41.10	34.60	532.31
16	24-Public Works-Roads and Bridges	5054-03-101-0101-State Plan Schemes (Normal)-6651- Construction of Railway Overbridges	30.00	76.83	46.83	156.10
17	24-Public Works-Roads and Bridges	5054-03-337-1501-Additional Central Assistance (Normal)-0948-Central Road Fund	202.42	244.76	42.34	20.92
18	24-Public Works-Roads and Bridges	5054-80-800-0101-State Plan Schemes (Normal)-5701-Development and Supervision of B.O.T. Roads	6.40	76.67	70.27	1097.97
19	24-Public Works-Roads and Bridges	5054-80-800-0101-State Plan Schemes (Normal)-6738-Annuity	5.00	40.56	35.56	711.20
20	40-Expenditure pertaining to Water Resources Department Command Area Development	4705-212-0701-Centrally Sponsored Schemes (Normal)-2823-Construction of Field Channels	14.90	28.81	13.91	93.35
21	41-Tribal Area Sub-Plan	10-Forest Department 2406-02-796-110-0702-Centrally Sponsored Schemes T.S.P.- 3730-Integrated Development of Wild Life Environment	27.00	47.91	20.91	77.44

1	2	3	4	5	6	7
22	41-Tribal Area Sub-Plan	13-Energy Department 6801-796-205-1202- Externally Aided Projects (T.S.P)- 6929- Strengthening of Transmission System	Token	36.19	36.19	100
23	41-Tribal Areas Sub-Plan	17-Public Health and Family Welfare Department 2210-01-796-110-0102- Tribal Area Sub-Plan- 5724-National Rural Health Mission	128.71	156.36	27.65	21.48
24	41-Tribal Area Sub-Plan	27-Narmada Valley Development Department 4700-43-796-800-1502- Additional Central Assistance (T.S.P.)- 2884-Canal and Appurtenant Construction Works	60.00	97.82	37.82	63.03
25	41-Tribal Area Sub-Plan	27-Narmada Valley Development Department 4700-45-796-800-1502- Additional Central Assistance (T.S.P.) - 9091-Omkareshwar Project	149.81	252.31	102.50	68.42
26	41-Tribal Area Sub-Plan	31-Water Resources Department 4701-80-796-800-0102- Tribal Area Sub Plan- 3366-Construction Work of Medium Projects	0.50	66.08	65.58	13116.00
27	45-Minor Irrigation Works	4702-101-0420-Mineral Area Development Fund- 3803-Minor and Microminor Irrigation Schemes	91.67	166.37	74.70	81.49
28	48- Narmada Valley Development	4700-43-800-1501- Additional Central Assistance (Normal) – 2884-Canal and Appurtenant Works	162.11	277.39	115.28	71.11
29	52-Financial Assistance to Tribal Area Sub-Plan Three Tier Panchayati Raj Institutions	58-Rural Development Department 2215-02-796-198-0702- Centrally Sponsored Schemes T.S.P.- 5206- Total Cleanliness Campaign	18.56	29.22	10.66	57.43

1	2	3	4	5	6	7
30	55-Women and Child Development	2236-02-101-0701-Centrally Sponsored Schemes (Normal)-6392-Rajiv Gandhi Kishori Balika Sashaktikaran Yojna (Sabla)	100.00	141.08	41.08	41.08
31	58-Expenditure on Relief on Account of Natural Calamities and Scarcity	2245-02-101-0747-Relief to Hailstorm Sufferers	40.00	262.95	222.95	557.37
32	61-Expenditure Pertaining to Bundelkhand Package	4215-01-102-1501-Additional Central Assistance (Normal)-2580-Rural Piped Water Supply Scheme	Negligible	39.25	39.25	100
33	61-Expenditure Pertaining to Bundelkhand Package	4702-101-1501-Additional Central Assistance (Normal)-6074-Restoration of Canal Capacity	Negligible	65.04	65.04	100
34	61-Expenditure Pertaining to Bundelkhand Package	4702-101-1501-Additional Central Assistance (Normal)-6077-New Minor Irrigation Schemes	Negligible	88.80	88.80	100
35	64-Scheduled Castes Sub-Plan	13-Energy Department 6801-789-205-1203-Externally Aided Projects (S.C.S.P.) - 6929- Strengthening of Transmission System	Token	29.14	29.14	100
36	64-Scheduled Castes Sub-Plan	17-Public Health and Family Welfare Department 2210-01-789-110-0103-Scheduled Castes Sub Plan- 5724- National Rural Health Mission	52.40	75.40	23.00	43.89
37	64-Scheduled Castes Sub-Plan	19-Public Works Department 5054-04-789-800-0103-Scheduled Castes Sub Plan-2457-Minimum Need Programme (Including Rural Roads)	47.78	66.59	18.81	39.37
38	64-Scheduled Castes Sub-Plan	19-Public Works Department 5054-80-789-800-0103-Scheduled Castes Sub Plan-5701-Development and Supervision of B.O.T. Roads	1.83	42.86	41.03	2242.08

1	2	3	4	5	6	7
39	64-Scheduled Castes Sub-Plan	20- School Education Department 2202-01-789-101-0103- Scheduled Castes Sub Plan-6484- Reimbursement of Tuition Fee to non-Government Schools under R.T.E.	12.86	27.86	15.00	116.64
40	64-Scheduled Castes Sub-Plan	34-Public Health Engineering Department 4215-01-789-102-0703- Centrally Sponsored Schemes (S.C.S.P.)- 4379-Drinking Water Supply Scheme in Problem Villages	50.75	64.26	13.51	26.62
41	74-Financial Assistance to Three Tier Panchayati Raj Institutions	2216-03-198-0701- Centrally Sponsored Schemes (Normal)- 5198-Indira Awas Yojna	39.19	57.49	18.30	46.69
42	74-Financial Assistance to Three Tier Panchayati Raj Institutions	2853-02-198-0101- State Plan Schemes (Normal)- 6299- Transfer of Revenue received from subsidiary Minerals of Rural Areas to Panchayats	200.00	304.29	104.29	52.14
43	75-Financial Assistance to Urban-Bodies	2217-05-191-0101-State Plan Schemes (Normal)- 6221-Infrastructure Development Scheme for Small and Medium Towns	55.49	69.49	14.00	25.23
Total			2337.61	4481.18	2143.57	91.70

(Source: Appropriation Accounts)

APPENDIX 2.2 (C)
CASES OF SCHEMES IN WHICH ENTIRE PROVISION OF ₹ 10
CRORE OR MORE REMAINED UNUTILISED
(REFERENCE: PARAGRAPH 2.3.4; PAGE 54)

(₹ in crore)

Sl. No.	Grant No.	Name of the Grant/ Appropriation	Name of the Scheme	Total Provision (Orig. + Supp.)	Expenditure	Amount of Saving	Percentage
1	2	3	4	5	6	7	8
1	IP	Interest Payments and Servicing of Debt	2049-01-101-7105-8.00% Madhya Pradesh State Development Loan, 2012	10.33	Nil	10.33	100
2	IP	Interest Payments and Servicing of Debt	2049-01-101-7191-9.05% Madhya Pradesh State Development Loan, 2021	90.50	Nil	90.50	100
3	IP	Interest Payments and Servicing of Debt	2049-01-101-7245-8.92% Madhya Pradesh State Development Loan, 2022	44.60	Nil	44.60	100
4	IP	Interest Payments and Servicing of Debt	2049-01-200-1217-Interest on loans from Rural Electrification Corporation Ltd.	16.00	Nil	16.00	100
5	IP	Interest Payments and Servicing of Debt	2049-03-104-4033-Interest on Departmental Provident Fund	30.00	Nil	30.00	100
6	IP	Interest Payments and Servicing of Debt	2049-04-103-0925-Interest on Loans for Centrally Sponsored Schemes	12.00	Nil	12.00	100
7	IP	Interest Payments and Servicing of Debt	2049-60-701-6971-Government Employees Group Insurance Scheme-2003 (Interest on Saving Fund)	25.00	Nil	25.00	100
8	IP	Interest Payments and Servicing of Debt	2049-60-701-6972-Government Employees Group Insurance Scheme-1985 (Interest on Saving Fund)	60.00	Nil	60.00	100
9	PD	Public Debt	6003-110-0637-Ways and Means Advances	2000.00	Nil	2000.00	100
10	PD	Public Debt	6003-110-0779-Advances to Meet Short Fall	2000.00	Nil	2000.00	100
11	03	Police	2055-115-2643-Modernisation of Police Force	70.00	Nil	70.00	100

1	2	3	4	5	6	7	8
12	03	Police	4055-211-2643- Modernisation of Police Force	25.00	Nil	25.00	100
13	06	Finance	2052-091-1201- Externally Aided Projects (Normal)- 7315-Strengthening of Government Work Management	10.00	Nil	10.00	100
14	06	Finance	2070-800-0101-State Plan Schemes (Normal)- 0224-Other Expenditure	1200.00	Nil	1200.00	100
15	06	Finance	2701-01-101-9999- Composite State of Madhya Pradesh	12.00	Nil	12.00	100
16	06	Finance	6075-800-6787- Provision for Settlement of Guaranteed Loans	300.00	Nil	300.00	100
17	06	Finance	6075-800-6788- Provision for Settlement of S.L.R. Bonds issued by Undertakings and Subordinate Institutions of State Government	25.00	Nil	25.00	100
18	06	Finance	6801-800-6443-Loan for Infrastructure Development	800.00	Nil	800.00	100
19	19	Public Health and Family Welfare	2210-01-110-0701- Centrally Sponsored Schemes (Normal)- 5613-National Health Insurance Scheme	15.00	Nil	15.00	100
20	19	Public Health and Family Welfare	4210-01-110-0101- State Plan Schemes (Normal)-6271- Modernisation of Jai Prakash Hospital	10.00	Nil	10.00	100
21	23	Water Resources Department	4700-80-001-0101- State Plan Schemes (Normal)- 2304- Direction and Administration	37.80	Nil	37.80	100
22	23	Water Resources Department	4701-61-800-0101- State Plan Schemes (Normal)- 2884- Canal and Appurtenant Construction Works	23.96	Nil	23.96	100
23	23	Water Resources Department	4701-66-800-0101- State Plan Schemes (Normal)- 2884- Canal and Appurtenant Construction Works	20.00	Nil	20.00	100

1	2	3	4	5	6	7	8
24	23	Water Resources Department	4701-80-001-0101-State Plan Schemes (Normal)- 2304-Direction and Administration	29.00	Nil	29.00	100
25	24	Public Works-Roads and Bridges	5053-02-102-0101-State Plan Schemes (Normal)- 3115-Compensation for Land Acquisition	34.60	Nil	34.60	100
26	26	Culture	2205-800-1301-Central Finance Commission (Normal)- 6464-Development and Maintenance Work etc. of Monuments/Museums	48.58	Nil	48.58	100
27	31	Planning, Economics and Statistics	3451-101-0101-State Plan Schemes (Normal)-6577-Lum Sum Provision for Plan Schemes	75.10	Nil	75.10	100
28	31	Planning, Economics and Statistics	3454-02-206-1301-Central Finance Commission (Normal)- 6268-Incentive for U.I.D.A. (13 th Finance Commission)	49.94	Nil	49.94	100
29	40	Expenditure pertaining to Water Resources Department Command Area Development	4705-207-0701-Centrally Sponsored Schemes (Normal)- 2304-Direction and Administration	10.00	Nil	10.00	100
30	41	Tribal Area Sub-Plan	13- Energy Department 4801-05-796-190-1202-Externally Aided Projects(T.S.P.)- 5523-Arrangement of Independent feeder for Agriculture Use	179.04	Nil	179.04	100
31	41	Tribal Area Sub-Plan	13- Energy Department 4801-05-796-190-1202-Externally Aided Project-(T.S.P.)- 6929-Strengthening of Transmission System	36.19	Nil	36.19	100

1	2	3	4	5	6	7	8
32	41	Tribal Area Sub-Plan	13- Energy Department 4801-05-796-190-1202-Externally Aided Projects (T.S.P.) -7900- Strengthening of Sub Transmission and Distribution System	123.82	Nil	123.82	100
33	41	Tribal Area Sub-Plan	17-Public Health and Family Welfare Department 2210-06-796-800-0102-Tribal Area Sub Plan- 7193- Special State Incentive Scheme for Family Welfare	14.20	Nil	14.20	100
34	41	Tribal Area Sub-Plan	17-Public Health and Family Welfare Department 2210-06-796-800-0102-Tribal Area Sub Plan- 7201- Special Assistance to Pregnant Woman of Scheduled Caste/Scheduled Tribe	49.75	Nil	49.75	100
35	41	Tribal Area Sub-Plan	17-Public Health and Family Welfare Department 4210-04-796-112-0102-Tribal Area Sub-Plan 7202- Establishment of Nursing College	14.90	Nil	14.90	100
36	41	Tribal Area Sub-Plan	31-Water Resources Department 4701-54-796-800-0102-Tribal Area Sub Plan-3366- Construction work of Medium Projects	12.00	Nil	12.00	100
37	41	Tribal Area Sub-Plan	50-Women and Child Development Department 4235-02-796-102-1302-Central Finance Commission (T.S.P.) 5360-Construction of Building for Anganwadi Centres	20.00	Nil	20.00	100
38	45	Minor Irrigation Works	4702-800-0101-State Plan Schemes (Normal)- 2304- Direction and Administration	35.40	Nil	35.40	100

1	2	3	4	5	6	7	8
39	48	Narmada Valley Development	4700-80-800-0101-State Plan Schemes (Normal)- 6399-Indira Sagar Project (Unit- I)	25.00	Nil	25.00	100
40	48	Narmada Valley Development	4801-01-203-0101-State Plan Schemes (Normal)- 6403-Payment of share of Indira Sagar Project unit-I to N.H.D.C.	27.00	Nil	27.00	100
41	55	Women and Child Development	4235-02-102-1401-NABARD (Normal)- 7046-Construction of Anganwadi Buildings with Pre-Feb Technique under NABARD	50.00	Nil	50.00	100
42	55	Women and Child Development	4235-02-102-1301-Central Finance Commission (Normal)-5360-Construction of Buildings for Anganwadi Centres	64.00	Nil	64.00	100
43	58	Expenditure on Relief on Account of Natural Calamities and Scarcity	2245-01-101-8874-Additional Provision for Drought Relief and Employment	50.00	Nil	50.00	100
44	61	Expenditure Pertaining to Bundelkhand Package	2700-80-800-1501-Additional Central Assistance (Normal)- 8000-Disposal of Waste	99.00	Nil	99.00	100
45	61	Expenditure Pertaining to Bundelkhand Package	4700-80-001-1501-Additional Central Assistance (Normal)- 8000-Disposal of Waste	400.00	Nil	400.00	100
46	64	Scheduled Castes Sub-Plan	17-Public Health and Family Welfare Department 2210-06-789-800-0103-Scheduled Castes Sub Plan- 7193-Special State Incentive Scheme for family welfare	10.80	Nil	10.80	100

1	2	3	4	5	6	7	8
47	64	Scheduled Castes Sub-Plan	17-Public Health and Family Welfare Department 2210-06-789-800-0103-Scheduled Castes Sub Plan – 7201- Special Assistance to Pregnant Women of Scheduled Castes/Scheduled Tribe	40.25	Nil	40.25	100
48	64	Scheduled Castes Sub-Plan	13-Energy Department 4801-05-789-190-1203-Externally Aided Project (S.C.S.P.) 5523-Arrangement of Independent Feeder for Agriculture use	142.39	Nil	142.39	100
49	64	Scheduled Castes Sub-Plan	13-Energy Department 4801-05-789-190-1203-Externally Aided Project (S.C.S.P.) 6929-Strengthening of Transmission System	29.14	Nil	29.14	100
50	64	Scheduled Castes Sub-Plan	13-Energy Department 4801-05-789-190-1203-Externally Aided Project (S.C.S.P.) 7900-Strengthening of Sub Transmission and Distribution System	93.59	Nil	93.59	100
51	64	Scheduled Castes Sub-Plan	50-Women and Child Development Department 4235-02-789-102-1303-Central Finance Commission (S.C.S.P.) -5360-Construction of Buildings for Aganwadi Centres	16.00	Nil	16.00	100
52	70	Externally Aided Project pertaining to Technical Education and Training Department	2203-112-1201-Externally Aided Project (Normal)- 7870- World Bank Aided Technical Education Quality Improvement Programme - Grant to Engineering Colleges	12.48	Nil	12.48	100

1	2	3	4	5	6	7	8
53	74	Financial Assistance to Three Tier Panchayati Raj Institutions	2853-02-198-6299-Transfer of Revenue Received from Subsidiary Minerals of Rural Areas to Panchayats	111.53	Nil	111.53	100
54	75	Financial Assistance to Urban Bodies	3604-191-6062-Reimbursement of Electric Charges for Drinking Water Scheme under the Recommendations of State Finance Commission	10.00	Nil	10.00	100
55	75	Financial Assistance to Urban Bodies	3604-191-6063-Specific Grant under the Recommendations of State Finance Commission	10.00	Nil	10.00	100
56	77	Other Expenditure pertaining to School Education Department (Excluding Primary Education)	2202-02-109-0701-Centrally Sponsored Schemes (Normal)-6007-Establishment and Operation of Model Schools	126.61	Nil	126.61	100
57	77	Other Expenditure pertaining to School Education Department (Excluding Primary Education)	2202-02-109-0701-Centrally Sponsored Schemes (Normal)-6918-Information and Communication Technology Schools	28.80	Nil	28.80	100
Total				8916.30		8916.30	

(Source: Appropriation Accounts)

APPENDIX 2.3

**EXCESS OVER PROVISION OF PREVIOUS YEARS REQUIRING
REGULARISATION
(REFERENCE: PARAGRAPH 2.3.6; PAGE 55)**

(₹ in crore)

Year	Number of Grants/ Appropriation	Grants/Appropriation number	Amount of excess
1	2	3	4
1997-98	10 Grant 03 Appropriation	Revenue (Voted) : 7, 20, 24, 27, 58, 67 Capital (Voted) : 20, 21, 61, 69 Revenue (Charged) : Interest Payments and Servicing of Debt, 31, 67	302.79
1998-99	01 Grant	Revenue (Voted) : 62	0.10
1999-2000	11 Grant 06 Appropriation	Revenue (Voted) : 14, 27,44, 50, 59 Capital (Voted) : 3, 23, 60, 69, 75, 89 Revenue (Charged) : 6, 23, 24, 30 Capital (Charged) : Public Debt, 21	1584.94
2000-01	03 Grant 04 Appropriation	Revenue (Voted) : 2, 70 Capital (Voted) : 88 Revenue (Charged) : 24 Capital (Charged) : Public Debt, 21, 23	265.07
2002-03	03 Grant 05 Appropriation	Revenue (Voted) : 24, 53, 67 Revenue (Charged) : 44, 67 Capital (Charged) : Public Debt, 21, 23	424.79
2003-04	04 Grant 03 Appropriation	Revenue (Voted) : 68, 84 Capital (Voted) : 35, 94 Revenue (Charged) : 20, 67 Capital (Charged) : 23	2.54
2004-05	13 Grant 02 Appropriation	Revenue (Voted) : 24, 59, 67, 92, 94 Capital (Voted) : 6, 19, 30,59, 66, 78, 84, 86 Revenue (Charged) : 67 Capital (Charged) : 45	83.66
2005-06	04 Grant 02 Appropriation	Revenue (Voted) : 24, 67 Capital (Voted) : 6, 39 Capital (Charged) : 21, 45	37.58
2006-07	02 Grant 01 Appropriation	Revenue (Voted) : 24, 67 Capital (Charged) : 24	35.99
2008-09	02 Grant 02 Appropriation	Revenue (Voted) : 62 Capital (Voted) : 43 Revenue (Charged) : 24 Capital (Charged) : 24	5.80
2009-10	04 Grant	Revenue (Voted) : 3, 27, 32, 49	123.96
2010-11	02 Appropriation	Revenue (Charged) : 23 Capital (Charged) : 24	12.62
2011-12	04 Grant 02 Appropriation	Revenue (Voted) : 33 Capital (Voted) : 15,52,74 Revenue (Charged) : 23 Capital (Charged) : 23	135.10
Total	61 Grant and 32 Appropriation		3014.94

APPENDIX 2.4

**CASES WHERE SUPPLEMENTARY PROVISION (₹ ONE CRORE OR MORE IN EACH CASE) PROVED UNNECESSARY
(REFERENCE: PARAGRAPH 2.3.7; PAGE 56)**

(₹ in crore)

Sl. No.	Number and name of the Grant/ Appropriation	Original provision	Actual expenditure	Savings out of original provision	Supplementary provision
1	2	3	4	5	6
A-Revenue (Voted)					
1	01-General Administration & Lok Seva Prabandhan	241.61	235.01	6.60	34.45
2	03-Police	2899.31	2871.78	27.53	383.92
3	04-Other Expenditure pertaining to Home Department	20.28	18.01	2.27	1.03
4	06-Finance	7288.95	5063.40	2225.55	1.10
5	08-Land Revenue and District Administration	901.12	743.21	157.91	2.58
6	10-Forest	1404.65	1343.04	61.61	43.23
7	13-Farmers Welfare and Agriculture Development	861.67	827.88	33.79	137.71
8	14-Animal Husbandry	542.83	508.54	34.29	49.96
9	15-Financial Assistance to Three Tier Panchayati Raj Institutions under Scheduled Castes Sub-Plan	1137.43	1031.64	105.79	45.90
10	16-Fisheries	53.70	44.92	8.78	3.47
11	17-Co-operation	390.54	353.97	36.57	7.42
12	18-Labour	113.28	104.96	8.32	14.18
13	19-Public Health and Family Welfare	2145.14	2041.38	103.76	136.04
14	20-Public Health Engineering	392.65	345.04	47.61	27.35
15	26-Culture	108.29	83.68	24.61	30.02
16	27-School Education (Primary Education)	4702.85	4068.00	634.85	96.43
17	28-State Legislature	49.22	48.18	1.04	7.05
18	29-Law and Legislative Affairs	638.85	492.92	145.93	46.27
19	30-Rural Development	564.52	488.98	75.54	2.83
20	31-Planning, Economics and Statistics	240.94	68.49	172.45	39.09
21	34-Social Justice	181.63	156.92	24.71	12.05
22	36-Transport	60.09	49.47	10.62	3.29
23	38-Ayush	341.84	208.02	133.82	2.30
24	41-Tribal Areas Sub-Plan	2717.96	2573.96	144.00	275.72
25	43-Sports and Youth Welfare	48.01	40.18	7.83	12.66
26	44-Higher Education	958.29	855.94	102.35	20.54

1	2	3	4	5	6
27	50-Horticulture and Food Processing	229.25	180.66	48.59	10.15
28	52-Financial Assistance to Tribal Area Sub-Plan Three Tier Panchayati Raj Institutions	1710.41	1651.42	58.99	58.01
29	61-Expenditure Pertaining to Bundelkhand Package	99.00	52.46	46.54	60.46
30	63-Minority Welfare	43.60	43.11	0.49	7.43
31	64-Scheduled Castes Sub-Plan	1865.98	1732.57	133.41	175.54
32	65-Aviation	18.51	15.80	2.71	3.75
33	77-Other Expenditure pertaining to School Education Department (Excluding Primary Education)	1230.75	1182.64	48.11	216.71
Total (A)		34203.15	29526.18	4676.97	1968.64
B-Capital (Voted)					
34	03-Police	72.85	69.65	3.20	23.53
35	06-Finance	1433.80	64.33	1369.47	5.05
36	20-Public Health Engineering	479.88	400.97	78.91	26.32
37	55-Women and Child Development	69.75	2.26	67.49	50.00
38	64-Scheduled Castes Sub-Plan	1499.76	1312.04	187.72	214.82
Total (B)		3556.04	1849.25	1706.79	319.72
C-Revenue (Charged)					
39	IP-Interest Payments and Servicing of Debt	6275.08	5563.74	711.34	178.84
40	06-Finance	14.78	11.85	2.93	10.00
41	29-Law and Legislative Affairs	76.94	56.58	20.36	1.63
Total (C)		6366.80	5632.17	734.63	190.47
D-Capital (Charged)					
42	PD-Public Debt	7482.73	3583.94	3898.79	4.37
Total (D)		7482.73	3583.94	3898.79	4.37
Total (A+B+C+D)		51608.72	40591.54	11017.18	2483.20

(Source: Appropriation Accounts)

APPENDIX 2.5
CASES WHERE SUPPLEMENTARY PROVISION PROVED EXCESSIVE
(REFERENCE: PARAGRAPH 2.3.7; PAGE 56)

(₹ in crore)

Sl. No.	Number and name of Grant/ Appropriation	Original Grant/ Appropriation	Supplementary Grant/ Appropriation	Actual expenditure	Saving
1	2	3	4	5	6
A-Revenue (Voted)					
1	02-Other Expenditure pertaining to General Administration Department	44.50	1.64	45.44	0.70
2	05-Jail	171.40	17.40	186.75	2.05
3	11-Commerce, Industry and Employment	196.65	32.08	212.54	16.19
4	12-Energy	2040.23	653.92	2691.49	2.66
5	32-Public Relations	129.78	70.26	193.37	6.67
6	37-Tourism	38.72	2.60	40.83	0.49
7	39-Food, Civil Supplies and Consumer Protection	1058.75	897.79	1892.43	64.11
8	51-Religious Trusts and Endowments	19.38	53.02	68.33	4.07
9	55-Women and Child Development	2097.95	327.67	2287.58	138.04
10	56-Rural Industry	103.47	9.42	108.23	4.66
11	66-Welfare of Backward Classes	489.46	80.07	561.08	8.45
12	72-Bhopal Gas Tragedy Relief and Rehabilitation	65.05	4.51	65.82	3.74
13	73-Medical Education Department	291.86	99.11	360.14	30.83
14	74-Financial Assistance to Three Tier Panchayati Raj Institution	5395.70	476.68	5588.11	284.27
15	75-Financial Assistance to Urban Bodies	4096.86	464.16	4227.89	333.13
Total (A)		16239.76	3190.33	18530.03	900.06
B-Capital (Voted)					
16	01-General Administration & Lok Seva Prabandhan	4.80	6.08	9.43	1.45
17	11-Commerce, Industry and Employment	422.25	142.66	534.65	30.26
18	12-Energy	3883.95	1986.97	5245.96	624.96
19	27-School Education (Primary Education)	5.55	20.71	13.21	13.05
20	37-Tourism	79.00	13.49	89.99	2.50
21	61-Expenditure Pertaining to Bundelkhand Package	400.00	304.50	454.79	249.71
22	66-Welfare of Backward Classes	15.25	12.00	21.25	6.00
23	73-Medical Education Department	28.85	2.25	29.40	1.70
Total (B)		4839.65	2488.66	6398.68	929.63
C-Revenue (Charged)					
24	01-General Administration & Lok Seva Prabandhan	19.07	5.38	20.72	3.73
25	03-Police	0.51	0.50	0.53	0.48
Total (C)		19.58	5.88	21.25	4.21
Total (A+B+C)		21098.99	5684.87	24949.96	1833.90

Additional requirement: Actual expenditure - Original provision = 24949.96 - 21098.99 = 3850.97

(Source: Appropriation Accounts)

APPENDIX 2.6

**EXCESSIVE/UNNECESSARY RE-APPROPRIATION/SURRENDER OF FUNDS
(REFERENCE: PARAGRAPH 2.3.8; PAGE 56)**

(₹ in crore)

Sl. No.	Grant No.	Name of the Grant	Head of account	Re-appropriation	Final excess (+)/ saving (-)	Percentage
1	2	3	4	5	6	7
1	10	Forest	2406-02-110-2899-National Parks	(+) 4.54	(-) 2.49	54.85
2	19	Public Health and Family Welfare	2210-03-103-0101-State Plan Schemes (Normal)-7317- Upgradation of Rural Medical Institutes	(+) 1.00	(-) 3.17	100
3	19	Public Health and Family Welfare	2210-01-196-1473-District Hospitals	(+) 19.50	(-) 17.51	89.79
4	19	Public Health and Family Welfare	4210-01-110-1301-Central Finance Commission (Normal)-6453- Strengthening of Health Infrastructure (13 th Finance Commission)	(-)10.00	(+)6.84	68.40
5	20	Public Health Engineering	2215-02-107-1249-Establishment and Maintenance work of Sewerage Schemes of the State	(+) 1.88	(-) 2.82	100
6	20	Public Health Engineering	4215-01-102-0701-Centrally Sponsored Schemes (Normal)- 4379- Drinking Water Supply Schemes in Problem Village	(+)9.74	(-)2.68	27.52
7	23	Water Resources Department	4700-13-800-0420-Mineral Area Development Fund - 2884-Canal and Appurtenant Construction Works	(+) 53.60	(-) 23.92	44.63
8	28	State Legislature	2011-02-101-4007-Member of Legislative Assembly /Ministers	(-) 1.59	(+) 3.64	100
9	29	Law and Legislative Affairs	2015-102-2409-Electoral Officers	(-) 4.06	(+) 1.79	44.09
10	38	Ayush	2210-05-101-0101-State Plan Schemes (Normal)-0469-Ayurvedic Colleges	(+) 5.69	(-) 12.09	100
11	41	Tribal Area Sub-Plan	25-Tribal Welfare Department 2225-02-796-277-0102-Tribal Area Sub Plan-2676-Post Matric Scholarship	(+) 32.34	(-) 24.27	75.05

1	2	3	4	5	6	7
12	41	Tribal Area Sub-Plan	31-Water Resources Department 4701-25-796-800-1502- Additional Central Assistance (T.S.P.)- 3366- Construction Work of Medium Projects	(+) 2.07	(-) 15.34	100
13	41	Tribal Area Sub-Plan	31-Water Resources Department 4701-54-796-800-0420- Mineral Area Development Fund- 3366- Construction Work of Medium Projects	(+) 22.65	(-) 50.64	100
14	45	Minor Irrigation Works	4702-101-0420-Mineral Area Development Fund- 3803-Minor and Microminor Irrigation Schemes	(-) 1.00	(+) 75.70	100
15	57	Externally Aided Project Pertaining to Water Resources Department	4700-64-800-1201- Externally Aided Project (Normal)- 6831- Improvement in productivity of Pre-constructed Irrigation Schemes of Five Basins – Water Resources Department	(+) 16.33	(-) 5.76	35.27
16	58	Expenditure on Relief on Account of Natural Calamities and Scarcity	2245-02-193-5498- Assistance to Local Bodies and other Non- Government Bodies/ Institutions in Flood Affected Areas	(+) 4.00	(-) 1.65	41.25
17	61	Expenditure pertaining to Bundelkhand Package	4702-101-1501- Additional Central Assistance (Normal)- 6068- Minor Irrigation Scheme under construction	(+) 23.50	(-) 8.50	36.17
18	74	Financial Assistance to Three Tier Panchayati Raj Institutions	2202-01-191-8403-Grant for Salary of Teachers Cadre	(-) 28.14	(+) 7.95	28.25
19	75	Financial Assistance to Urban Bodies	2235-02-193-0101-State Plan Schemes (Normal)- 9142-Social Security and Welfare	(-) 2.34	(+) 8.13	100

(Source: Appropriation Accounts)

APPENDIX 2.7

**DETAILS OF SAVINGS OF ₹ ONE CRORE AND ABOVE AND ALSO MORE THAN 20 PER CENT OF SAVINGS IN EACH CASE NOT SURRENDERED
(REFERENCE: PARAGRAPH 2.3.10; PAGE 57)**

(₹ in crore)

Sl. No.	Number and name of the Grant/ Appropriation	Saving	Surrender	Saving which remained to be surrendered	Per cent of amount not surrender
1	2	3	4	5	6
Revenue (Charged)					
1	IP-Interest Payments and Servicing of Debt	890.18	0.47	889.71	99.95
2	24- Public Works-Roads and Bridges	3.67	Nil	3.67	100
3	67- Public Works – Buildings	1.48	Nil	1.48	100
Revenue (Voted)					
4	04-Other Expenditure pertaining to Home Department	3.29	0.91	2.38	72.34
5	06-Finance	2226.65	52.05	2174.60	97.66
6	07-Commercial Tax	93.65	52.71	40.94	43.71
7	10-Forest	104.84	66.49	38.35	36.58
8	11-Commerce, Industry and Employment	16.18	Nil	16.18	100
9	12-Energy	2.67	1.51	1.16	43.44
10	14-Animal Husbandry	84.24	Nil	84.24	100
11	16- Fisheries	12.25	Nil	12.25	100
12	18-Labour	22.50	16.63	5.87	26.09
13	19-Public Health and Family Welfare	239.81	37.75	202.06	84.26
14	20-Public Health Engineering	74.96	46.68	28.28	37.73
15	21-Housing and Environment	7.56	0.0001	7.56	100
16	23-Water Resources Department	102.01	15.03	86.98	85.27
17	24- Public Works-Roads and Bridges	138.27	Nil	138.27	100
18	26-Culture	54.63	Nil	54.63	100
19	27-School Education (Primary Education)	731.28	185.88	545.40	74.58
20	28-State Legislature	8.09	2.12	5.97	73.79
21	29-Law and Legislative Affairs	192.19	141.24	50.95	26.51
22	31-Planning, Economics and Statistics	211.54	136.17	75.37	35.63
23	36- Transport	13.91	0.10	13.81	99.28
24	38- Ayush	136.12	Nil	136.12	100
25	39- Food, Civil Supplies and Consumer Protection	64.10	Nil	64.10	100
26	40- Expenditure Pertaining to Water Resources Department Command Area Development	2.67	0.58	2.09	78.28

1	2	3	4	5	6
27	45-Minor Irrigation Works	8.64	4.29	4.35	50.35
28	47- Technical Education and Skill Development	33.86	14.65	19.21	56.73
29	49-Scheduled Caste Welfare & Vimuktta, Ghumakkad Evam Ardha Ghumakkad Caste Welfare	5.09	1.93	3.16	62.08
30	50- Horticulture and Food Processing	58.75	Nil	58.75	100
31	51- Religious Trusts and Endowments	4.07	Nil	4.07	100
32	58- Expenditure on Relief on Account of Natural Calamities and Scarcity	81.41	Nil	81.41	100
33	61- Expenditure Pertaining to Bundelkhand Package	107.00	0.0003	107.00	100
34	62- Panchayat	9.91	Nil	9.91	100
35	64-Scheduled Castes Sub-Plan	308.96	232.68	76.28	24.69
36	67- Public Works-Buildings	84.44	Nil	84.44	100
37	69- Information Technology	4.34	Nil	4.34	100
38	73- Medical Education Department	30.83	Nil	30.83	100
39	76-New and Renewable Energy Sources	4.26	3.18	1.08	25.35
Capital (Voted)					
40	03- Police	26.73	Nil	26.73	100
41	06-Finance	1374.53	Nil	1374.53	100
42	11- Commerce, Industry and Employment	30.26	Nil	30.26	100
43	20-Public Health Engineering	105.23	58.39	46.84	44.51
44	23-Water Resources Department	205.68	126.62	79.06	38.44
45	27- School Education (Primary Education)	13.06	Nil	13.06	100
46	39- Food, Civil Supplies and Consumer Protection	3.52	Nil	3.52	100
47	45- Minor Irrigation Works	65.18	0.51	64.67	99.22
48	48- Narmada Valley Development	27.61	18.37	9.24	33.47
49	58- Expenditure on Relief on Account of Natural Calamities and Scarcity	2.50	Nil	2.50	100
50	61-Expenditure Pertaining to Bundelkhand Package	249.71	68.46	181.25	72.58
51	67- Public Works-Buildings	45.79	35.50	10.29	22.47
52	73- Medical Education Department	1.70	Nil	1.70	100
Capital (Charged)					
53	PD-Public Debt	3903.17	4.37	3898.80	99.89
54	06-Finance	4.67	Nil	4.67	100
Total		12239.64	1325.27	10914.37	

(Source: Appropriation Accounts)

APPENDIX 2.8

**CASES OF SURRENDER OF FUNDS IN EXCESS OF ₹ 10 CRORE ON
31 MARCH 2013**

(REFERENCE: PARAGRAPH 2.3.10; PAGE 57)

(₹ in crore)

Sl. No.	Grant No.	Major Head	Budget provision	Amount of surrender	Percentage of total provision
1	2	3	4	5	6
1	06	2075	43.32	31.23	72.09
2	07	2030	368.70	33.45	9.07
3	07	2039	1212.09	17.75	1.46
4	08	2029	477.93	85.15	17.82
5	08	2053	421.69	56.26	13.34
6	13	2402	67.83	14.70	21.67
7	13	2401	931.53	149.48	16.05
8	17	2425	397.96	43.96	11.05
9	22	2217	363.27	10.35	2.85
10	29	2014	546.35	128.16	23.46
11	29	2015	108.57	33.28	30.65
12	31	3451	98.49	16.13	16.38
13	31	3454	181.53	118.36	65.20
14	33	2202	851.64	27.57	3.24
15	33	2225	254.75	13.75	5.40
16	41	2202	961.41	183.21	19.06
17	41	2225	494.52	20.66	4.18
18	41	2235	293.54	18.65	6.35
19	41	2401	191.49	29.09	15.19
20	41	4235	20.00	20.00	100
21	53	2217	173.60	25.61	14.75
22	55	2235	1618.21	124.89	7.72
23	55	4235	119.75	117.49	98.11
24	61	4401	304.50	61.50	20.20
25	64	2202	439.07	83.98	19.13
26	64	2235	269.49	19.85	7.36
27	64	2401	153.58	35.01	22.80
28	64	4235	16.00	16.00	100
29	74	2202	1801.99	60.30	3.35
30	75	2202	540.92	58.41	10.80
31	75	2217	1148.27	202.07	17.60
32	75	3604	2551.16	20.01	0.78
33	77	2202	1404.12	258.54	18.41
Total			18827.27	2134.85	11.34

(Source: Appropriation Accounts)

APPENDIX 2.9
RUSH OF EXPENDITURE
(REFERENCE: PARAGRAPH 2.3.11; PAGE 57)

(₹ in crore)

Sl. No.	Grant number and name	Scheme No.	Expenditure incurred during Jan-March 2013	Expenditure incurred in March 2013	Total expenditure	Percentage of total expenditure incurred during	
						Jan-March 2013	March 2013
1	2	3	4	5	6	7	8
1	02-Other expenditure pertaining to General Administration Department	5710	13.40	13.13	14.46	92.67	90.80
2	03-Police	6065	21.62	21.01	23.14	93.43	90.79
3	03-Police	6463	31.49	27.66	48.32	65.17	57.24
4	07-Commercial Tax	6001	85.30	85.30	85.30	100	100
5	07-Commercial Tax	6002	151.76	151.76	151.76	100	100
6	08-Land Revenue and District Administration	6664	15.50	15.50	20.00	77.50	77.50
7	10-Forest	3885	116.68	116.68	116.68	100	100
8	10-Forest	5109	40.38	30.80	60.80	66.41	50.66
9	10-Forest	7240	10.30	10.30	10.30	100	100
10	11-Commerce, Industry and Employment	5380	60.45	58.99	82.58	73.20	71.43
11	11-Commerce, Industry and Employment	7140	29.10	29.10	49.10	59.27	59.27
12	13-Farmers Welfare and Agriculture Development	6673	27.11	23.36	27.73	97.76	84.24
13	14-Animal Husbandry	6625	11.90	10.97	12.96	91.82	84.64
14	14-Animal Husbandry	7154	12.06	12.06	12.63	95.49	95.49
15	14-Animal Husbandry	7155	14.45	14.45	14.45	100	100
16	17-Co-operation	6965	45.78	45.78	77.60	58.99	58.99
17	20-Public Health Engineering	6643	16.00	16.00	25.00	64.00	64.00
18	21-Housing and Environment	2020	45.17	43.55	56.18	80.40	77.52
19	21-Housing and Environment	6115	12.24	12.24	13.24	92.45	92.45

1	2	3	4	5	6	7	8
20	23-Water Resources Department	5583	20.54	18.35	29.00	70.83	63.27
21	23-Water Resources Department	5584	14.22	12.82	22.33	63.68	57.41
22	23-Water Resources Department	5595	50.62	44.74	71.13	71.16	62.90
23	23-Water Resources Department	6598	22.06	22.06	22.20	99.37	99.37
24	24-Public Works-Roads and Bridges	3115	103.93	102.63	155.29	66.93	66.09
25	25-Mineral Resources	6606	1378.00	1378.00	1378.00	100	100
26	26-Culture	4283	11.50	10.61	15.88	72.42	66.81
27	37-Tourism	7630	33.82	33.82	43.49	77.76	77.76
28	39-Food, Civil Supplies and Consumer Protection	0570	13.28	13.28	13.28	100	100
29	39-Food, Civil Supplies and Consumer Protection	3229	15.90	15.90	24.00	66.25	66.25
30	39-Food, Civil Supplies and Consumer Protection	3248	10.09	10.09	10.09	100	100
31	39-Food, Civil Supplies and Consumer Protection	6781	106.47	106.47	106.47	100	100
32	39-Food, Civil Supplies and Consumer Protection	7272	69.08	69.08	90.86	76.03	76.03
33	41-Tribal Areas Sub-Plan	3730	31.70	27.11	47.72	66.43	56.81
34	41-Tribal Area Sub-Plan	6484	17.14	17.14	17.14	100	100
35	41-Tribal Areas Sub-Plan	7272	11.29	11.29	11.29	100	100
36	47-Technical Education and Skill Development	9143	33.11	30.07	41.01	80.74	73.32
37	48-Narmada Valley Development	9091	221.45	215.06	302.87	73.12	71.01
38	52-Financial Assistance to Tribal Area Sub-Plan-Three Tier Panchayati Raj Institutions	5198	23.20	21.21	42.32	54.82	50.12

1	2	3	4	5	6	7	8
39	58-Expenditure on Relief on account of Natural Calamities and Scarcity	0747	253.47	240.04	264.75	95.74	90.67
40	58-Expenditure on Relief on account of Natural Calamities and Scarcity	5498	15.49	11.68	20.36	76.08	57.37
41	58-Expenditure on Relief on account of Natural Calamities and Scarcity	7021	52.14	39.39	52.80	98.75	74.60
42	61-Expenditure pertaining to Bundelkhand Package	6074	56.82	55.72	65.04	87.36	85.67
43	61-Expenditure pertaining to Bundelkhand Package	6078	22.36	22.36	22.36	100	100
44	61-Expenditure pertaining to Bundelkhand Package	6080	243.00	243.00	243.00	100	100
45	64-Scheduled Castes Sub-Plan	1400	21.23	21.23	38.69	54.87	54.87
46	64-Scheduled Castes Sub-Plan	5701	41.03	41.03	42.86	95.73	95.73
47	64-Scheduled Castes Sub-Plan	6484	27.86	27.86	27.86	100	100
48	69-Information Technology	5818	10.42	10.42	10.42	100	100
49	69-Information Technology	7062	20.00	20.00	20.00	100	100
50	74-Financial Assistance to Three Tier Panchayati Raj Institutions	4610	405.37	244.74	429.99	94.27	56.92
51	74-Financial Assistance to Three Tier Panchayati Raj Institutions	6086	22.05	22.05	22.05	100	100
52	74-Financial Assistance to Three Tier Panchayati Raj Institutions	6099	12.27	12.27	12.27	100	100

1	2	3	4	5	6	7	8
53	74-Financial Assistance to Three Tier Panchayati Raj Institutions	6226	33.84	22.56	33.84	100	66.67
54	74-Financial Assistance to Three Tier Panchayati Raj Institutions	6244	815.07	555.48	872.39	93.43	63.67
55	74-Financial Assistance to Three Tier Panchayati Raj Institutions	6299	221.80	183.17	304.29	72.89	60.19
56	75-Financial Assistance to Urban Bodies	5728	16.50	16.50	16.50	100	100
57	75-Financial Assistance to Urban Bodies	7056	20.52	20.52	23.64	86.80	86.80
58	77-Other Expenditure pertaining to School Education Department (Excluding Primary Education)	6005	121.74	89.03	121.74	100	73.13
59	77-Other Expenditure pertaining to School Education Department (Excluding Primary Education)	6970	17.00	17.00	17.00	100	100
60	PD-Public Debt	6771	129.50	129.50	129.50	100	100
61	PD-Public Debt	7110	247.00	247.00	247.00	100	100
62	IP-Interest Payment and Servicing of Debt	3089	45.24	45.24	45.24	100	100
63	IP-Interest Payment and Servicing of Debt	4033	29.34	29.34	29.34	100	100
64	IP-Interest Payment and Servicing of Debt	5042	1515.89	1515.89	1569.91	96.56	96.56
65	IP-Interest Payment and Servicing of Debt	6587	402.56	402.56	436.22	92.28	92.28

1	2	3	4	5	6	7	8
66	IP-Interest Payment and Servicing of Debt	6622	126.80	82.20	126.80	100	64.83
67	IP-Interest Payment and Servicing of Debt	6804	25.45	25.45	25.45	100	100
68	IP-Interest Payment and Servicing of Debt	6880	48.88	48.88	48.88	100	100
69	IP-Interest Payment and Servicing of Debt	6881	72.96	72.96	72.96	100	100
70	IP-Interest Payment and Servicing of Debt	7108	109.85	109.85	109.85	100	100
Total			8151.54	7523.29	8849.60	92.11	85.01

(Source: Appropriation Accounts)

APPENDIX 2.10

**STATEMENT SHOWING TRANSFER OF FUNDS TO 8443-CIVIL DEPOSIT-800-OTHER DEPOSIT
(REFERENCE: PARAGRAPH 2.3.12; PAGE 57)**

(₹ in crore)

Sl. No.	Grant No. and name	Head of account up to detailed head and name of scheme	Total budget provision (Original + Supplementary)	Expenditure incurred	Amount transferred to 8443-Civil Deposit-800-Other Deposit
1	2	3	4	5	6
1	01-General Administration and Lok Seva Prabandhan	2070-003-0101-8808-Works related to Information Technology (State Scheme)	5.00	5.00	5.00
2	03-Police	2055-109-1301-6463-Upgradation of Police Training Institutions (13 th Finance Commission)	9.07	8.75	4.18
3	13-Farmers Welfare and Agriculture Development	2401-800-1501-5626-National Agriculture Development Scheme	185.41	186.56	44.26
4	26-Culture	2205-107-0101-4283-Museums (State Scheme)	17.43	15.88	10.00
5	27-School Education (Primary Education)	2202-01-101-0701-1502-District Institute of Education and Training for Basic Minimum Services	63.48	47.26	0.97
6	41-Tribal Area Sub-Plan (Man Power Planning Department)	2203-789-105-0702-2667-Polytechnic Institutes	1.14	1.14	1.03
7	41-Tribal Area Sub-Plan (Man Power Planning Department)	2401-789-800-1502-5626-National Agriculture Development Scheme	55.90	49.71	1.26
8	47-Technical Education and Skill Development	2203-105-0701-2667-Polytechnic Institutes	17.62	12.64	11.47
9	55-Women and Child Development	2235-02-102-0701-0658-Integrated Child Development Service Scheme	702.00	657.63	12.06
10	55-Women and Child Development	2235-02-103-0701-6392-Rajiv Gandhi Kishori Balika Sashaktikaran Yojna (Sabla)	5.81	5.56	0.47
11	61-Expenditure Pertaining to Bundelkhand Package	4401-102-1501-6080-Store and Marketing	237.80	200.00	200.00

1	2	3	4	5	6
12	61- Expenditure Pertaining to Bundelkhand Package	4401-102-1503-6080-Store and Marketing	66.70	43.00	43.00
13	61- Expenditure Pertaining to Bundelkhand Package	4702-101-1501-6074- Restoration of Canal Capacity	Token	65.04	51.12
14	64-Scheduled Castes Sub- Plan (Man Power Planning Department)	2203-789-105-0703-2667- Polytechnic Institutions	2.43	2.43	2.20
15	64-Scheduled Castes Sub- Plan (Farmers Welfare and Agriculture Department)	2401-789-800-1503-5626- National Agriculture Development Scheme	41.90	36.70	1.96
Total			1411.69	1337.30	388.98

(Source: Appropriation Accounts)

APPENDIX 2.11

**STATEMENT SHOWING NON-UTILISATION OF PROVISION MORE THAN
₹ ONE CRORE FOR NEW ITEMS OF EXPENDITURE PROVIDED IN THE
BUDGET**

(REFERENCE: PARAGRAPH 2.3.14; PAGE 58)

(₹ in crore)

Sl. No.	Grant number and name	Name of Scheme	Provision	Expenditure
1	2	3	4	5
1	03-Police	4070-800-0101-7188-Construction for Disaster Management	1.25	Nil
2	11-Commerce, Industry and Employment	4851-800-0101-7138-Share Capital Assistance to TRIFEC for investment A.K.V.N. Sagar	1.00	Nil
3	19-Public Health and Family Welfare	2210-01-110-6743-I.E.C. (Information and Broadcasting)	2.45	Nil
4	41-Tribal Areas Sub-Plan	2401-796-105-0102-6669-Soil Health Card	1.20	Nil
5	41-Tribal Areas Sub-Plan	2210-03-796-103-0102-7199-Special Allowance to Medical Officers of Special Cadre	8.00	Nil
6	41-Tribal Areas Sub-Plan	2210-06-796-101-0102-7200-Medical Checkup of Children of Hostels	1.50	Nil
7	41-Tribal Areas Sub-Plan	2210-06-796-800-0102-7193-Special State Incentive scheme for Family Welfare	14.20	Nil
8	41-Tribal Areas Sub-Plan	2210-06-796-800-0102-7201-Special Assistance to Pregnant Women of Scheduled Caste/Scheduled Tribe	49.75	Nil
9	41-Tribal Areas Sub-Plan	4210-04-112-0102-7202-Establishment of Nursing College	14.90	Nil
10	41-Tribal Areas Sub-Plan	4210-04-796-112-0102-7203-Establishment of Para -Medical College	5.90	Nil
11	41-Tribal Areas Sub-Plan	2225-02-800-0602-7206-Supply of Diesel/Electric Pump scattered BPL farmers	1.00	Nil
12	41-Tribal Areas Sub-Plan	2235-02-796-105-0102-6688-Establishment of Intoxication cum Rehabilitation Centre	1.35	Nil
13	41-Tribal Areas Sub-Plan	2235-60-796-102-0102-6693-Girls Guardian Pension Scheme	1.50	Nil
14	50-Horticulture and Food Processing	2401-119-0101-7141-Establishment of Horticulture Hub	6.25	Nil
15	55-Women and Child Development	4235-02-800-1201-6741-Madhya Pradesh Health Area Improvement Programme (Foreign Aid)	2.00	Nil
16	64-Scheduled Castes Sub-Plan	2401-789-105-0103-6669- Soil Health Card	1.90	Nil
17	64-Scheduled Castes Sub-Plan	2210-06-101-0103-7200-Medical checkup of children of Hostels	1.50	Nil
18	64-Scheduled Castes Sub-Plan	2210-06-789-800-0103-7193-Special State Incentive Scheme for Family Welfare	10.80	Nil
19	64-Scheduled Castes Sub-Plan	2210-06-789-800-0103-7201-Special Assistance to Pregnant Women of Scheduled Caste/Scheduled Tribe	40.25	Nil
20	64-Scheduled Castes Sub-Plan	4210-04-789-112-0103-7202-Establishment of Nursing College	9.90	Nil
21	64-Scheduled Castes Sub-Plan	4210-04-789-112-0103-7203-Establishment of Para Medical College	5.90	Nil
22	64-Scheduled Castes Sub-Plan	2235-60-102-0103-6693-Girls Guardian Pension Scheme	1.00	Nil
23	67-Public Works-Buildings	4059-01-051-0101-7213-Construction of Annexe in Chief Minister Residence Campus	1.50	Nil
24	75-Financial Assistance to Urban Bodies	2217-05-800-0101-7056-Fire Brigade Services	1.00	Nil
Total			186.00	

(Source: Appropriation Accounts)

APPENDIX 2.12
UNUTILISED PROVISION UNDER VARIOUS SCHEMES IN SELECT GRANT
(REFERENCE: PARAGRAPH 2.4.2; PAGE 60)

(₹ in crore)

Sl. No.	Grant No.	Name of the Grant/ Appropriation	Name of the Scheme	Total Provision (Orig. + Supp.)	Expenditure	Amount of Saving	Percentage
1	2	3	4	5	6	7	8
19-Public Health and Family Welfare							
1	19	Public Health and Family Welfare Department	2210-01-110-0101-6742- People Public Participation Scheme	0.01	Nil	0.01	100
2	19	Public Health and Family Welfare Department	2210-01-110-0101-6743- I.E.C. (Information and Broadcasting)	2.45	Nil	2.45	100
3	19	Public Health and Family Welfare Department	2210-01-110-1201-6744- Strengthening of Filaria Programme	1.00	Nil	1.00	100
4	19	Public Health and Family Welfare Department	2210-01-110-1201-6745- Operation and Practical Research	2.00	Nil	2.00	100
5	19	Public Health and Family Welfare Department	2210-01-110-1201-6746- Strengthening of Mother and Child Health Service	2.00	Nil	2.00	100
6	19	Public Health and Family Welfare Department	2210-01-110-1201-7121- Promotion of Quality of Family Welfare Communication	1.00	Nil	1.00	100
7	19	Public Health and Family Welfare Department	2210-01-110-1201-7123- Prevention of Infection from Mother to Child	5.00	Nil	5.00	100
8	19	Public Health and Family Welfare Department	2210-06-101-0101-6845- I.D.S.P. Project	0.60	Nil	0.60	100
9	19	Public Health and Family Welfare Department	4210-01-110-0101-6271- Modernisation of Jai Prakash Hospital	10.00	Nil	10.00	100
10	19	Public Health and Family Welfare Department	2210-01-110-6623-Beti Bachao Abhiyan	1.72	Nil	1.72	100
11	41	41/17-Public Health and Family Welfare Department	2210-03-796-103-0102-7199-Special Allowance to Medical Officer of Special Cadre	8.00	Nil	8.00	100
12	41	41/17-Public Health and Family Welfare Department	2210-06-796-003-0102-7198-Self dependent Scheme for B.S.C. Nursing Training	1.00	Nil	1.00	100

1	2	3	4	5	6	7	8
13	41	41/17-Public Health and Family Welfare Department	2210-06-796-003-0102-7202-Establishment of Nursing College	0.10	Nil	0.10	100
14	41	41/17-Public Health and Family Welfare Department	2210-06-003-0102-7203-Establishment of Para-Medical College	0.10	Nil	0.10	100
15	41	41/17-Public Health and Family Welfare Department	2210-06-796-101-0102-7196-Treatment of T.B. Disease	1.00	Nil	1.00	100
16	41	41/17-Public Health and Family Welfare Department	2210-06-796-101-0102-7200-Medical Check-up of Children of Hostels	1.50	Nil	1.50	100
17	41	41/17-Public Health and Family Welfare Department	4210-04-112-0102-7203-Establishment of Paramedical College	5.90	Nil	5.90	100
18	64	64/17-Public Health and Family Welfare Department	2210-06-789-003-0103-4224-Education and Training	1.00	Nil	1.00	100
19	64	64/17-Public Health and Family Welfare Department	2210-06-789-003-0103-7198-Self dependent scheme for B.S.C. Nursing Training	1.00	Nil	1.00	100
20	64	64/17-Public Health and Family Welfare Department	2210-06-789-003-0103-7202-Establishment of Nursing College	0.10	Nil	0.10	100
21	64	64/17-Public Health and Family Welfare Department	2210-06-789-003-0103-7203-Establishment of Paramedical College	0.10	Nil	0.10	100
22	64	64/17-Public Health and Family Welfare Department	2210-06-101-0103-7200-Medical checkup of children of Hostels	1.50	Nil	1.50	100
23	64	64/17-Public Health and Family Welfare Department	2210-06-800-0103-7193-Special state Incentive Scheme for Family welfare	10.80	Nil	10.80	100
24	64	64/17-Public Health and Family Welfare Department	2210-06-800-0103-7201-Special Assistance to Pregnant Women of Scheduled Castes/Scheduled Tribes	40.25	Nil	40.25	100
25	64	64/17-Public Health and Family Welfare Department	4210-04-789-112-0103-7202-Establishment of Nursing College	9.90	Nil	9.90	100
26	64	64/17-Public Health and Family Welfare Department	4210-04-789-112-0103-7203-Establishment of Paramedical College	5.90	Nil	5.90	100
Total				113.93		113.93	

(Source: Appropriation Accounts)

APPENDIX 2.13

**PROVISION OF MORE THAN ₹ ONE LAKH AND ABOVE IN EACH CASE
UNDER OBJECT HEADS 63-MACHINES OF CAPITAL ASSETS RELATING
TO CAPITAL SECTION CLASSIFIED IN REVENUE SECTION
(REFERENCE: PARAGRAPH 2.4.5; PAGE 61)**

(₹ in crore)

Sl. No.	Major Head	Object Head	Scheme Head	Amount
1	2	3	4	5
1	2210	63-Machine-001-Machines and Equipments	6229	15.00
2	2210	63-Machine-001-Machines and Equipments	2283	0.15
3	2210	63-Machine-001-Machines and Equipments	0078	0.16
4	2210	63-Machine-001-Machines and Equipments	6050	0.60
5	2210	63-Machine-001-Machines and Equipments	7558	0.50
6	2210	63-Machine-001-Machines and Equipments	6271	0.50
7	2210	63-Machine-001-Machines and Equipments	6451	0.88
8	2210	63-Machine-001-Machines and Equipments	8798	2.00
9	2210	63-Machine-001-Machines and Equipments	0093	0.20
10	2210	63-Machine-001-Machines and Equipments	1473	7.00
11	2210	63-Machine-001-Machines and Equipments	0077	0.40
12	2210	63-Machine-001-Machines and Equipments	9360	0.04
13	2210	63-Machine-001-Machines and Equipments	7317	1.50
14	2210	63-Machine-001-Machines and Equipments	5998	1.10
15	2210	63-Machine-001-Machines and Equipments	9812	0.40
16	2210	63-Machine-001-Machines and Equipments	5189	0.09
17	2210	63-Machine-001-Machines and Equipments	0859	0.20
18	2210	63-Machine-001-Machines and Equipments	2818	0.03
19	2210	63-Machine-001-Machines and Equipments	8150	0.04
20	2210	63-Machine-001-Machines and Equipments	1070	0.33
21	2210	63-Machine-001-Machines and Equipments	0750	0.08
22	2210	63-Machine-001-Machines and Equipments	3704	0.01
23	2210	63-Machine-001-Machines and Equipments	0336	2.00
24	2210	63-Machine-001-Machines and Equipments	2880	0.01
25	2210	63-Machine-001-Machines and Equipments	2703	2.00
26	2210	63-Machine-001-Machines and Equipments	5008	2.00
Total				37.22

(Source: Appropriation Accounts)

APPENDIX 3.1

**DEPARTMENT-WISE POSITION OF PENDING UTILISATION CERTIFICATES
UP TO MARCH 2013**

(REFERENCE: PARAGRAPH 3.1; PAGE 63)

Sl. No.	Name of Departments	Major Head	Amount (₹ in crore)
1	2	3	5
1.	Revenue	2029	1.20
2.	Social Welfare	2235	748.03
3.	Urban Administration	3604	9547.83
4.	Rural Development	2501,2505	4880.96
5.	Co-operation	6425,2425	367.77
6.	Irrigation	2702	1.87
7.	Energy	2801,2810	996.74
8.	Animal Husbandry	2403	249.30
9.	Excise	2039,2045	2.04
10.	Jail	2056	0.02
11.	Women and Child Development	2236	86.44
12.	Police	2055	1.92
13.	Religious Trusts and Endowments	2250	17.85
14.	Public Health Engineering	2215	22.76
15.	Industry	2851,2852	433.48
16.	Law and Legislative Affairs	2014	2.12
17.	Food And Civil Supplies	2408	4942.10
18.	Public works Department	2216	214.16
19.	Mining and Meteorology	2853	229.89
20.	Fisheries	2405	108.41
21.	Tourism	3452	10.81
22.	Agriculture	2401,4402	464.40
23.	Labour	2230	51.43
24.	General Administration	2075,2052	89.25
25.	Economics and Statistics	3454	57.44
26.	Institutional Finance	2047	0.01
27.	Science and Technology	3425	21.80
28.	Medical Services	2210	9.64
29.	Schedule Caste, Schedule Tribe and Other Welfare Department	2225	379.87
30.	Education Department	2202	4284.51
31.	Sports and Youth welfare	2204	10.79
32.	Rajbhasha and Culture Department	2205	0.93
33.	District Administration	2053	5.14
Total		40 Major Heads	28240.91

(Source: Information furnished by PAG (A&E) Madhya Pradesh)

APPENDIX 3.2

DEPARTMENT-WISE/DURATION-WISE BREAK-UP OF THE CASES OF MISAPPROPRIATION, DEFALCATION ETC.

(REFERENCE: PARAGRAPH 3.3; PAGE 65)

Sl.No.	Name of the Department	Up to 5 Years		5 to 10 Years		10 to 15 Years		15 to 20 Years		20 to 25 Years		25 Years and more		Total No. of cases		
		No. of cases	Amount (in lakh)	No. of cases	Amount (in lakh)	No. of cases	Amount (in lakh)	No. of cases	Amount (in lakh)	No. of cases	Amount (in lakh)	No. of cases	Amount (in lakh)	No. of cases	Amount (in lakh)	No. of cases
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
1	2210-Medical & Public Health	4	21.09	3	14.99	7	7.08	5	22.35	6	8.98	26	14.76	51	89.25	
2	2211- Family Welfare	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	11	5.94	11	5.94	
3	2054- Treasury & Accounts	7	376.05	0	0.00	0	0.00	1	18.25	0	0.00	9	14.79	17	409.09	
4	2215-Public Health Engineering	6	79.84	2	1.38	1	0.48	0	0.00	0	0.00	0	0.00	9	81.70	
5	2014- Administration of Justice	2	6.79	4	3.05	0	0.00	0	0.00	1	0.44	2	0.29	9	10.57	
6	2053-Distt. Administration	0	0.00	1	0.01	0	0.00	0	0.00	0	0.00	2	0.80	3	0.81	
7	2058- Stationery & Printing	0	0.00	0	0.00	0	0.00	1	0.17	0	0.00	0	0.00	1	0.17	
8	2013- General Administration	1	0.32	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	1	0.32	
9	2015- Election	1	7.90	0	0.00	0	0.00	1	3.81	0	0.00	0	0.00	2	11.71	
10	2220- Public Relation	1	0.02	1	0.00	0	0.00	0	0.00	0	0.00	0	0.00	2	0.02	
11	2055- Police	152	42.13	153	32.41	64	38.15	19	15.41	21	7.68	0	0.00	409	135.78	
12	2225- Welfare of SC/ST/OBC	0	0.00	0	0.00	0	0.00	9	6.40	9	8.65	5	1.82	23	16.87	
13	2235- Women & Child Welfare	0	0.00	1	1.31	1	4.04	1	0.14	4	2.26	4	3.11	11	10.86	
14	2202- School Education	59	2699.81	25	37.35	8	4.40	15	8.79	20	12.84	32	14.28	159	2777.47	
15	2203- Tech. Education	13	18.38	4	9.13	0	0.00	0	0.00	0	0.00	0	0.00	17	27.51	
16	2204- Sport & Youth Services	1	0.45	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	1	0.45	

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1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
17	2505- Rural Employment	0	0.00	1	0.25	0	0.00	1	13.12	0	0.00	0	0.00	2	13.37
18	2230- Labour & Employment	7	4.13	2	0.18	1	6.76	0	0.00	0	0.00	0	0.00	10	11.07
19	2501- Special Programmes for Rural Development	2	43.56	1	1.33	3	1.54	2	2.99	2	0.35	1	0.02	11	49.79
20	2505- Rural Employment	1	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	1	0.00
21	2515- Other Rural Development Programmes	2	1.36	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	2	1.36
22	2403- Animal Husbandry	5	4.98	3	0.74	4	8.73	2	3.11	2	0.15	3	0.24	19	17.95
23	2401- Agriculture	2	1.73	7	12.41	0	0.00	0	0.00	3	0.48	0	0.00	12	14.62
24	2406- Forestry & Wild life	275	484.99	218	240.73	393	366.10	347	151.89	631	126.86	505	95.15	2369	1465.72
25	Public Works Department	4	18.66	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	4	18.66
26	Water Resources Department	6	4.84	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	6	4.84
27	Narmada Valley Development Department	3	0.36	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	3	0.36
Total		554	3817.39	426	355.27	482	437.28	404	246.43	699	168.69	600	151.20	3165	5176.26

(Source: Information maintained in PAG/AG (G&SSA) and E&RSA, Madhya Pradesh)

APPENDIX 3.3

DEPARTMENT/CATEGORY-WISE DETAILS IN RESPECT OF CASES OF THEFT, MISAPPROPRIATION/LOSS OF GOVERNMENT MATERIAL

(REFERENCE: PARAGRAPH 3.3; PAGE 65)

Sl. No.	Name of Department	Theft Cases		Misappropriation/ Loss of Government Material		Total	
		Number of Cases	Amount (₹ in lakh)	Number of Cases	Amount (₹ in lakh)	Number of Cases	Amount (₹ in lakh)
1	2	3	4	5	6	7	8
1	2210- Medical & Public Health	19	14.68	32	74.57	51	89.25
2	2211- Family Welfare	0	0.00	11	5.94	11	5.94
3	2054- Treasury & Accounts	5	23.61	12	385.48	17	409.09
4	2215- Public Health Engineering	6	2.46	3	79.24	9	81.70
5	2014- Administration of Justice	6	3.38	3	7.19	9	10.57
6	2053-Distt. Administration	0	0.00	3	0.81	3	0.81
7	2058- Stationary & Printing	0	0.00	1	0.17	1	0.17
8	2013- General Administration	0	0.00	1	0.32	1	0.32
9	2015- Election	1	7.90	1	3.81	2	11.71
10	2220- Public Relation	0	0.00	2	0.02	2	0.02
11	2055- Police	6	28.84	403	106.94	409	135.78
12	2225- Welfare of SC/ST/OBC	11	9.23	12	7.64	23	16.87
13	2235- Women & Child Welfare	3	5.08	8	5.78	11	10.86
14	2202- School Education	75	82.94	84	2694.53	159	2777.47
15	2203- Tech. Education	11	12.22	6	15.29	17	27.51
16	2204- Sports & Youth Services	1	0.45	0	0.00	1	0.45
17	2505-Rural Employment	2	13.37	0	0.00	2	13.37
18	2230-Labour & Employment	8	4.07	2	7.00	10	11.07
19	2501- Special Programmes for Rural Development	6	3.39	5	46.40	11	49.79
20	2505-Rural Employment	0	0.00	1	0.00	1	0.00
21	2515- Other Rural Development Programmes	1	1.25	1	0.11	2	1.36
22	2403- Animal Husbandry	7	6.70	12	11.25	19	17.95
23	2401- Agriculture	9	8.02	3	6.60	12	14.62

1	2	3	4	5	6	7	8
24	2406- Forestry & Wild life	39	10.00	2330	1455.72	2369	1465.72
25	Public Works Department	3	11.66	1	7.00	4	18.66
26	Water Resources Department	6	4.84	0	0.00	6	4.84
27	Narmada Valley Development Department	3	0.36	0	0.00	3	0.36
Total		228	254.45	2937	4921.81	3165	5176.26

(Source: Information maintained in PAG/AG (G&SSA) and E&RSA, Madhya Pradesh)

APPENDIX 3.4

**DEPARTMENT-WISE DETAILS OF CASES OF WRITE-OFF FOR 2012-13
(REFERENCE: PARAGRAPH 3.3; PAGE 66)**

Sl. No.	Department	Authority sanctioning write off	Brief particulars	No. of cases	Amount (in ₹)
1	2	3	4	5	6
1	2210-Medical & Pub. Health	CMHO, Rajgarh	Defalcation in DHO, Rajgarh	1	10684.00
2	2210-Medical & Pub. Health	Suprintendent, Rani Durgawati Hospital, Jabalpur	Doubtful defalcation in Rani Durgawati (Lady Alwin) Hospital, Jabalpur	1	88199.77
3	2210-Medical & Pub. Health	Additional Secretary, Medical Education Department, Bhopal	Theft in the Store of Ayurvedic College Hospital, Jabalpur	1	92364.00
4	2211-Family Welfare	CMHO, Ujjain	Defalcation	1	14595.00
5	2055- Police	Director General, Police MP, Bhopal	Loss due to theft of wireless sets, accidents of vehicles etc.	21	236683.00
6	2202-Education	District Education Officer, Indore	Loss due to destruction of Books	1	4377.35
7	2202-Education	Director, Public Education, MP, Bhopal	Loss due to theft	1	36113.75
8	2403- Animal Husbandry	Director Institute of Animal Husbandry Vety. Biological Mhow, MP	Glass ware/ instrument/unserviceable articles/spare parts etc.	8	25656
9	2406- Forestry & Wild life	Add. P.C.C.F. Finance and Budget MP, Bhopal	Due to non recovery of losses	31	657823
Total				66	1166495.87

(Source: Information maintained in PAG/AG (G&SSA) and E&RSA, Madhya Pradesh)

APPENDIX 3.5

BOOKING UNDER MINOR HEAD '800-OTHER EXPENDITURE'

(REFERENCE: PARAGRAPH 3.6; PAGE 68)

Sl. No.	Major Head		Total Expenditure under the Major Head (₹ in crore)	Expenditure under Minor Head 800-Other Expenditure (₹ in crore)	Percentage
1	2250	Other Social Services	68.97	68.97	100.00
2	4875	COL on Other Industries	13.90	13.90	100.00
3	4070	Capital Outlay on other Administrative Services	8.05	8.05	100.00
4	4853	COL on Non-ferrous Mining and Metallurgical Industries	3.76	3.76	100.00
5	4711	COL on Flood Control Projects	6.22	6.17	99.20
6	2702	Minor Irrigation	94.90	87.63	92.33
7	2075	Miscellaneous General Services	12.64	11.54	91.30
8	2852	Industries	141.47	129.11	91.26
9	4515	COL on other Rural Development Programmes (M.P. Assembly Constituency area development scheme, grant to MPRRDA etc.)	1451.76	1303.34	89.78
10	4700	Capital Outlay on Major Irrigation (Omkareshwar Project and canal and appurtenant works etc.)	2365.98	2111.99	89.26
11	2853	Non-ferrous mining and Metallurgical Industries	1703.78	1378.00	80.88
12	2204	Sports and Youth Welfare Services	85.34	53.02	62.13
13	4701	Capital Outlay on Medium Irrigation	836.54	505.69	60.45
14	5054	COL on Roads and Bridges	2074.65	1137.07	54.81
15	2705	Command Area Development	2.47	1.26	51.01
		Total	8870.43	6819.50	

(Source: Finance Accounts 2012-13)

APPENDIX 3.6

BOOKING UNDER MINOR HEAD '800-OTHER RECEIPTS'

(REFERENCE: PARAGRAPH 3.6; PAGE 68)

Sl. No.	Major Head		Total Receipt under the Major Head (₹ in crore)	Receipt under Minor Head 800-Other Receipts (₹ in crore)	Percentage
1	0852	Industries	24.08	24.37	101.20*
2	0853	Non-ferrous Mining and Metallurgical Industries	2443.39	2446.13	100.11*
3	0801	Power	370.69	370.69	100.00
4	0702	Minor Irrigation	379.62	379.62	100.00
5	0220	Information and Publicity	0.21	0.21	100.00
6	0211	Family Welfare	0.23	0.23	100.00
7	0058	Stationary and Printing	18.94	18.94	100.00
8	0235	Social Security and Welfare	9.78	9.75	99.69
9	0515	Other Rural Development Programmes	45.77	44.07	96.29
10	0217	Urban Development	41.61	39.39	94.66
11	0700	Major Irrigation	57.22	50.79	88.76
12	0202	Education, Sports, Art and Culture	1682.50	1488.22	88.45
13	0435	Other Agricultural Programmes	2.60	2.21	85.00
14	0059	Public Works	33.22	28.17	84.80
15	0210	Medical and Public Health	44.83	30.72	68.52
16	1601	Grants-in-aid from Central Government	12040.20	7199.90	59.80
17	0215	Water Supply and Sanitation	11.09	5.95	53.65
18	0403	Animal Husbandry	2.46	1.27	51.63
		Total	17208.44	12140.63	

(Source: Finance Accounts 2012-13)

*Net figures under the Major Heads were less than the Minor Head 800-Other Receipts due to the effect of 900-Deduct Refunds under the Major Heads.

**GLOSSARY OF
ABBREVIATIONS**

Glossary of Abbreviations

Sl. No.	Abbreviation	Full Form
1.	A&E	Accounts & Entitlement
2.	AC	Abstract Contingency
3.	AE	Aggregate Expenditure
4.	AIA	All India Average
5.	BCO	Budget Controlling Officer
6.	BE	Budget Estimates
7.	CAG	Comptroller and Auditor General of India
8.	CAGR	Compound Annual Growth Rate
9.	CE	Capital Expenditure
10.	CFS	Consolidated Fund of State
11.	CO	Capital Outlay
12.	CRSP	Central Rural Sanitation Programme
13.	CWC	Central Water Commission
14.	DCC	Detailed Countersigned Contingency
15.	DCRF	Debt Consolidation and Relief Facility
16.	DDO	Drawing and Disbursing Officer
17.	DE	Development Expenditure
18.	DHE	Department of Higher Education
19.	DRDA	District Rural Development Agency
20.	FDR	Fixed Deposit Receipt
21.	GBC	General Basic Grant
22.	GOI	Government of India
23.	GSDP	Gross State Domestic Product
24.	HLC	High Level Committee
25.	IP	Interest Payment
26.	ITI	Industrial Training Institute
27.	IAY	Indira Awaas Yojana
28.	JP	Janpad Panchayat

29.	LAO	Land Acquisition Officer
30.	MH	Major Head
31.	MP	Madhya Pradesh
32.	MPBM	Madhya Pradesh Budget Manual
33.	MPFC	Madhya Pradesh Financial Code
34.	MPFRBM	Madhya Pradesh Fiscal Responsibility and Budget Management Act, 2005
35.	MPLADS	Madhya Pradesh Local Area Development Scheme
36.	MPRRDA	Madhya Pradesh Rural Road Development Authority
37.	MPSEB	Madhya Pradesh State Electricity Board
38.	MPTC	Madhya Pradesh Treasury Code
39.	MTFPS	Medium Term Fiscal Policy Statement
40.	NABARD	National Bank for Agriculture and Rural Development
41.	NCC	National Cadet Corp
42.	NIT	National Institute of Technology
43.	NGO	Non-Government Organisation
44.	NPRE	Non-Plan Revenue Expenditure
45.	NPCB	National Programme for Control of Blindness
46.	NRHM	National Rural Health Mission
47.	NSS	National Small Saving
48.	NSSF	National Small Saving Fund
49.	NTR	Non-Tax Revenue
50.	O&M	Operation and Maintenance
51.	PAC	Public Accounts Committee
52.	PCCE	Per Capita Capital Expenditure
53.	PCDE	Per Capita Development Expenditure
54.	PCSSE	Per Capita Social Sector Expenditure
55.	PD	Personal Deposit
56.	PMGSY	Pradhan Mantri Gram Sadak Yojana

57.	PPP	Public Private Partnership
58.	PR	Panchayati Raj
59.	RBI	Reserve Bank of India
60.	RE	Revenue Expenditure
61.	RMSA	Rashtriya Madhyamik Shiksha Abhiyan
62.	RR	Revenue Receipts
63.	S&W	Salary and Wages
64.	SABG	Special Areas Basic Grant
65.	SAR	Separate Audit Report
66.	SBI	State Bank of India
67.	SCSP	Scheduled Caste Sub-Plan
68.	SDO	Sub Divisional Officer
69.	SGSY	Swaranjayanti Gram Swarozgar Yojana
70.	SJSRY	Swarn Jayanti Shahari Rojgar Yojana
71.	SSA	Sarva Shiksha Abhiyan
72.	SSE	Social Sector Expenditure
73.	SRC	State Resource Centre
74.	ST	Scheduled Tribe
75.	SWSM	State Water and Sanitation Mission
76.	TB	Tuberculosis
77.	TE	Total Expenditure
78.	TFC	Twelfth Finance Commission
79.	UADD	Urban Administration and Development Department
80.	UC	Utilisation Certificate
81.	UID	Unique Identification
82.	VAT	Value Added Tax
83.	VO	Voluntary Organisation
84.	WMA	Ways and Means Advances
85.	ZP	Zila Panchayat