

ACCOUNTS AT A GLANCE

2012-2013

GOVERNMENT OF MADHYA PRADESH

PREFACE

This is the Fifteenth issue of our annual publication "**Accounts at a Glance**".

The Annual Accounts of the State Government are prepared and examined under the direction of Comptroller and Auditor General of India in accordance with the requirements of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 for being laid before the Legislature of the State. The Annual Accounts Consist of (a) Finance Accounts and (b) Appropriation Accounts. Finance Accounts are summary statement of accounts under the Consolidated Fund, the Contingency Fund and the Public Account. The Appropriation Accounts record the Grant-wise expenditure against provisions approved by State Legislature and offer explanations for variations between the actual expenditure and the funds provided. The Principal Accountant General (Accounts and Entitlement) prepares the State Finance Accounts and the Appropriation Accounts.

"Accounts at a Glance" provides a broad overview of Governmental activities, as reflected in the Finance Accounts and the Appropriation Accounts. The information is presented through brief explanations, statements and graphs. These figures have been adopted from the Finance and Appropriation Accounts of Government of Madhya Pradesh. In case of difference, the figures depicted in the Finance and Appropriation Accounts may be treated as correct.

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

Place : Gwalior

Date : 18th February 2014



(Rudra Saha)

Principal Accountant General (A&E) I
Madhya Pradesh

Our Vision, Mission and Core Values

This vision of the institution of the Comptroller and Auditor General of India represents what we aspire to become.

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

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

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

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

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

TABLE OF CONTENTS

		Page
Chapter 1	Overview	
1.1	Introduction	1
1.2	Structure of Accounts	1
1.3	Finance Accounts and Appropriation Accounts	2
1.4	Sources and Application of Funds	5
1.5	Highlights of Accounts	8
1.6	What the Deficits and Surpluses indicate	9
Chapter 2	Receipts	
2.1	Introduction	12
2.2	Revenue Receipts	12
2.3	Trend of Receipts	14
2.4	Performance of State's own Tax Revenue Collection	16
2.5	Efficiency of Tax Collection	16
2.6	Trend in State's share of Union Taxes over the past five years	17
2.7	Grants-in-Aid	17
2.8	Public Debt	18
Chapter 3	Expenditure	
3.1	Introduction	19
3.2	Revenue Expenditure	19
3.3	Capital Expenditure	21

Chapter 4 Plan & Non-Plan Expenditure

4.1	Distribution of Expenditure	24
4.2	Plan Expenditure	24
4.3	Non-Plan Expenditure	26
4.4	Rush of Expenditure	26
4.5	Committed Expenditure	27

Chapter 5 Appropriation Accounts

5.1	Summary of Appropriation Accounts	29
5.2	Trend of Savings/Excess during the past five years	29
5.3	Significant Savings	29

Chapter 6 Assets and Liabilities

6.1	Assets	32
6.2	Debt and Liabilities	32
6.3	Guarantees	34

Chapter 7 Other Items

7.1	Adverse Balances under Internal Debt	35
7.2	Loans and Advances by the State Government	35
7.3	Financial Assistance to Local Bodies and Others	36
7.4	Cash Balance and Investment of Cash Balance	36
7.5	Reconciliation of Accounts	37
7.6	Submission of Accounts by Treasuries	37
7.7	Existence of Majorities Abstract Contingent Bills (A C Bills)	38

OVERVIEW

1.1 Introduction

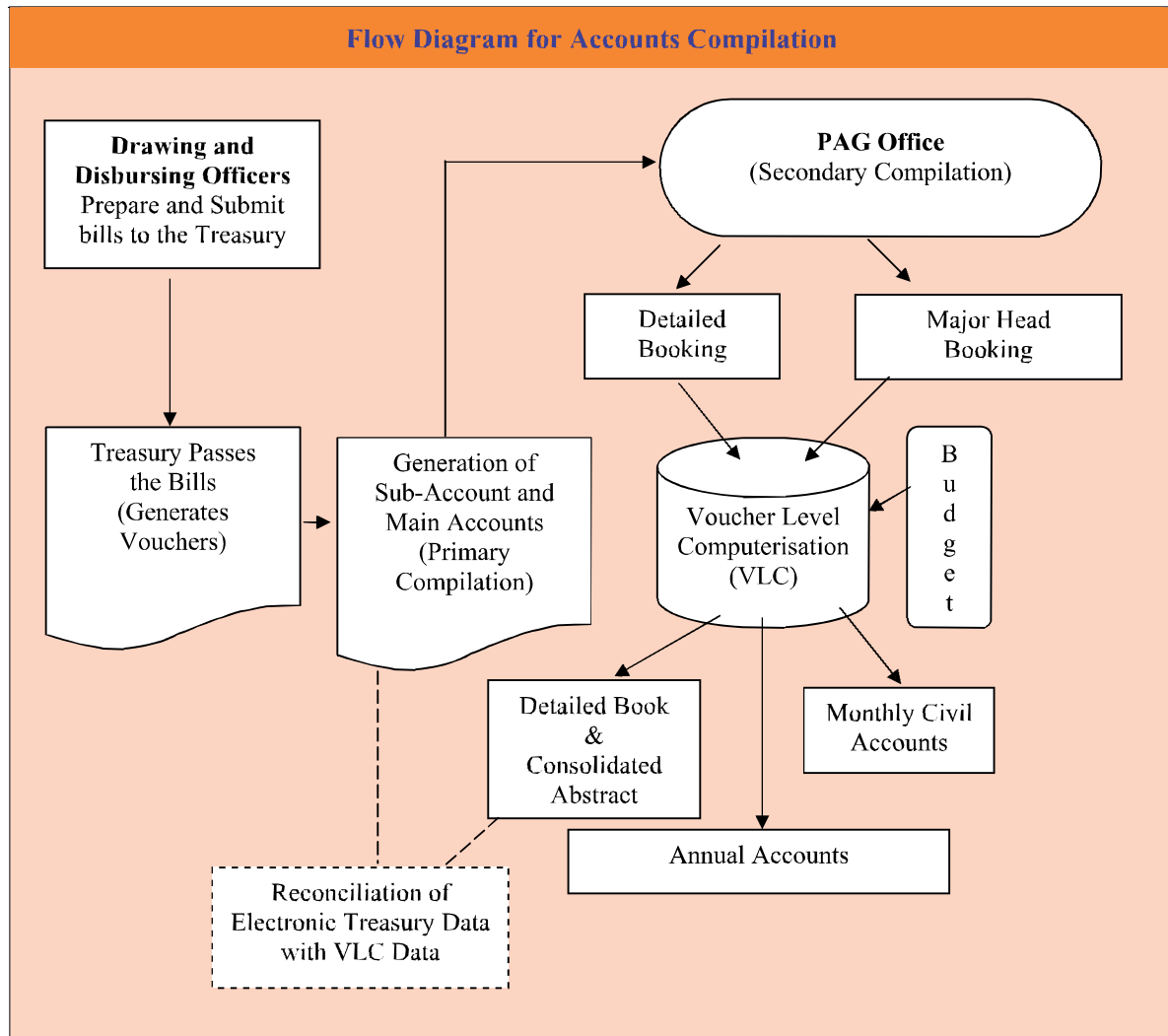
The Principal Accountant General (Accounts and Entitlements)-I, Madhya Pradesh compiles the accounts of receipts and expenditure of the Government of Madhya Pradesh. This compilation is based on the initial accounts rendered by the District Treasuries, Public Works and Forest Divisions and advices of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

1.2 Structure of Accounts

1.2.1 Government Accounts are kept in three parts:

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

1.2.2 Compilation of Accounts



1.3 Finance Accounts and Appropriation Accounts

1.3.1 Finance Accounts

The Finance Accounts depict the Receipts and Disbursements of the Government for the year, together with the financial results disclosed by the Revenue and Capital accounts, Public Debt and Public Account balances recorded in the accounts. The Finance Accounts have been issued in two volumes, since 2009-10 to make them more comprehensive and informative. Volume I of the Finance Accounts contains the certificate of the Comptroller and Auditor

General of India, summarized statements of overall Receipts and Disbursements and 'Notes to Accounts' containing summary of significant accounting policies, quality of accounts and other items; Volume II contains other Summarized Statements (Part-I), Detailed Statements (Part-II) and Appendices (Part-III).

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

(₹ in crore)

Receipts (Total: 7,99,20)	Revenue Total: 7,04,27	Tax Revenue	5,13,87
		Non-Tax Revenue	70,00
		Grants-in-Aid	1,20,40
	Capital Total: 94,93	Recovery of Loans and Advances	33
		Borrowings and Other Liabilities ¹	94,20
		Other Receipts ²	40
Disbursements (Total: 7,99,20)	Revenue	6,29,68	
	Capital	1,15,67	
	Loans and Advances	53,78	
	Inter State Settlement	7	

The Union Government transfers substantial funds directly to State Implementing Agencies/NGOs for implementation of various schemes and programmes. This year, the Government of India directly released ₹ 70,61³ crore (₹ 94,97⁴ crore last year). Since these funds are

¹ Borrowing and other Liabilities: Net (Receipts-Disbursements) of Public Debt (₹ 52,07 crore) + Net of Contingency Fund (Nil) + Net (Receipts - Disbursements) of Public Account (₹ 32,55 crore) + Net of Opening and Closing Cash Balance (₹ 9,58 crore).

² Includes capital receipts (₹ 31 crore) on account of refund of investment in share capital by co-operative societies/Banks and Inter state settlement (₹ 9 crore).

³ ₹ 62,34 crore as per Finance Account 2012-13.

⁴ ₹ 92,81 crore as per Finance Account 2011-12.

Figures do not tally with Finance Accounts as only major schemes incorporated in Finance Accounts

not routed through the State Budget, they are not reflected in the accounts of the State Government. These transfers are now exhibited in Appendix VII of Volume II of the Finance Accounts.

1.3.2 Appropriation Accounts

The Appropriation Accounts supplement the Finance Accounts. They depict the expenditure of the State Government against amounts 'charged' on the Consolidated Fund or 'voted' by the State Legislature. There are 53 charged Appropriations and 133 voted Grants.

The Appropriation Act, 2012-13 had provided for gross expenditure of ₹ 10,14,23.39 crore and reduction of expenditure (recoveries) of ₹ 33,29.04 crore. Against this, the actual gross expenditure was ₹ 8,39,62.19 crore and reduction of expenditure was ₹ 4,57.56 crore resulting in net savings of ₹ 1,74,61.20 crore (17.22 per cent) and an over-estimation of ₹ 28,71.48 crore (86.25 per cent) on reduction of expenditure. Reduction of expenditure, in Revenue and Capital was less than estimates. The gross expenditure includes ₹ 1.66 crore drawn on Abstract Contingent (AC) Bills, which is still outstanding at the end of the year for want of supporting Detailed Contingent (DC) bills.

During 2012-13, ₹ 1,15.99 crore was transferred from the Consolidated Fund to Personal Deposit (PD) Accounts under the Public Account, which are maintained by designated Administrators for specific purposes. Normally, unspent balances under PD accounts are to be transferred back to the Government at the end of the financial year. However, details of such transfers, if any, and outstanding balances in individual PD accounts are available only with the treasuries, since they are responsible for maintaining such records.

1.4 Sources and Application of Funds

1.4.1 Ways and Means Advances

The Reserve Bank of India (RBI) extends the facility of Ways and Means Advances (WMA) to enable State Government to maintain their liquidity. Overdraft (OD) facilities are provided when there is a shortfall in the agreed minimum cash balance (₹ 1.96 crore) maintained with the RBI. During 2012-13, the Government of Madhya Pradesh did not resort to OD facilities and WMA.

1.4.2 Fund flow statement

The State had a Revenue Surplus of ₹ 74,59 crore and a Fiscal Deficit of ₹ 94,20 crore representing 2.06 per cent and 2.60 per cent of the Gross State Domestic Product (GSDP)⁵. The Fiscal Deficit Constituted 12 per cent of Total expenditure. This deficit was met from Public Debt (₹ 52,07 crore), Surplus in Public Account (₹ 32,55 crore) and net of opening and closing cash balance (₹ 9,58 crore). Around 38 per cent of the revenue receipts (₹ 7,04,27 crore) of the State Government was spent on committed expenditure like salaries including wages (₹ 1,60,26 crore), interest payments (₹ 55,74 crore) and pensions (₹ 49,47 crore).

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

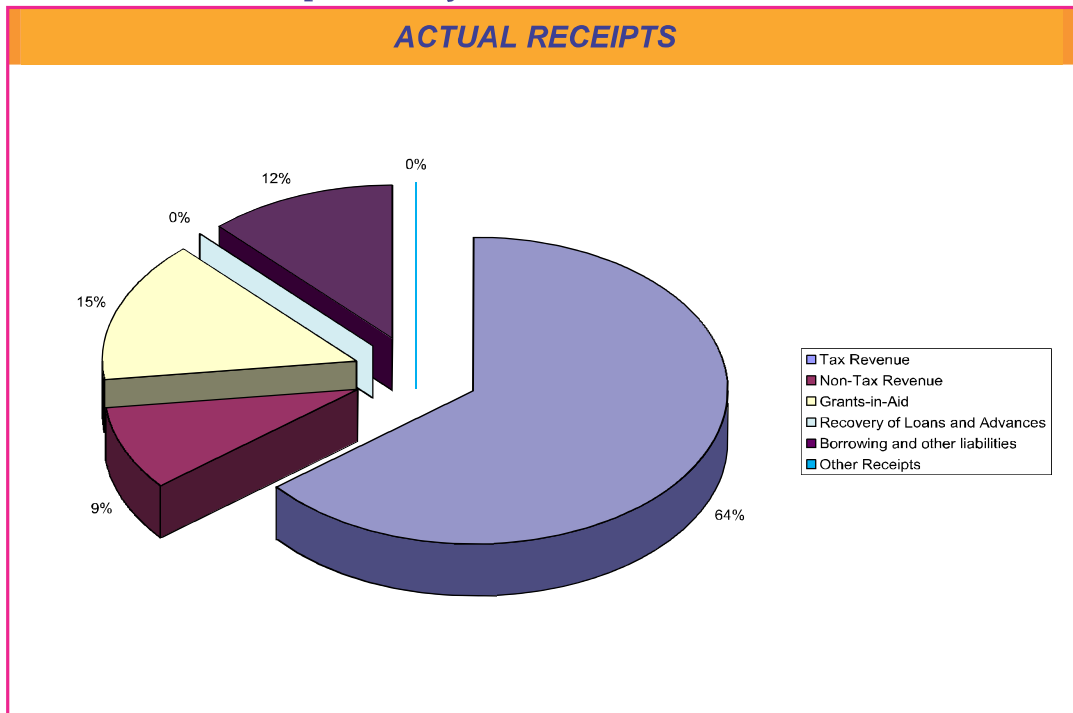
Sources and Application of Funds

(₹ in crore)

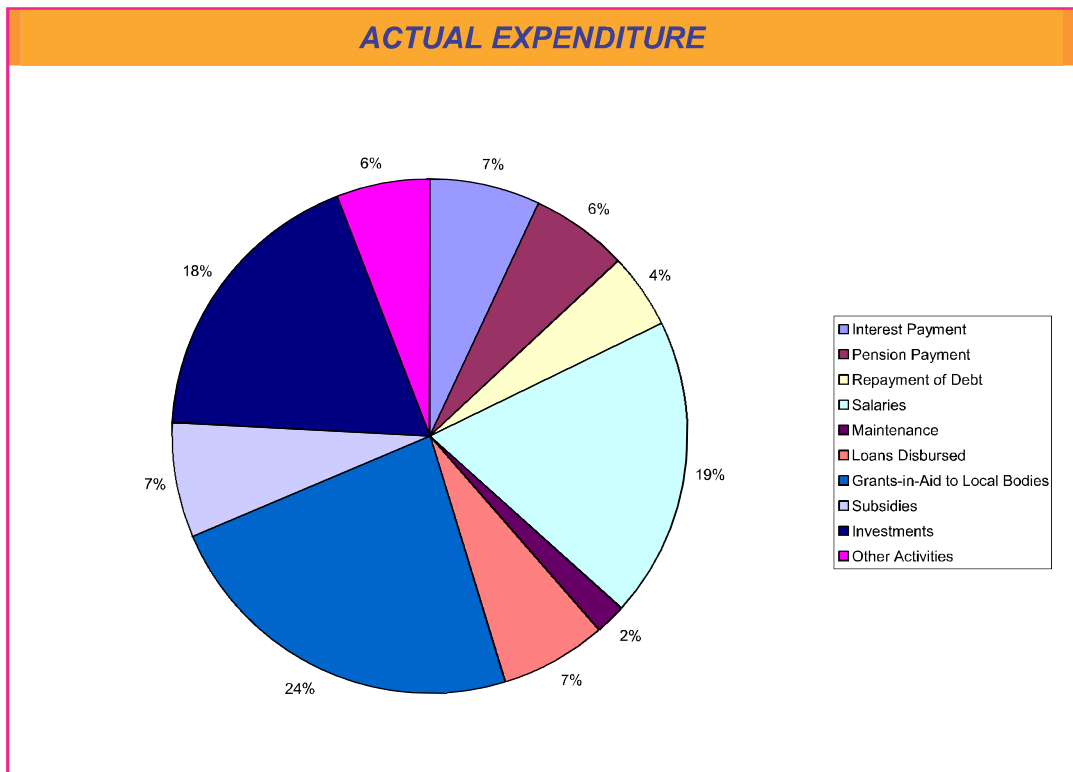
SOURCES	PARTICULARS	AMOUNT
	Opening Cash Balances as on 01 April 2012	6,95
	Revenue Receipts	7,04,27
	Capital Receipts	31
	Recovery of Loans & Advances	33
	Public Debt	87,91
	Small Savings, Provident Fund & Others	23,19
	Reserves & Sinking Funds	24,41
	Deposits Received	60,27
	Civil Advances Repaid	4,75
	Suspense Account	22,59,10
	Remittances	1,51,67
	Inter State Settlement	9
TOTAL	33,23,25	

APPLICATION	Revenue Expenditure	6,29,68
	Capital Expenditure	1,15,67
	Loans Disbursed	53,78
	Repayment of Public Debt	35,84
	Small Savings, Provident Fund & Others	14,82
	Reserves & Sinking Funds	4,23
	Deposits Spent	56,77
	Civil Advances Given	4,76
	Suspense Account	22,62,59
	Remittances	1,47,67
	Closing Cash Balance as on 31 March 2013	(-) 2,63
	Inter State Settlement	7
	TOTAL	33,23,25

1.4.3 Where the Rupee came from



1.4.4 Where the Rupee went



1.5 Highlights of Accounts

(₹ in crore)

Items	B.E. 2012-13	Actuals	Percentage of actuals to B.E.	Percentage of actuals to GSDP ⁶
1. Tax Revenue ⁷	4,99,17	5,13,87	103	14
2. Non-Tax Revenue	73,27	70,00	96	2
3. Grants-in-Aid & Contributions	1,26,70	1,20,40	95	3
4. Revenue Receipts (1+2+3)	6,99,14	7,04,27	101	19
5. Recovery of Loans and Advances	99	33	33	0
6. Other Receipts ⁸	--	40	--	0
7. Borrowings & other Liabilities ⁹	1,00,18	94,20	94	3
8. Capital Receipts (5+6+7)	1,01,17	94,93	94	3
9. Total Receipts (4+8)	8,00,31	7,99,20	100	22
10. Non-Plan Expenditure ¹⁰	4,82,88	4,84,92	100	13
11. NPE on Revenue Account	4,45,97	4,46,19	100	12
12. NPE on Interest Payments out of 11	62,75	55,74	89	2
13. NPE on Capital Account ¹¹	36,91	38,73	105	1
14. Plan Expenditure	3,17,43	3,14,28	99	9
15. PE on Revenue Account	1,89,46	1,83,49	97	5
16. PE on Capital Account ¹²	1,27,97	1,30,79	102	4
17. Total Expenditure (10+14)	8,00,31	7,99,20	100	22
18. Revenue Expenditure (11+15)	6,35,43	6,29,68	99	17
19. Capital Expenditure (13+16) ¹³	1,64,88	1,69,52	103	5
20. Revenue Surplus (4-18)	63,71	74,59	117	2
21. Fiscal Deficit (4+5+6-17)	1,00,18	94,20	94	3

⁶ GSDP figure of ₹ 36,18,74 crore adopted from the Economic Survey published by Planning Department, Government of Madhya Pradesh.

⁷ Includes State's share of Union Taxes of ₹ 2,08,05 crore.

⁸ See footnote 2 at page No.3.

⁹ See footnote 1 at page No.3.

¹⁰ Actual non plan expenditure includes Revenue expenditure (₹ 4,46,19 crore), Capital expenditure (₹ 24 crore), Loans and Advances disbursed (₹ 38,42 crore) and Inter State Settlement (₹ 7 crore).

¹¹ Includes ₹ 38,42 crore Loans and Advances, ₹ 7 crore Inter State Settlement and ₹ 24 crore Capital Expenditure.

¹² Includes Plan Capital Expenditure ₹ 1,15,43 crore and Plan Loans and Advances expenditure ₹ 15,36 crore.

¹³ Expenditure on Capital Account includes Capital Expenditure (₹ 1,15,67 crore) and Loans and Advances disbursed (₹ 53,78 crore) and Inter State Settlement (₹ 7 crore).

1.6 What the Deficits and Surpluses indicate

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

Deficit indicators, revenue augmentation and expenditure management are major yardsticks for judging the fiscal performance of the Government. The "Twelfth" Finance Commission had recommended that the State achieve revenue surplus by 2008-09 and reduce Fiscal Deficit to 3 per cent of GSDP by 2009-10. In view of the economic slow-down, Government of India further relaxed the acceptable ceiling for the Fiscal Deficit-GSDP ratio to 4 per cent in 2009-10 and 3.5 per cent in 2010-11. To encourage the State Government to achieve these goals, Government of India extended Debt Consolidation and Relief Facility (DCRF) to States, under which, successful State Governments would receive relief on repayment of principal and/or interest. Consequently, the Government of Madhya Pradesh enacted the Fiscal Responsibility and Budget Management (FRBM) Act, 2005. As per the recommendations of 13th Finance Commission the fiscal deficit has been Kept within limit of 3 per cent and estimated 2.98 per cent with reference to GSDP during 2012-13¹⁴ by the State Government whereas the actual fiscal deficit for the year 2012-13 is 2.60 per cent.

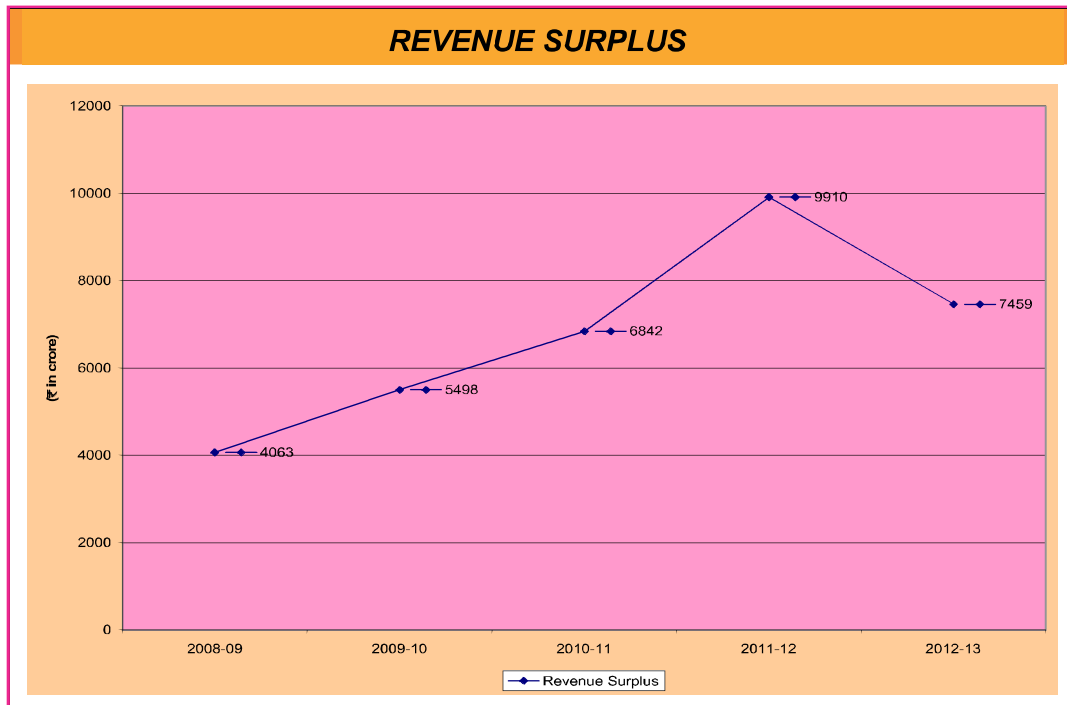
The State Government has been successful in achieving the Revenue Surplus as early as in 2004-05 and maintaining it thereafter¹⁵.

¹⁴ The Fiscal Deficit was ₹ 57,60 crore in 2011-12 and ₹ 94,20 crore in 2012-13.

¹⁵ The Revenue Surplus was ₹ 99,10 crore in 2011-12 and ₹ 74,59 crore in 2012-13.

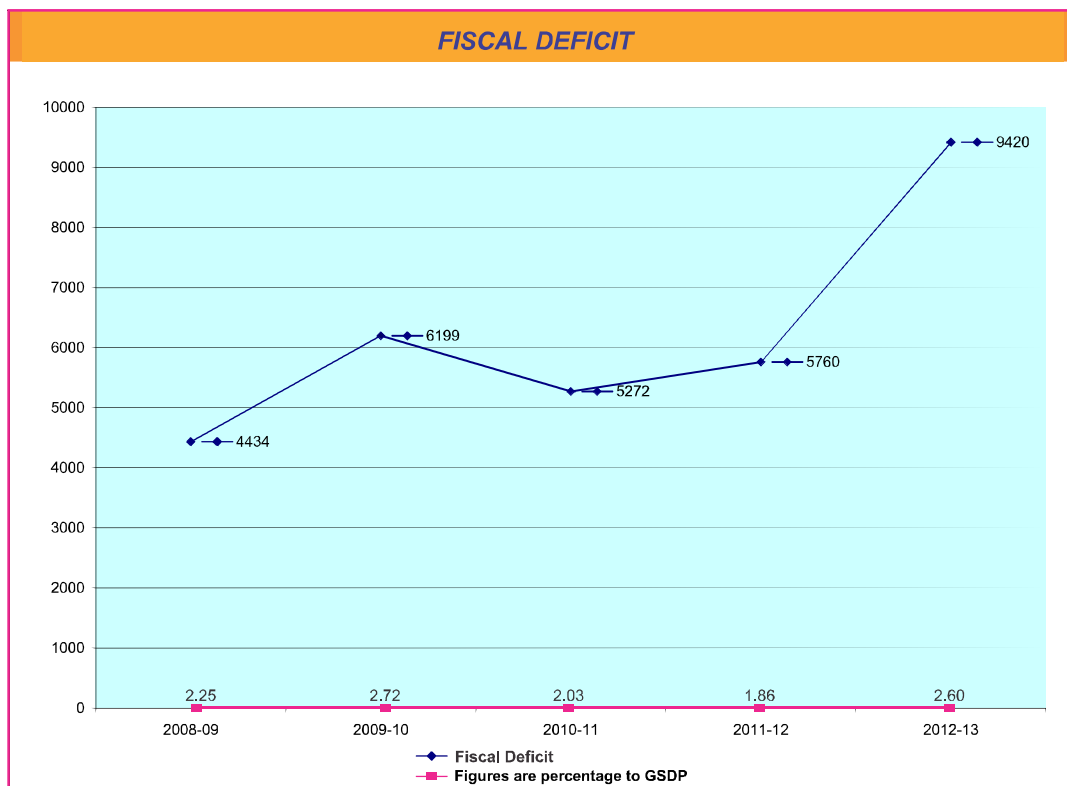
1.6.1 Trend of Revenue Surplus

(₹ in crore)

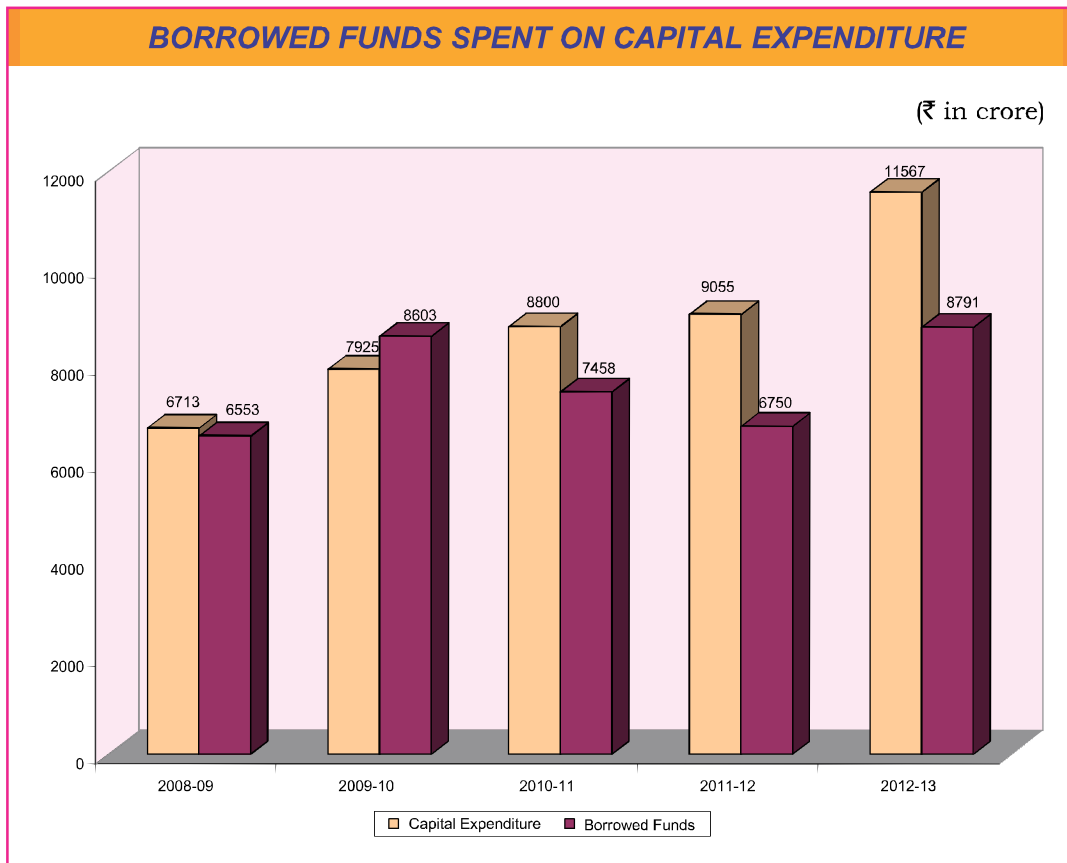


1.6.2 Trend of Fiscal Deficit

(₹ in crore)



1.6.3 Proportion of borrowed funds spent on Capital expenditure



It is desirable to fully utilise borrowed funds for the creation of capital assets and to use revenue receipts for the repayment of principal and interest. The State Government, however, received ₹ 87,91 crore as borrowings for the current year, out of this, ₹ 35,84 crore was spent on repayment of Public Debt.

RECEIPTS

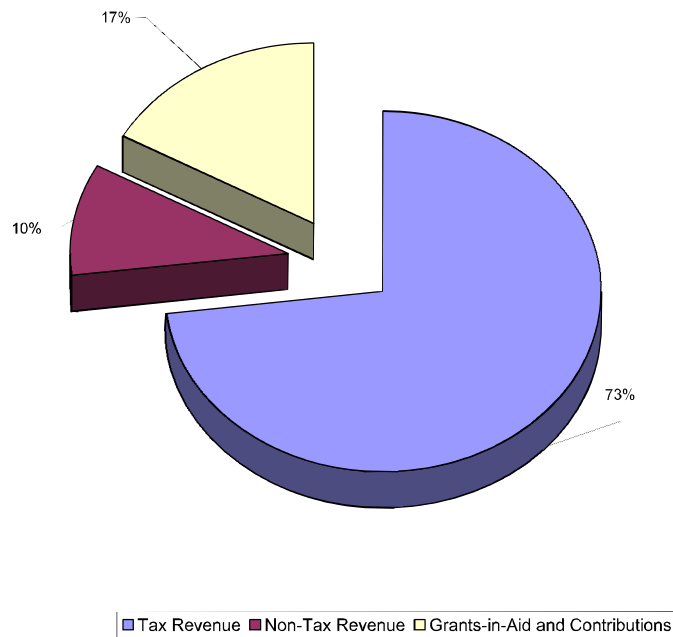
2.1. Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Receipts for 2012-13 were ₹ 7,99,20 crore.

2.2. Revenue Receipts

Tax Revenue	Comprises taxes collected and retained by the State and State's share of Union taxes under Article 280(3) of the Constitution.
Non-Tax Revenue	Includes interest receipts, dividends, profits etc.
Grants-in-Aid	Essentially, a form of Central Assistance to the State Government from the Union Government. Includes 'External Grant Assistance' and 'Aid, Material & Equipment' received from foreign Governments and channelised through the Union Government. In turn, the State Governments also give Grants-in-aid to institutions like Panchayati Raj Institutions, Autonomous bodies etc.

REVENUE RECEIPTS



Revenue Receipts Components

(₹ in crore)

Components	Actuals
A. Tax Revenue	5,13,87
Taxes on Income and Expenditure	1,22,02
Taxes on Property and Capital Transactions	48,13
Taxes on Commodities and Services	3,43,72
B. Non-Tax Revenue	70,00
Interest Receipts, Dividends and Profits	3,20
General Services	4,44
Social Services	18,55
Economic Services	43,81
C. Grants-in-Aid & Contributions	1,20,40
Total - Revenue Receipts	7,04,27

2.3 Trend of Receipts

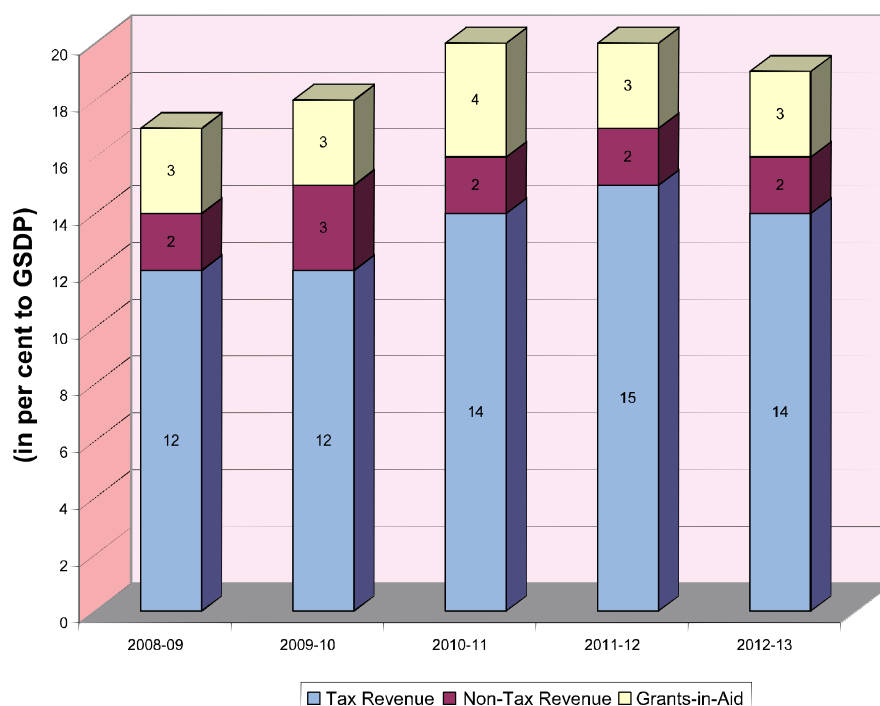
(₹ in crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
Tax Revenue	2,43,81 (12)	2,83,50 (12)	3,70,58 (14)	4,51,92 (15)	5,13,87 (14)
Non-Tax Revenues	33,43 ¹⁶ (2)	63,82 ¹⁶ (3)	57,20 (2)	74,83 (2)	70,00 (2)
Grants-in-Aid	58,54 (3)	66,63 (3)	90,76 (4)	99,29 (3)	1,20,40 (3)
Total Revenue Receipts	3,35,77 (17)	4,13,95 (18)	5,18,54 (20)	6,26,04 (20)	7,04,27 (19)
GSDP ¹⁷ (A)	19,72,76	22,79,84	26,01,98	30,96,87	36,18,74

Note:- Figures in parentheses represent percentage to GSDP.

Though the growth of GSDP increased by 17 per cent in 2012-13 as compared to 2011-12, growth in revenue collection was only 12 per cent. While tax revenues increased by 14 per cent, non-tax revenues decreased by 6 per cent in 2012-13 as compared to 2011-12.

COMPONENTS UNDER REVENUE RECEIPTS AS PROPORTION TO GSDP



¹⁶ Includes debt relief of ₹ 363 crore received under Debt Consolidation and Relief Facility to States by Central Government under recommendation of Twelfth Finance Commission.

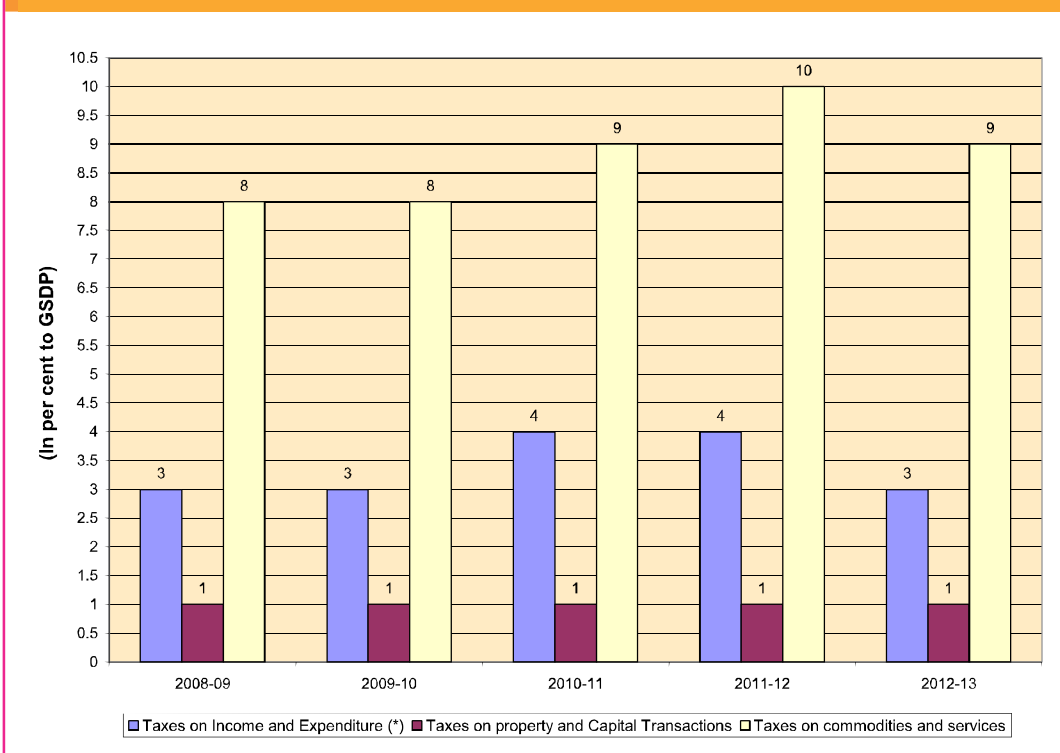
¹⁷ GSDP estimates at current prices are revised hence percentage ratio of various parameters with reference to GSDP indicated in earlier issues have also been revised.

Sector-wise Tax Revenue

(₹ in crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
Taxes on Income and Expenditure	59,30	73,14	95,76	1,10,81	1,22,02
Taxes on Property and Capital Transactions	18,21	19,74	28,88	46,70	48,13
Taxes on Commodities and Services	1,66,30	1,90,62	2,45,94	2,94,41	3,43,72
Total Tax Revenue	2,43,81	2,83,50	3,70,58	4,51,92	5,13,87

TREND OF MAJOR TAXES IN PROPORTION TO GSDP



(*) Primarily net proceeds of Central Share to the State.

2.4 Performance of State's own Tax Revenue Collection:-

(₹ in crore)

Year	Tax Revenue	State share of Union Taxes	State's Own Tax Revenue	
			Rupees	Percentage to GSDP
2008-09	2,43,81	1,07,67	1,36,14	7
2009-10	2,83,50	1,10,77	1,72,73	8
2010-11	3,70,58	1,56,39	2,14,19	8
2011-12	4,51,92	1,82,19	2,69,73	9
2012-13	5,13,87	2,08,05	3,05,82	8

2.5 Efficiency of Tax Collection:-

A. Taxes on property and Capital Transactions:-

(₹ in crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
Revenue Collection	18,21	19,74	28,88	46,70	48,13
Expenditure on Collection	4,07	5,56	6,32	7,52	7,23
Efficiency of Tax Collection (In per cent)	22	28	22	16	15

B. Taxes on Commodities and Services:-

(₹ in crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
Revenue Collection	1,66,30	1,90,62	2,45,94	2,94,41	3,43,72
Expenditure on Collection	8,01	10,43	15,98	15,16	16,60
Efficiency of Tax Collection (In per cent)	5	5	6	5	5

Taxes on commodities and services form a major chunk of tax revenue. Tax collection efficiency is excellent. However, the collection efficiency of taxes on property and capital transactions can be improved.

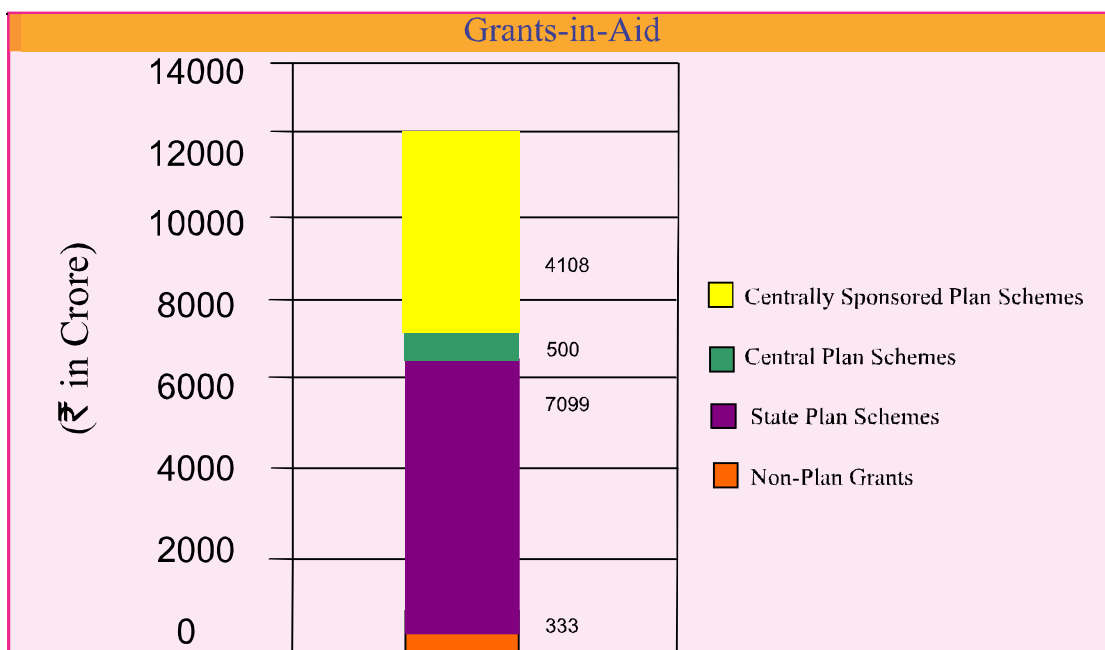
2.6 Trend in State's Share of Union Taxes over the past five years:-

(₹ in crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
Corporation Tax	35,31	45,59	61,13	71,71	74,73
Taxes on Income other than Corporation Tax	22,17	25,39	32,30	36,43	44,74
Taxes on Wealth	3	10	13	28	13
Customs	20,58	15,50	27,35	31,59	34,57
Union Excise Duties	17,95	12,49	19,89	20,44	23,50
Service Tax	11,63	11,70	15,59	21,74	30,38
State's Share of Union Taxes	1,07,67	1,10,77	1,56,39	1,82,19	2,08,05
Total Tax Revenue	2,43,81	2,83,50	3,70,58	4,51,92	5,13,87
Per cent of Union Taxes to Total Tax Revenue	44	39	42	40	40

2.7 Grants-in-Aid:-

Grants-in-Aid represent assistance from the Government of India and comprise, Grants for State Plan Schemes, Central Plan Schemes and Centrally Sponsored Schemes approved by the Planning Commission and State Non-plan Grants recommended by the Finance Commission. Total receipts during 2012-13 under Grants-in-Aid were ₹ 1,20,40 crore as shown below:



As against a budget estimate of ₹ 1,26,70 crore of Union share in Non-Plan and Plan schemes, the State Government has actually received ₹ 1,20,40 as Grants-in-Aid (95 per cent of BE).

2.8 Public Debt:-

Trend of Public Debt over the past 5 years

(₹ in crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
Internal Debt	38,83	53,20	43,52	31,97	42,98
Central Loans	7,09	8,88	5,77	4,03	9,09
Total Public Debt	45,92	62,08	49,29	36,00	52,07

Note: Net figure Receipts - Disbursements.

In 2012-13, four loans totalling ₹ 45,00 crore at interest rates varying from 8.60 per cent to 8.92 per cent and redeemable in the years 2022-23 were raised at par.

EXPENDITURE

3.1. Introduction

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

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

3.2 Revenue Expenditure

Revenue Expenditure of ₹ 6,29,68 crore for 2012-13 was less than the budget estimates by ₹ 5,75 crore due to less disbursement of ₹ 5,97 crore under Plan Expenditure and more expenditure of ₹ 22 crore under Non-plan Expenditure. State has maintained a revenue surplus in terms of the Madhya Pradesh FRBM Act, 2005.

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

(₹ in crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
Budget Estimates	3,15,64	3,82,62	4,18,63	5,39,23	6,35,43
Actuals	2,95,14	3,58,97	4,50,12	5,26,94	6,29,68
Gap	20,50	23,65	(-) 31,49	12,29	5,75
Per cent of gap over BE	6	6	(-) 8	2	1

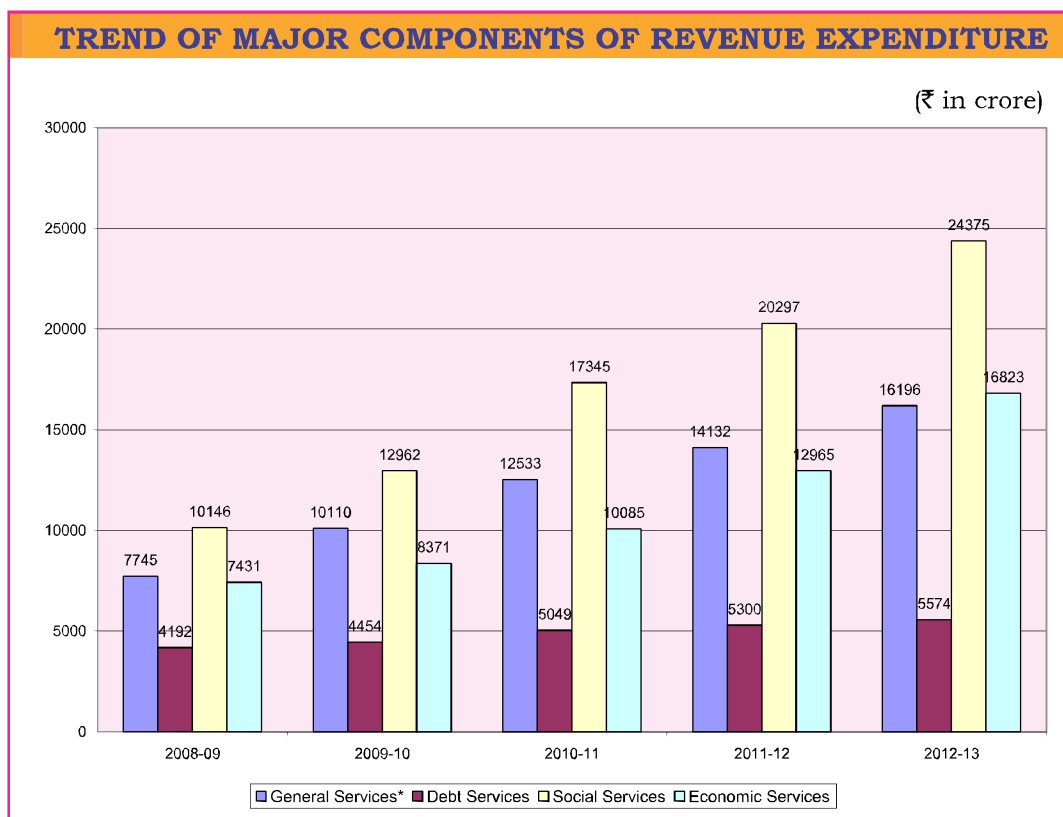
The above table indicates that there was decrease (by 1 per cent) of Revenue Expenditure against budget estimates, which was mainly due to increase in the Non-plan expenditure by ₹ 22 crore and decrease in actual Plan Revenue Expenditure by ₹ 5,97 crore.

3.2.1 Sectoral distribution of Revenue Expenditure

(₹ in crore)

Components		Amount	Percentage
A.	Fiscal Services	23,85	4
(i)	Collection of Taxes on Property and Capital transactions	7,23	1
(ii)	Collection of Taxes on Commodities and Services	16,60	3
(iii)	Other Fiscal Services	2	--
B.	Organs of State	6,62	1
C.	Interest Payments and Servicing of debt	55,74	9
D.	Administrative Services	41,25	6
E.	Pensions and Miscellaneous General Services	49,59	8
F.	Social Services	2,43,75	39
G.	Economic Services	1,68,23	27
H.	Grants-in-aid and Contributions	40,65	6
Total Expenditure (Revenue Account)		6,29,68	100

3.2.2 Major components of Revenue Expenditure (2008-13):-



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

3.3 Capital Expenditure:-

3.3.1 Sectoral distribution of Capital Expenditure

During 2012-13, the Government spent ₹ 41,58 crore on various Projects (₹ 23,66 crore on Major Irrigation, ₹ 8,36 crore on Medium Irrigation, and ₹ 9,56 crore on Minor Irrigation). Apart from above, the Government spent ₹ 45 crore on Construction of Buildings under the Head "Housing" and invested ₹ 15,04 crore in various Statutory Corporations/ Government Companies/Co-operatives.

(₹ in crore)

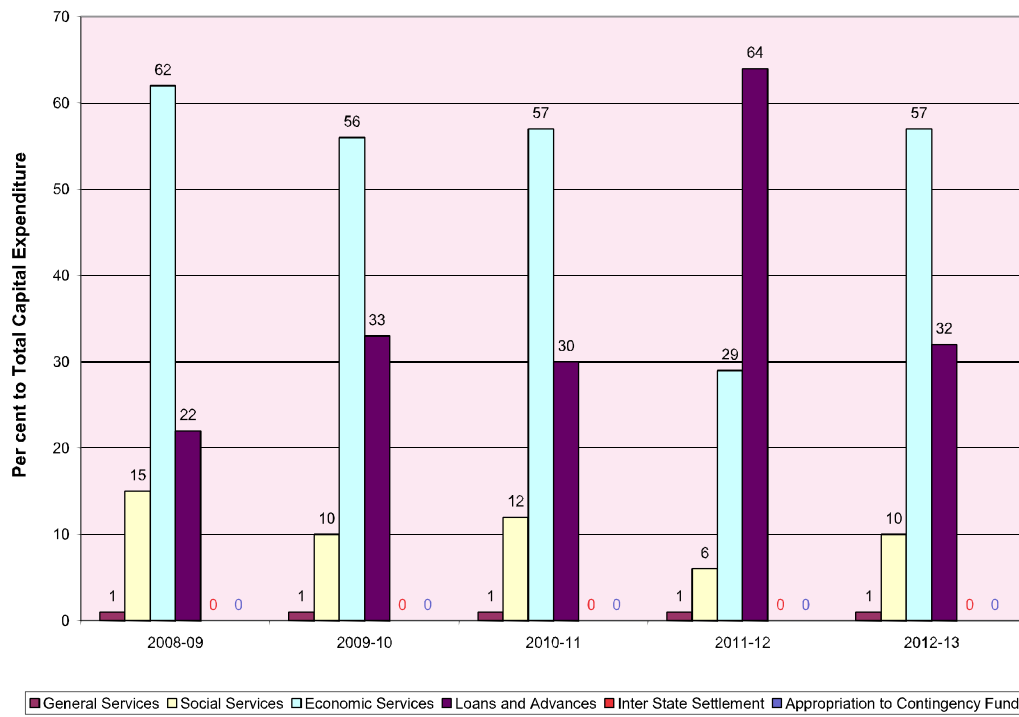
Sl.No.	Sector	Amount	Percentage
1.	General Services - Police, Land Revenue etc.	2,05	1
2.	Social Services - Education, Health & Family Welfare, Water Supply, Welfare of SC/ST etc.	16,21	10
3.	Economic Services - Agriculture, Rural Development, Irrigation, Co-operation, Energy, Industries, Transport etc.,	97,41	57
4.	Loans and Advances Disbursed	53,78	32
5.	Inter State Settlement	7	--
Total		1,69,52	100

3.3.2 Sectoral distribution of capital expenditure over the past five years

(₹ in crore)

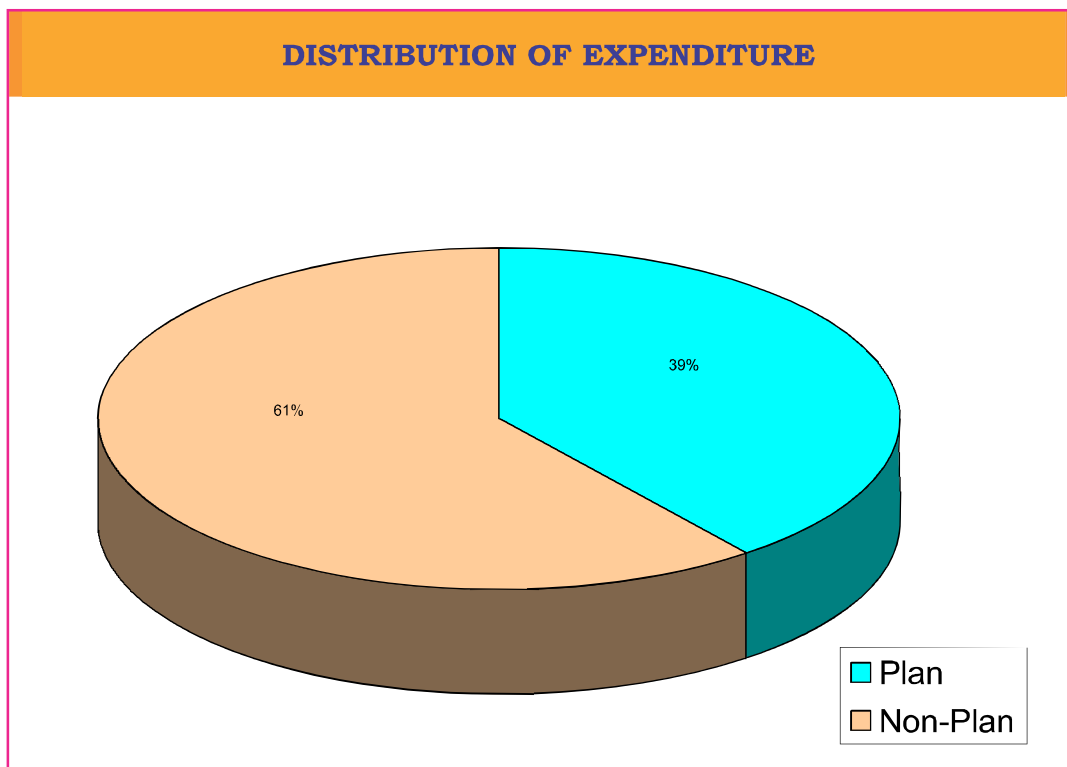
Sl. No.	Sector	2008-09	2009-10	2010-11	2011-12	2012-13
1.	General Services	1,25	1,19	1,79	1,67	2,05
2.	Social Services	12,95	11,78	15,32	15,99	16,21
3.	Economic Services	52,93	66,28	70,89	72,89	97,41
4.	Loans and Advances	18,61	38,17	37,15	1,57,60	53,78
5.	Inter State Settlement	1	3	2	4	7
Total		85,75	1,17,45	1,25,17	2,48,19	1,69,52

TREND OF SECTORAL DISTRIBUTION OF CAPITAL EXPENDITURE



PLAN & NON PLAN EXPENDITURE

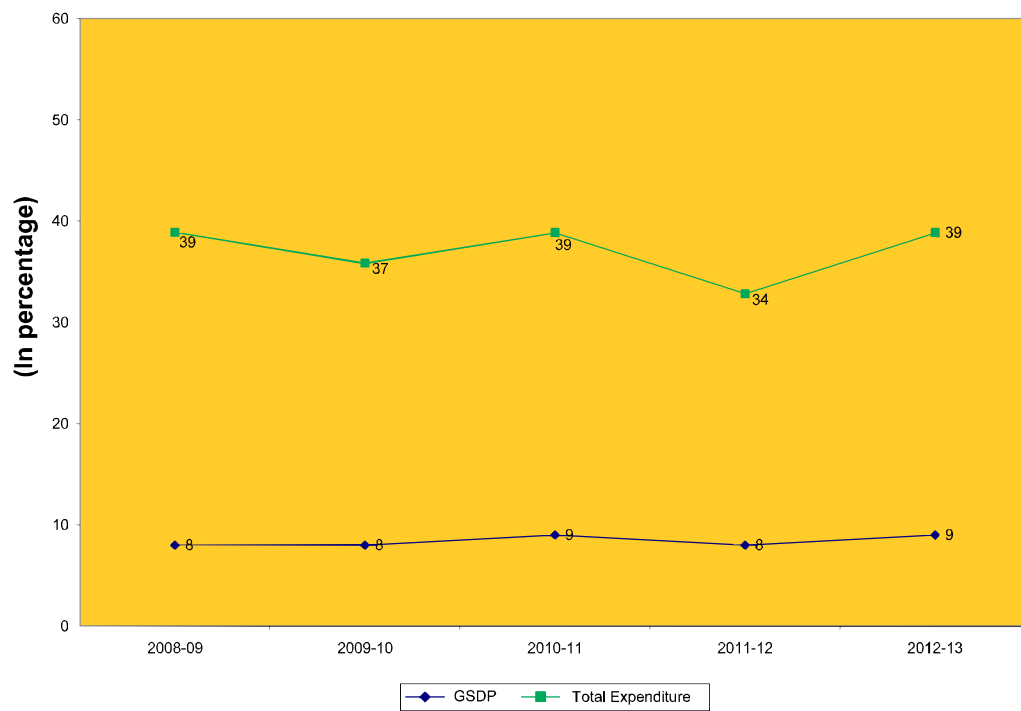
4.1 Distribution of Expenditure



4.2 Plan Expenditure

During 2012-13, Plan Expenditure, representing 39 per cent of total disbursements, was ₹ 3,14,28 crore (₹ 2,22,89 crore under State Plan, ₹ 76,03 crore under Centrally Sponsored/ Central Plan Schemes and ₹ 15,36 crore under Loans and Advances).

PLAN EXPENDITURE AS PROPORTION OF TOTAL EXPENDITURE AND GSDP



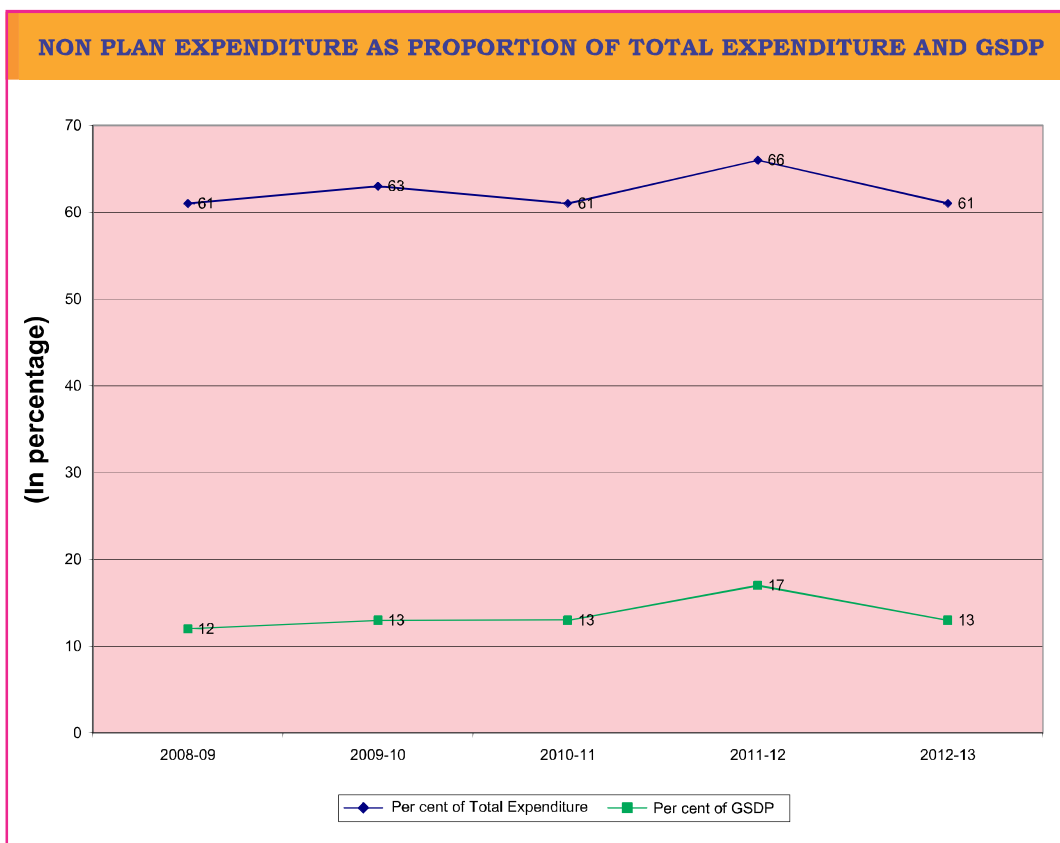
4.2.1 Plan expenditure under Capital Account

(₹ in crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
Total Capital Expenditure	85,75	1,17,45	1,25,17	2,48,19	1,69,52
Capital Expenditure (Plan)	71,81	79,11	96,17	1,01,02	1,30,79
Per cent of Capital Expenditure (plan) to Total Capital Expenditure	84	67	77	41	77

4.3 Non-Plan Expenditure

Non-Plan Expenditure during 2012-13, representing 61 per cent of total disbursements, was ₹ 4,84,92 crore, (₹ 4,46,19 crore under Revenue and ₹ 38,73 crore under Capital).



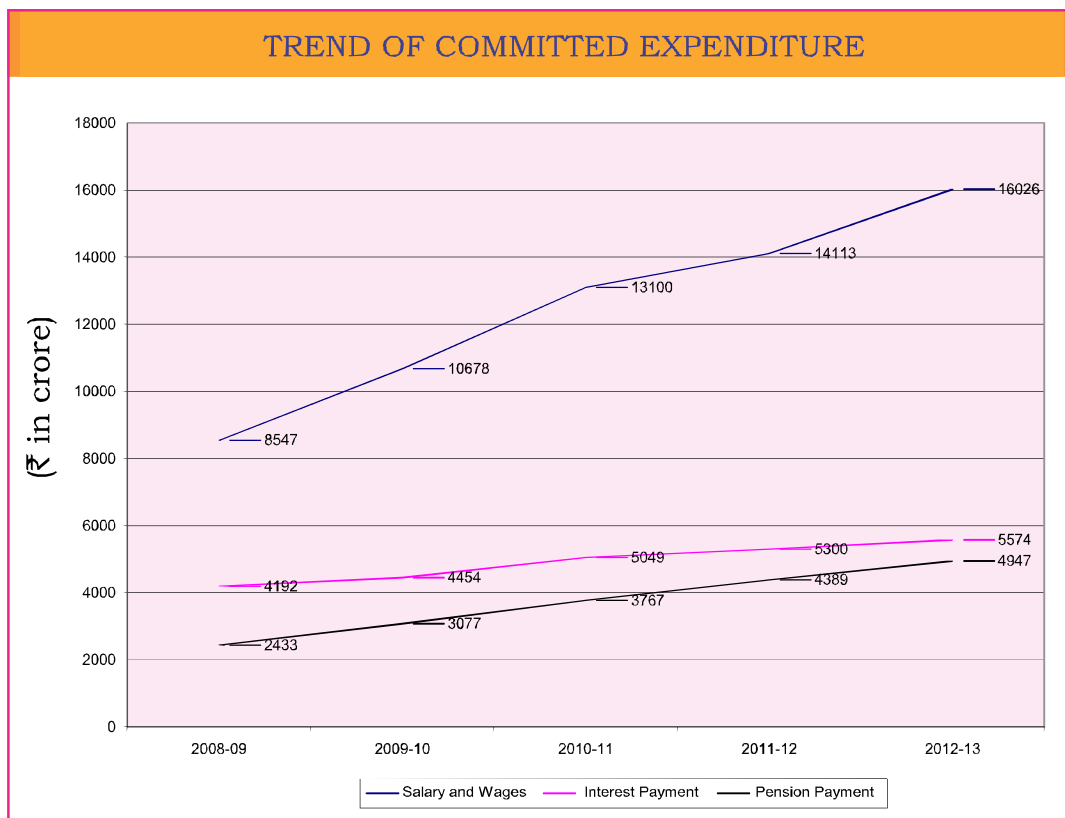
4.4 Rush of Expenditure

Regular flow of expenditure in the year is a primary requirement of budgetary control. Rush of expenditure particularly in the closing months of the financial year is regarded as a breach of financial rules (Para 26.13 of Madhya Pradesh Budget Manual). It was, however, noticed that in seven cases the expenditure incurred during March 2013 ranged between 35 percent to 99 percent of the total expenditure during the year indicating the tendency to utilise the budget provision at the fag end of the financial year :-

(₹ in crore)

Sl. No.	Description of Grant	Total provision	Total expenditure	Expenditure in March	Percentage of expenditure in March to total expenditure
1	21- Housing and Environment	1,81.19	1,73.54	72.73	41.91
2.	25- Mineral Resources	14,03.70	13,99.53	13,80.61	98.65
3.	37- Tourism	1,33.81	1,30.82	89.50	68.42
4.	51- Religious Trusts and Endowments	72.40	68.33	25.04	36.65
5.	58- Expenditure on Relief on account of Natural calamities and Scarcity	9,66.64	8,82.73	3,10.40	35.16
6.	61- Expenditure pertaining to Bundelkhand package	8,63.96	5,07.25	3,57.07	70.39
7.	69- Information Technology	64.74	60.40	45.59	75.48

4.5 Committed Expenditure



Salary including wages increased by 14 per cent, interest payment increased by 5 per cent and Pension payment increased by 13 per cent over the previous year.

(₹ in crore)

Component	2008-09	2009-10	2010-11	2011-12	2012-13
Committed Expenditure	1,51,72	1,82,09	2,19,16	2,38,02	2,65,47
Revenue Expenditure	2,95,14	3,58,97	4,50,12	5,26,94	6,29,68
Revenue Receipts	3,35,77	4,13,95	5,18,54	6,26,04	7,04,27
Per cent of Committed Expenditure to Revenue Receipts	45	44	42	38	38
Per cent of Committed Expenditure to Revenue Expenditure	51	51	49	45	42

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

C HAPTER 5

APPROPRIATION ACCOUNTS

5.1 Summary of Appropriation Accounts

(₹ in crore)

S. No.	Nature of expenditure	Original grant/ Appropriation	Supplementary grant/ Appropriation	Total	Actual expenditure	Savings(-) Excesses(+)	Surrender
1	Revenue						
	Voted	5,81,24.77	57,00.34	6,38,25.11	5,55,64.55	(-)82,60.56	(-)33,64.57
	Charged	80,31.83	4,73.54	85,05.37	75,67.54	(-)9,37.83	(-)27.41
2	Capital						
	Voted	1,15,09.28	24,57.65	1,39,66.93	1,16,98.09	(-)22,68.84	(-)16,00.58
	Charged	15.87	1,45.45	1,61.32	1,60.52	(-)0.80	(-)0.74
3	Public Debt						
	Charged	74,82.73	4.37	74,87.10	35,83.94	(-) 39,03.16	(-)4.37
4	Loans and Advances						
	Voted	56,78.26	17,94.63	74,72.89	53,87.55	(-)20,85.34	(-)6,72.68
	Charged	--	4.67	4.67	--	(-)4.67	--
	Total	9,08,42.74	1,05,80.65	10,14,23.39	8,39,62.19	(-)1,74,61.20	(-)56,70.35

5.2 Trend of Savings/Excess during the past five years

(₹ in crore)

Year	Saving (-)/Excess (+)				Total
	Revenue	Capital	Public Debt	Loans & Advances	
2008-09	(-) 46,45.76	(-) 10,48.90	(-) 18,75.54	(-) 7,81.96	(-) 83,52.16
2009-10	(-) 58,66.67	(-) 17,16.65	(-) 38,96.41	(-) 4,50.15	(-) 1,19,29.88
2010-11	(-) 67,91.87	(-) 15,30.92	(-) 33,92.77	(-) 4,93.57	(-) 1,22,09.13
2011-12	(-) 79,87.73	(-) 16,22.63	(-) 36,50.31	(-) 17,92.56	(-) 1,50,53.23
2012-13	(-) 91,98.39	(-) 22,69.64	(-) 39,03.16	(-) 20,90.01	(-) 1,74,61.20

5.3 Significant Savings

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

Some grants with persistent and significant savings are given below:-

(Saving in Percentage)

Grant	Nomenclature	2008-09	2009-10	2010-11	2011-12	2012-13
REVENUE VOTED SECTION						
01	General Administration & Lok seva Prabandhan	16.81	13.51	12.46	15.05	14.87
04	Other expenditure pertaining to Home Department	20.85	21.77	21.02	22.85	15.46
06	Finance	20.04	31.32	27.82	30.20	30.54
13	Farmers Welfare and Agriculture Development	33.89	22.56	9.67	14.53	17.16
29	Law and Legislative Affairs	22.64	15.70	41.04	20.06	28.05
48	Narmada Valley Development	19.76	34.62	28.99	16.06	19.41
64	Scheduled Caste Sub Plan	20.11	21.55	13.00	15.09	15.13
CAPITAL VOTED SECTION						
01	General Administration & Lok seva Prabandhan	39.88	52.27	19.40	41.82	13.40
03	Police	12.18	10.92	17.19	51.79	27.73
23	Water Resources Department	9.23	36.50	8.04	10.93	13.81
41	Tribal Area sub plan	10.29	36.07	11.71	9.71	19.51
45	Minor Irrigation Works	17.63	29.65	50.90	11.35	11.35
58	Expenditure on Relief on account of Natural Calamities and Scarcity	1,00.00	64.29	69.64	85.47	76.77
64	Scheduled Caste Sub-Plan	12.41	11.55	9.01	19.36	23.48
67	Public Works-Building	23.33	14.61	33.28	38.11	32.98

During 2012-13, supplementary grants/Appropriation totalling ₹ 1,05,80.65 crore (12.60 per cent of total expenditure of ₹ 8,39,62.19 crore) proved to be unnecessary in some cases, where there were significant savings at the end of the year against original allocations. A few instances are given below:-

(₹ in crore)

Grant	Nomenclature	Section	Original	Supple- mentary	Actual Expenditure
CH-I	Public Debt	Capital Charged	74,82.73	4.37	35,83.94
CH-II	Interest Payments and Servicing of Debt	Revenue Charged	62,75.08	1,78.84	55,63.74
06	Finance	Revenue Voted	72,88.95	1.10	50,63.40
08	Land Revenue and District Administration	Revenue Voted	9,01.12	2.58	7,43.21
13	Farmers Welfare and Agriculture Development	Revenue Voted	8,61.67	1,37.71	8,27.88
19	Public Health and Family Welfare	Revenue Voted	21,45.14	1,36.04	20,41.38
23	Water Resources Department	Revenue Voted	7,42.09	8.93	6,49.00
24	Public Works- Roads and Bridges	Capital Voted	15,08.58	1,09.60	13,85.34
29	Law and Legislative Affairs	Revenue Voted	6,38.85	46.27	4,92.92
31	Planning, Economics and Statistics	Revenue Voted	2,40.94	39.09	68.49
38	Ayoush	Revenue Voted	3,41.84	2.30	2,08.02
40	Expenditure pertaining to Water Resources Department-Command Area Development	Revenue Voted	5.03	0.12	2.47
44	Higher Education	Revenue Charged	0.32	0.45	0.26
55	Woman and Child Development	Capital Voted	69.75	50.00	2.26
61	Expenditure pertaining to Bundelkhand Package	Revenue Voted	99.00	60.46	52.46
65	Aviation	Revenue Voted	18.51	3.76	15.80
76	New and Renewable Energy Sources	Revenue Voted	28.68	0.50	24.92
77	Other expenditure pertaining to School Education Department (Excluding Primary Education)	Revenue Voted	12,30.75	2,16.71	11,82.64
	Total		2,98,79.03	9,98.83	2,19,08.13

ASSETS AND LIABILITIES

6.1 Assets

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

Total investments as share capital in non-financial public sector undertakings (PSUs) stood at ₹ 1,46,57¹⁸ crore at the end of 2012-13. However, dividends received during the year were ₹ 18 crore (i.e. 0.12 per cent) on investment. During 2012-13, investments increased by ₹ 14,73 crore, and dividend income decreased by ₹ 20 crore.

Cash Balance with RBI stood at ₹ 6,95 crore on 31st March 2012 and decreased to ₹ (-) 2,63 crore at the end of March, 2013.

6.2 Debt and Liabilities

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

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

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

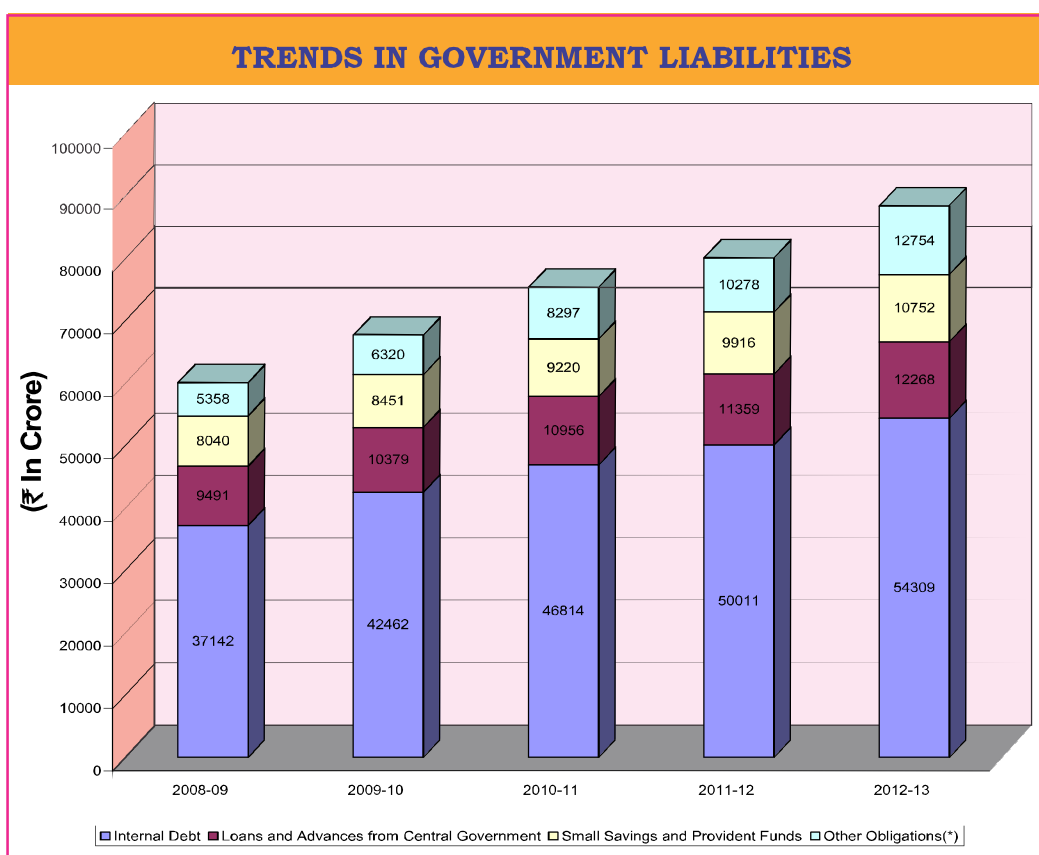
(₹ in crore)

Year	Public Debt	Per cent to GSDP	Public Account* ¹⁹	Per cent to GSDP	Total Liabilities* ¹⁹	Per cent to GSDP
2008-09	4,66,32	24	1,41,17	7	6,07,49	31
2009-10	5,28,41	23	1,50,12	7	6,78,53	30
2010-11	5,77,69	22	1,77,35	7	7,55,04	29
2011-12	6,13,70	20	2,03,87	7	8,17,57	26
2012-13	6,65,77	18	2,35,91	7	9,01,68	25

(*) Excludes suspense and remittance balances.

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

There is a net increase of ₹ 84,11 crore (10 per cent) in Public Debt and Other liabilities in 2012-13 as compared to 2011-12.



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

¹⁹

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

6.3 Guarantees

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

(₹ in crore)

At the end of the year	Maximum Amount Guaranteed (Principal only)	Amount outstanding as on 31st March 2013
		Principal and Interest
2008-09	1,19,91	19,30
2009-10	1,18,23	16,30
2010-11	84,39	51,11
2011-12	1,11,08	56,05
2012-13	1,47,52	77,20

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

OTHER ITEMS

7.1 Adverse Balances under Internal Debt

Borrowings of State Government are governed by Article 293 of the Constitution of India. In addition to directly raising loans, State Government also guarantee loans raised by Government Companies and Corporations from the market and financial institutions for implementation of various Plan schemes and programmes which are projected outside the State Budget. These loans are treated as receipts of the concerned Administrative Departments and do not appear in the books of the Government accounts. However, the loan repayments appear in Government Account, resulting in irreconcilable adverse balances and under-statement of liabilities in Government accounts. As on March 31st 2013, the adverse balances amounted to ₹ Nil.

7.2 Loans and Advances by the State Government

Total Loans and Advances made by the State Government at the end of 2012-13 was ₹ 2,70,88²⁰ crore. Of this, Loans and Advances to Government Corporations/Companies, non-Government Institutes and Local Bodies amounted to ₹ 2,70,59²¹ crore. ₹ 42 crore as interest was received during the year.

²⁰

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

²¹

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

7.3 Financial Assistance to Local Bodies and Others

During the past five years, Grants-in-Aid to local bodies etc., increased from ₹ 1,03,20 crore in 2008-09 to ₹ 1,86,88 crore in 2012-13. Grants to Urban Local Bodies and Panchayati Raj Institutions (₹ 1,20,74 crore) represented 65 per cent of total grants given during the year.

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

(₹ in crore)

Year	Urban Local Bodies	Panchayati Raj Institutions	Others	Total
2008-09	2,59	--	1,00,61	1,03,20
2009-10	4,29	--	76,59	80,88
2010-11	37,58	--	1,11,29	1,48,87
2011-12	42,42	54,13	64,89	1,61,44
2012-13	51,74	69,00	66,14	1,86,88

7.4 Cash Balance and investment of Cash Balance

(₹ in crore)

Component	As on 1st April, 2012	As on 31st March, 2013	Net increase(+)/decrease (-)
Cash Balances	6,95	(-) 2,63	(-) 9,58
Investments from cash balance (GOI Treasury Bills & GOI securities)	66,80	68,06	1,26
Investment from earmarked fund balances	3,97	3,98	1
(a) Sinking Fund	--	--	--
(b) Guarantee Redemption Fund	3,88	3,89	1
(c) Other Funds	9	9	--
(d) Interest Realised	3,55	2,48	(-) 1,07

Interest realised on investment of cash balance decreased by 30 per cent during the year as compared to 2011-12.

7.5 Reconciliation of accounts

Accuracy and reliability of accounts depend among other things, on timely reconciliation of the figures available with the departments and the figures appearing in the accounts compiled by the Principal Accountant General (Accounts and Entitlements). This exercise is to be conducted by respective Heads of Departments. In 2012-13 only 65 per cent (₹ 5,23,39.05 crore) of the total expenditure of ₹ 7,99,20.00 crore of the State Government was reconciled. Similarly, out of total receipts of ₹ 7,05,00.00 crore, only 6 per cent (₹ 43,98.53 crore) was reconciled. The status of reconciliation of accounts in respect of the Budget Controlling Officers (BCO) of different department is given below:-

Particulars	Total No. of BCOs	Fully Reconciled	Partially Reconciled	Not Reconciled
Expenditure	104	81	23	--
Receipts	104	81	23	--
Total	208	162	46	--

7.6 Submission of Accounts by Treasuries

During the year 2012-13 out of 660 monthly accounts, 186 accounts were received after due dates, though these were incorporated in the monthly civil accounts of respective months. Timely submission of accounts may be ensured by the Treasury. The details are as below:-

Treasury Accounts

Month	No. of due A/cs	No. of A/cs received on due date	No. of A/cs received after due date	No. of A/cs included	No. of A/cs Excluded	On which date civil A/cs render to state Govt.
04/2012	55	28	27	55	--	24.05.2012
05/2012	55	33	22	55	--	25.06.2012
06/2012	55	27	28	55	--	25.07.2012
07/2012	55	34	21	55	--	24.08.2012
08/2012	55	34	21	55	--	24.09.2012
09/2012	55	48	07	55	--	23.10.2012
10/2012	55	47	08	55	--	23.11.2012
11/2012	55	46	09	55	--	24.12.2012
12/2012	55	42	13	55	--	23.01.2013
01/2013	55	45	10	55	--	22.02.2013
02/2013	55	45	10	55	--	22.03.2013
03/2013	55	45	10	55	--	09.05.2013
Total	660	474	186	660	--	--

7.7 Existence of Majorities Abstract Contingent Bills (AC Bills)

When money is required in advance or when the Drawing and Disbursing Officers (DDOs) are not able to calculate the exact amounts required, they are permitted to draw money without supporting documents through AC bills. Such AC bills are required to be supported by presenting Detailed contingency (DC) bills before the 25th of the succeeding month. The State Government has by issuing order dated 2 September 1999 banned drawal of AC bills by all departments, except the department of Sports and Youth Welfare, which is permitted to make such drawals only in respect of expenditure relating to activities the National Cadet Crops (NCC). The fact that to the end of 31st March 2013, 673 DC bills amounting to ₹ 15.24 crore was outstanding, indicates that these instructions have not been followed.