

ACCOUNTS AT A GLANCE

2018-2019



लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest



GOVERNMENT OF MADHYA PRADESH

ACCOUNTS AT A GLANCE

2018-2019

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PREFACE

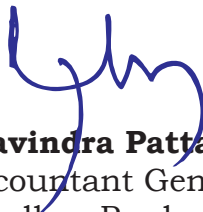
This is the Twenty first issue of our annual publication "**Accounts at a Glance**".

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 : 10/12/2020


(Ravindra Pattar)
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

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CHAPTER 1

OVERVIEW

1.1 Introduction

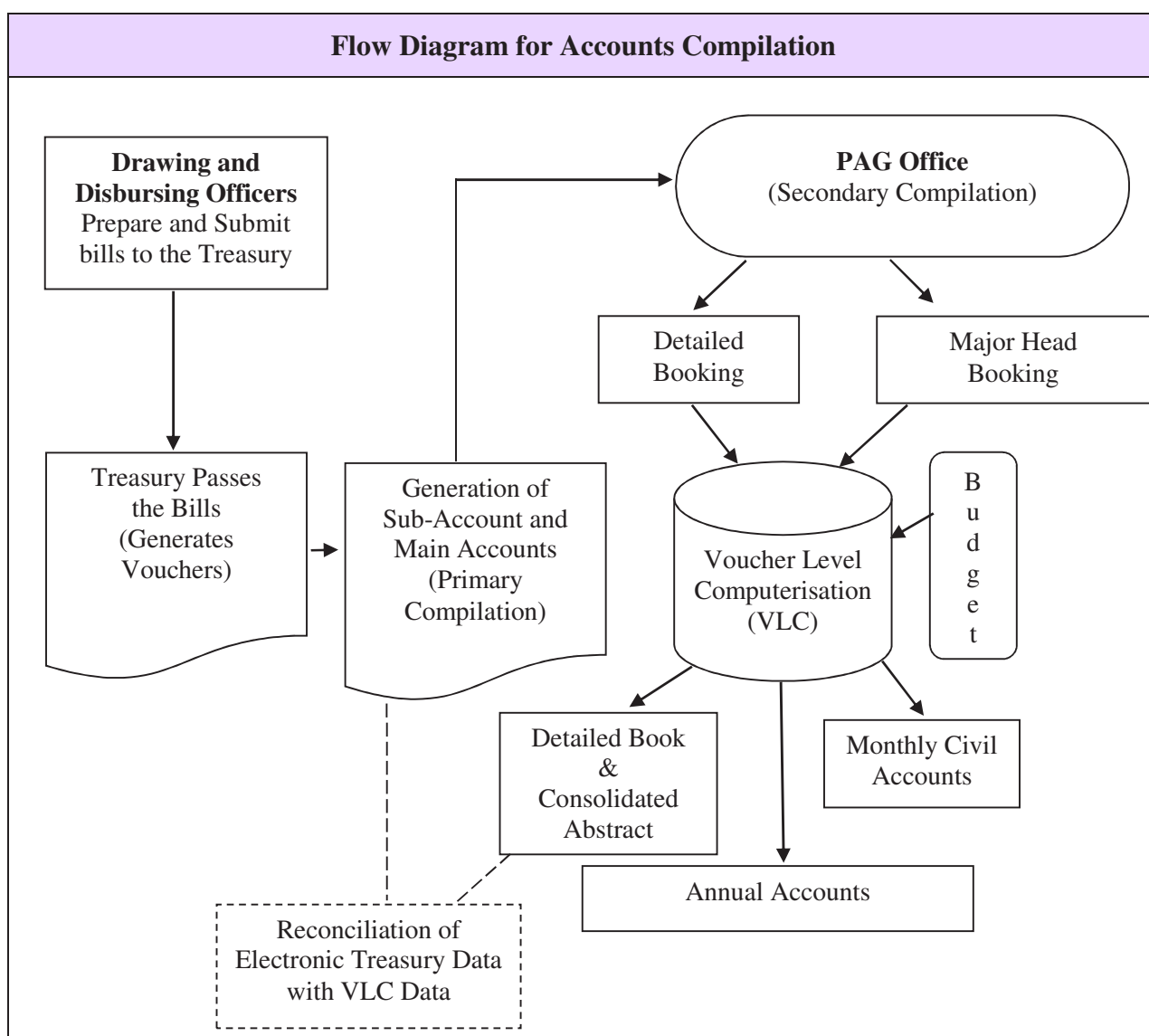
The Principal Accountant General (Accounts and Entitlements)-I, Madhya Pradesh compiles the accounts of receipts and expenditure of the Government of Madhya Pradesh. This compilation is based on the initial accounts rendered by the District Treasuries, Public Works and Forest Divisions and advices of 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 2018-19 are given below.

(₹ in crore)

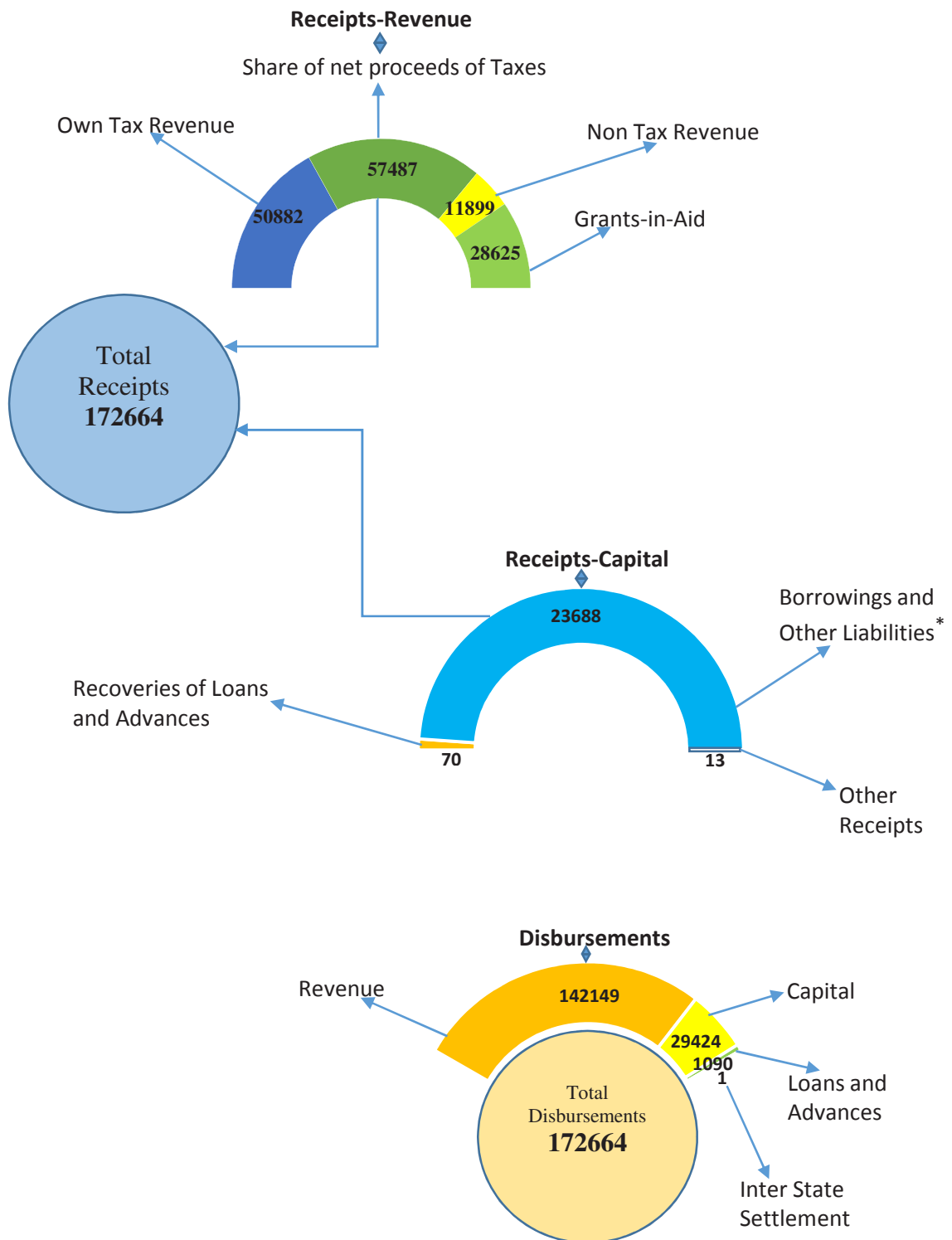
Receipts (Total: 17,26,64)	Revenue Total: (14,88,93)	Tax Revenue	10,83,69
		(a) Own Tax Revenue	5,08,82
		(b) Share of net proceeds of Taxes	5,74,87
		Non-Tax Revenue	1,18,99
		Grants-in-aid	2,86,25
	Capital Total: (2,37,71)	Recovery of Loans and Advances	70
		Borrowings and Other Liabilities¹	2,36,88
Other Receipts²		13	
Disbursements (Total: 17,26,64)	Revenue		14,21,49
	Capital		2,94,24
	Loans and Advances		10,90
	Inter-State Settlement		1

¹ Borrowing and other Liabilities : Net (Receipts-Disbursements) of Public debt (₹ 1,89,74 crore) + Net of Contingency fund (Nil crore) + Net (Receipts-Disbursements) of Public account (₹ 17,44 crore) + Net of Opening and Closing Cash Balance (₹ 29,70 crore).

² Includes capital receipts (₹13 crore) on account of refund of investment in share capital by co-operative societies/Banks and Inter-state settlement (Nil crore).

Receipts and Disbursements in year 2018-19

(₹ in crore)



* Borrowing and other Liabilities: Net (Receipts-Disbursements) of Public debt + Net of Contingency fund + Net (Receipts-Disbursements) of Public account + Net of Opening and Closing Cash Balance.

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 ₹ 25,61 crore (₹ 23,11 crore last year) during the year 2018-19. 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.

The following table provides the details of actual financial results *vis-à-vis* revised estimates for the year 2018-19.

(₹ in crore)

Items	R.E. 2018-19	Actuals	Percentage of actuals to R.E.	Percentage of actuals to GSDP ³
1. Tax Revenue	11,02,58 ⁴	10,83,69 ⁴	98	13
2. Non-Tax Revenue	96,57	1,18,99	1,23	1
3. Grants-in-aid & Contributions	3,12,45	2,86,25	92	4
4. Revenue Receipts (1+2+3)	15,11,60	14,88,93	99	18
5. Recovery of Loans and Advances	5,08	70	14	0
6. Other Receipts ⁵	--	13	0	0
7. Borrowings & other Liabilities ⁶	3,04,17	2,36,88	78	3
8. Capital Receipts (5+6+7)	3,09,25	2,37,71	77	3
9. Total Receipts (4+8)	18,20,85	17,26,64	95	21
10. Revenue Expenditure	15,10,22	14,21,49	94	18
11. Expenditure on Interest Payments out of 10	1,22,42	1,26,96	1,04	2
12. Capital Expenditure	2,72,44	2,94,24	1,08	4
13. Loans and Advances Disbursed	20,13	10,90	54	0
14. Inter State Settlement	--	1	0	0
15. Total Expenditure (10+12+13+14) ⁷	18,02,79	17,26,64	96	21
16. Revenue Surplus (4-10)	1,37	67,44	49,23	1
17. Fiscal Deficit (4+5+6-10-12-13-14)	2,86,12	2,36,88	83	3

³ GSDP figure of ₹ 80,93,27 crore adopted from the Economic Survey published by Department of Planning, Economics and Statistics, Government of Madhya Pradesh.

⁴ Includes State's share of Union Taxes of ₹ 5,74,87 crore.

⁵ See footnote 2 at page No.3.

⁶ See footnote 1 at page No.3.

⁷ Actual expenditure includes Revenue expenditure (₹ 14,21,49 crore), Capital expenditure (₹ 2,94,24 crore), Loans and Advances disbursed (₹ 10,90 crore) and Inter-State Settlement (₹ 1 crore).

1.3.2 What do the Deficits and Surpluses indicates

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.

1.3.3 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. It comprises 44 charged Appropriations and 125 voted Grants under 74 combined (charged and voted) provisions.

The Appropriation Act, 2018-19 had provided for gross expenditure of ₹ 23,83,02.67 crore and reduction of expenditure (recoveries) of ₹ 54,59.69 crore. Against this, the actual gross expenditure was ₹ 18,78,30.17 crore and reduction of expenditure was ₹ 16,42.33 crore resulting in savings of ₹ 5,04,72.50 crore (21.18%) and an over-estimation of ₹ 38,17.36 crore (69.92%) on reduction of expenditure. Reduction of expenditure, in Revenue and Capital was less than estimates.

During 2018-19, ₹ 4.47 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, detailed 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 2018-19, the Government of Madhya Pradesh obtained ₹ 33,76 crore from the Reserve Bank of India as “Ordinary Ways and Means Advance” and ₹ 1.16 crore was paid as interest thereon. The Government of Madhya Pradesh did not resort to OD facilities during 2018-19.

1.4.2 Fund flow statement

The State had a Revenue Surplus of ₹ 67,44 crore and a Fiscal Deficit of ₹ 2,36,88 crore representing 0.83 *per cent* and 2.93 *per cent* of the Gross State Domestic Product (GSDP)⁸ respectively. The Fiscal Deficit Constituted 13 *per cent* of Total expenditure. This deficit was met from Public Debt (₹ 1,89,74 crore), Public Account (₹ 17,44 crore) and net of opening and closing cash balance (₹ 29,70 crore). Around 52 *per cent* of the revenue receipts (₹ 14,88,93 crore) of the State Government was spent on committed expenditure like salaries including wages (₹ 2,72,56 crore), interest payments (₹ 1,26,96 crore), pensions (₹ 1,19,84 crore) and subsidies (₹ 2,12,22 crore).

⁸ Expected where indicated otherwise, GSDP figures used in this publication are adopted from the Economics Survey of the Department of Planning, Economics and Statistics, Government of Madhya Pradesh.

Sources and Application of Funds

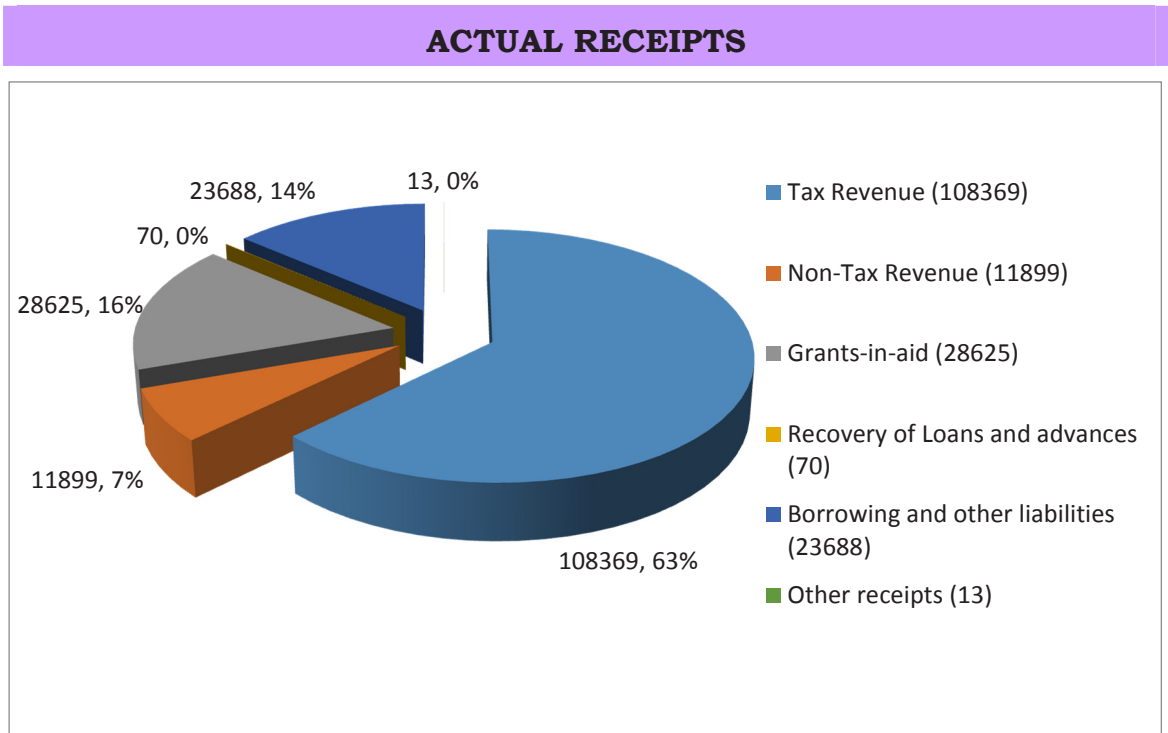
(₹ in crore)

SOURCES	PARTICULARS	AMOUNT
	Opening Cash Balances as on 01 April 2018	(-) 6,94
	Revenue Receipts	14,88,93
	Capital Receipts	13
	Recovery of Loans & Advances	70
	Public Debt	3,24,97
	Small Savings, Provident Fund & Others	45,71
	Reserves & Sinking Funds	22,32
	Deposits Received	3,17,63
	Civil Advances Repaid	--
	Suspense Account	25,79,70
	Remittances	1,82,06
	Inter-State Settlement	1
	TOTAL	49,55,22

APPLICATION	Revenue Expenditure	14,21,49
	Capital Expenditure	2,94,24
	Loans Disbursed	10,90
	Repayment of Public Debt	1,35,24
	Small Savings, Provident Fund & Others	23,22
	Reserves & Sinking Funds	16,42
	Deposits Spent	3,15,99
	Civil Advances Given	--
	Suspense Account	25,98,70
	Remittances	1,75,64
	Closing Cash Balance as on 31 March 2019	(-) 36,63
	Inter-State Settlement	1
	TOTAL	49,55,22

1.4.3 Where the Rupee came from

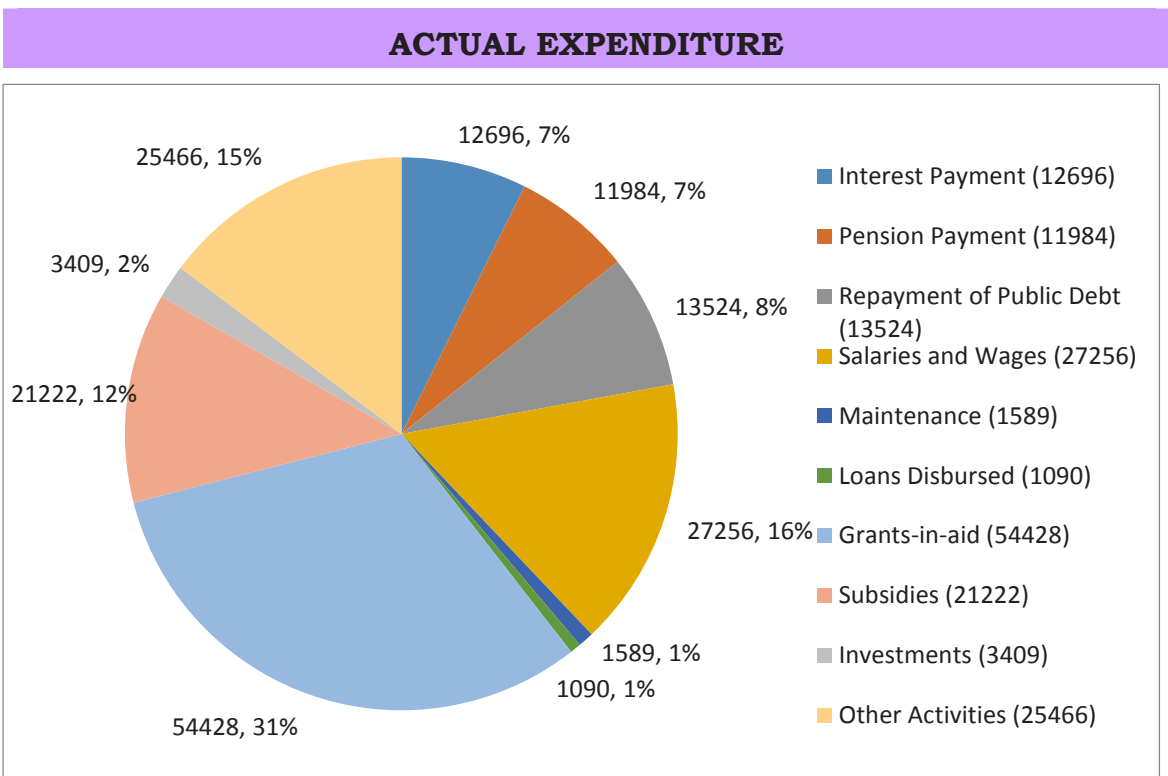
(₹ in crore)



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

1.4.4 Where the Rupee went

(₹ in crore)



1.5 Fiscal Responsibility and Budget Management (FRBM/MTFP) Act 2005

Section 5 of the FRBM/MTFP Act requires that the State Government shall, at the time of presenting the Annual Budget, make disclosures in three statements namely (a) the Macroeconomic Framework Statement (b) the Medium Term Fiscal Policy Statement and (c) the Fiscal Policy Strategy Statement. While making these statements in the Budget of 2018-19, the State Government has made all the disclosures.

In terms of the recommendations of the Fourteenth Finance Commission, the State Government amended the FRBM/MTFP Act, 2005 in 15 January 2016, 23 March 2017 and 30 March 2017. The targets mentioned in the Act and achievements in 2018-19 as depicted in the Accounts are given below:

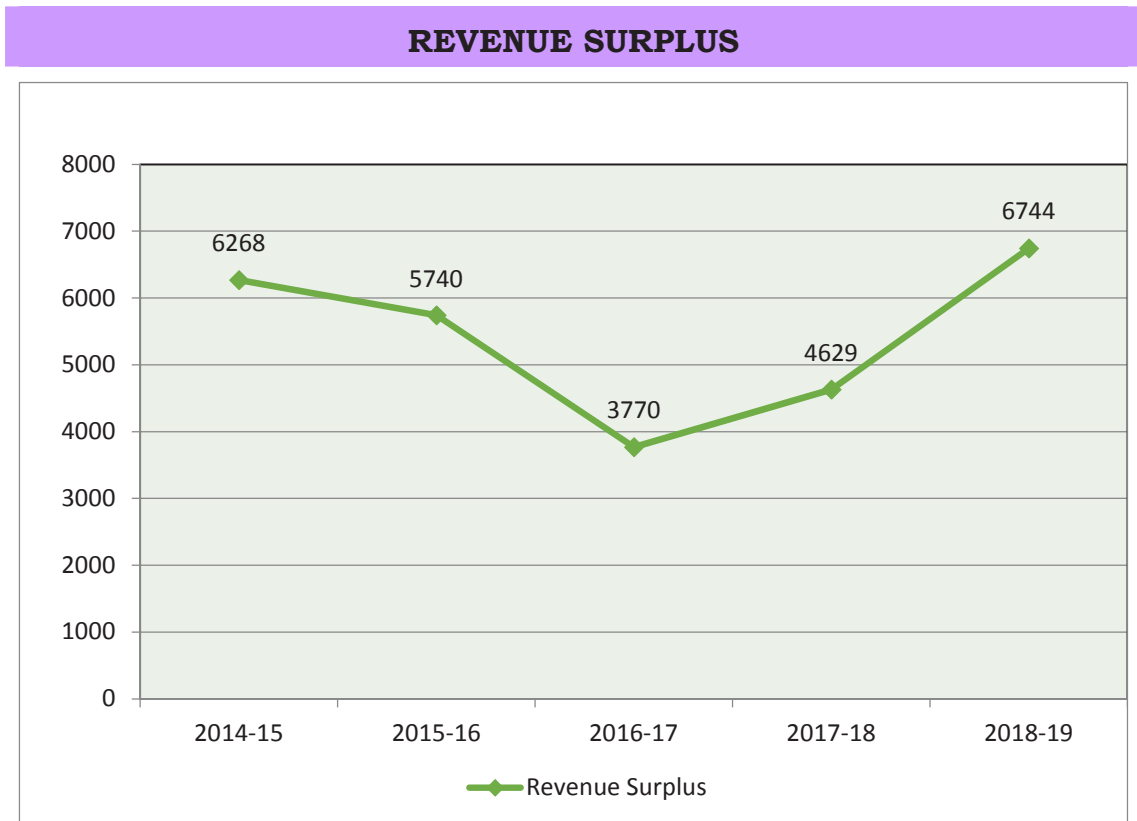
Fiscal Targets and Achievements in accordance to FRBM/MTFP Act/Rules

Area	Target	Achievement (2018-19)
Revenue Surplus/ Deficit	Revenue Surplus	As per Accounts, the Revenue Surplus is ₹ 67,44 crore
Fiscal Deficit	Not exceeding 3.24 <i>per cent</i> of GSDP	As per Accounts, the Fiscal Deficit is ₹ 2,36,88 crore which is 2.93 <i>per cent</i> of GSDP(*)
Outstanding Debt	Not exceeding 26.34 <i>per cent</i> of GSDP	The outstanding debt of ₹ 19,43,09 crore as on 31March 2019 is 24.01 <i>per cent</i> of GSDP(*)

(*) Source:- GSDP for the year 2018-19 is taken as ₹ 80,93,27 crore as per advance estimates of Planning, Economics and Statistics Department, Government of Madhya Pradesh.

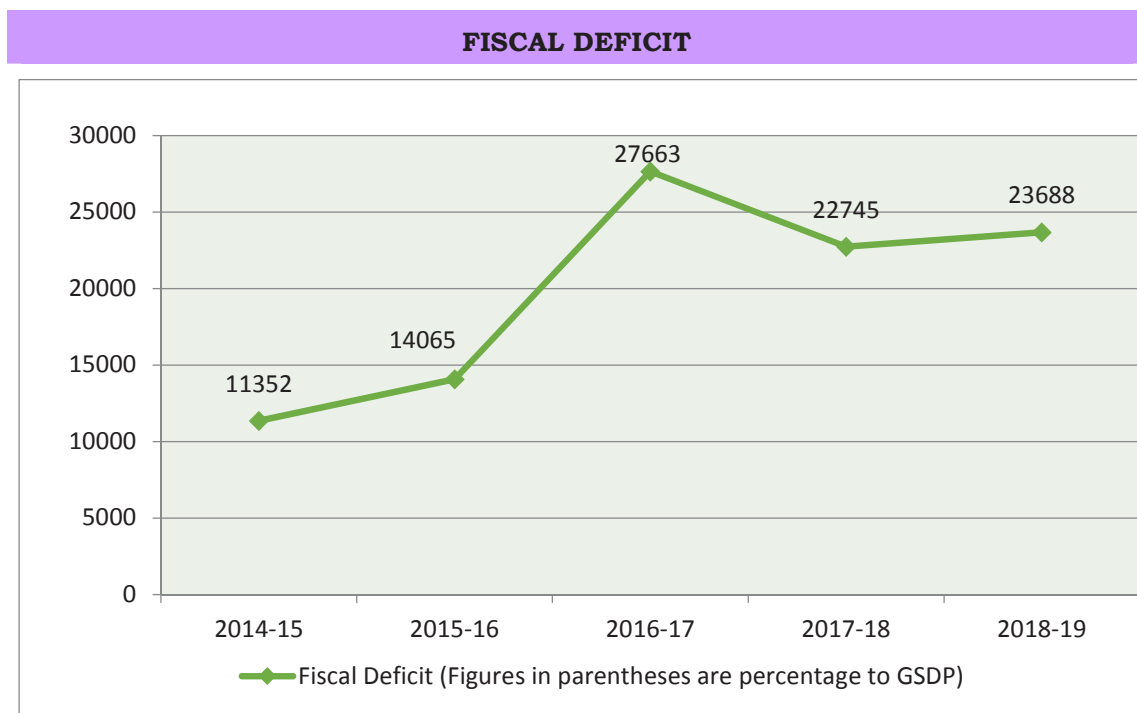
1.5.1 Trend of Revenue Surplus

(₹ in crore)



1.5.2 Trend of Fiscal Deficit

(₹ in crore)



C

HAPTER 2

RECEIPTS

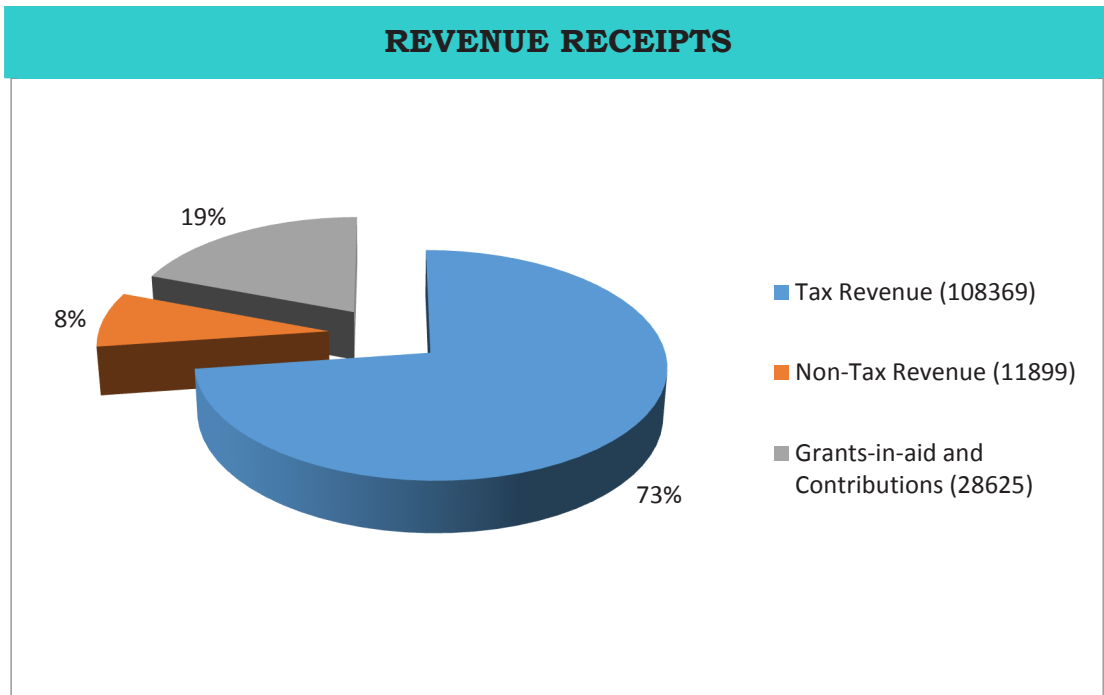
2.1 Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Receipts for 2018-19 were ₹17,26,64 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.

(₹ in crore)



Revenue Receipts Components

(₹ in crore)

Components	Actuals
A. Tax Revenue	10,83,69
Goods and Service Tax	3,38,28
Taxes on Income and Expenditure	3,51,37
Taxes on Property and Capital Transactions	63,71
Taxes on Commodities and Services	3,30,33
B. Non-Tax Revenue	1,18,99
Interest Receipts, Dividends and Profits	12,28
General Services	16,72
Social Services	27,81
Economic Services	62,18
C. Grants-in-aid & Contributions	2,86,25
Total - Revenue Receipts	14,88,93

Trend of Receipts

(₹ in crore)

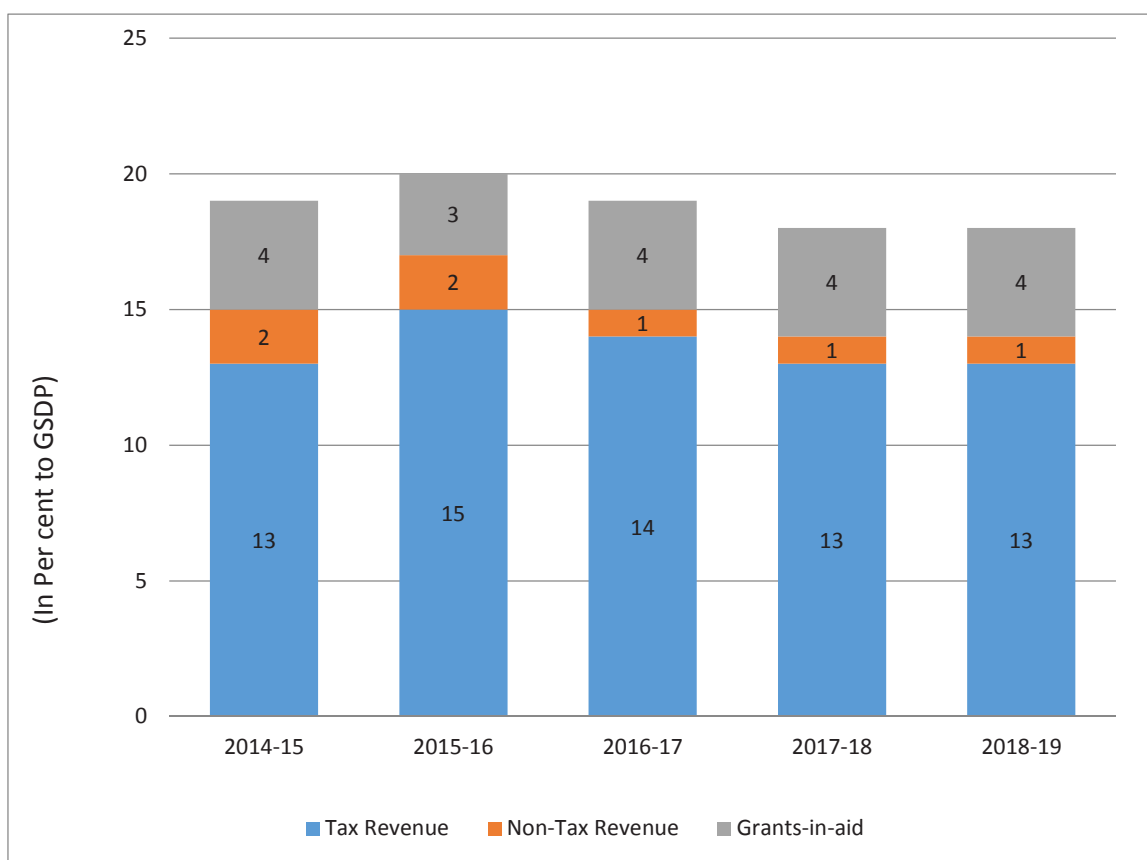
	2014-15	2015-16	2016-17	2017-18	2018-19
Tax Revenue	6,06,74 (13)	7,86,12 (15)	9,02,58 (14)	9,56,64 (13)	10,83,69 (13)
Non-Tax Revenues	1,03,75 (2)	85,69 (2)	90,87 (1)	90,61 (1)	1,18,99 (1)
Grants-in-aid	1,75,92 (4)	1,83,30 (3)	2,39,62 (4)	3,01,50 (4)	2,86,25 (4)
Total Revenue Receipts	8,86,41 (18)	10,55,11 (19)	12,33,07 (19)	13,48,75 (19)	14,88,93 (18)
GSDP (A)	47,99,39	54,11,89	64,88,49	72,82,42	80,93,27

Note:- Figures in parentheses represent percentage to GSDP.

Growth in GSDP and revenue receipts witnessed almost similar growth during 2018-19. Tax Revenue and Non-Tax Revenue increased by 13 per cent and 31 per cent respectively during 2018-19 over the previous year.

(₹ in crore)

COMPONENTS UNDER REVENUE RECEIPTS AS PROPORTION TO GSDP

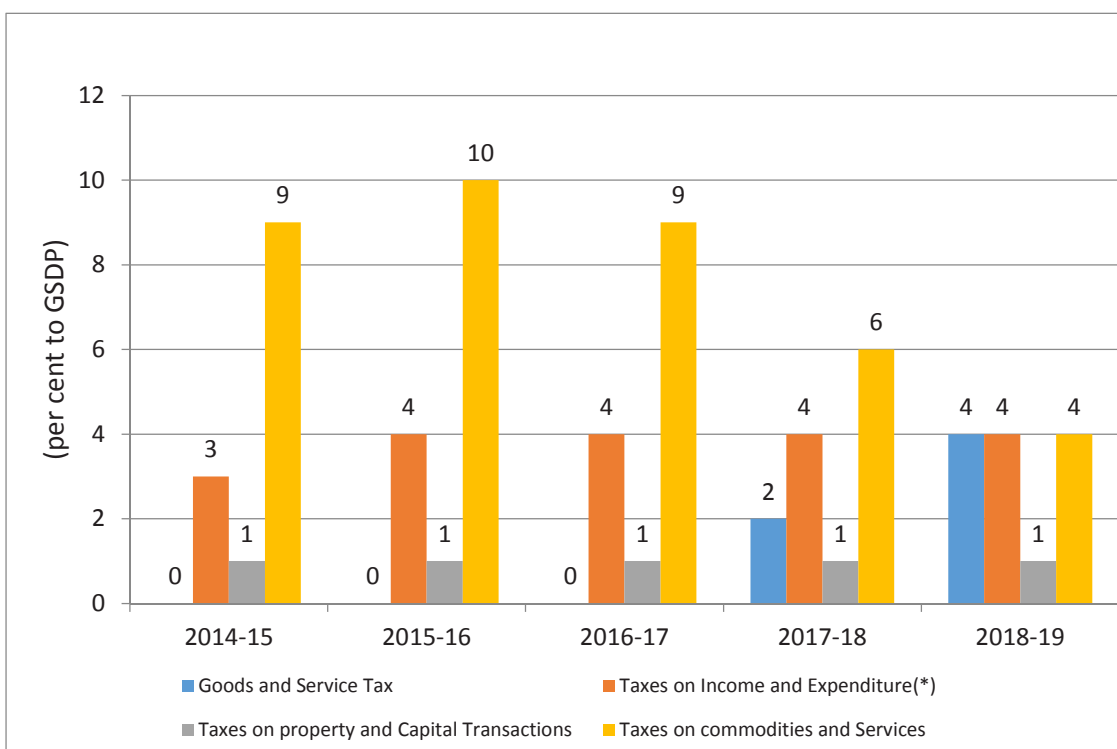


2.3 Tax Revenue

(₹ in crore)

Component	2014-15	2015-16	2016-17	2017-18	2018-19
Goods and Service Tax	--	--	--	1,45,45	3,38,28
Taxes on Income and Expenditure	1,47,14	2,07,95	2,53,34	2,90,59	3,51,37
Taxes on Property and Capital Transactions	47,93	47,25	49,49	59,23	63,71
Taxes on Commodities and Services	4,11,67	5,30,92	5,99,75	4,61,37	3,30,33
Total Tax Revenue	6,06,74	7,86,12	9,02,58	9,56,64	10,83,69

TREND OF MAJOR TAXES IN PROPORTION TO GSDP



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

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 GDP
2014-15	6,06,74	2,41,07	3,65,67	8
2015-16	7,86,12	3,83,98	4,02,14	7
2016-17	9,02,58	4,60,64	4,41,94	7
2017-18	9,56,64	5,08,53	4,48,11	6
2018-19	10,83,69	5,74,87	5,08,82	6

2.4 Efficiency of Tax Collection:-**A. Taxes on property and Capital Transactions:-**

(₹ in crore)

	2014-15	2015-16	2016-17	2017-18	2018-19
Revenue Collection	47,93	47,25	49,49	59,23	63,71
Expenditure on Collection	6,07	6,01	6,00	8,97	8,85
Efficiency of Tax Collection (In <i>per cent</i>)	13	13	12	15	14

B. Taxes on Commodities and Services:-

(₹ in crore)

	2014-15	2015-16	2016-17	2017-18	2018-19
Revenue Collection	4,11,67	5,30,92	5,99,75	4,61,37	3,30,33
Expenditure on Collection	15,26	22,76	20,31	23,06	26,16
Efficiency of Tax Collection (In <i>per cent</i>)	4	4	3	5	8

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.

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

(₹ in crore)

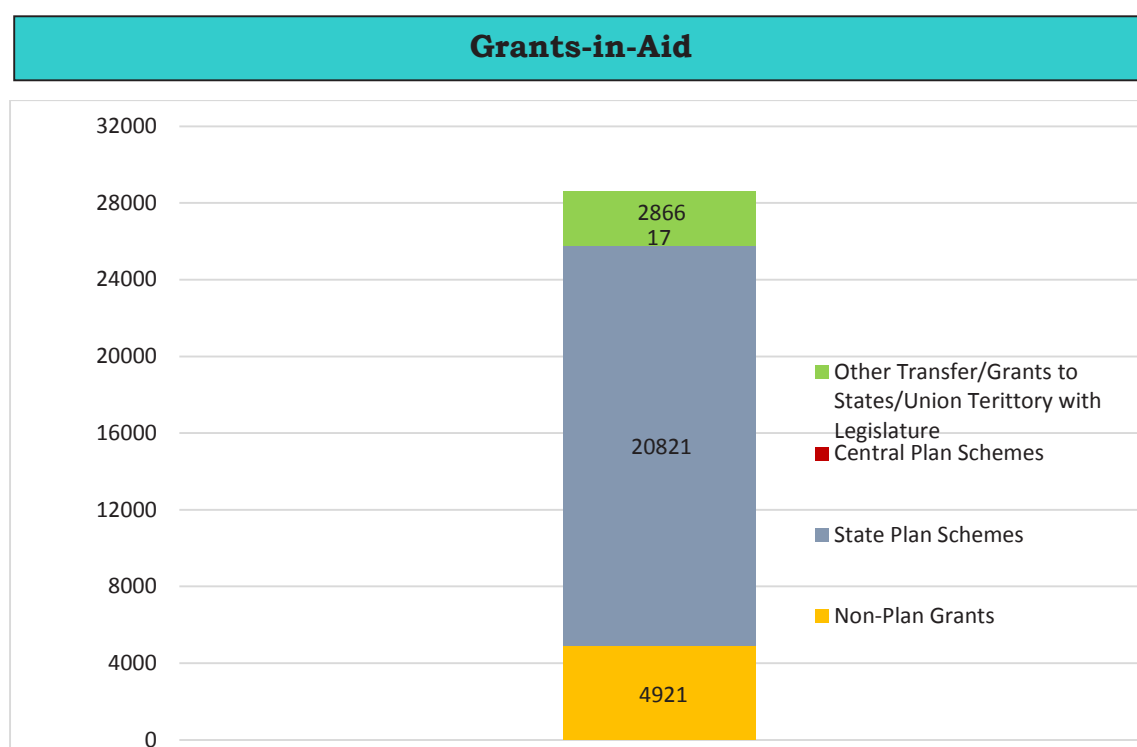
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Central Goods and Service Tax	--	--	--	7,16	1,41,88
Integrated Goods and Service Tax	--	--	--	51,32	11,32
Corporation Tax	84,18	1,20,78	1,47,52	1,55,69	1,99,90
Taxes on Income other than Corporation Tax	60,11	84,00	1,02,52	1,31,47	1,47,22
Other Taxes on Income and Expenditure	--	--	--	--	1,04
Taxes on Wealth	23	03	34	--	7
Customs	38,99	61,34	63,46	51,31	40,75
Union Excise Duties	22,02	51,00	72,46	53,63	27,08
Service Tax	35,54	66,56	74,34	57,95	5,31
Other Taxes and Duties on Commodities and Services	--	27	--	--	30
State's Share of Union Taxes	2,41,07	3,83,98	4,60,64	5,08,53	5,74,87
Total Tax Revenue	6,06,74	7,86,12	9,02,58	9,56,64	10,83,69
<i>Per cent of Union Taxes to Total Tax Revenue</i>	40	49	51	53	53

2.6 Grants-in-aid:-

Grants-in-aid represent assistance from the Government of India and comprise, Grants for State Fund Expenditure and Central Assistance including Centrally Sponsored Schemes/ Central Schemes approved by the Planning Commission recommended by the Finance Commission. As per List of Minor and Major Heads of Accounts Sub-Major Heads '01 Non-Plan Grants', '02 Grants for State/Union Territory Plan Schemes', '03 Grants for Central Plan Scheme', '04 Grants for Centrally Sponsored Plan Schemes', '05 Grants for Special Plan Schemes' and Minor Heads thereunder will not be operational for fresh transactions w.e.f. 01-04-2017.

However, the State Government has operated Sub-Major Heads '01', '02', '03', and Minor Heads thereunder. Total receipts during 2018-19 under Grants-in-aid were ₹ 2,86,25 crore as shown below:

(₹ in crore)



As against a revised estimate of ₹ 3,12,45 crore of Union share, the State Government has actually received ₹ 2,86,25 crore as Grants-in-aid (92 per cent of R.E.).

2.7 Public Debt:-

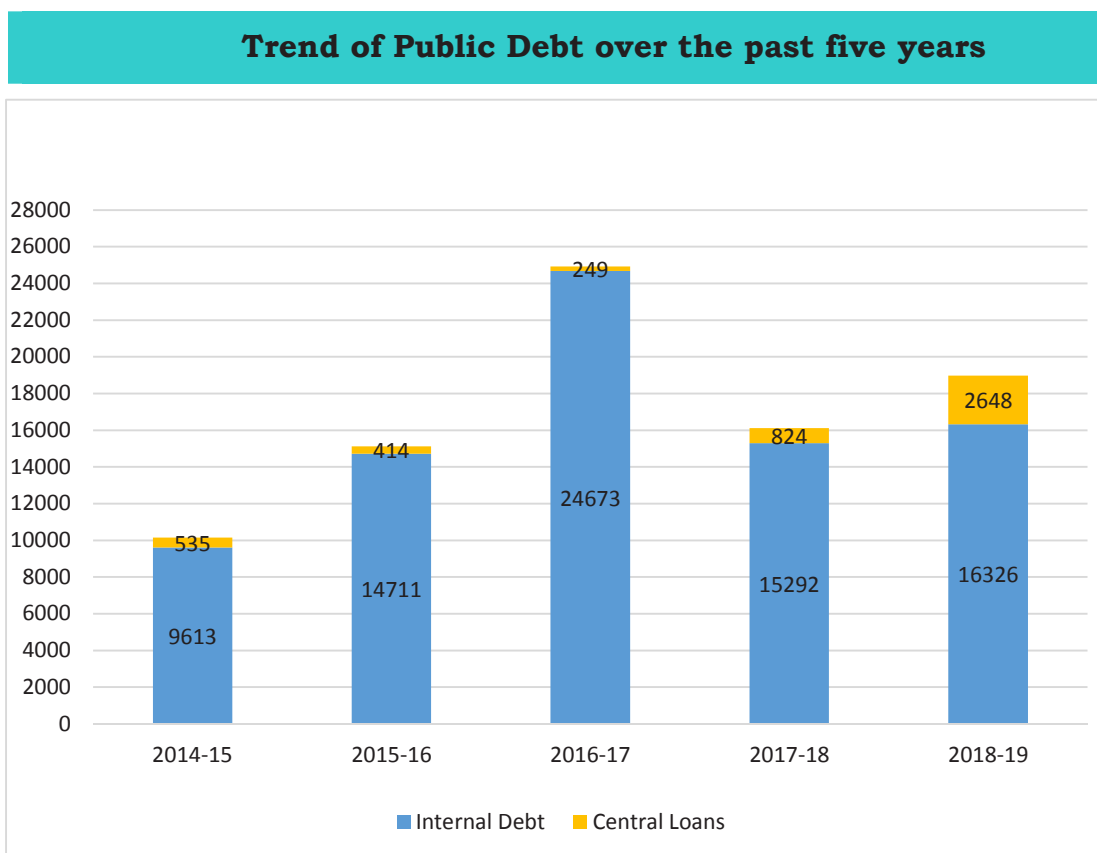
Trend of Public Debt over the past five years

(₹ in crore)

Particulars	2014-15	2015-16	2016,17	2017-18	2018-19
Internal Debt	96,13	1,47,11	2,46,73	1,52,92	1,63,26
Central Loans	5,35	4,14	2,49	8,24	26,48
Total Public Debt	1,01,48	1,51,25	2,49,22	1,61,16	1,89,74

Note:-Net figure = Receipts – Disbursements

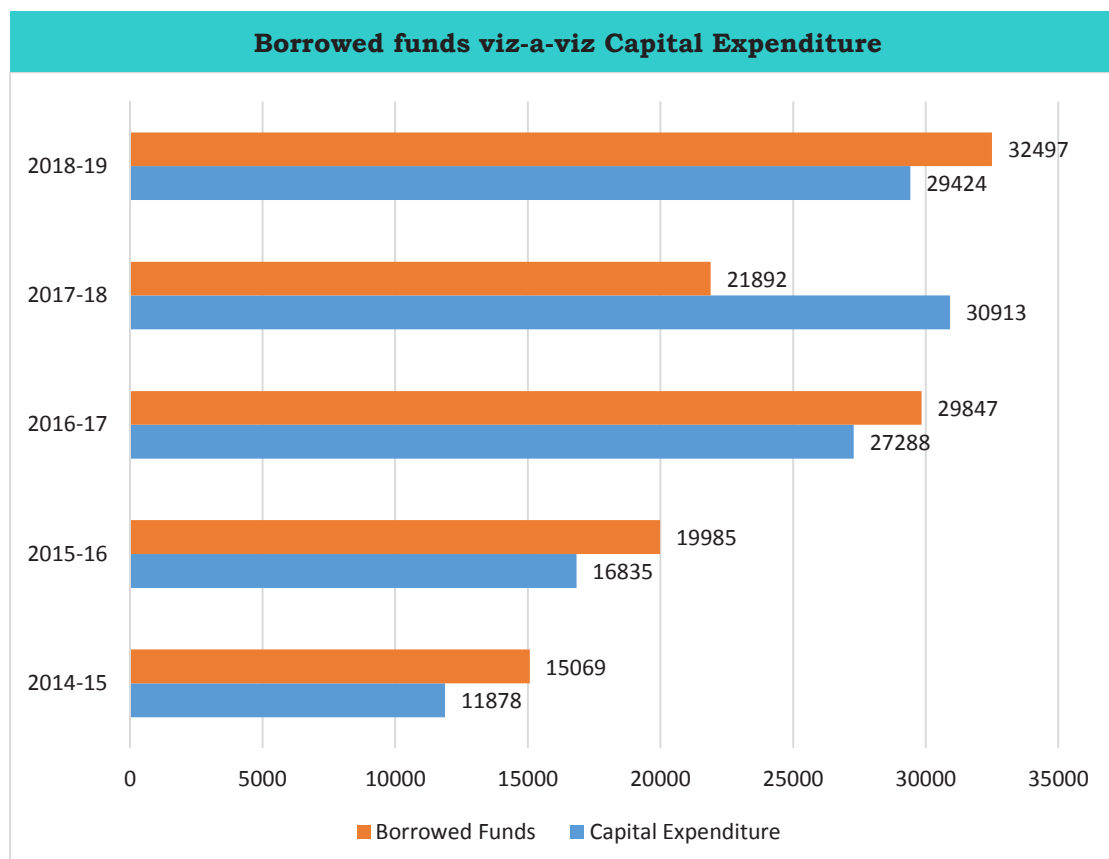
(₹ in crore)



In 2018-19, eighteen loans totaling ₹ 2,04,96 crore at interest rates varying from 7.13 *per cent* to 9.68 *per cent* and redeemable at par between the years 2018-19 to 2042-43 were raised.

2.7.1 Proportion of borrowed funds spent on Capital expenditure

(₹ in crore)



It is desirable to fully utilise borrowed funds for the creation of capital assets, and to use revenue receipts for the repayment of principal and interest. The State Government spent 91 *per cent* of the borrowings of the current year (₹ 3,24,97 crore) on capital expenditure (₹ 2,94,24 crore).

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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.

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 ₹ 14,21,49 crore for 2018-19 was less than the revised estimates by ₹ 88,73 crore. State has maintained revenue surplus in terms of the Madhya Pradesh FRBM Act, 2005.

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

(₹ in crore)

	2014-15	2015-16	2016-17	2017-18	2018-19
Revised Estimates	9,90,14	11,06,93	12,45,16	13,44,97	15,10,22
Actuals	8,23,73	9,97,71	11,95,37	13,02,46	14,21,49
Gap	1,66,41	1,09,22	49,79	42,51	88,73
Per cent of gap over RE	17	10	4	3	6

The above table indicates that Revenue Expenditure during 2018-19 was less than the revised estimates by 6 per cent.

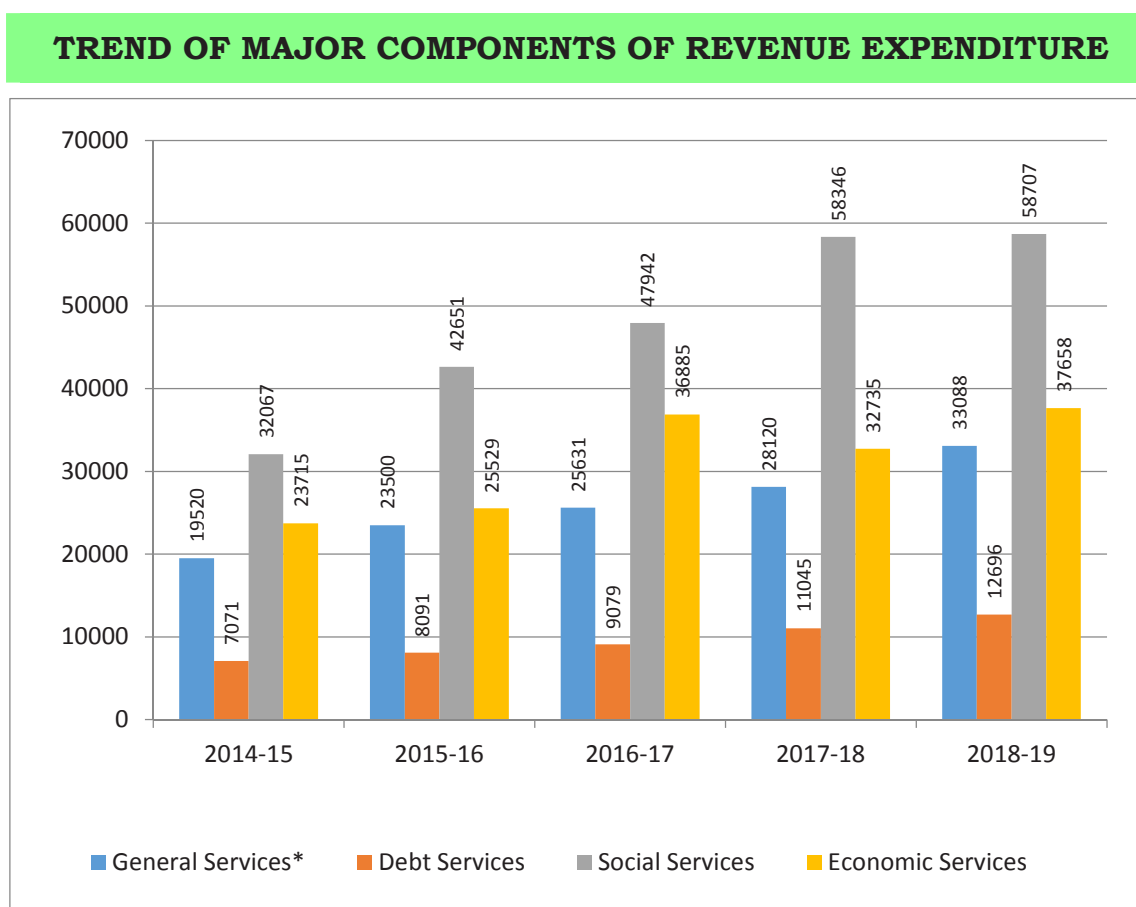
3.2.1 Sectoral distribution of Revenue Expenditure

(₹ in crore)

Components	Amount	Percentage to Total Expenditure
A. Fiscal Services	35,03	3
(i) Collection of Taxes on Property and Capital transactions	8,85	1
(ii) Collection of Taxes on Commodities and Services	26,16	2
(iii) Other Fiscal Services	2	--
B. Organs of State	15,45	1
C. Interest Payments and Servicing of debt	1,26,96	9
D. Administrative Services	83,58	6
E. Pensions and Miscellaneous General Services	1,20,10	8
F. Social Services	5,87,07	41
G. Economic Services	3,76,58	27
H. Grants-in-aid and Contributions	76,72	5
Total Expenditure (Revenue Account)	14,21,49	100

3.2.2 Major components of Revenue Expenditure (2014-15 to 2018-19)

(₹ 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 2018-19, the Government spent ₹ 82,76 crore on various Projects (₹ 64,19 crore on Major Irrigation, ₹ 9,25 crore on Medium Irrigation, and ₹ 9,32 crore on Minor Irrigation). Apart from the above, the Government spent ₹ 49 crore on Construction of Buildings under the Head "Housing" and invested ₹ 33,27 crore in various Statutory Corporations/ Government Companies/Co-operatives.

(₹ in crore)

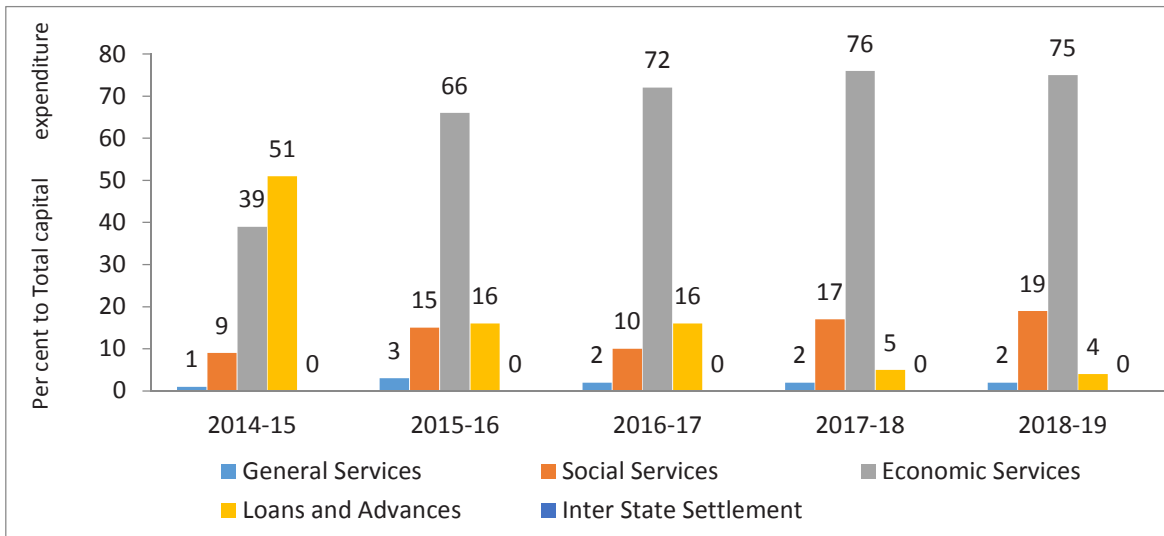
Sl. No.	Sector	Amount	Percentage
1.	General Services - Police, Stationery and Printing, Public Works and Other Administrative Services.	7,23	2
2.	Social Services - Education, Health & Family Welfare, Water Supply, Welfare of SC/ST etc.	57,19	19
3.	Economic Services - Agriculture, Rural Development, Irrigation, Co-operation, Energy, Industries, Transport etc.,	2,29,82	75
4.	Loans and Advances Disbursed	10,90	4
5.	Inter-State Settlement	1	0
Total		3,05,15	100

3.3.2 Sectoral distribution of capital expenditure over the past five years

(₹ in crore)

Sl. No.	Sector	2014-15	2015-16	2016-17	2017-18	2018-19
1.	General Services	2,57	5,49	6,98	7,43	7,23
2.	Social Services	20,71	30,24	32,85	53,58	57,19
3.	Economic Services	95,50	1,32,62	2,33,05	2,48,12	2,29,82
4.	Loans and Advances	1,25,35	31,58	49,40	15,50	10,90
5.	Inter-State Settlement	1	2	1	--	1
Total		2,44,14	1,99,95	3,22,29	3,24,63	3,05,15

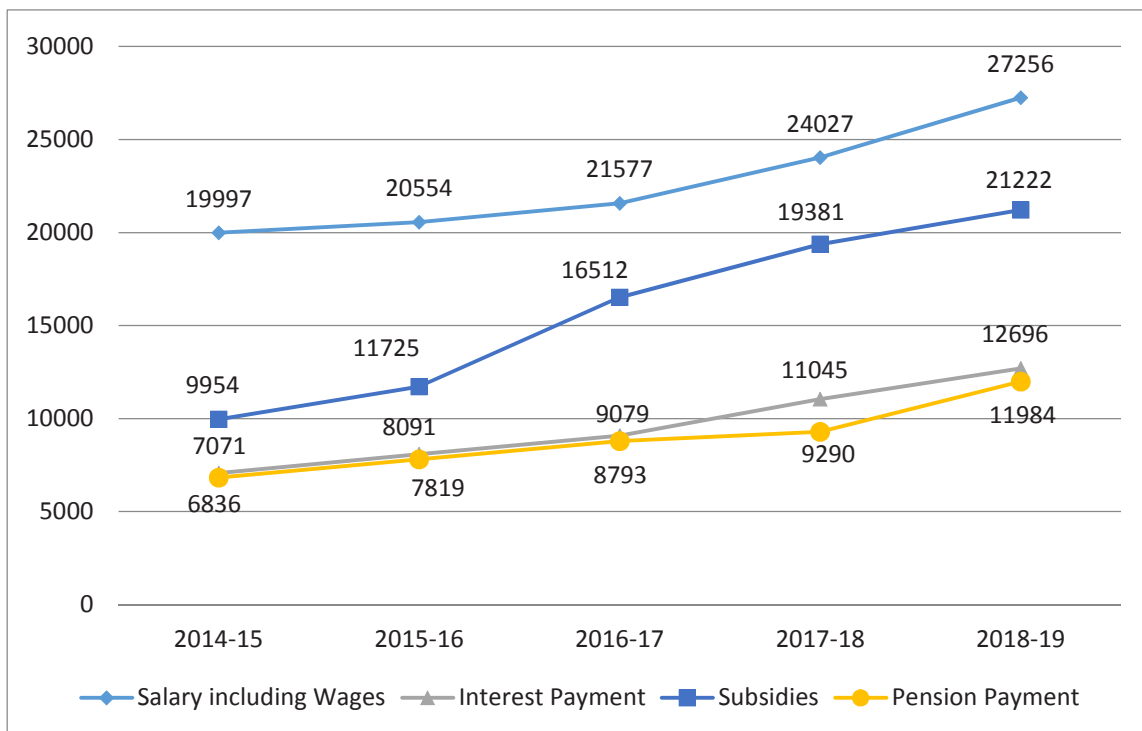
TREND OF SECTORAL DISTRIBUTION OF CAPITAL EXPENDITURE



3.4 Committed Expenditure

(₹ in crore)

TREND OF COMMITTED EXPENDITURE*



* Figures pertaining to NPS were not taken under Pension Payment and figures pertaining to Subsidy were not included as committed expenditure in the graphs of previous years. Hence, figures pertaining to NPS have been included and data values revised from 2014-15 in the line for Pension Payment. Also, a separate line for Subsidies from 2014-15 has been included in the graph.

Salary including wages increased by 13 *per cent*, interest payment increased by 15 *per cent*, subsidies increased by 9 *per cent* and Pension payment increased by 29 *per cent* over the previous year.

(₹ in crore)

Component	2014-15	2015-16	2016-17	2017-18	2018-19
Committed Expenditure	4,38,58	4,81,89	5,59,61	6,37,43	7,31,58
Revenue Expenditure	8,23,73	9,97,71	11,95,37	13,02,46	14,21,49
Revenue Receipts	8,86,41	10,55,11	12,33,07	13,48,75	14,88,93
<i>Per cent</i> of Committed Expenditure to Revenue Receipts	49	46	45	47	49
<i>Per cent</i> of Committed Expenditure to Revenue Expenditure	53	48	47	49	51

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

APPROPRIATION ACCOUNTS

4.1 Summary of Appropriation Accounts for 2018-19

(₹ in crore)

S. No.	Nature of expenditure	Original grant/ Appropriation	Supplemen-tary grant/ Appropria-tion	Total	Actual expenditure	Savings(-) Excesses(+)	Surrender
1	Revenue						
	Voted	14,33,81.11	2,73,77.83	17,07,58.94	12,86,43.71	(-) 4,21,15.23	2,35,34.17
	Charged	1,47,89.57	1,49.19	1,49,38.76	1,45,73.48	(-) 3,65.28	57.41
2	Capital						
	Voted	3,20,39.41	55,82.80	3,76,22.21	2,99,94.61	(-) 76,27.60	39,56.15
	Charged	2,16.35	10.20	2,26.55	3.94	(-) 2,22.61	2,00.49
3	Public Debt						
	Charged	1,24,97.52	--	1,24,97.52	1,35,23.72	(+) 10,26.20	--
4	Loans and Advances						
	Voted	17,18.49	5,40.20	22,58.69	10,89.66	(-) 11,69.03	8,23.13
5	Inter-State Settlement						
	Voted	--	--	--	1.05	(+) 1.05	--
	Total	20,46,42.45	3,36,60.21	23,83,02.67	18,78,30.17	(-) 5,04,72.50	2,85,71.35

4.2 Trend of Savings/Excess during the past five years

(₹ in crore)

Year	Saving (-) Excess (+)					Total
	Revenue	Capital	Public Debt	Loans & Advances	Inter-State Settlement	
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
2016-17	(-) 2,54,50.72	(-) 91,45.74	(-) 41,80.22	(-) 16,48.95	--	(-) 4,04,25.63
2017-18	(-) 2,10,13.82	(-) 69,68.48	(-) 37,69.89	(-) 25,84.96	--	(-) 3,43,37.15
2018-19	(-) 4,24,80.51	(-) 78,50.21	(+) 10,26.20	(-) 11,69.03	(+) 1.05	(-) 5,04,72.50

4.3 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	2014-15	2015-16	2016-17	2017-18	2018-19
REVENUE VOTED SECTION						
13	Farmer Welfare and Agriculture Development	21.06	63.36	26.77	38.17	42.21
15	Externally Aided Projects pertaining to Technical Education and Training Department	31.38	32.78	23.57	21.16	100.00
16	Fisherman Welfare and Fisheries Development	36.15	27.19	29.95	25.22	20.11
34	Social Justice and Disabled Person Welfare	42.19	29.52	29.97	27.58	33.68
48	Narmada Valley Development	66.17	34.99	29.26	45.85	40.61
63	Minority Welfare	63.28	71.60	32.51	34.26	35.63
67	Public Works-Buildings	23.45	31.57	24.79	25.53	26.71
69	De-notified, Nomadic and Semi Nomadic Tribe Welfare	45.69	45.04	51.46	55.73	59.94
CAPITAL VOTED SECTION						
6	Finance	30.01	75.82	94.34	89.08	47.39
9	Expenditure pertaining to Revenue Department	100.00	49.60	100.00	100.00	95.34
27	School Education (Primary Education)	21.44	34.92	33.03	70.24	65.33
29	Law and Legislative Affairs	100.00	100.00	100.00	100.00	100.00
38	Ayush	54.94	63.44	61.62	81.32	58.63
53	Financial Assistance to Three Tier Panchayati Raj Institutions	100.00	100.00	100.00	96.83	66.55
56	Cottage and Rural Industry	25.45	73.10	71.06	62.97	78.88
58	Expenditure on Relief on account of Natural Calamities and Scarcity	100.00	100.00	100.00	70.39	31.94
64	Financial Assistance to Urban bodies	33.93	27.57	42.74	87.08	34.90
65	Aviation	100.00	100.00	100.00	100.00	100.00
67	Public Works-Buildings	40.33	28.48	33.73	42.94	37.24
69	De-notified, Nomadic and Semi Nomadic Tribe Welfare	46.77	59.39	41.33	61.82	44.13

During 2018-19, supplementary grants/Appropriation totaling ₹ 3,36,60.21 crore (17.92 per cent of total expenditure ₹ 18,78,30.17 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	Supplementary	Actual Expenditure
7	Commercial Tax	Revenue Voted	27,33.65	81.00	20,26.36
10	Forest	Revenue Voted	21,97.73	1,62.21	16,00.74
12	Energy	Revenue Voted	1,38,75.29	24,51.53	98,11.34
		Capital Voted	32,86.63	5,40.20	22,99.12
19	Public Health and Family Welfare	Revenue Voted	53,89.14	9,50.14	49,46.13
22	Urban Development and Housing	Capital Voted	14,88.98	1,01.00	7,98.48
24	Public Works-Roads and Bridges	Revenue Voted	15,05.97	32.07	9,98.13
27	School Education (Primary Education)	Revenue Voted	90,73.92	19,84.47	82,86.98
27	School Education (Primary Education)	Capital Voted	3,72.74	30.00	1,39.62
30	Rural Development	Capital Voted	28,84.00	1,50.00	19,37.15
33	Tribal Affairs	Revenue Voted	33,55.26	6,11.40	29,12.55
34	Social Justice and Disabled Person Welfare	Revenue Voted	6,46.01	1,09.54	5,01.10
35	Micro, Small & Medium Enterprises	Capital Voted	79.10	2,30.00	68.07
36	Transport	Capital Voted	20.00	25.75	9.20
39	Food, Civil Supplies and Consumer Protection	Revenue Voted	16,30.22	1,00.00	13,07.26
40	Other expenditure pertaining to School Education Department (excluding Primary Education)	Revenue Voted	32,16.25	2,99.00	26,28.83
44	Higher Education	Revenue Voted	17,67.13	4,06.93	16,28.77
47	Technical Education, Skill Development and Employment	Revenue Voted	11,61.81	1,06.00	8,72.37
49	Scheduled Caste Welfare	Revenue Voted	10,51.90	18.64	7,77.61
51	Religious Trusts and Endowments	Revenue Voted	2,47.58	10.00	1,89.06
53	Financial Assistance to Three Tier Panchayati Raj Institutions	Capital Voted	1,54.80	61.18	72.25
67	Public Works-Buildings	Revenue Voted	6,40.13	45.09	5,02.20
		Capital Voted	3,71.53	32.15	2,53.34
	Total		5,71,49.75	85,38.30	4,45,66.67

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 the nine cases the expenditure incurred during March 2019 ranged between 25 per cent to 63.50 per cent of the total expenditure during the year indicating the tendency to utilise the budget provision at the fag end of the financial year:-

(₹ in crore)

S. No.	Description of Grant	Total Provision	Total expenditure	Expenditure in March	Percentage of expenditure in March to total expenditure
1.	Charged Appropriation-Public Debt.	1,24,97.52	1,35,23.72	42,53.57	31.45
2.	10- Forest	35,05.88	24,01.51	6,11.54	25.46
3.	13- Farmer Welfare and Agriculture Development	1,68,64.79	97,46.26	27,68.20	28.40
4.	17- Co-operation	25,57.72	16,25.75	10,32.43	63.50
5.	37- Tourism	2,38.49	1,70.53	46.60	27.33
6.	49- Scheduled Caste Welfare	13,61.85	9,76.60	2,79.62	28.63
7.	66- Welfare of Backward Classes	9,61.19	8,24.39	3,88.54	47.13
8.	68- New and Renewable Energy	1,23.80	2,57.92	64.48	25.00
9.	69- Denotified, Nomadic and Semi Nomadic Tribe Welfare	37.65	15.87	4.29	27.03

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CHAPTER 5

ASSETS AND LIABILITIES

5.1 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 ₹ 3,52,40 crore at the end of 2018-19. However, dividends received during the year were ₹ 3,47 crore (i.e. one *per cent*) on investment. During 2018-19, investments increased by ₹ 48,63 crore and dividend income decreased by ₹ 2,75 crore.

General Cash Balance with RBI stood at ₹ 67,19 crore on 31st March 2018 and decreased to ₹ 49,75 crore at the end of March 2019. During the year General Cash Balance of the State Govt. decreased by ₹ 17,44 crore.

5.2 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.

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

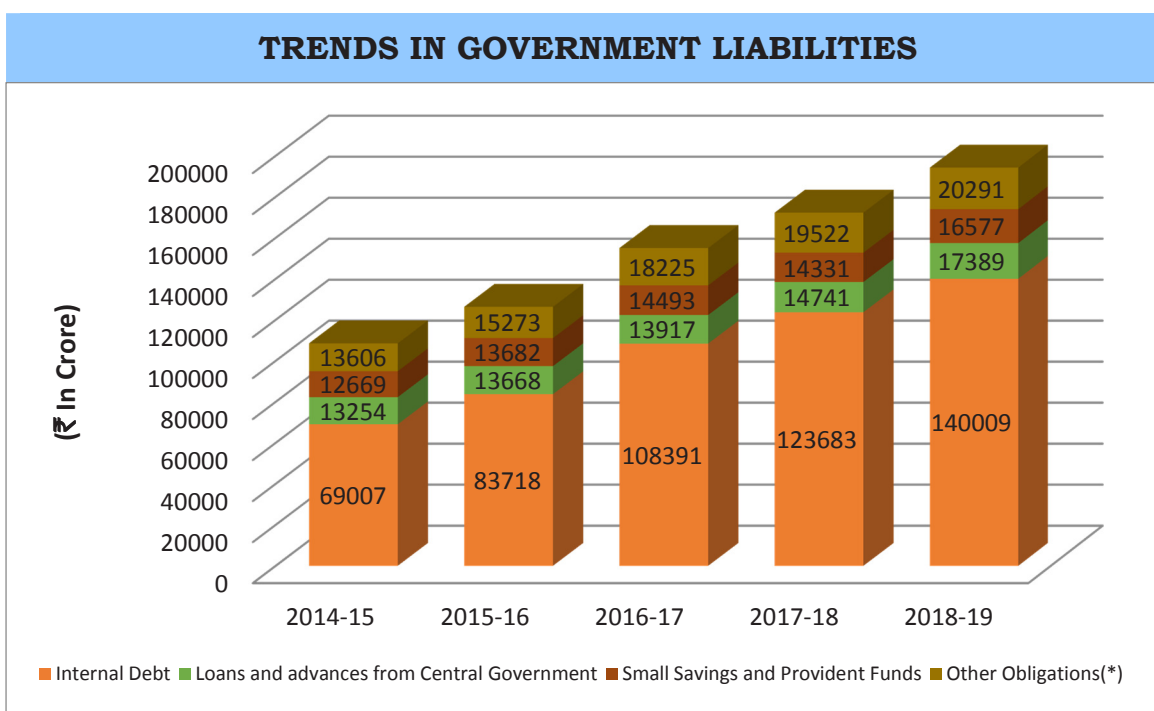
(₹ in crore)

Year	Public Debt	Per cent to GSDP	Public Account*	Per cent to GSDP	Total Liabilities*	Per cent to GSDP
2014-15	8,22,62	17	2,64,26	6	10,86,88	23
2015-16	9,73,86	18	2,97,58	5	12,71,44	23
2016-17	12,23,08	19	3,34,92	5	15,58,00	24
2017-18	13,84,24	19	3,39,39	5	17,23,63	24
2018-19	15,73,98	19	3,69,11	5	19,43,09	24

* Excludes suspense and remittance balances.

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

There is a net increase of ₹ 2,19,46 crore (13 per cent) in Public Debt and Other liabilities in 2018-19 as compared to 2017-18.



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

5.3 Guarantees

Finance Accounts depict Guarantees given by the Government in terms of the requirement of the Indian Government Accounting Standards-1 (IGAS-1) notified by the Government of India. 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
2014-15	3,18,85	2,01,24
2015-16	4,01,71	2,75,30
2016-17	4,03,95	3,33,97
2017-18	3,16,53	1,40,03
2018-19	5,56,40	3,07,63

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. As per the scheme, the Government is required to contribute an amount equal to the guarantee fee realised in the preceding year and matched by equal contribution by the State Government. Guarantee fees of ₹ 26 crore was realised in the preceding year. Accordingly ₹ 52 crore was to be contributed by the State to the Fund in the year 2018-19, but no amount was contributed by State Government to the fund resulting in short contribution of ₹ 52 crore. The balance in the Fund was ₹ 4,09 crore and the entire balance was invested in Central Government dated securities.

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CHAPTER 6

OTHER ITEMS

6.1 Loans and Advances by the State Government

Finance Accounts depict Loans and Advances made by the Government in terms of the requirement of the Indian Government Accounting Standards-3 (IGAS-3) notified by the Government of India. The information relating to interest payment in arrears, repayment in arrears from loanee entities, fresh loans and advances made during the year and disclosures indicating extraordinary transactions relating to loans and advances were not made available by the State Government. Total Loans and Advances made by the State Government at the end of 2018-19 was ₹ 4,21,44 crore. Of this, Loans and Advances to Government Corporations/ Companies, non-Government Institutes and Local Bodies amounted to ₹ 4,21,25 crore. During the year the State Government had disbursed loans and advances amounting to ₹ 10,90 crore and recovered outstanding loans amounting to ₹ 70 crore. ₹ 2,35 crore was received as interest during the year.

6.2 Financial Assistance to Local Bodies and Others

Finance Accounts depict Grants-in-aid given by the State Government in terms of the requirement of the Indian Government Accounting Standards-2 (IGAS-2) notified by the Government of India. During the past five years, Grants-in-aid to local bodies etc., increased from ₹ 2,80,93 crore in 2014-15 to ₹ 5,44,28 crore in 2018-19. Grants to Urban Local Bodies and Panchayati Raj Institutions (₹ 3,77,10 crore) represented 69 *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
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
2016-17	81,94	1,68,08	2,49,78	4,99,80
2017-18	1,10,02	2,76,38	1,48,15	5,34,55
2018-19	1,14,09	2,63,01	1,67,18	5,44,28

6.3 Cash Balance and investment of Cash Balance

(₹ in crore)

Component	As on 1st April, 2018	As on 31st March, 2019	Net increase(+)/ decrease (-)
Cash Balances	(-) 6,94	(-) 36,64	(-) 29,70
Investments from cash balance (GOI Treasury Bills & GOI securities)	74,12	86,38	12,26
Investment from earmarked fund balances	4,16	4,16	--
(a) Sinking Fund	--	--	--
(b) Guarantee Redemption Fund	4,09	4,09	--
(c) Other Funds	7	7	--
Interest Realised	4,91	1,47	(-) 3,44

Interest realised on investment of cash balance decreased by 70 per cent during the year.

6.4 Reconciliation of accounts

Accuracy and reliability of accounts depend among other things, on timely reconciliation of the figures available with the departments and the figures appearing in the accounts compiled by the Principal Accountant General (Accounts and Entitlements). This exercise is to be conducted by respective Heads of Departments. The reconciliation of accounts of many departments is in arrears. In 2018-19 only 49 %

(₹ 8,45,87 crore) of the total expenditure of ₹ 17,26,63 crore of the State Government was reconciled. Similarly, out of total receipts of ₹ 14,89,76 crore, only 14 % (₹ 2,07,68 crore) was reconciled. Reconciliation of Deposits, Reserve Funds and Other Accounts in Public Account is not being done by the State Government.

6.5 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 30th September of the year following that to which the Grant is related as per rule 182 of Madhya Pradesh Financial Code. Proper utilisation of funds could not be known because of non-receipt of Utilisation Certificates from the users.

The status of outstanding UCs is mentioned below:-

Year-wise position of outstanding Utilisation Certificates

(₹ in crore)

Year	Number of Utilisation Certificate awaited	Amount
Up to 2016-17	20253	1,39,79
2017-18	Nil	Nil
2018-19	25	4,92
Total	20278	1,44,71

86 per cent amount of pending UCs as on 31 March, 2019 pertains to five departments viz. Panchayat & Rural Development (60 per cent – 1268 UCs amounting to ₹ 87,11 crore), Food, Civil Supplies & Consumer Protection (15 per cent – 1453 UCs amounting to ₹ 21,87 crore), Social welfare (5 per cent – 1143 UCs amounting to ₹ 7,48 crore), Agriculture (3 per cent – 3090 UCs amounting to ₹ 4,40 crore) and Urban Administration & Development (2 per cent – 684 UCs amounting to ₹ 3,21 crore).

6.6 Accumulation of Suspense Balances: Non-clearance of outstanding balances under Suspense Heads affects the accuracy of receipt/expenditure figures and balances under different heads of accounts which are carried forward from year to year. Clearance of suspense items depends on details furnished by the State Treasuries, Works, Forest and R.E.S. Divisions, PAOs etc.

Details of significant outstanding Suspense Balances are as given below :

(₹ in crore)

Head of Account		Opening Balance as on 1 st April, 2018		Receipts	Disbursements	Closing Balance as on 31 st March, 2019	
8658	Suspense Accounts						
107	Cash settlement Suspense Account	Dr.	1,13.75	0.22	0.02	Dr.	1,13.55
110	Reserve Bank Suspense – Central Accounts office	Dr.	10,34.26	10.37	(-) 3,18.45	Dr.	7,05.44
112	Tax Deducted at Source (TDS) Suspense	Cr.	3,32.09	69.42	Nil	Cr.	4,01.51
113	Provident Fund Suspense	Dr.	12.31	Nil	2.25	Dr.	14.56
123	A.I.S. Officers Group Insurance Scheme	Cr.	10.05	1.01	0.54	Cr.	10.52
129	Material Purchase Settlement Suspense Account	Cr.	1,87.17	Nil	0.16	Cr.	1,87.01

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