

ACCOUNTS AT A GLANCE

2015-2016

GOVERNMENT OF MADHYA PRADESH

PREFACE

This is the Eighteenth 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 :

½Rudra Saha½
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

Chapter 1	Overview	Page
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 and Non-Plan Expenditure	
4.1	Distribution of Expenditure	24
4.2	Plan Expenditure	24
4.3	Non-Plan Expenditure	26
4.4	Committed Expenditure	26
Chapter 5	Appropriation Accounts	
5.1	Summary of Appropriation Accounts	28
5.2	Trend of Savings/Excess during the past five years	28
5.3	Significant Savings	28
5.4	Rush of Expenditure	31
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	Loans and Advances by the State Government	35
7.2	Financial Assistance to Local Bodies and Others	35
7.3	Cash Balance and Investment of Cash Balance	36
7.4	Reconciliation of Accounts	37
7.5	Submission of Accounts by Treasuries	37
7.6	Existence of Majorities Abstract Contingent Bills (A C Bills)	38
7.7	Outstanding Utilization Certificates (UCs) against Grants-in-Aid given by the State Government	39

CHAPTER 1

OVERVIEW

1.1 Introduction

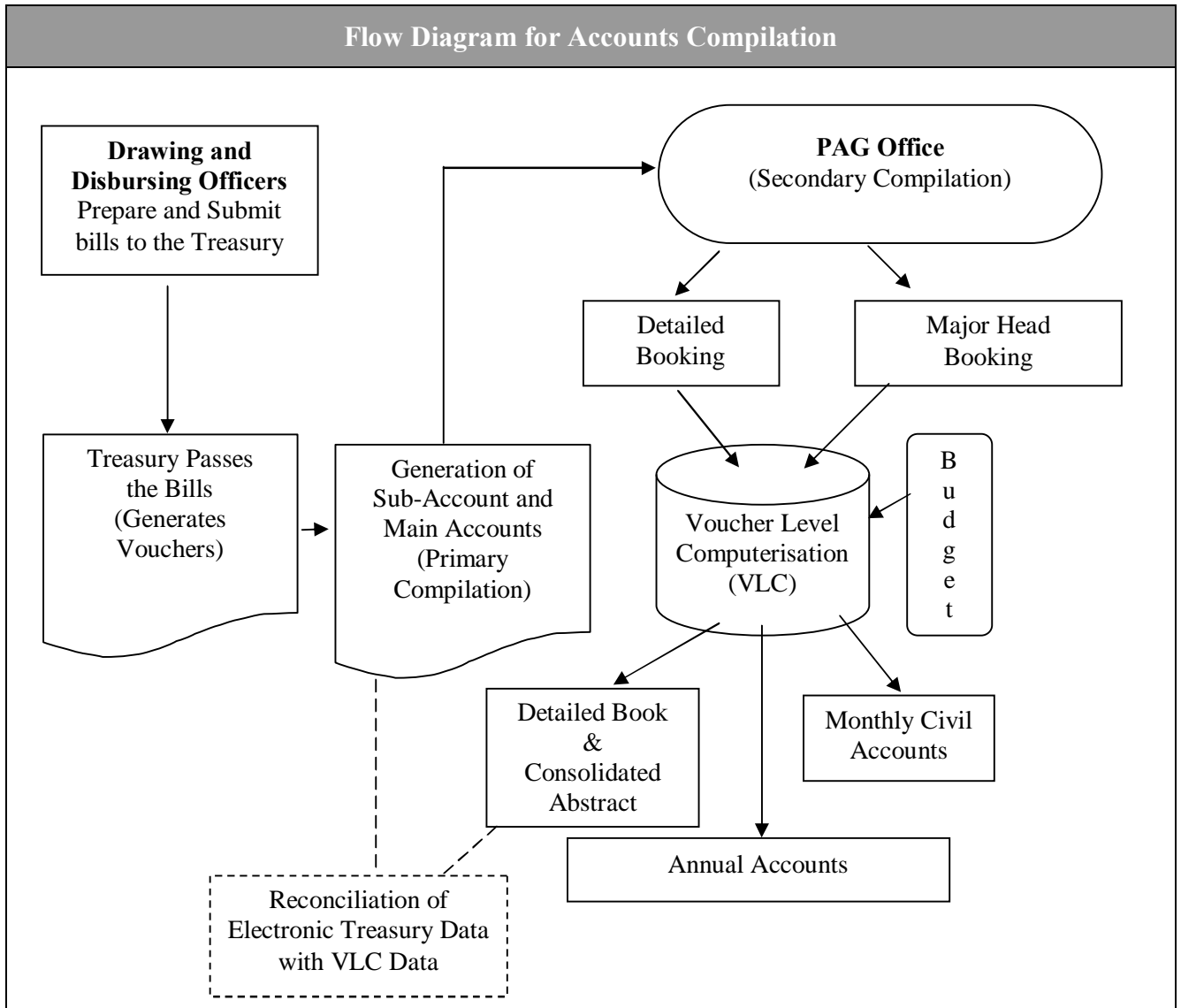
The Principal Accountant General (Accounts and Entitlements)-I, Madhya Pradesh compiles the accounts of receipts and expenditure of the Government of Madhya Pradesh. This compilation is based on the initial accounts rendered by the District Treasuries, Public Works and Forest Divisions and advices of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

1.2 Structure of Accounts

1.2.1 Government Accounts are kept in three parts:

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

1.2.2 Compilation of Accounts



1.3 Finance Accounts and Appropriation Accounts

1.3.1 Finance Accounts

The Finance Accounts depict the Receipts and Disbursements of the Government for the year, together with the financial results disclosed by the Revenue and Capital accounts, Public Debt and Public Account balances recorded in the accounts. The Finance Accounts are being 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, summarised 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, Detailed statements (Part-I) and Appendices (Part-II).

Receipts and Disbursements of the Government of Madhya Pradesh as depicted in the Finance Accounts 2015-16 are given below.

(₹ in crore)			
Receipts (Total: 11,97,66)	Revenue Total: 10,55,11	Tax Revenue	7,86,12
		Non-Tax Revenue	85,69
		Grants-in-Aid	1,83,30
	Capital Total: 1,42,55	Recovery of Loans and Advances	1,62
		Borrowings and Other Liabilities ¹	1,40,65
		Other Receipts ²	28
Disbursements (Total: 11,97,66)	Revenue	9,97,71	
	Capital	1,68,35	
	Loans and Advances	31,58	
	Inter-State Settlement	2	

The Union Government transfers substantial funds directly to State Implementing Agencies/NGOs for implementation of various schemes and programmes. The Government of India directly released ₹ 18,02³ crore (₹ 10,06⁴ crore last year) during the year 2015-16. Since these funds are not routed through the State Budget, they are not reflected in the accounts of the State Government. These transfers are now exhibited in Appendix VI of Volume II of the Finance Accounts.

1 Borrowing and other Liabilities: Net (Receipts-Disbursements) of Public Debt (₹ 1,51,25 crore) + Net of Contingency Fund (one crore) + Net (Receipts - Disbursements) of Public Account (₹ (-)2,51 crore) + Net of Opening and Closing Cash Balance (₹ (-) 8,10 crore).

2 Includes capital receipts (₹ 26 crore) on account of refund of investment in share capital by co-operative societies/Banks and Inter-State Settlement (₹ two crore).

3 ₹ 12,40 crore as per Finance Account 2015-16.

4 ₹ 8,55 crore as per Finance Account 2014-15.

Figures have been taken from CPSMS portal of CGA website and these Figures do not tally with Finance Accounts as only major schemes incorporated in Finance Accounts

1.3.2 Appropriation Accounts

The Appropriation Accounts supplement the Finance Accounts. They depict the expenditure of the State Government against amounts 'charged' on the Consolidated Fund or 'voted' by the State Legislature. There are 53 charged Appropriations and 131 voted Grants.

The Appropriation Act, 2015-16 had provided for gross expenditure of ₹ 16,66,10.53 crore and reduction of expenditure (recoveries) of ₹ 21,22.03 crore. Against this, the actual gross expenditure was ₹ 12,58,14.26 crore and reduction of expenditure was ₹ 11,87.88 crore resulting in savings of ₹ 4,07,96.27 crore (24.48%) and an over-estimation of ₹ 9,34.15 crore (44.02%) on reduction of expenditure. Reduction of expenditure in Revenue and Capital was less than estimates.

During 2015-16, ₹ 23,56.97 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 2015-16, 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 ₹ 57,40 crore and a Fiscal Deficit of ₹ 1,40,65 crore representing 1.02 *per cent* and 2.49 *per cent* of the Gross State Domestic Product (GSDP)⁵ respectively. The Fiscal Deficit Constituted 12 *per cent* of Total expenditure. This deficit was met from Public Debt (₹ 1,51,25 crore), Surplus in Public Account (₹ (-) 2,51 crore) and net of opening and closing cash balance (₹ (-) 8,10 crore) and net of Contingency Fund (recouped amount one crore). Around 34 *per cent* of the revenue receipts (₹ 10,55,11 crore) of the State Government was spent on committed expenditure like salaries including wages (₹ 2,05,54 crore), interest payments (₹ 80,91 crore) and pensions (₹ 75,34 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.

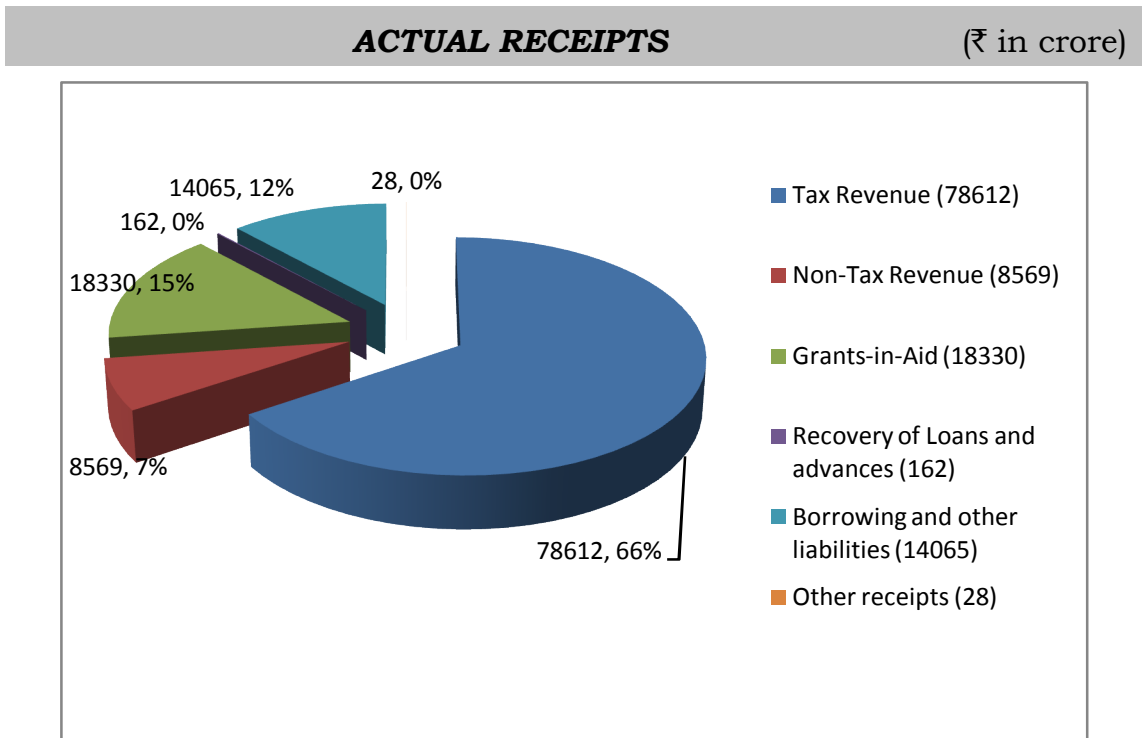
Sources and Application of Funds

(₹ in crore)

SOURCES	PARTICULARS	AMOUNT
	Opening Cash Balances as on 01 April 2015	1,99
	Revenue Receipts	10,55,11
	Capital Receipts	26
	Recovery of Loans & Advances	1,62
	Public Debt	1,99,85
	Small Savings, Provident Fund & Others	34,98
	Reserves & Sinking Funds	27,20
	Deposits Received	2,33,21
	Civil Advances Repaid	29
	Suspense Account	24,03,98
	Remittances	1,58,68
	Inter-State Settlement	2
TOTAL	41,17,19	

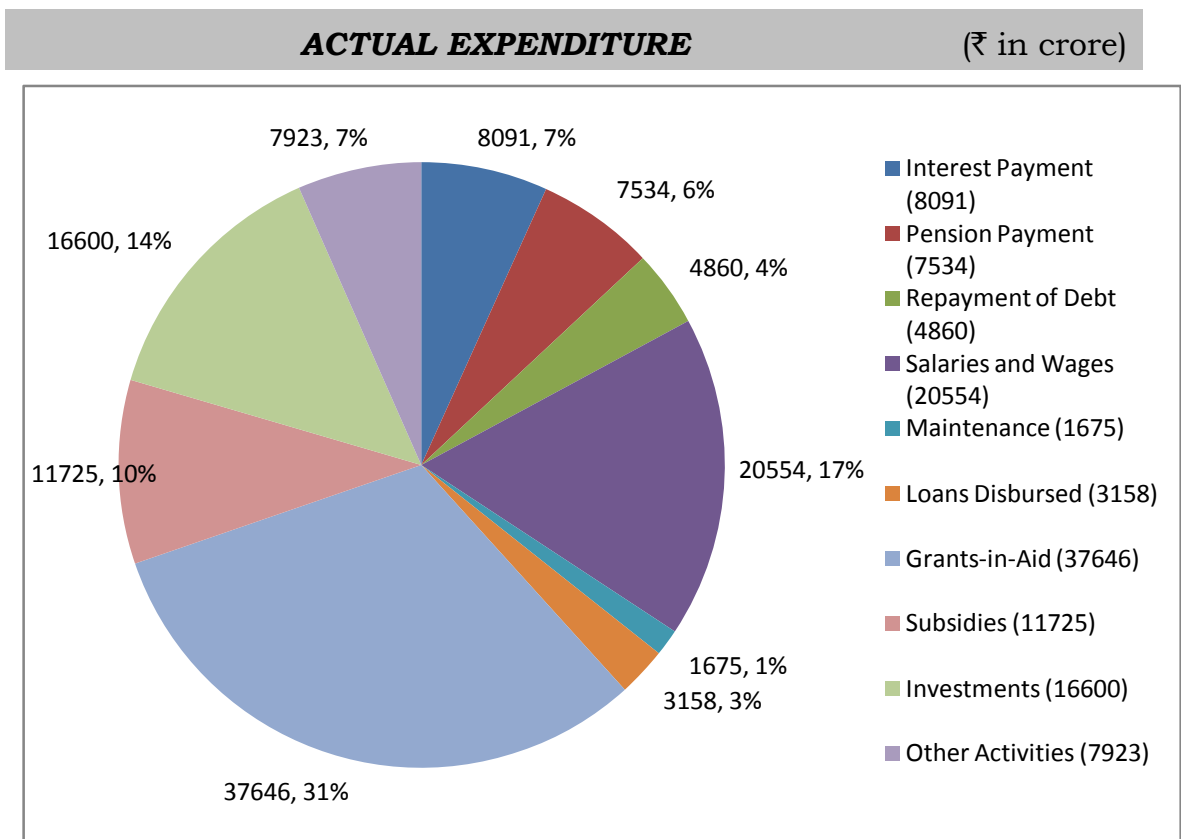
APPLICATION	Revenue Expenditure	9,97,71
	Capital Expenditure	1,68,35
	Loans Disbursed	31,58
	Repayment of Public Debt	48,60
	Small Savings, Provident Fund & Others	24,74
	Reserves & Sinking Funds	9,86
	Deposits Spent	2,27,46
	Civil Advances Given	29
	Suspense Account	24,36,28
	Remittances	1,62,21
	Closing Cash Balance as on 31 March 2016	10,09
	Inter-State Settlement	2
	TOTAL	41,17,19

1.4.3 Where the Rupee came from



Note:- Zero depicts negligible 'Other Receipts' during the year.

1.4.4 Where the Rupee went



1.5 Highlights of Accounts

(₹ in crore)

Items	B.E. 2015-16	Actuals	Percentage of actuals to B.E.	Percentage of actuals to GSDP ⁶
1. Tax Revenue ⁷	8,06,16	7,86,12	98	14
2. Non-Tax Revenue	97,07	85,69	88	2
3. Grants-in-Aid & Contributions	2,08,08	1,83,30	88	3
4. Revenue Receipts (1+2+3)	11,11,31	10,55,11	95	19
5. Recovery of Loans and Advances	3,50	1,62	46	0
6. Other Receipts ⁸	--	28	--	0
7. Borrowings & other Liabilities ⁹	2,09,33	1,40,65	67	2
8. Capital Receipts (5+6+7)	2,12,83	1,42,55	67	3
9. Total Receipts (4+8)	13,24,14	11,97,66	90	21
10. Non-Plan Expenditure ¹⁰	7,57,46	7,05,89	93	12
11. NPE on Revenue Account	7,31,24	6,83,19	93	12
12. NPE on Interest Payments out of 11	85,92	80,91	94	1
13. NPE on Capital Account ¹¹	26,22	22,70	87	0
14. Plan Expenditure	5,69,02	4,91,77	86	9
15. PE on Revenue Account	3,75,69	3,14,52	84	6
16. PE on Capital Account ¹²	1,93,32	1,77,25	90	3
17. Total Expenditure (10+14)	13,26,48	11,97,66	92	21
18. Revenue Expenditure (11+15)	11,06,93	9,97,71	90	18
19. Capital Expenditure (13+16) ¹³	2,19,54	1,99,95	91	4
20. Revenue Surplus (4-18)	4,38	57,40	08	1
21. Fiscal Deficit (4+5+6-17)	2,11,67	1,40,65	66	2

⁶ GSDP figure of ₹ 56,50,53 crore adopted from the Economic Survey published by Planning Department, Government of Madhya Pradesh.

⁷ Includes State's share of Union Taxes of ₹ 3,83,98 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 (₹ 6,83,19 crore), Capital expenditure (₹ 1,57 crore), Loans and Advances disbursed (₹ 21,11 crore) and Inter-State Settlement (₹ two crore).

¹¹ Includes ₹ 21,11 crore Loans and Advances, ₹ two crore Inter-State Settlement and ₹ 1,57 crore Capital Expenditure.

¹² Includes Plan Capital Expenditure ₹ 1,66,78 crore and Plan Loans and Advances expenditure ₹ 10,47 crore.

¹³ Expenditure on Capital Account includes Capital Expenditure (₹ 1,68,35 crore) and Loans and Advances disbursed (₹ 31,58 crore) and Inter-State Settlement (₹ two crore).

1.6 What do the Deficits and Surpluses indicate

Deficit	Refers to the gap between Receipts 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 should achieve revenue surplus by 2008-09 and reduce Fiscal Deficit to three *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 four *per cent* in 2009-10, 3.5 *per cent* in 2010-11 and three *per cent* again from the year 2011-12. Consequently, the Government of Madhya Pradesh enacted the Fiscal Responsibility and Budget Management (FRBM) Act, 2005. As per the recommendations of 13th Finance Commission the fiscal deficit has been Kept within limit of Three *per cent*, and estimated 3.49 *per cent* with reference to GSDP during 2015-16¹⁴ by the State Government whereas the actual fiscal deficit for the year 2015-16 is 2.49 *per cent*.

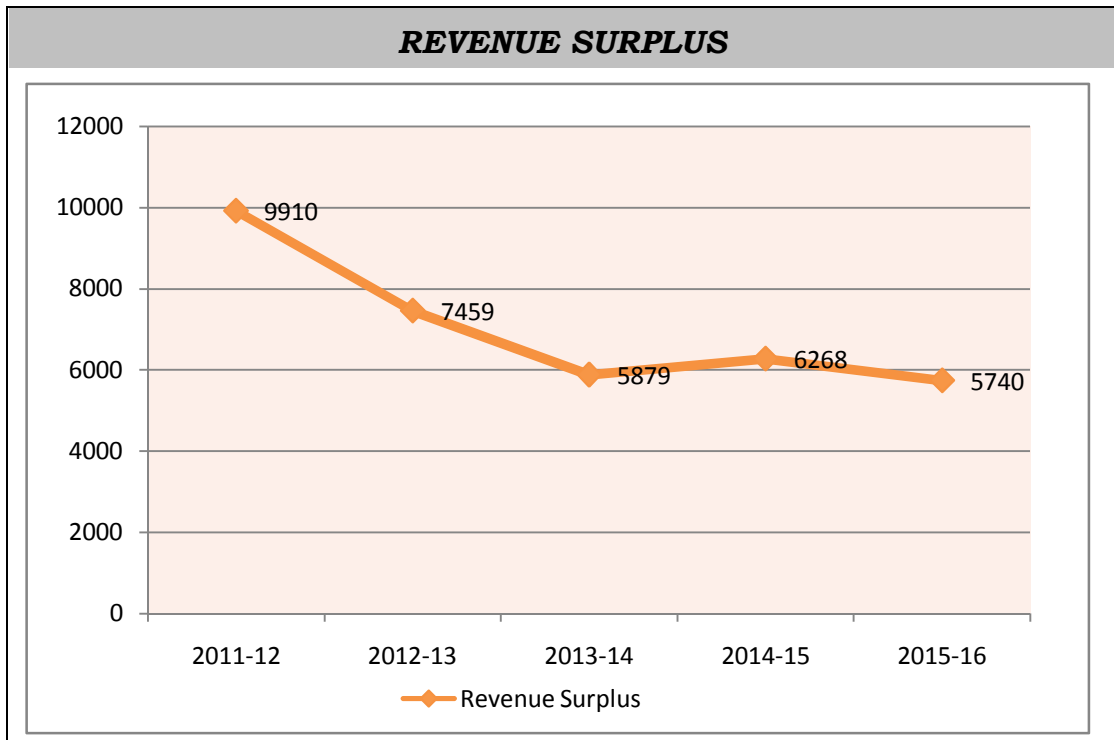
The State Government has been successful in achieving the Revenue Surplus in 2004-05 and maintaining it thereafter¹⁵.

¹⁴ The Fiscal Deficit was ₹ 1,13,52 crore in 2014-15 and ₹ 1,40,65 crore in 2015-16.

¹⁵ The Revenue Surplus was ₹ 62,68 crore in 2014-15 and ₹ 57,40 crore in 2015-16.

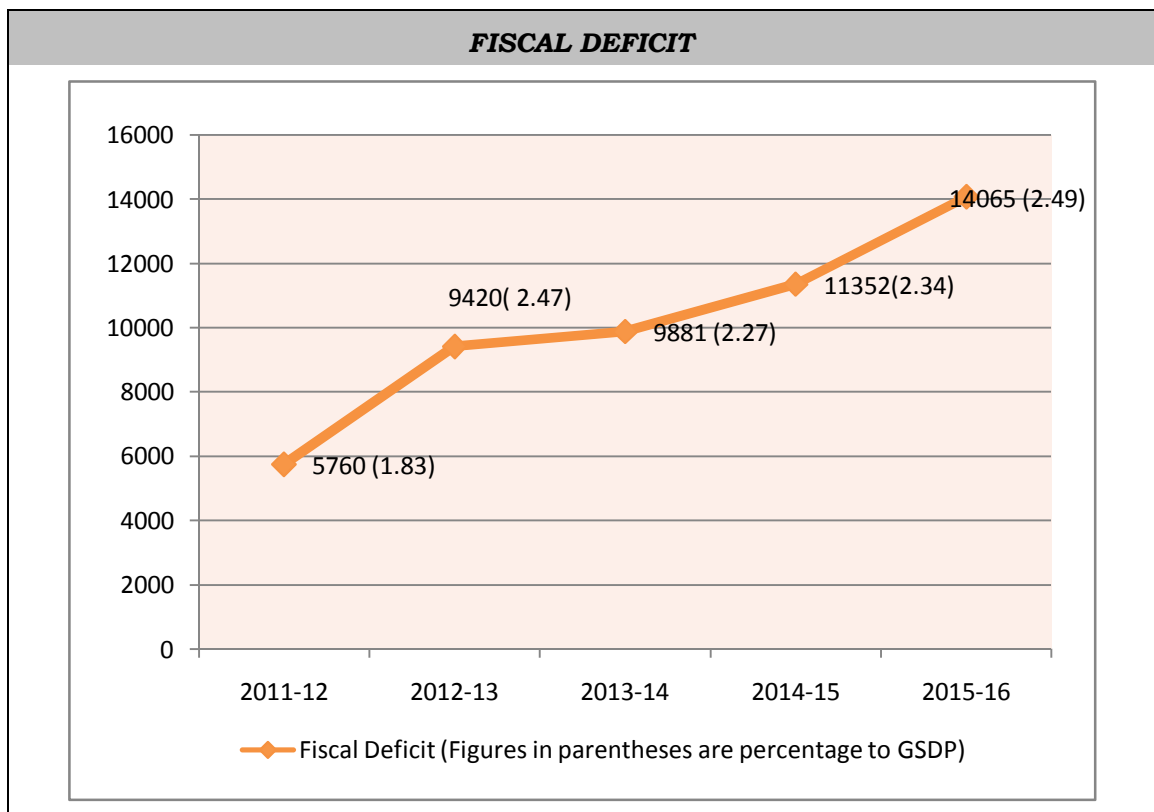
1.6.1 Trend of Revenue Surplus

(₹ in crore)



1.6.2 Trend of Fiscal Deficit

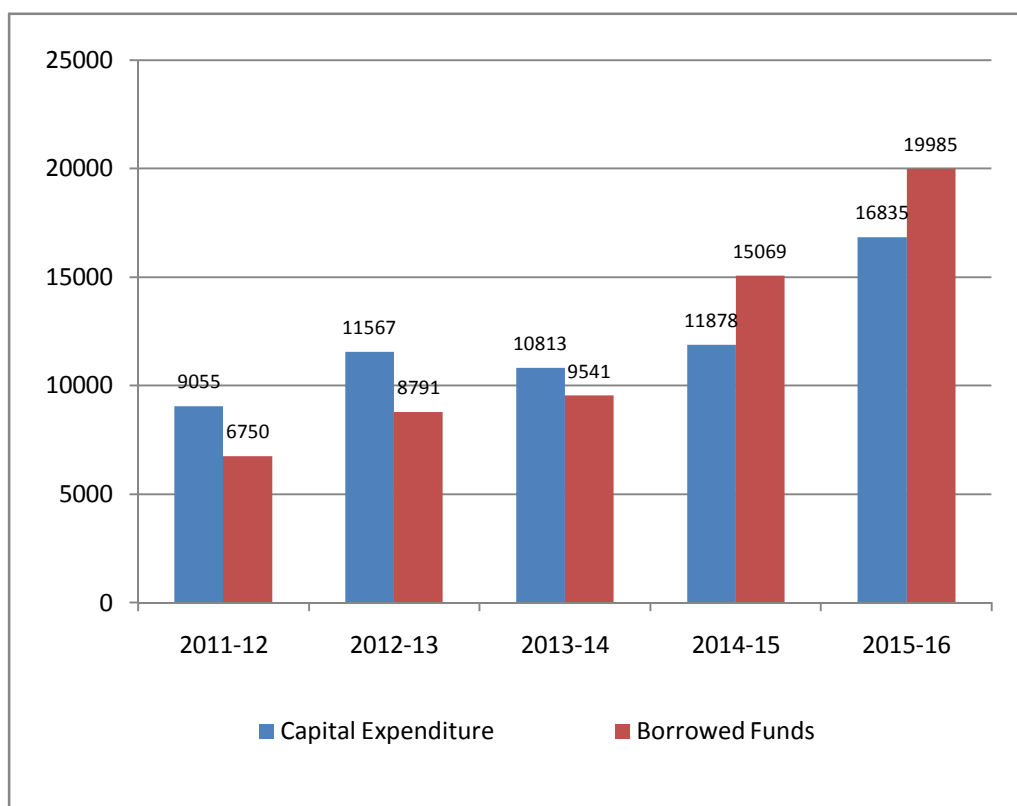
(₹ in crore)



1.6.3 Proportion of borrowed funds spent on Capital expenditure

BORROWED FUNDS SPENT ON CAPITAL EXPENDITURE

(₹ in crore)



It is desirable to fully utilise borrowed funds for the creation of capital assets and to use revenue receipts for the repayment of principal and interest. The State Government, however, received ₹ 1,99,85 crore as borrowings for the current year, out of this, ₹ 48,61 crore was spent on repayment of Public Debt.

C HAPTER 2

RECEIPTS

2.1 Introduction

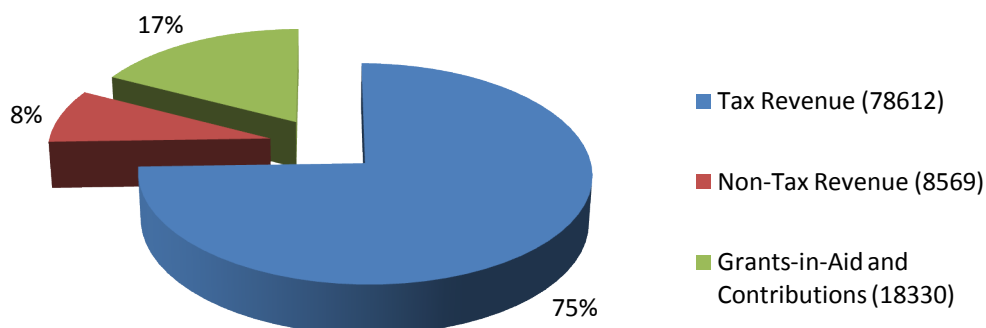
Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Receipts for 2015-16 were ₹ 11,97,66 crore.

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. It 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

(₹ in crore)

**Revenue Receipts Components**

(₹ in crore)

Components	Actuals
A. Tax Revenue	7,86,12
Taxes on Income and Expenditure	2,07,95
Taxes on Property and Capital Transactions	47,25
Taxes on Commodities and Services	5,30,92
B. Non-Tax Revenue	85,69
Interest Receipts, Dividends and Profits	5,59
General Services	12,79
Social Services	17,84
Economic Services	49,47
C. Grants-in-Aid & Contributions	1,83,30
Total - Revenue Receipts	10,55,11

2.3 Trend of Receipts

(₹ in crore)

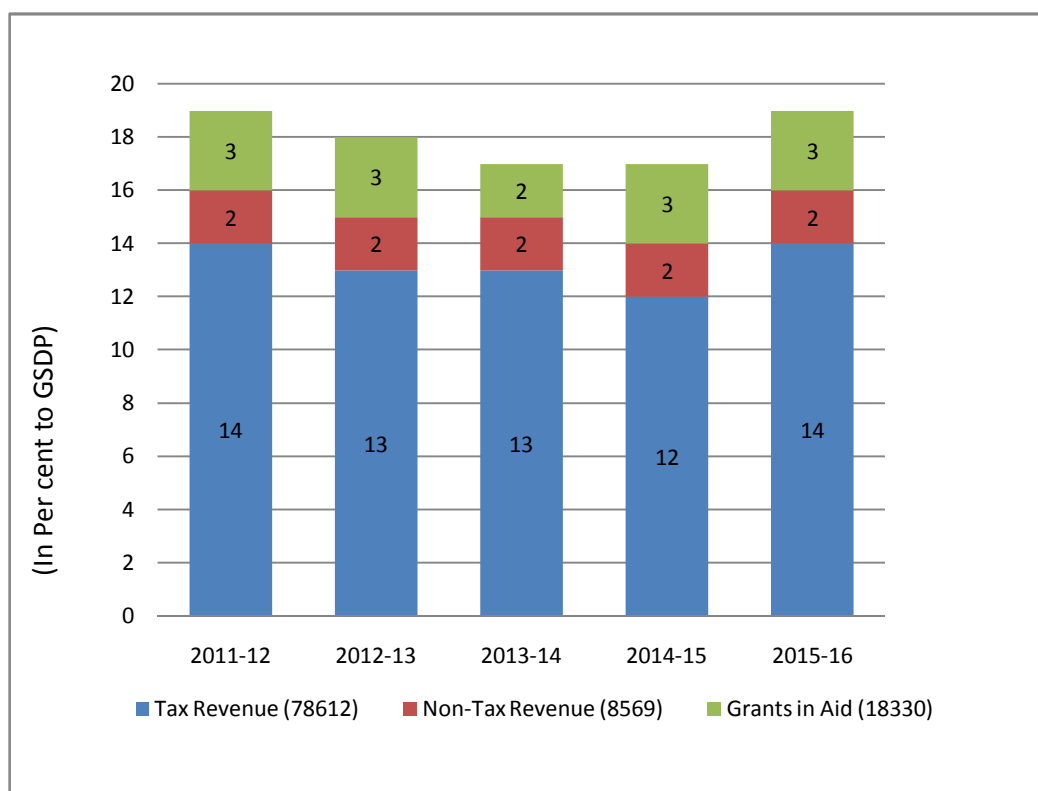
	2011-12	2012-13	2013-14	2014-15	2015-16
Tax Revenue	4,51,92 (14)	5,13,87 (13)	5,62,67 (13)	6,06,74 (12)	7,86,12 (14)
Non-Tax Revenues	74,83 (2)	70,00 (2)	77,05 (2)	1,03,75 (2)	85,69 (2)
Grants-in-Aid	99,29 (3)	1,20,40 (3)	1,17,77 (2)	1,75,92 (3)	1,83,30 (3)
Total Revenue Receipts	6,26,04 (19)	7,04,27 (18)	7,57,49 (17)	8,86,41 (17)	10,55,11 (19)
GSDP ¹⁶ (A)	31,55,61	38,09,26	43,57,90	48,45,38	56,50,53

Note:- Figures in parentheses represent percentage to GSDP.

Though the growth of GSDP increased by 17 per cent in 2015-16 as compared to 2014-15, growth in revenue collection was only 19 per cent. While tax revenues increased by 30 per cent and non-tax revenues decreased by 17 per cent in 2015-16 as compared to 2014-15.

COMPONENTS UNDER REVENUE RECEIPTS AS PROPORTION TO GSDP

(₹ in crore)



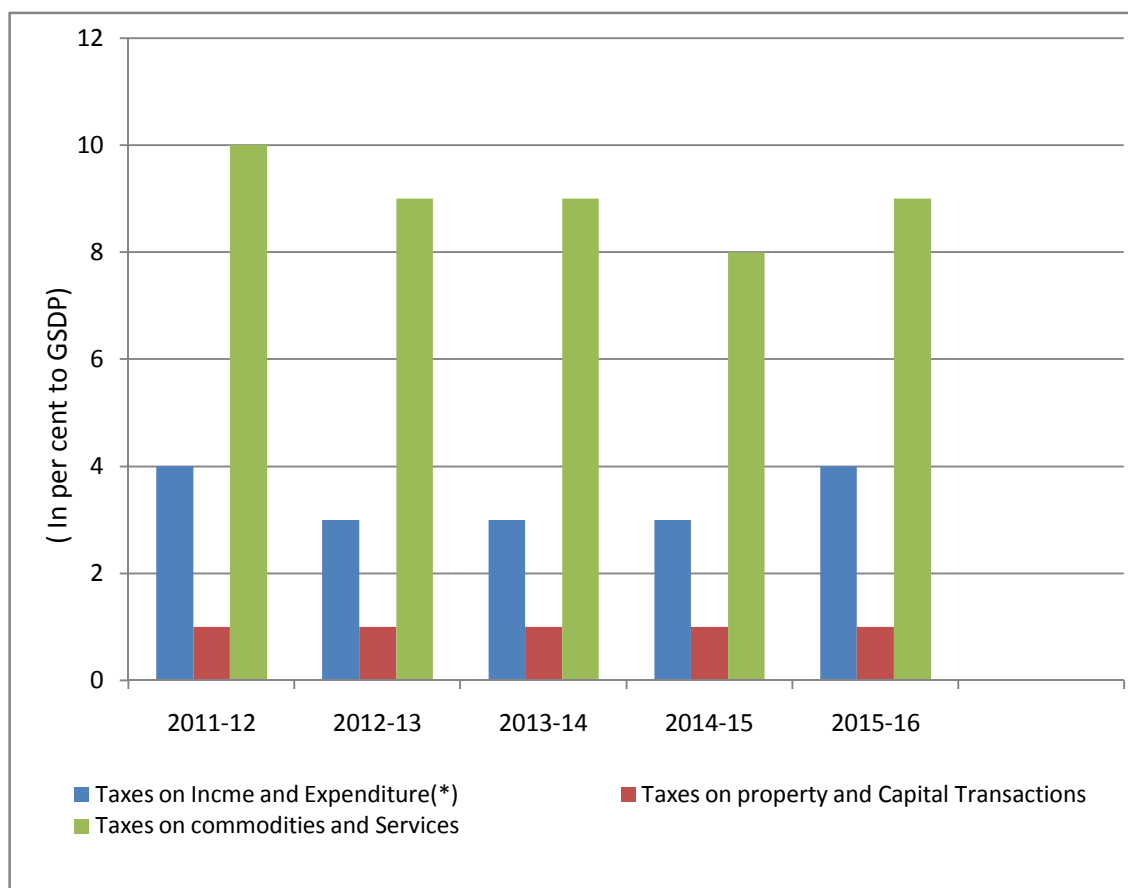
¹⁶ GSDP estimates at current prices are revised hence percentage ratio of various parameters with reference to GSDP indicated in earlier issues have also been revised.

Sector-wise Tax Revenue

(₹ in crore)

Component	2011-12	2012-13	2013-14	2014-15	2015-16
Taxes on Income and Expenditure	1,10,81	1,22,02	1,29,45	1,47,14	2,07,95
Taxes on Property and Capital Transactions	46,70	48,13	44,54	47,93	47,25
Taxes on Commodities and Services	2,94,41	3,43,72	3,88,68	4,11,67	5,30,92
Total Tax Revenue	4,51,92	5,13,87	5,62,67	6,06,74	7,86,12

TREND OF MAJOR TAXES IN PROPORTION TO GSDP



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

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

(₹ in crore)

Year	Tax Revenue	State share of Union Taxes	State's Own Tax Revenue	
			Amount	Percentage to GSDP
2011-12	4,51,92	1,82,19	2,69,73	9
2012-13	5,13,87	2,08,05	3,05,82	8
2013-14	5,62,67	2,27,15	3,35,52	8
2014-15	6,06,74	2,41,07	3,65,67	8
2015-16	7,86,12	3,83,98	4,02,14	7

2.5 Efficiency of Tax Collection:-

A. Taxes on property and Capital Transactions:-

(₹ in crore)

	2011-12	2012-13	2013-14	2014-15	2015-16
Revenue Collection	46,70	48,13	44,54	47,93	47,25
Expenditure on Collection	7,52	7,23	10,39	6,07	6,01
Efficiency of Tax Collection (In per cent)	16	15	23	13	13

B. Taxes on Commodities and Services:-

(₹ in crore)

	2011-12	2012-13	2013-14	2014-15	2015-16
Revenue Collection	2,94,41	3,43,72	3,88,68	4,11,67	5,30,92
Expenditure on Collection	15,16	16,60	15,42	15,26	22,76
Efficiency of Tax Collection (In per cent)	5	5	4	4	4

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

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

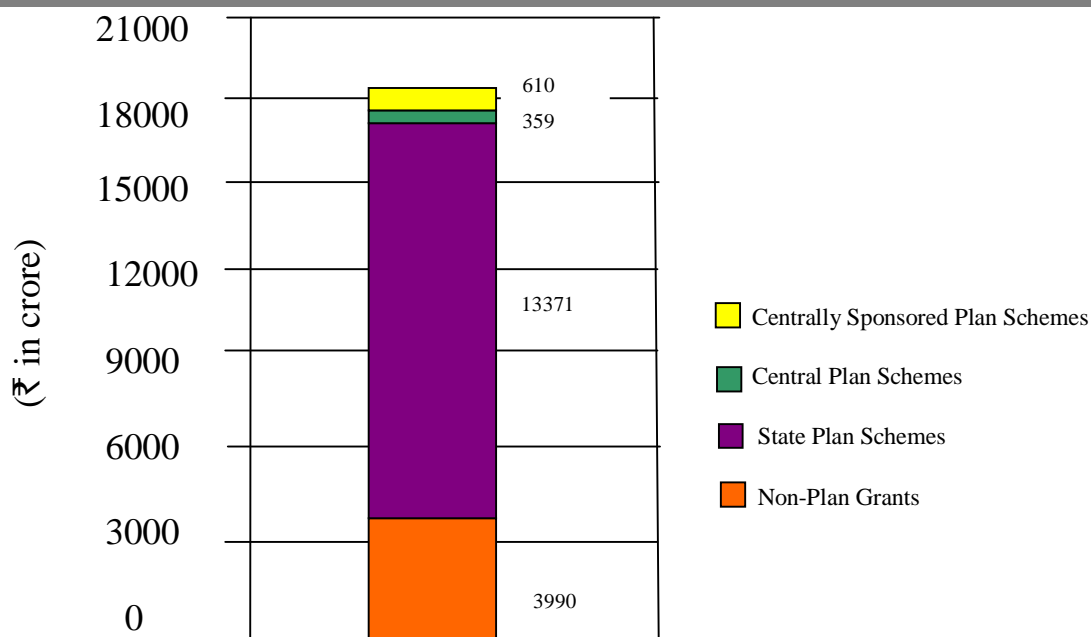
(₹ in crore)

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
Corporation Tax	71,71	74,73	76,39	84,18	1,20,78
Taxes on Income other than Corporation Tax	36,43	44,74	50,30	60,11	84,00
Taxes on Wealth	28	13	21	23	03
Customs	31,59	34,57	37,06	38,99	61,34
Union Excise Duties	20,44	23,50	26,18	22,02	51,00
Service Tax	21,74	30,38	37,01	35,54	66,56
Other Taxes and Duties on Commodities and Services	--	--	--	--	27
State's Share of Union Taxes	1,82,19	2,08,05	2,27,15	2,41,07	3,83,98
Total Tax Revenue	4,51,92	5,13,87	5,62,67	6,06,74	7,86,12
<i>Per cent of Union Taxes to Total Tax Revenue</i>	40	40	40	40	49

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 2015-16 under Grants-in-Aid were ₹ 1,83,30 crore as shown below:

Grants-in-Aid



As against a budget estimate of ₹ 3,04,01 crore of Union share in Non-Plan and Plan schemes, the State Government has actually received ₹ 1,83,30 crore as Grants-in-Aid (60 per cent of BE).

2.8 Public Debt:-

Trend of Public Debt over the past five years

(₹ in crore)

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
Internal Debt	31,97	42,98	50,86	96,13	1,47,11
Central Loans	4,03	9,09	4,50	5,35	4,14
Total Public Debt	36,00	52,07	55,36	1,01,48	1,51,25

Note:- Net figure = Receipts - Disbursements.

In 2015-16, Nine loans totalling ₹ 1,47,00 crore at interest rates varying from 8.15 per cent to 8.76 per cent and redeemable in the years 2025-26 were raised at par.

C

HAPTER 3

EXPENDITURE

3.1 Introduction

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

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

3.2 Revenue Expenditure

Revenue Expenditure of ₹ 9,97,71 crore for 2015-16 was less than the budget estimates by ₹ 1,09,22 crore due to less disbursement of ₹ 61,17 crore under plan Expenditure and less disbursement of ₹ 48,05 crore under Non-Plan Expenditure. State has maintained 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)

	2011-12	2012-13	2013-14	2014-15	2015-16
Budget Estimates	5,39,23	6,35,43	7,43,89	9,90,14	11,06,93
Actuals	5,26,94	6,29,68	6,98,70	8,23,73	9,97,71
Gap	12,29	5,75	45,19	1,66,41	1,09,22
Per cent of gap over BE	2	1	6	17	10

The above table indicates that there was decrease (by 10 per cent) of Revenue Expenditure against budget estimates during 2015-16.

3.2.1 Sectoral distribution of Revenue Expenditure

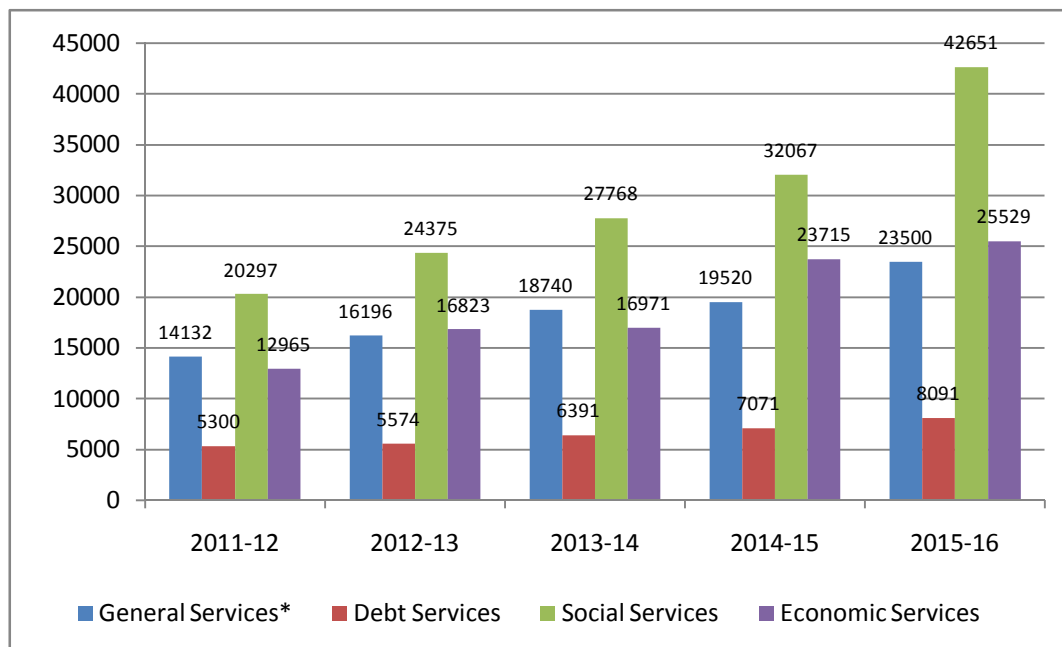
(₹ in crore)

Components	Amount	Percentage to Total Expenditure
A. Fiscal Services	28,79	3
(i) Collection of Taxes on Property and Capital transactions	6,01	1
(ii) Collection of Taxes on Commodities and Services	22,76	2
(iii) Other Fiscal Services	2	--
B. Organs of State	9,17	1
C. Interest Payments and Servicing of debt	80,91	8
D. Administrative Services	59,78	6
E. Pensions and Miscellaneous General Services	78,35	8
F. Social Services	4,26,51	43
G. Economic Services	2,55,29	25
H. Grants-in-aid and Contributions	58,91	6
Total Expenditure (Revenue Account)	9,97,71	100

3.2.2 Major components of Revenue Expenditure (2011-16):-

TREND OF MAJOR COMPONENTS OF REVENUE EXPENDITURE

(₹ in crore)



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

3.3 Capital Expenditure:-

3.3.1 Sectoral distribution of Capital Expenditure

During 2015-16, the Government spent ₹ 62,26 crore on various Projects (₹ 45,82 crore on Major Irrigation, ₹ 7,20 crore on Medium Irrigation, and ₹ 9,24 crore on Minor Irrigation). Apart from the above, the Government spent ₹ 98 crore on Construction of Buildings under the Head "Housing" and invested ₹ 5,16 crore in various Statutory Corporations/ Government Companies/Co-operatives.

(₹ in crore)

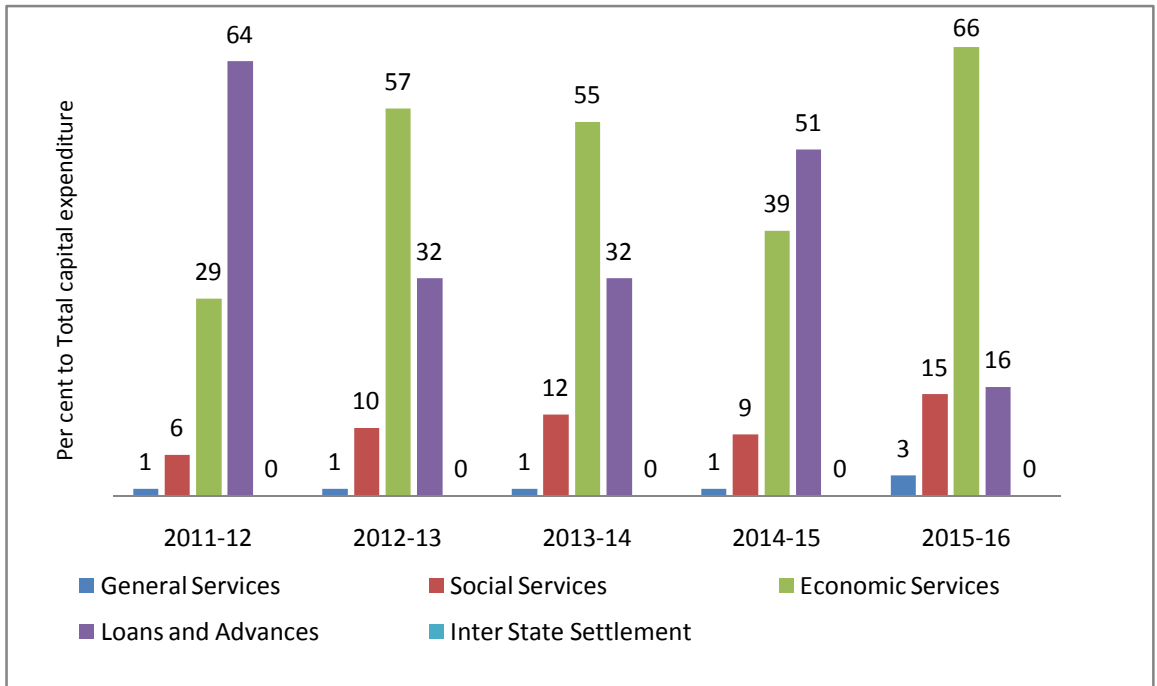
Sl.No.	Sector	Amount	Percentage
1.	General Services - Police, Land Revenue etc.	5,49	3
2.	Social Services - Education, Health & Family Welfare, Water Supply, Welfare of SC/ST etc.	30,24	15
3.	Economic Services - Agriculture, Rural Development, Irrigation, Co-operation, Energy, Industries, Transport etc.,	1,32,62	66
4.	Loans and Advances Disbursed	31,58	16
5.	Inter-State Settlement	2	--
Total		1,99,95	100

3.3.2 Sectoral distribution of capital expenditure over the past five years

(₹ in crore)

Sl. No.	Sector	2011-12	2012-13	2013-14	2014-15	2015-16
1.	General Services	1,67	2,05	1,97	2,57	5,49
2.	Social Services	15,99	16,21	18,99	20,71	30,24
3.	Economic Services	72,89	97,41	87,17	95,50	1,32,62
4.	Loans and Advances	1,57,60	53,78	50,77	1,25,35	31,58
5.	Inter-State Settlement	4	7	2	1	2
Total		2,48,19	1,69,52	1,58,92	2,44,14	1,99,95

TREND OF SECTORAL DISTRIBUTION OF CAPITAL EXPENDITURE

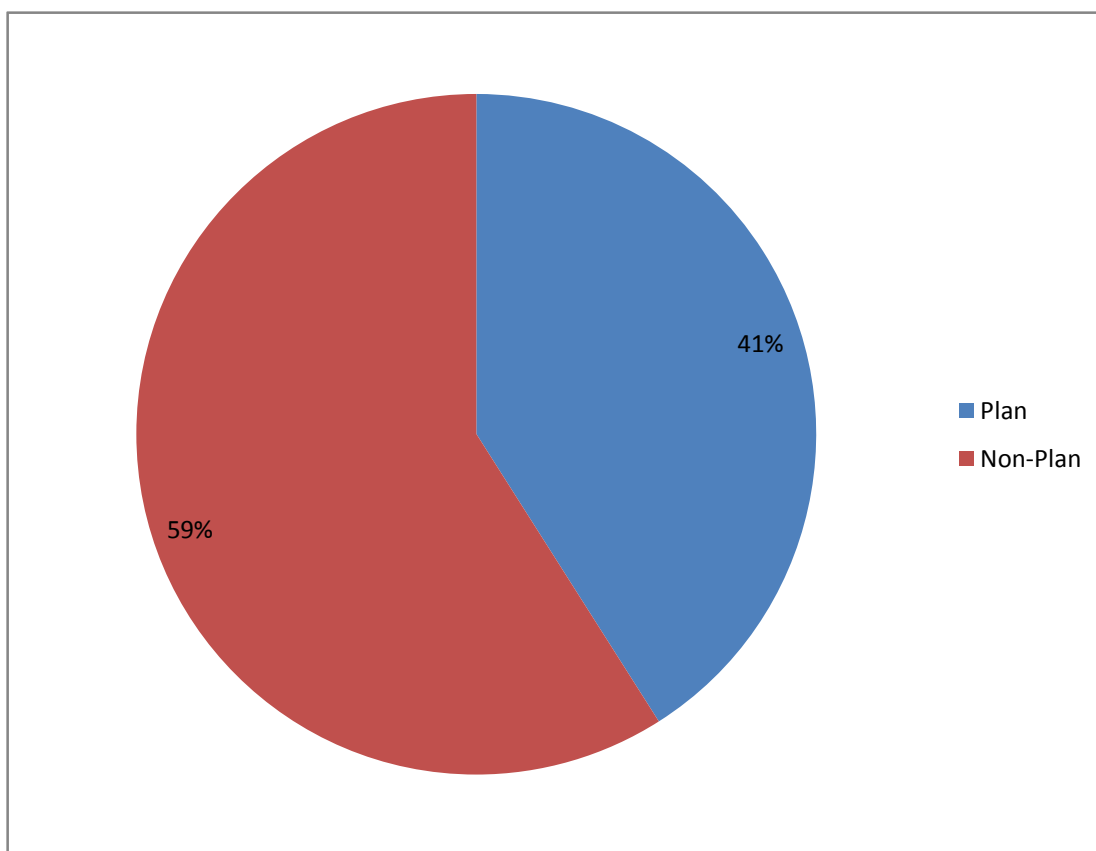


C HAPTER 4

PLAN AND NON PLAN EXPENDITURE

4.1 Distribution of Expenditure

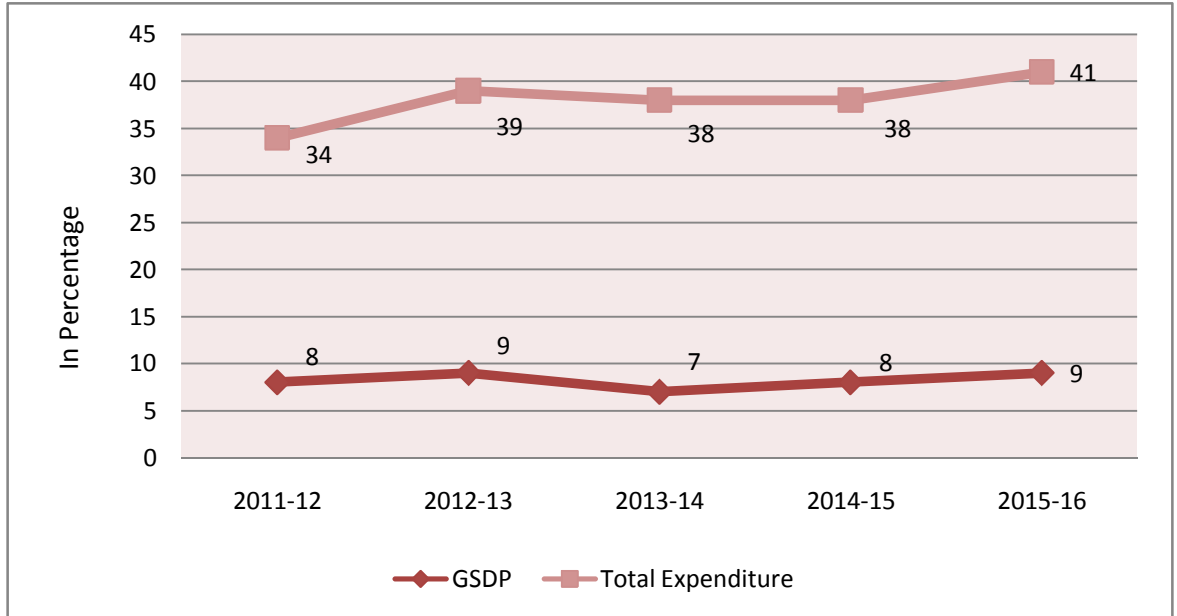
DISTRIBUTION OF EXPENDITURE



4.2 Plan Expenditure

During 2015-16, Plan Expenditure, representing 41 *per cent* of total disbursements, was ₹ 4,91,77 crore (₹ 2,99,53 crore under State Plan, ₹ 1,81,77 crore under Centrally Sponsored/ Central Plan Schemes and ₹ 10,47 crore under Loans and Advances).

PLAN EXPENDITURE AS PROPORTION OF TOTAL EXPENDITURE AND GSDP



4.2.1 Plan expenditure under Capital Account

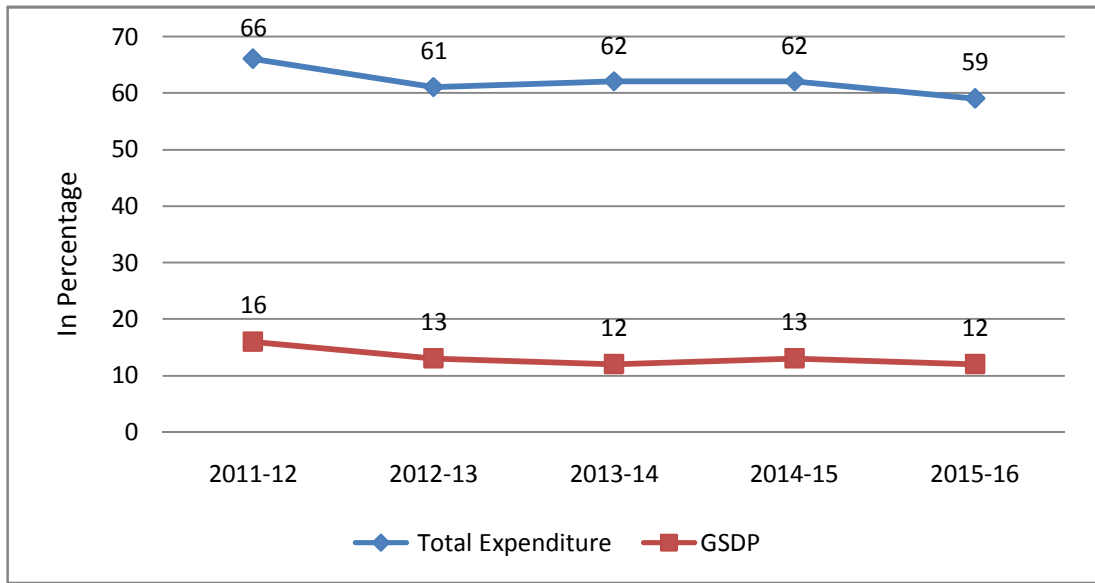
(₹ in crore)

	2011-12	2012-13	2013-14	2014-15	2015-16
Total Capital Expenditure	2,48,19	1,69,52	1,58,92	2,44,14	1,99,95
Capital Expenditure (Plan)	1,01,02	1,30,79	1,29,41	1,37,16	1,77,25
Per cent of Capital Expenditure (plan) to Total Capital Expenditure	41	77	81	56	89

4.3 Non-Plan Expenditure

Non-Plan Expenditure during 2015-16, representing 59 per cent of total disbursements, was ₹ 7,05,89 crore, (₹ 6,83,19 crore under Revenue and ₹ 22,70 crore under Capital).

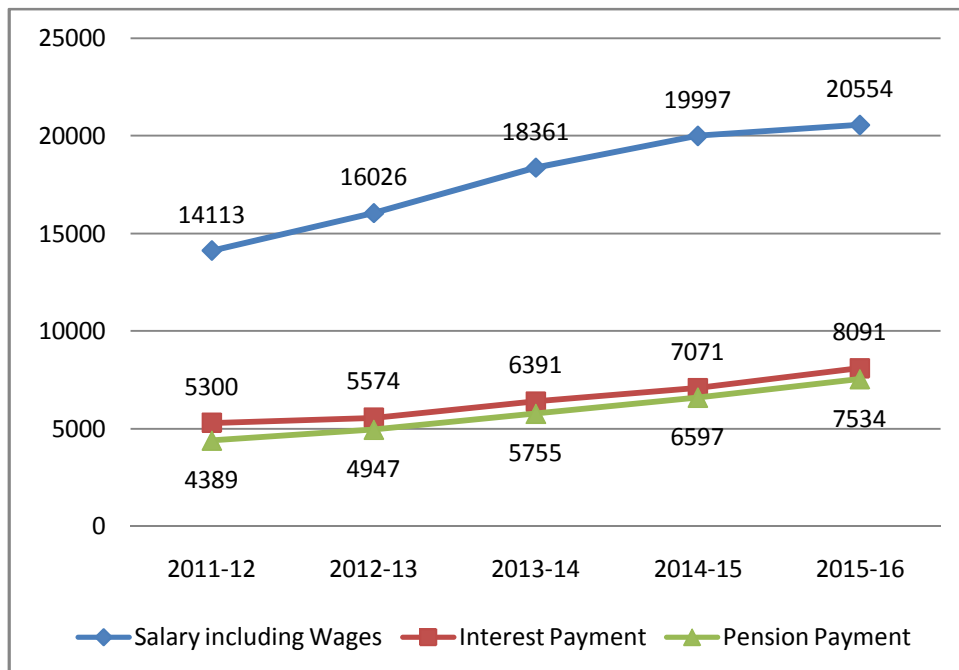
NON PLAN EXPENDITURE AS PROPORTION OF TOTAL EXPENDITURE AND GSDP



4.4 Committed Expenditure

(₹ in crore)

TREND OF COMMITTED EXPENDITURE



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

(₹ in crore)

Component	2011-12	2012-13	2013-14	2014-15	2015-16
Committed Expenditure	2,38,02	2,65,47	3,05,07	3,36,65	3,61,79
Revenue Expenditure	5,26,94	6,29,68	6,98,70	8,23,73	9,97,71
Revenue Receipts	6,26,04	7,04,27	7,57,49	8,86,41	10,55,11
<i>Per cent</i> of Committed Expenditure to Revenue Receipts	38	38	40	38	34
<i>Per cent</i> of Committed Expenditure to Revenue Expenditure	45	42	44	41	36

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	Supplemen- tary grant/ Appropriation	Total	Actual expen- diture	Savings(-) Excesses(+)	Surrender
1	Revenue Voted Charged	10,10,27.10 93,27.26	1,93,42.71 6,67.22	12,03,69.81 99,94.48	9,12,42.33 96,06.96	(-)2,91,27.48 (-)3,87.52	(-)1,41,10.82 (-)79.99
2	Capital Voted Charged	1,86,37.76 96.38	32,57.62 0.43	2,18,95.38 96.81	1,68,86.37 58.39	(-)50,09.01 (-)38.42	(-)36,71.55 (-)1.12
3	Public Debt Charged	87,73.17	--	87,73.17	48,60.36	(-)39,12.81	--
4	Loans and Advances Voted Charged	42,32.58 --	12,48.29 --	54,80.87 --	31,59.84 --	(-) 23,21.03 --	(-)15,95.56 --
	Total	14,20,94.25	2,45,16.27	16,66,10.52	12,58,14.25	(-)4,07,96.27	(-)1,94,59.04

5.2 Trend of Savings/Excess during the past five years

(₹ in crore)

Year	Savings (-)/Excess (+)				Total
	Revenue	Capital	Public Debt	Loans & Advances	
2011-12	(-) 79,87.73	(-) 16,22.63	(-) 36,50.31	(-) 17,92.56	(-) 1,50,53.23
2012-13	(-) 91,98.39	(-) 22,69.64	(-) 39,03.16	(-) 20,90.01	(-) 1,74,61.20
2013-14	(-)1,43,36.99	(-)30,08.87	(-)40,18.05	(-)17,53.62	(-)2,31,17.53
2014-15	(-)2,46,12.66	(-)46,92.31	(-)42,56.48	(-)18,91.75	(-)3,54,53.20
2015-16	(-)2,95,15.00	(-)50,47.43	(-)39,12.81	(-)23,21.03	(-)4,07,96.27

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	2011-12	2012-13	2013-14	2014-15	2015-16
REVENUE VOTED SECTION						
01	General Administration	15.05	14.87	16.53	32.07	13.76
04	Other expenditure pertaining to Home Department	22.85	15.46	16.27	51.05	52.49
13	Farmers Welfare and Agriculture Development	14.53	17.16	28.43	21.06	63.36
25	Mineral Resources	17.35	15.99	21.89	32.24	29.80
29	Law and Legislative Affairs	20.06	28.05	35.46	44.34	18.62
48	Narmada Valley Development	16.06	19.41	26.27	66.17	34.98
64	Scheduled Castes Sub-Plan	15.09	15.13	24.54	37.11	34.03
CAPITAL VOTED SECTION						
01	General Administration	41.82	13.40	13.10	62.06	11.44
03	Police	51.79	27.73	59.84	14.11	11.62
41	Tribal Areas Sub-Plan	9.71	19.51	24.50	42.09	32.39
45	Minor Irrigation Works	11.35	11.35	5.59	15.10	8.62
58	Expenditure on Relief on account of Natural Calamities and Scarcity	85.47	76.77	100	100	100
64	Scheduled Castes Sub-Plan	19.36	23.48	24.23	33.93	27.57
67	Public Works-Building	38.11	32.98	49.97	40.33	28.48

During 2015-16, supplementary grants/Appropriation totalling ₹ 2,45,16.27 crore (19.48 *per cent* of total expenditure ₹ 12,58,14.25 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 Expen- diture
01	General Administration	Revenue Charged	69.93	0.47	42.38
03	Police	Revenue Voted	49,63.37	1,33.72	43,41.70
07	Commercial Tax	Revenue Voted	25,73.73	15.30	18,15.69
10	Forest	Revenue Voted	22,41.44	1,67.51	17,64.97
12	Energy	Capital Voted	37,32.56	2,01.91	25,32.49
13	Farmers Welfare and Agriculture Development	Revenue Voted	18,81.23	16,47.52	12,92.86
15	Financial Assistance to Three Tier Panchayati Raj Institutions under Scheduled Castes Sub- Plan	Revenue Voted	23,23.25	66.68	16,06.53
17	Co-operation	Capital Voted	2,32.30	3,90.00	1,67.75
24	Public Works- Roads and Bridges	Revenue Voted	11,92.75	3,25.10	11,75.08
41	Tribal Areas Sub-Plan	Revenue Voted	59,08.07	2,67.72	39,97.01
44	Higher Education	Revenue Voted	17,25.01	1,61.00	13,93.78
52	Financial Assistance to Tribal Area Sub-Plan- Three Tier Panchayati Raj Institutions	Revenue Voted	33,32.95	93.99	21,86.62
55	Women and Child Development	Revenue Voted	28,47.80	76.65	25,85.75
61	Expenditure pertaining to Bundelkhand Package	Revenue Voted Capital Voted	49.34 2,63.71	8.00 20.00	41.48 2,21.30
64	Scheduled Castes Sub- Plan	Revenue Voted Capital Voted	38,47.68 24,88.64	3,85.84 5,49.82	27,92.65 22,00.73
66	Welfare of Backward Classes	Revenue Voted	8,80.45	2,69.00	7,77.87
67	Public Works-Buildings	Revenue Voted Capital Voted	6,41.10 2,32.91	2.90 8.00	4,40.67 1,72.29
73	Medical Education Department	Revenue Voted	5,32.46	43.37	5,05.81
77	Other Expenditure pertaining to School Education Department (excluding Primary Education)	Revenue Voted	23,64.14	9.50	15,77.78
	Total		4,43,24.82	48,44.00	3,36,33.19

5.4 Rush of Expenditure

Regular flow of expenditure in the year is a primary requirement of budgetary control. Rush of expenditure particularly in the closing month of the financial year is regarded as a breach of financial rules (Para 26.13 of Madhya Pradesh Budget Manual). It was, however, noticed that in the nine cases the expenditure incurred during March 2016 ranged between 25 per cent to 56 per cent of the total expenditure during the year indicating the tendency to utilise the budget provision at the fag end of the financial year. Details are given below:-

(₹ in crore)

Sl. No.	Description of Grant	Total Budget provision	Total expenditure (Net)	Expenditure in March	Percentage of expenditure in March to total expenditure
1	22-Urban Development and Environment	17,81.41	15,18.28	6,76.55	44.56
2	36-Transport	1,81.84	1,17.47	35.57	30.28
3	37-Tourism	2,62.24	2,61.72	93.14	35.59
4	50-Horticulture and Food Processing	5,71.52	4,54.10	1,19.10	26.23
5	53-Financial Assistance to Urban Bodies under Scheduled Castes Sub-Plan	3,74.04	1,86.38	1,00.39	53.86
6	56-Rural Industry	2,29.19	1,51.98	40.06	26.36
7	60- Expenditure pertaining to District Plan Schemes	2,58.49	2,04.41	54.01	26.42
8	66-Welfare of Backward Classes	11,71.38	7,89.95	2,00.04	25.32
9	68-Financial Assistance to Tribal Area Sub-Plan-Urban Bodies	48.90	26.85	14.87	55.35

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CHAPTER 6

ASSETS AND LIABILITIES

6.1 Assets

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

Total investments as share capital in statutory corporations, Government Companies, Joint Stock Companies, Banks, Co-operatives and Public Sector Undertakings stood at ₹ 1,66,00¹⁷ crore at the end of 2015-16. However, dividends received during the year were ₹ 1,30 crore (i.e. 0.78 *per cent*) on investment. During 2015-16, investments increased by ₹ 4,95 crore and dividend income increased by ₹ 50 crore.

Cash Balance with RBI stood at ₹ 1,99 crore on 31st March 2015 and increased to ₹ 10,09 crore at the end of March 2016. During the year cash balance of the State Govt. increased by ₹ 8,10 crore.

6.2 Debt and Liabilities

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

¹⁷ 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)

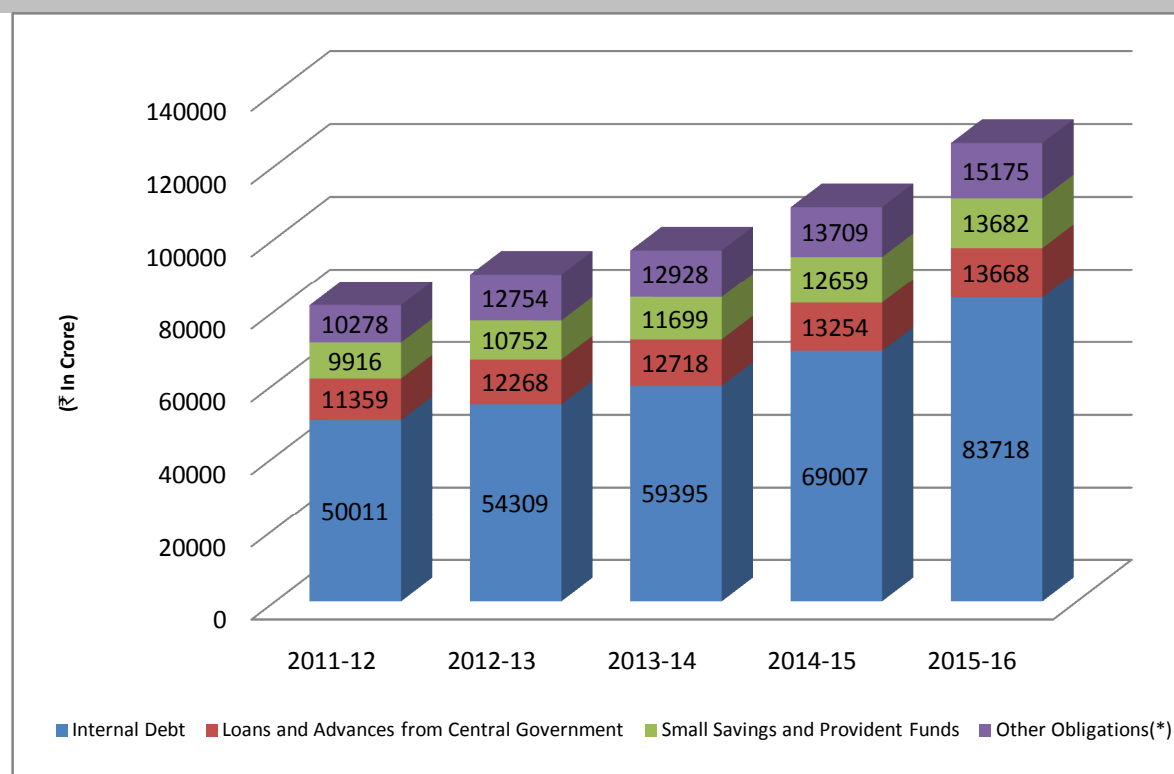
Year	Public Debt	Per cent to GSDP	Public Account* ¹⁸	Per cent to GSDP	Total Liabilities* ¹⁸	Per cent to GSDP
2011-12	6,13,70	19	2,03,87	6	8,17,57	26
2012-13	6,65,77	17	2,35,91	6	9,01,68	24
2013-14	7,21,13	17	2,47,13	6	9,68,26	22
2014-15	8,22,62	17	2,64,26	5	10,86,88	22
2015-16	9,73,86	17	2,97,58	5	12,71,44	23

* Excludes suspense and remittance balances.

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

There is a net increase of ₹ 1,84,56 crore (17 per cent) in Public Debt and Other liabilities in 2015-16 as compared to 2014-15.

TRENDS IN GOVERNMENT LIABILITIES



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

¹⁸ The amount of ₹ 6,62 crore retained in M.P. pending allocation between M.P. and Chhattisgarh as per re-organisation Act, 2000.

6.3 Guarantees

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

(₹ in crore)

At the end of the year	Maximum Amount Guaranteed (Principal only)	Outstanding Principal and Interest as on 31st March 2016
2011-12	1,11,08	56,05
2012-13	1,47,52	77,20
2013-14	2,14,72	99,78
2014-15	3,18,85	2,01,24
2015-16	4,01,71	2,75,30

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

The State Government constituted the Guarantee Redemption Fund in 2006 in terms of the recommendation of the Twelfth Finance Commission. During 2015-16, no amount was contributed by the State Government. As on 31 March 2016, the balance in the Fund was ₹ 3,94.58 crore and the entire balance was invested in Central Government dated securities.

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HAPTER 7

OTHER ITEMS

7.1 Loans and Advances by the State Government

Total Loans and Advances made by the State Government at the end of 2015-16 was ₹ 4,08,37¹⁹ crore. Of this, Loans and Advances to Government Corporations/Companies, non-Government Institutes and Local Bodies amounted to ₹ 4,08,09²⁰ crore. During the year the State Government had disbursed loans and advances amounting to ₹ 31,58 crore and recovered outstanding loans amounting to ₹ 1,62 crore. ₹ 1,39 crore as interest was received during the year.

7.2 Financial Assistance to Local Bodies and Others

During the past five years, Grants-in-Aid to local bodies etc., increased from ₹ 1,61,44 crore in 2011-12 to ₹ 3,76,46 crore in 2015-16. Grants to Urban Local Bodies and Panchayati Raj Institutions (₹ 2,18,95 crore) represented 58 *per cent* of total grants given during the year.

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

¹⁹ Includes ₹ 21,86 crore retained in M.P. yet to be reconciled.
²⁰ Includes ₹ 21,19 crore retained in M.P. yet to be reconciled.

(₹ in crore)

Year	Urban Local Bodies	Panchayati Raj Institutions	Others	Total
2011-12	42,42	54,13	64,89	1,61,44
2012-13	51,74	69,00	66,14	1,86,88
2013-14	67,48	67,95	73,62	2,09,05
2014-15	66,70	1,00,13	1,14,10	2,80,93
2015-16	75,79	1,43,17	1,57,50	3,76,46

7.3 Cash Balance and investment of Cash Balance

(₹ in crore)

Component	As on 1st April, 2015	As on 31st March, 2016	Net increase(+)/ decrease (-)
Cash Balances	1,99	10,09	8,10
Investments from cash balance (GOI Treasury Bills & GOI securities)	47,91	94,85	46,94
Investment from earmarked fund balances	4,03	4,02	(-) 1
(a) Sinking Fund	--	--	--
(b) Guarantee Redemption Fund	3,95	3,95	--
(c) Other Funds	8	7	(-) 1
(d) Interest Realised	1,50	2,51	101

Interest realised on investment of cash balance decreased by 67 per cent during the year as compared to 2014-15.

7.4 Reconciliation of accounts

Accuracy and reliability of accounts depend 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 the Departments. The reconciliation of accounts of many departments was in arrears. In 2015-16, only 54.10 *per cent* (₹ 6,47,89.78 crore) of the total expenditure of ₹ 11,97,66.02 crore of the State Government was reconciled. Similarly, out of total receipts of ₹ 10,57,01.32 crore, only 1.06 *per cent* (₹ 11,18.07 crore) was reconciled.

7.5 Submission of Accounts by Treasuries

During the year 2015-16, out of 672 Treasury accounts, 20 accounts were received after due dates. Though these are incorporated in the monthly civil accounts of respective months. Timely submission of accounts may be ensured by the Treasuries.

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.
04/2015	56	56	Nil	56	Nil	26.05.2015
05/2015	56	56	Nil	56	Nil	25.06.2015
06/2015	56	56	Nil	56	Nil	24.07.2015
07/2015	56	54	02	56	Nil	25.08.2015
08/2015	56	54	02	56	Nil	24.09.2015
09/2015	56	55	01	56	Nil	21.10.2015
10/2015	56	50	06	56	Nil	24.11.2015
11/2015	56	56	Nil	56	Nil	22.12.2015
12/2015	56	53	03	56	Nil	25.01.2016
01/2016	56	55	01	56	Nil	24.02.2016
02/2016	56	53	03	56	Nil	23.03.2016
03/2016	56	54	02	56	Nil	12.05.2016
Total	672	652	20	672	--	--

7.6 Existence of Majorities Abstract Contingent Bills (AC Bills)

When money is required in advance or when the Drawing and Disbursing Officers (DDOs) are not able to calculate the exact amounts required, they are permitted to draw money without supporting documents through AC bills. Such AC bills are required to be supported by presenting Detailed contingent (DC) bills before the 25th of the succeeding month. The State Government has, by issue of orders dated 2nd September 1999, banned drawal on AC bills by all the departments and by issue of orders dated 10th February 2009 permitted the Sports and Youth Welfare Department to make drawal on AC bills in respect of National Cadet Corps (NCC). At the end of March 2016, 19 DC bills amounting to ₹ 7.59 crore were outstanding.

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

In the case of conditional grants a formal Utilisation Certificate (UC) about the proper utilisation of the grant from the administrative, technical and financial point of view is to be furnished to the Principal Accountant General (A&E) by the sanctioning authority on or before September 30 of the year following that to which the Grant is related as per rule 182 of Madhya Pradesh Financial Code. At the end of March 2016 2,76,12 UCs amounting to ₹ 2,13,59.28 crore were outstanding. UCs outstanding beyond the specified periods indicate absence of assurance on utilisation of the grants for intended purposes.