SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

Report of the Comptroller and Auditor General of India on State Finances for the year 2024-25

Government of Madhya Pradesh

Report No. 1 of 2026

(State Finances Audit Report)

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Preface

This Report has been prepared for submission to the Governor of Madhya Pradesh under Article 151 of the Constitution.

The State Finances Audit Report of the Government of Madhya Pradesh intends to assess the financial performance of the State, during the financial year 2024-25 and to provide the State Legislature with inputs, based on audit analysis of financial data. The Report contains three Chapters.

Chapter I – Overview of the Finances of the State

This Chapter describes the basis and approach to the Report and provides a broad perspective of the finances of the State. It includes a macro-fiscal analysis of key indices and State's fiscal position including deficits/ surplus, debt profile and key Public Account transactions.

Chapter II – Budgetary Management

This chapter is based on the Appropriation Accounts of the State and reviews the appropriations and allocative priorities of the State Government and reports on deviations from Constitutional provisions relating to budgetary management.

Chapter III – Financial Reporting Practices

This chapter comments on the quality of accounts rendered by various authorities of the State Government and issues of non-compliance with prescribed financial rules and regulations by various departments of the State Government.

The Reports containing the findings of Performance audit and Compliance audit in various Government departments, observations arising out of audit of Statutory Corporations, Boards and Government Companies and observations on Revenue Receipts are presented separately.

The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

Basis and Approach to State Finances Audit Report

In terms of Article 151(2) of the Constitution of India, the reports of the Comptroller and Auditor General of India (CAG) relating to the accounts of a State are to be submitted to the Governor of the State, who shall cause them to be laid before the Legislature of the State.

The Accountant General (Accounts and Entitlements) compiles the annual Finance Accounts and Appropriation Accounts of the State based on vouchers, challans, and initial and subsidiary accounts submitted by treasuries, offices, and departments under the control of the State Government, as well as statements received from the Reserve Bank of India. These accounts are independently audited by the Accountant General (Audit) and certified by the Comptroller and Auditor General of India.

Finance Accounts and Appropriation Accounts of the State constitute the core data for this report. Other sources include the following:

- Budget of the State: for assessing the fiscal parameters and allocative priorities *vis- à-vis* projections, as well as for evaluating the effectiveness of its implementation and compliance with the relevant rules and prescribed procedures.
- Results of audit carried out by the office of the Accountant General (Audit).
- Other data with departmental authorities and treasuries (accounting as well as MIS)
- GSDP data and other State related statistics
- State's Fiscal Responsibility and Budget Management (FRBM) Act
- Finance Commission recommendations.
- Various audit reports of the CAG of India.
- Best practices and guidelines of the Government of India (GoI).

An Entry Conference was held on 23 September 2025, with the Additional Chief Secretary/Principal Secretary, Finance, Government of Madhya Pradesh, wherein the audit approach followed in the preparation of the SFAR was explained. A letter regarding conduct of Exit conference meeting was sent to Finance Department in December 2025 followed by reminder in January 2026. However, no response has been received so far.

Structure of the Government Account

The Accounts of the State Government are kept in three parts.

1. Consolidated Fund of the State {Article 266 (1) of the Constitution of India}

This Fund comprises all revenues received by the State Government, all loans raised by the State Government (market loans, bonds, loans from the Central Government, loans from Financial Institutions, Special Securities issued to National Small Savings Fund, etc.), Ways and Means advances extended by the Reserve Bank of India and all moneys received by the State Government in repayment of loans. No moneys can be appropriated from this Fund except in accordance with law and for the purposes and in the manner provided by the Constitution of India. Certain categories of expenditure (e.g., salaries of Constitutional authorities, loan repayments etc.), constitute a charge on the Consolidated Fund of the State (Charged expenditure) and are not subject to vote by the Legislature. All other expenditure (Voted expenditure) is voted by the Legislature.

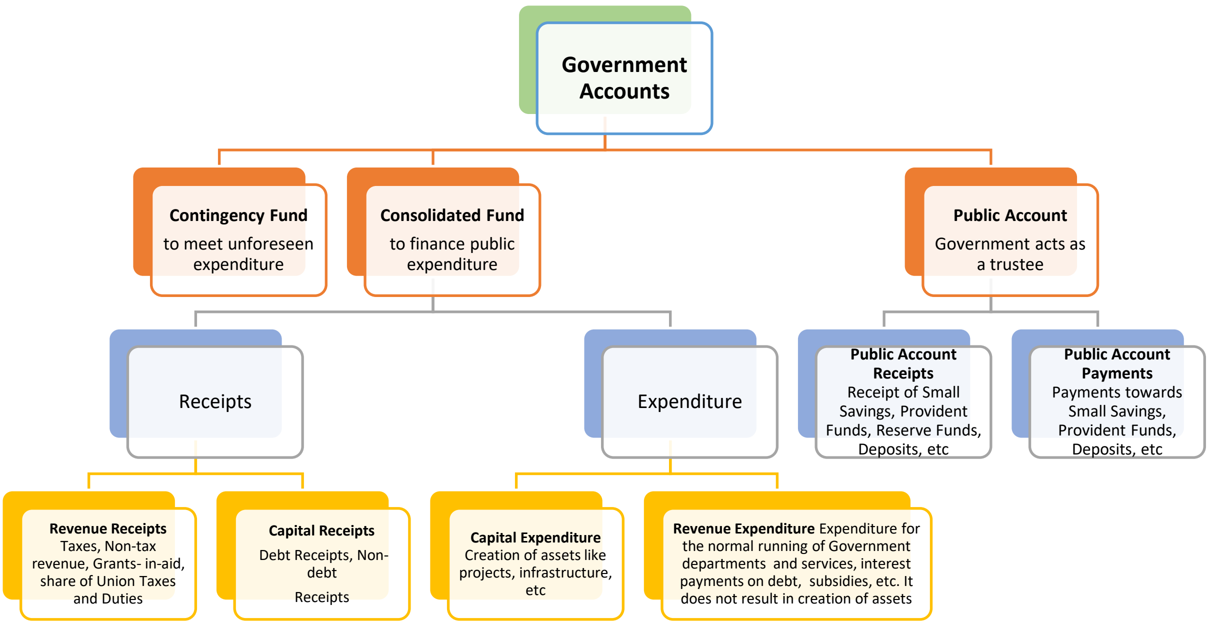
2. Contingency Fund of the State {Article 267 (2) of the Constitution of India}

This Fund is in the nature of an imprest which is established by the State Legislature by law, and is placed at the disposal of the Governor to enable advances to be made for meeting unforeseen expenditure pending authorisation of such expenditure by the State Legislature. The fund is recouped by debiting the expenditure to the concerned functional major head relating to the Consolidated Fund of the State.

3. Public Accounts of the State {Article 266 (2) of the Constitution}

Apart from above, all other public moneys received by or on behalf of the Government, where the Government acts as a banker or trustee, are credited to the Public Account. The Public Account includes repayables like Small Savings and Provident Funds, Deposits (bearing interest and not bearing interest), Advances, Reserve Funds (bearing interest and not bearing interest), Remittances and Suspense heads (both of which are transitory heads, pending final booking). The net cash balance available with the Government is also included under the Public Account. The Public Account is not subject to the vote of the Legislature.

Structure of Government Accounts



EXECUTIVE SUMMARY

Executive Summary

About the Report

This Report of the CAG of India is on the State Finances for the year 2024-25. It provides an overview of the finances, budgetary management and quality of accounts, financial reporting practices and other matters relevant to State Finances.

This executive summary highlights the contents of this report and through snapshots of the important figures and aspects, provides insight into fiscal sustainability, performance against the budget intent, revenue and expenditure projection, the reasons for variations and its impact.

This Report on the finances of the State of Madhya Pradesh provides an independent assessment of the fiscal position of the Madhya Pradesh for the financial year 2024-25. It analyses the State's overall financial health and reviews its revenue and expenditure trends, assesses the State's debt position and borrowing patterns, evaluate its compliance with fiscal responsibility laws and compares its performance against fiscal health indicators.

Madhya Pradesh's economy showed moderate growth during the financial year 2024-25, with GSDP registering growth of 11.05 *per cent* as against the previous financial year. State contributed 4.55 *per cent* to GDP of India. This contribution is declining over last 5 years except for 2024-25, a concern for the State. We observed that the revenue receipts of the state grew by 7.04 *per cent* against 14.73 *per cent* in 2023-24. However, non-tax revenue growth (12.38 *per cent)* was modest, and grants from the Centre declined. The State's own revenue performance improved yet dependence on central grants-in-aid remains substantial.

Expenditure of the state was dominated by higher growth of revenue spending (78 *per cent*) particularly committed costs and subsidies (60 *per cent* of RE, 47 *per cent* of TE and 60 *per cent* of RR), leaving limited fiscal space for capital investment. Capital expenditure continuously increased and above budgeted levels in this financial year, reflecting improvements in infrastructure investment. Subsidies have more than tripled over the past five years and more than doubled since last year. As a result, the state was not able to arrest the fiscal deficit within the target levels of the state FRBM Act and the state's revenue surplus decreased significantly, thereby rendering little room for fiscal consolidation. Though outstanding liabilities remained within the numerical targets, this needs to be seen in the context of significant outstanding off budget borrowings and contingent liabilities through guarantees. Besides, the state government also carried forward significant undischarged liabilities in respect of State Compensatory Afforestation Deposit, SDRF, SDMF, Off-budget borrowings and other liabilities not captured in the debt, Non-transfer of State and Central Finance Commission (SFC/CFC) grants to local bodies, etc., to the tune of ₹1,681.77 crore (0.43 *per cent* of TE) in the FY 2024-25.

Audit through its various reports have already highlighted the increased efforts to be taken by state in realizing the arrears in tax revenue, reducing the compliance risks in the taxations, recycling the capital investments made in the SPSEs and rationalising the expenditure in tune with revenue growth.

The fiscal year also continued to witness large scale savings and excess in revenue/capital, charged and voted sections of 57 grants and two appropriations. Excess expenditure in FY 2024-25 requires regularisation by legislature. Concerns also arise from delays in submission of utilisation certificates, some of which are from Panchayati Raj Development, Social Justice and Disabled Person Welfare etc., pending proforma accounts for autonomous bodies and substantial use of Minor Head 800-Other Receipts/Expenditure affecting transparency in financial reporting.

The report notes positive steps like implementation of Single Nodal Agency (SNA) and SNA-SPARSH for better fund tracking in centrally sponsored schemes. However, full migration to these systems is pending.

The increasing debt load, high committed expenditure, and limited capital investment raise concerns about fiscal sustainability. There's a need for revenue augmentation, better expenditure control, and structural reforms to ensure long-term fiscal health. Transparency should be enhanced in off-budget borrowings, ensuring timely accounting and reporting. Steps should be taken for more judicious budget provisioning.

Chapter I

Overview of Finances of the State

CHAPTER-I: OVERVIEW OF FINANCES OF THE STATE

This chapter provides a snapshot of Madhya Pradesh's finances for 2024-25, covering demographics, economic indicators, and the State's fiscal structure. It analyses trends in revenue and expenditure, debt levels, and fiscal deficits, highlighting persistent imbalances and reliance on borrowings. The chapter flags issues like high committed expenditure, low returns on investments, and gaps in financial reporting.

1.1 Profile of the State

Madhya Pradesh, a predominantly agrarian State in Central India, covers 3,08,252 sq.km. (9.38 *per cent* of the country's total geographical area) and comprises 55 districts. As of 2025, its population stood at 8.86 crore (6.27 *per cent* of India's total population), with a density of 288 persons per sq. km. This section provides an overview of the State's demography, GSDP, and per capita income of the State.

1.1.1 Demography of the State

The State's demographic details vis-à-vis national average are presented in the **Table 1.1** below.

Table 1.1: Demographic profile of the State

	Madhya Pradesh	National average
Rural Population (*per cent*) *(Technical Report on population projection, 2020)*	70.79	64.30
Urban Population (*per cent)* *(Technical Report on population projection, 2020)*	29.21	35.70
Population Density (Persons per sq. km)	288	430
Sex Ratio per 1,000 Males *(Census of India, 2011)*	931	943
Infant Mortality Rate per 1,000 Live births *(Sample Registration System, Statistical Report 2022)*	40	26
Maternal Mortality Rate per 1,00,000 Live births *(Maternal Mortality Bulletin 2021-23)*	12	5
Total Fertility Rate *(NFHS-5, 2019-21)*	2.00	2.00
Life Expectancy at Birth *(SRS Report 2019-23)*	67.60	70.30
Population below Poverty Line *(Multidimensional Poverty Index, 2023, NITI Aayog)*	20.63	14.96
Literacy Rate *(PLFS Report, 2023-24)*	75.20	80.90

1.1.2 Economy of the State

Gross State Domestic Product (GSDP) and per capita income are important indicators of the State's economy as discussed in succeeding paragraphs.

1.1.2.1 Gross State Domestic Product (GSDP) and Per Capita Income

Gross Domestic Product (GDP) refers to the total value of goods and services produced within a country, while GSDP measures the same at the State level, and both reflect economic development and overall progress and Per Capita Income is the average income earned per person in a Country or a State in a Specific period. Trends of GSDP, GDP and PCI is given in

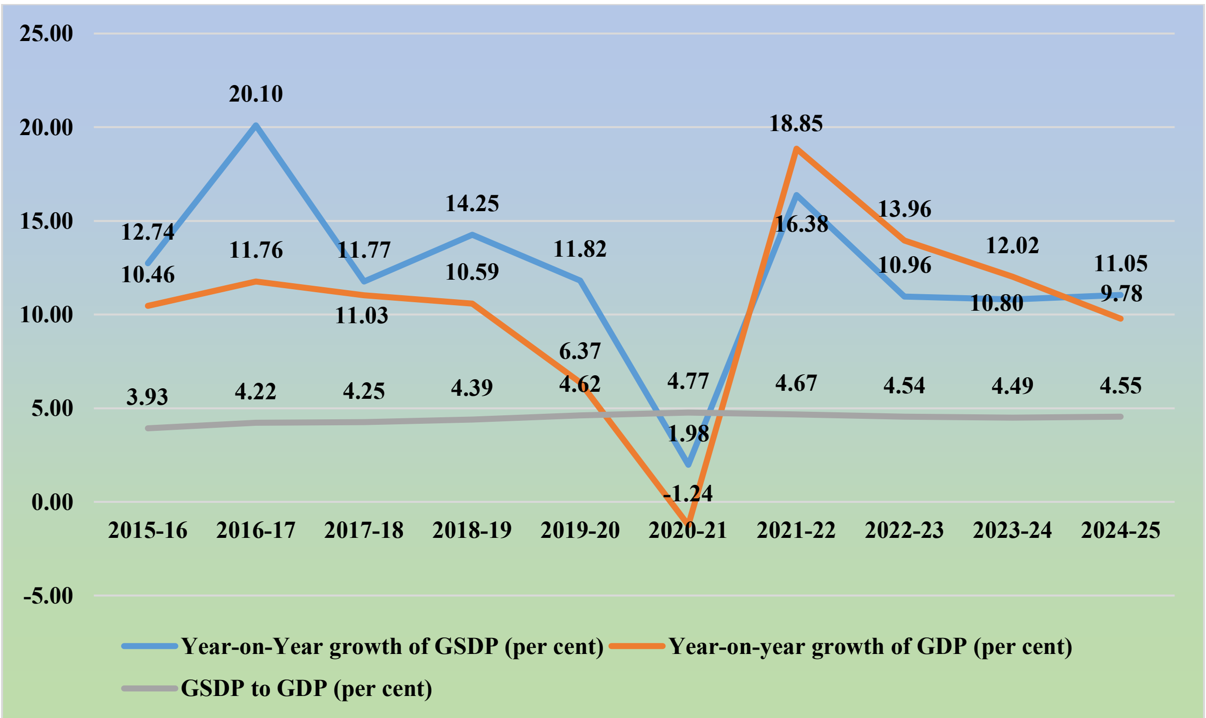
Table 1.2 and contribution of GSDP in GDP, Year on year growth of GSDP and GDP is given in **Chart 1.1**. The trend of per capita income of India and Madhya Pradesh is shown in **Chart 1.2**.

Table 1.2: Trends in GSDP compared to GDP (at current prices)

Year	GDP of India (₹ in crore)	GSDP of Madhya Pradesh (₹ in crore)	PCI of India (in ₹)	PCI of Madhya Pradesh (in ₹)
2015-16	1,37,71,874	5,41,068	94,797	62,080
2016-17	1,53,91,669	6,49,823	1,04,880	74,324
2017-18	1,70,90,042	7,26,284	1,15,224	81,966
2018-19	1,88,99,668	8,29,805	1,25,946	92,337
2019-20	2,01,03,593	9,27,855	1,32,341	1,01,909
2020-21	1,98,54,096	9,46,218	1,27,244	1,01,958
2021-22	2,35,97,399	11,01,168	1,50,906	1,17,402
2022-23	2,68,90,473	12,21,813	1,69,145	1,27,947
2023-24	3,01,22,956	13,53,809	1,88,892	1,39,713
2024-25	3,30,68,145	15,03,395	2,05,324	1,52,615

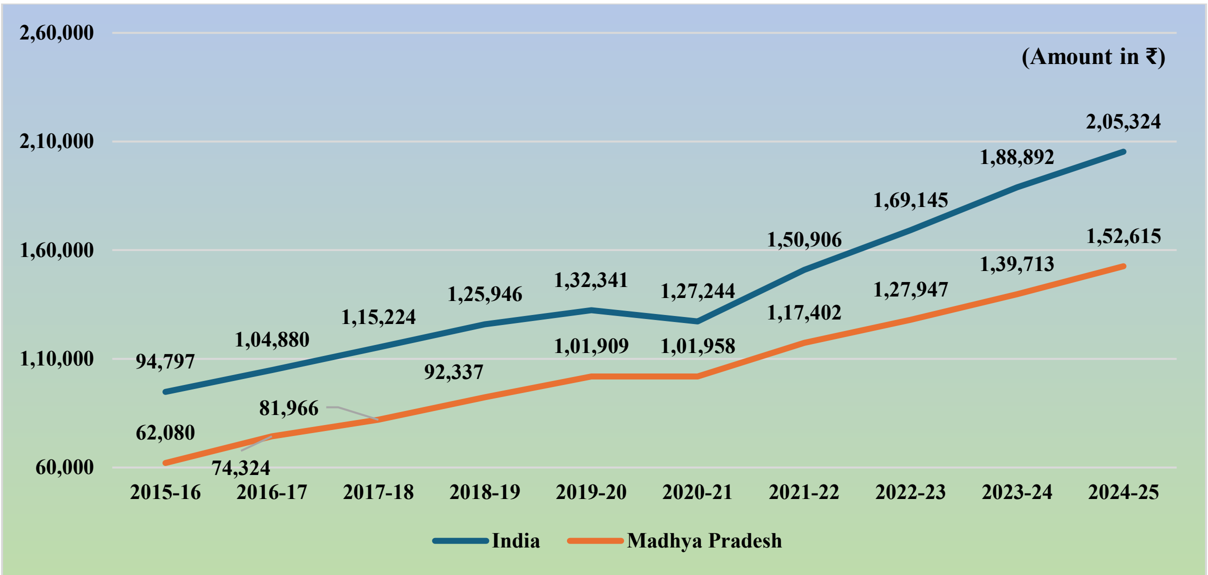
Source: Ministry of Statistics and Programme Implementation, GoI and Directorate of Economic and Statistics, Madhya Pradesh.

Chart 1.1: Y-o-Y growth of GDP & GSDP and share of GSDP in GDP



Source: Directorate of Economic and Statistics, Madhya Pradesh

Chart 1.2: Per capita Income of India and the Madhya Pradesh



Source: Directorate of Economic and Statistics, Madhya Pradesh

The GDP of India and the GSDP of the Madhya Pradesh have increased gradually. However, the GDP and GSDP growth declined before COVID-19, fell sharply in 2020–21, and then recovered strongly before slowing gradually in later years. The contribution of GSDP to GDP has remained fairly stable over the last 10 years around 4.50 *per cent* which indicates that the State's contribution to the national GDP has been consistent.

Further, it is evident from **chart 1.2** that during the last 10 years the Per Capita Income (PCI) of India and Madhya Pradesh have increased gradually. However, India's PCI is consistently higher than Madhya Pradesh's and the gap in absolute terms narrowed from ₹32,717 in 2015-16 to ₹25,286 in 2020-21 and then widened to ₹52,709 in 2024-25 showing that the state is not catching up with the national average in recent years.

1.1.2.2 Sectoral contribution to Gross State Value Added (GSVA)

The sectoral contribution by various sector during 2024-25 and sectoral growth in GSVA during the last five years are depicted in **Chart 1.3** and **Chart 1.4** respectively.

Chart 1.3: Sectoral Contribution 2024-25

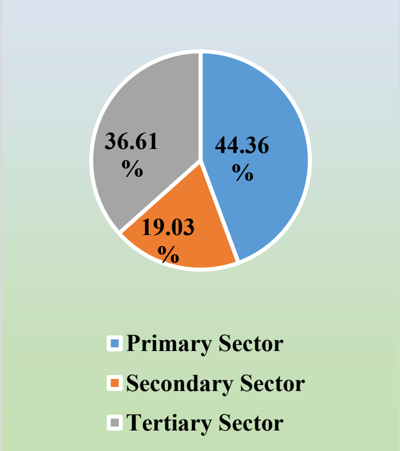
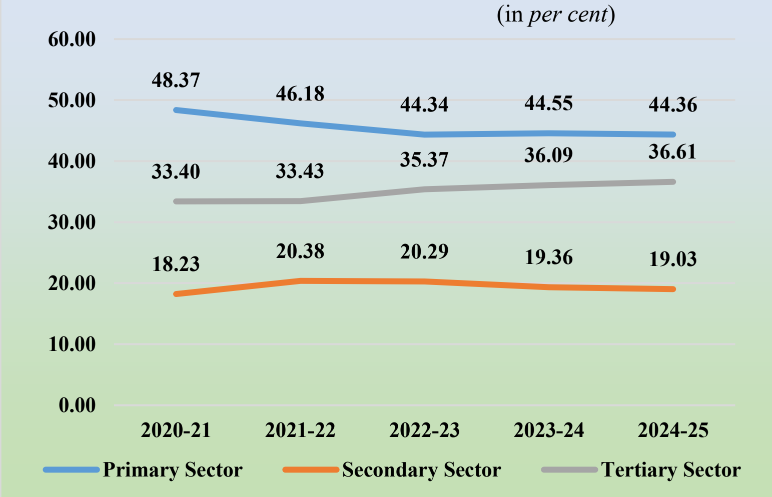


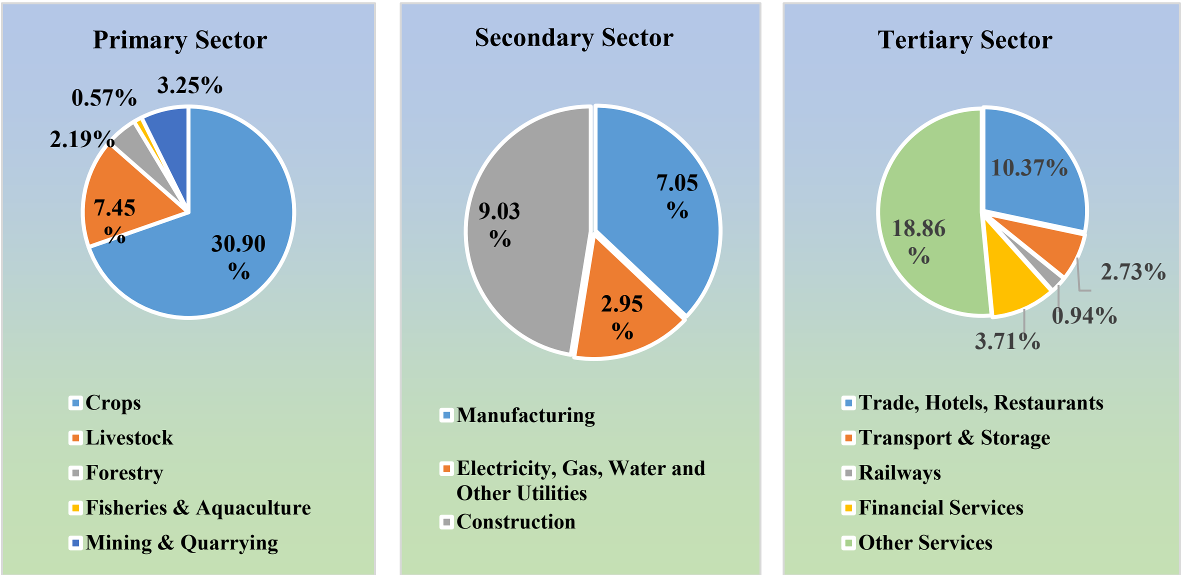
Chart 1.4: Sectoral contribution in GSVA



Source: Directorate of Economic and Statistics Madhya Pradesh

Chart 1.5 shows the composition of each sectors during 2024-25, in terms of its major contributing segments.

Chart 1.5: Sector-wise distribution during 2024-25



Source: Economic Survey of Madhya Pradesh 2024-25

The primary sector remained the largest contributor throughout, although its share has declined steadily from 48.37 *per cent* to 44.36 *per cent* during the last five years i.e 2020-25 followed by tertiary and then secondary sector. The Tertiary Sector remained the second largest contributor, showing a stable and improving trend whereas the secondary sector remains relatively flat and showing minor declining trend. During the last five years, the gap between the Primary and Tertiary sectors narroweds, indicating a gradual shift towards services.

1.1.3 Snapshot of Finances

Table 1.3 shows the details of actual financial results for the years 2023-24 and 2024-25 vis-a-vis Budget Estimates (BE) and GSDP for the year 2024-25.

Table 1.3: Snapshot of Finances

(₹ in crore)

Sl. No.	Components	2023-24 (Actuals)	2024-25 (BE)	2024-25 (RE)	2024-25 (Actuals)	Percentage of Actuals to BE	Percentage of Actuals to GSDP
1.	**Tax Revenue**	**1,79,389.22**	**1,97,849.47**	**1,97,136.27**	**1,95,428.66**	98.78	13.00
(i)	Own Tax Revenue	90,723.88	1,02,096.51	96,115.82	94,408.21	92.47	6.28
(ii)	Share of Union Taxes & Duties	88,665.34	95,752.96	1,01,020.45	1,01,020.45	105.50	6.72
2.	Non-Tax Revenue	19,925.80	20,603.33	21,895.26	22,391.71	108.68	1.49
3.	Grants-in-aid and Contributions	34,711.02	44,891.56	42,977.48	32,677.90	72.79	2.17
4.	**Revenue Receipts (1+2+3)**	**2,34,026.04**	**2,63,344.36**	**2,62,009.01**	**2,50,498.27**	95.12	16.66
5.	Recovery of Loans and Advances	371.79	474.42	3921.1	4,622.20	974.28	0.31
6.	Other Receipts	3.78	0	0	1.72	--	0.00
7.	Borrowings and other Liabilities [(a)]	44,485.14	66,374.23	62,934.62	64,387.70	97.01	4.28

Sl. No.	Components	2023-24 (Actuals)	2024-25 (BE)	2024-25 (RE)	2024-25 (Actuals)	Percentage of Actuals to BE	Percentage of Actuals to GSDP
8.	Inter-State Settlement	-0.39	-	-	0.35	-	-
9.	**Capital Receipts (5+6+7+8)**	**44,860.32**	**66,848.65**	**66,855.72**	**69,011.97**	103.24	4.59
10.	**Total Receipts (4+9)**	**2,78,886.36**	**3,30,193.01**	**3,28,864.73**	**3,19,510.24**	96.76	21.25
11.	**Revenue Expenditure**	**2,21,538.26**	**2,61,644.41**	**2,60,983.1**	**2,48,925.28**	95.14	16.56
12.	Interest payments	23,098.41	27,399.86	26,876.96	25,887.86	94.48	1.72
13.	Capital Outlay	56,538.59	61,633.49	64,929.93	67,440.89	109.42	4.49
14.	Loans and Advances	809.51	3,104.86	2,451.43	3,144.03	101.26	0.21
15.	Inter-State Settlement	-0.23	-	-	0.06	-	-
16.	**Total Expenditure (11+13+14+15)**	**2,78,886.13**	**3,26,382.76**	**3,28,364.46**	**3,19,510.26**	97.89	21.25
17.	**Revenue Deficit (-)/ Surplus (+) (4-11)**	**12,487.78**	**1,699.95**	**1,025.91**	**1,572.99**	92.53	0.10
18.	**Fiscal Deficit (-)/ Surplus (+) {(4+5+6+8-16)}**	**-44,484.52**	**-62,563.98**	**-62,434.35**	**-64,387.72**	102.91	-4.28
19.	**Primary Deficit (-)/ Surplus (+) (18-12)**	**-21,386.11**	**-35,164.12**	**-35,557.39**	**-38,499.86**	109.49	-2.56

Source: Finance Accounts and Budget books 2024-25

[a]Borrowings 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

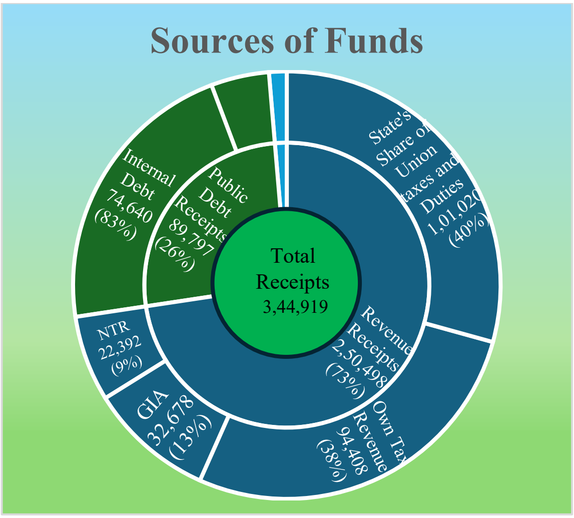
The details of State Government Finances for the FY 2020-21 to 2024-25 are given in ***Appendix 1.1***.

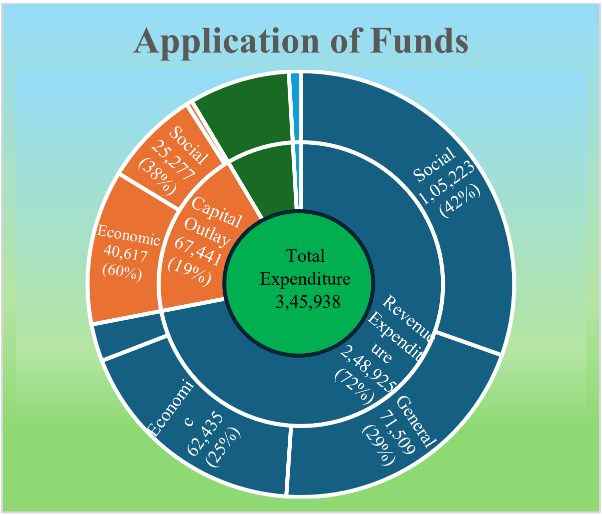
1.1.4 Sources and Application of Funds

Comparison of components of the sources and application of funds of the State during the current year is given in **Chart 1.6**.

Chart 1.6: Details of sources and application of funds during 2024-25

(₹ in crore)





Source: Finance Accounts 2024-25

Appendix 1.2 provides details of receipts and disbursements and the overall fiscal position of the State during current year as well as previous year.

1.1.5 Snapshot of Assets and liabilities of the Government

Government accounts capture the financial liabilities of the Government and the assets created out of the expenditure incurred. ***Appendix 1.3*** gives an abstract of such liabilities and assets, as on 31 March 2025, compared with the corresponding position of the previous year. The liabilities consist mainly of internal borrowings, loans and advances from GoI, receipts from the Public Account and Reserve Funds. Assets comprise mainly of the Capital Expenditure, and loans and advances, given by the State Government and cash balances. A summarised position of assets and liabilities, for the financial years 2023-24 and 2024-25, is given in **Table 1.4:**

Table 1.4: Summarised position of assets and liabilities

(₹ in crore)

	Liabilities				Assets			
		2023-24	**2024-25**	***Per cent* increase/ decrease**		**2023-24**	**2024-25**	***Per cent* increase/ decrease**
Consolidated Fund								
A	Internal Debt	2,82,515.51	3,33,216.48	17.95	A Gross Capital Outlay	4,14,464.87	4,81,905.78	**16.27**
B	Loans and Advances from GoI	62,254.31	66,345.46	6.57	B Loans and Advances	48,263.44	46,785.27	**-3.06**
Contingency Fund		**1,000**	**1,000**	**0.00**		15	0	-
Public Account								
A	Small Savings, Provident Funds, etc.	16,976.37	15,344.25	-9.61	A Advances with Departmental officers	3.50	3.58	**2.29**
B	Deposits	20,544.55	26,734.35	30.13	B Remittances	-	-	-
C	Reserve Funds	27,571.12	27,882.96	1.13	C Suspense and Miscellaneous	-	-	-
D	Remittances	6,200.69	3,016.85	-51.35	**Cash balance (including investment in Earmarked Funds)**	**18,533.79**	**20,659.87**	**11.47**
E	Suspense and Miscellaneous	735.68	2,181.86	196.58	**Total**	**4,81,280.60**	**5,49,354.50**	**14.14**
					Difference on account of rounding-off	**0.00**	**0.00**	**0.00**
					Deficit in Revenue Account	**-63,482.37**	**-73,632.29**	**15.99**
Total		**4,17,798.23**	**4,75,722.21**	**13.86**		**4,17,798.23**	**4,75,722.21**	**13.86**

Source: Finance Accounts of respective years

1.2 The Consolidated Fund of the State

All revenues received by the State Government, all loans raised by the State Government, ways and means advances extended by the Reserve Bank of India and all money received by the State Government in repayment of loans forms part of the Consolidated fund of the State.

1.2.1 Revenue Receipts

Trends and growth of revenue receipts with respect to Gross State Domestic Product (GSDP) over the 10-year period (2015-25) are shown in **Table 1.5.**

Table 1.5: Trends in Revenue Receipts

(₹ in crore)

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Revenue Receipts	**1,05,511**	**1,23,307**	**1,34,875**	**1,48,893**	**1,47,643**	**1,46,377**	**1,85,876**	**2,03,986**	**2,34,026**	**2,50,498**
Tax Revenue	**78,612**	**90,258**	**95,664**	**1,08,369**	**1,05,342**	**1,01,373**	**1,35,779**	**1,47,154**	**1,79,389**	**1,95,428**
Own Tax Revenue	40,214	44,194	44,811	50,882	55,824	54,459	66,237	72,611	90,724	94,408
State's Share of Union Taxes and Duties	38,398	46,064	50,853	57,487	49,518	46,914	69,542	74,543	88,665	1,01,020
Non-Tax Revenue	**8,569**	**9,086**	**9,061**	**11,899**	**10,349**	**9,902**	**15,305**	**19,878**	**19,926**	**22,392**
Grants-in-aid from GoI	**18,330**	**23,963**	**30,150**	**28,625**	**31,953**	**35,102**	**34,792**	**36,954**	**34,711**	**32,678**
State's Own Revenue (Own Tax and Non-tax Revenue)	**48,783**	**53,280**	**53,872**	**62,781**	**66,173**	**64361**	**81542**	**92489**	**110650**	**116800**
Gross State Domestic Product	**5,41,068**	**6,49,823**	**7,26,284**	**8,29,805**	**9,27,855**	**9,46,218**	**11,01,168**	**12,21,813**	**13,53,809**	**15,03,395**
Year-on-year growth rates (in *per cent*)										
Revenue Receipts	19.03	16.87	9.38	10.39	- 0.84	-0.86	26.98	9.74	14.73	7.04
Own Revenue of the State	3.92	9.22	1.11	16.54	5.40	-2.74	26.69	13.42	19.64	5.56
GSDP	12.74	20.10	11.77	14.25	11.82	1.98	16.38	10.96	10.80	11.05
Revenue Receipts/GSDP	19.50	18.98	18.57	17.94	15.91	15.47	16.88	16.70	17.29	16.66
Buoyancy Ratios[1]										
Revenue Buoyancy w.r.t GSDP	1.49	0.84	0.81	0.89	--*	--*	1.65	0.89	1.36	0.64
State's Own Revenue Buoyancy w.r.t GSDP	0.31	0.46	0.10	1.16	0.46	--*	1.63	1.23	1.82	0.50

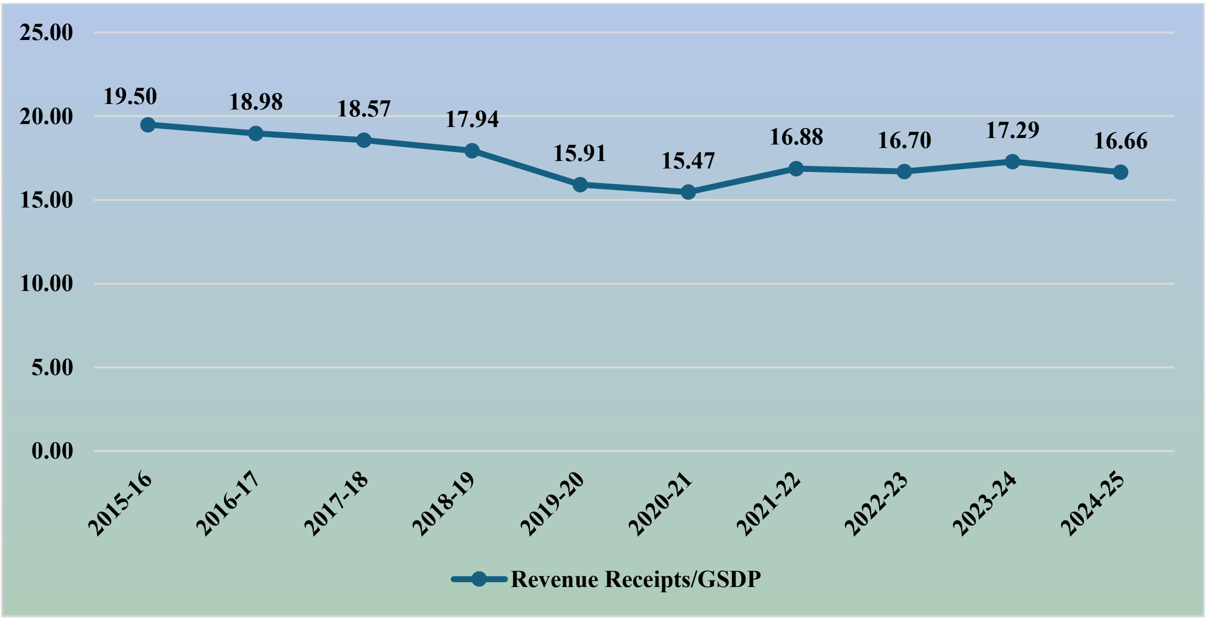
Source: Finance Accounts of the respective years and information furnished by Directorate of Economic and Statistics, Government of Madhya Pradesh

(indicates negative figures)*

[1] Buoyancy indicates the degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For instance, revenue buoyancy with respect to GSDP at 0.64 in 2024-25 implies that Revenue Receipts increased by 0.64 points, whenever the GSDP increased by one point.

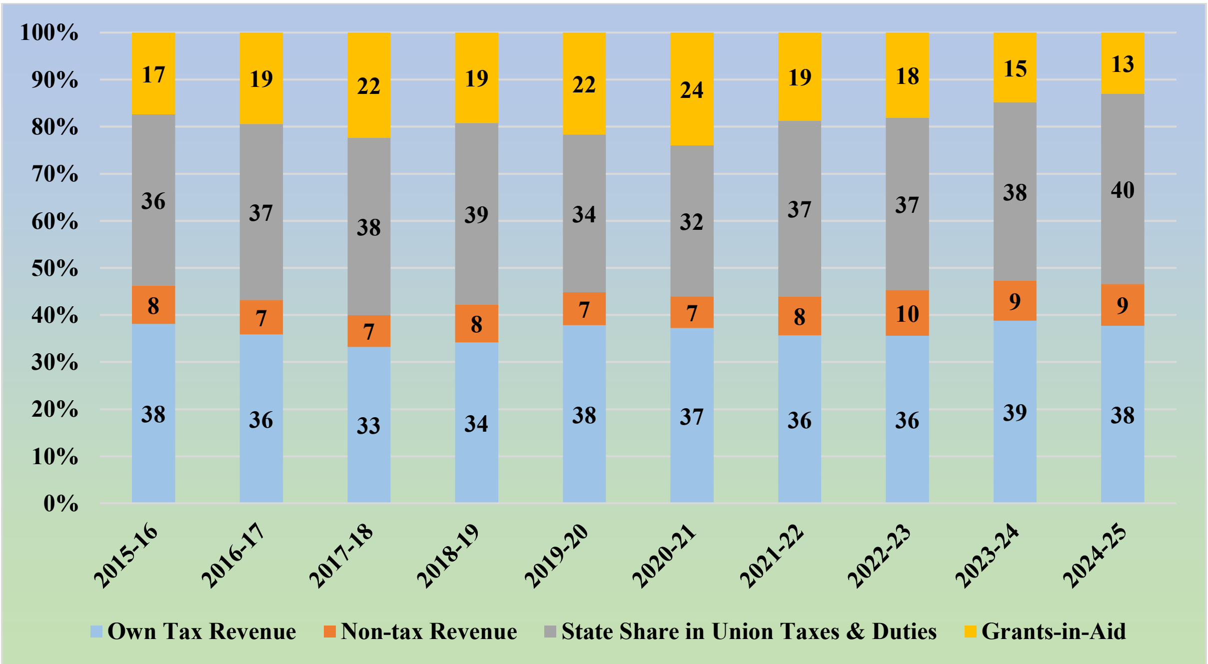
Revenue Receipts as percentage of GSDP and contribution from various sources in revenue receipts is given in **Chart 1.7** and **Chart 1.8**.

Chart 1.7: Revenue Receipts as percentage of GSDP



Source: Finance Accounts of respective years

Chart 1.8: Contribution in Revenue Receipts



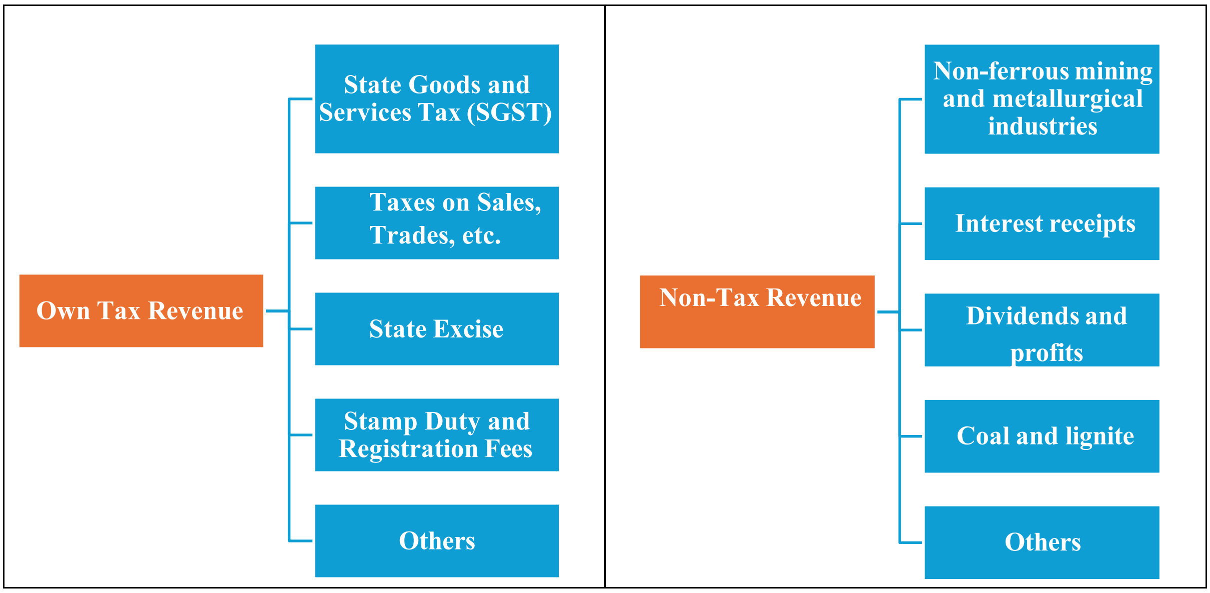
Source: Finance Accounts of respective years

As can be seen from the above table and charts, Revenue growth has been uneven compared to GSDP. While revenue buoyancy was above one in 2015-16, 2021-22 and 2023-24 indicating revenues grew faster than GSDP, however, in rest of the years, it slipped below one which shows revenue did not keep pace with GSDP showing sign of stress on fiscal side. The contribution of Grants-in-Aid to revenue receipts has declined from 17 *per cent* in 2015–16 to 13 *per cent* in 2024–25, despite exhibiting fluctuations across the intervening years. However, contribution of State's share in Union Taxes increased from 32 *per cent* in 2020-21 to

40 *per cent* in 2024-25 which shows that though Union tax devolution in recent years increased considerably, contributions from state's own resources (own tax and non tax revenue) remained almost stable. Revenue Receipts as a percentage of GSDP have declined during the last 10 year, with a notable dip around 2019-21. The long-term trend suggests increasing pressure on revenue generation relative to the GSDP. Without faster growth in own revenues, fiscal autonomy remains limited.

A. State's Own Resources

Chart 1.9: Details of State's Own Revenue



(i) Own Tax Revenue

Own Tax Revenue is the revenue collected by the State Government through taxes it is empowered to levy under the Constitution. Actual for FY 2023-24, Budget Estimate (BE), Revised Estimate (RE), and Actual of Own Tax Revenue for the FY 2024-25 are given in **Table 1.6**.

Table 1.6: Own Tax Revenue: 2023-24 (Actual) and 2024-25 (BE, RE, and Actual)

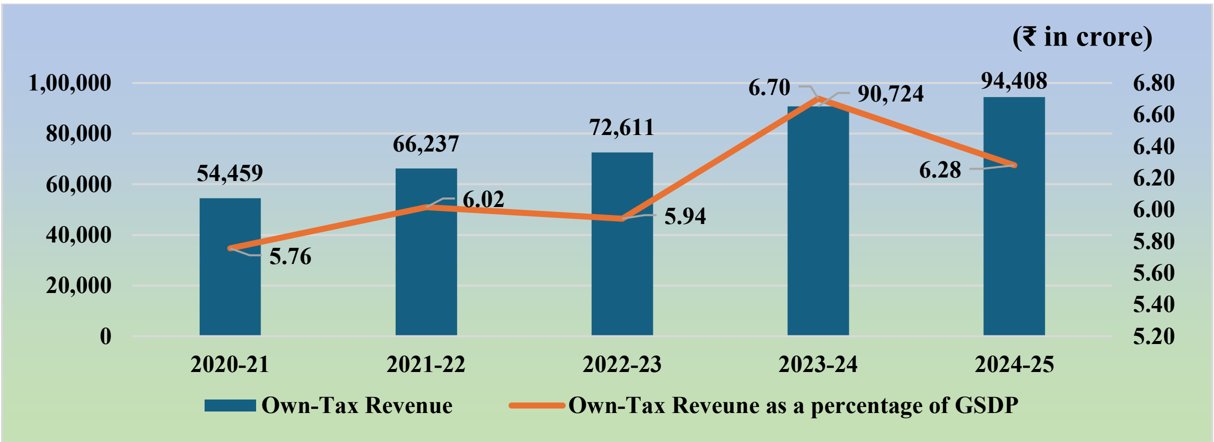
(₹ in crore)

Tax revenue	2023-24 (Actual)	2024-25 (BE)	2024-25 (RE)	2024-25 (Actual)
State Goods and Services Tax	37,791	40,000	37,498	35,837
Taxes on Sales, Trades, *etc.*	17,863	21,000	19,300	19,268
State Excise	13,524	16,000	15,500	15,201
Stamps and Registration Fees	10,331	12,500	12,000	11,357
Taxes and Duties on Electricity	4,207	5,000	4,534	5,278
Taxes on Vehicles	4,606	5,500	5,100	4,878
Land Revenue	1,079	701	812	1,069
Others	1,323	1,395	1,371	1,520
Total	**90,724**	**1,02,096**	**96,115**	**94,408**

Source: Finance Accounts of the respective years and budget books

Trends of own tax revenue and its components during the period 2020-21 to 2024-25 are shown in **Chart 1.10** and **Chart 1.11** respectively.

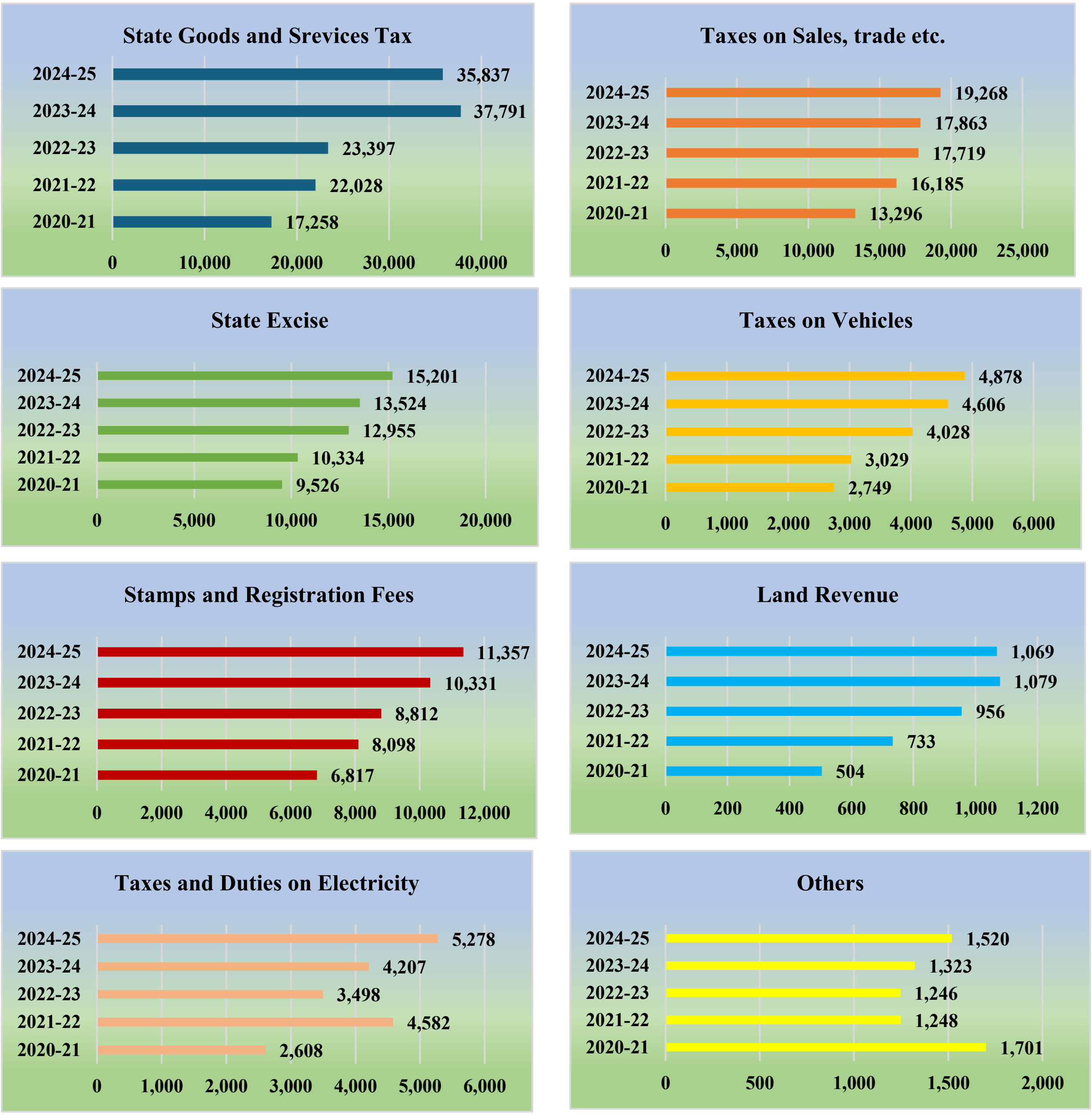
Chart 1.10: Trends of Own Tax Revenue during FY 2020-21 to FY 2024-25



Source: Finance Accounts of the respective years

Chart 1.11: Major components of State's Own Tax Revenue

(₹ in crore)



Source: Finance Accounts of the respective years

The Government aimed for a double-digit increase (12 *per cent*) in Own Tax Revenue but could achieve only a modest rise of four *per cent* as four out of five major revenue sources could not meet their Budget Estimates except Taxes and Duties on Electricity.

Own-Tax Revenue has consistently increased, but its growth has not always kept pace with GSDP. There is sharp rise in 2023-24, both in absolute and relative terms, which slowed down in 2024-25 registering only a marginal increase. The ratio of Own-Tax Revenue to GSDP peaked at 6.70 *per cent* in 2023-24, reflecting strong tax mobilisation, but moderated to 6.28 *per cent* in 2024-25 as GSDP grew faster than revenue. The slowdown in 2024-25 highlights the need for strengthening revenue mobilisation to sustain buoyancy and fiscal stability.

During 2023-24, the sharp increase in Own-Tax Revenue was primarily driven by a significant rise in SGST collections, which increased by 62 *per* cent from ₹23,397 crore to ₹37,791 crore. However, this momentum could not be sustained, as SGST decreased by five *per cent* to ₹35,837 crore in 2024-25, contributing to the slowdown in overall Own-Tax growth.

(ii) Non-Tax Revenue

Non-Tax Revenue of a State refers to the rent, fees, royalties and other receipts, of the State Government from sources other than taxes.

Actual for FY 2023-24, Budget Estimate (BE), Revised Estimate (RE), and Actual of Non-Tax Revenue for the FY 2024-25 are given in **Table 1.7**.

Table 1.7: Major Non-Tax Revenue: 2023-24 (Actual) and 2024-25 (BE, RE, and Actual)

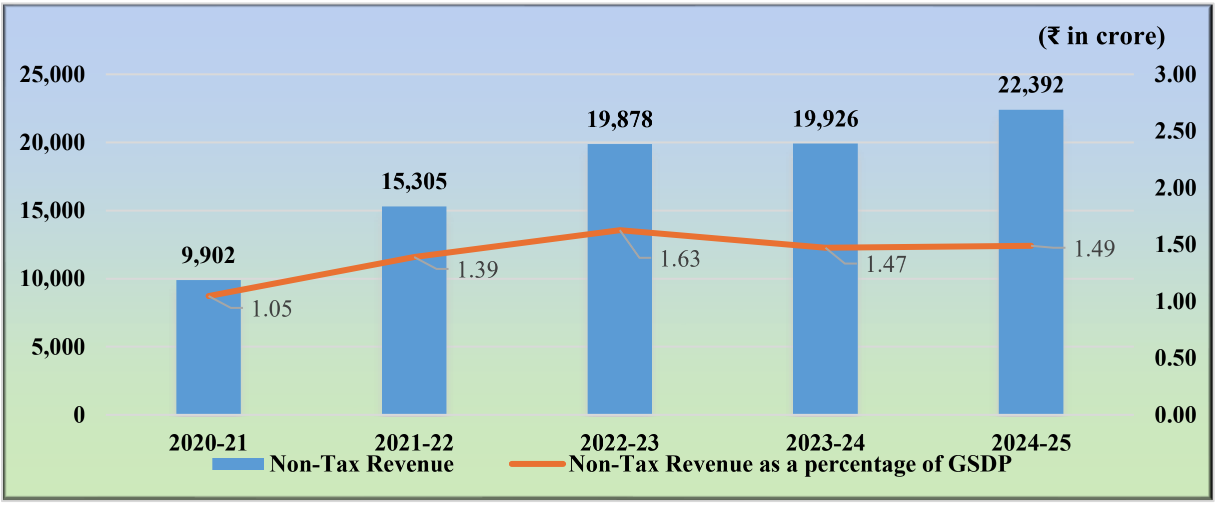
(₹ in crore)

Revenue Head	2023-24 (Actual)	2024-25 (BE)	2024-25 (RE)	2024-25 (Actual)
Non-Ferrous Mining and Metallurgical Industries	9,171	11,510	10,496	9,230
Interest Receipts	1,934	1,675	2,198	3,384
Education, Sports, Art and Culture	2,545	2,180	2,405	2,196
Forestry and Wildlife	1,421	1,650	1,485	1,650
Dividends and Profits	291	264	282	286
Other Non-Tax Receipts	4,564	3,324	5,029	5,646
Total	**19,926**	**20,603**	**21,895**	**22,392**

Source: Finance Accounts of the respective years

Trends of Non-tax revenue and its components during the period 2020-21 to 2024-25 are shown in **Chart 1.12** and **Chart 1.13** respectively.

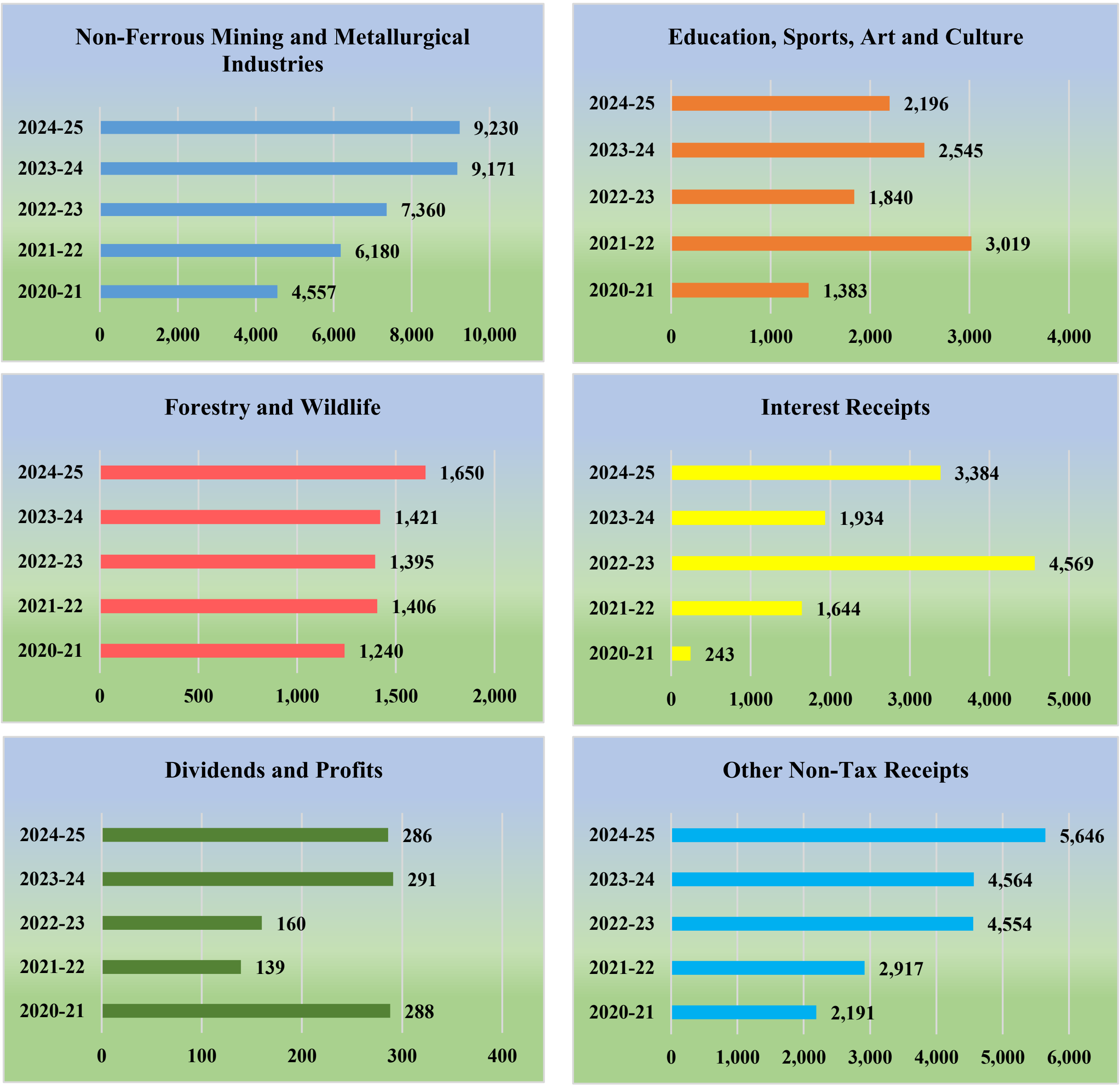
Chart 1.12: Trends in Non-Tax Revenue during FY 2020-21 to FY 2024-25



Source: Finance Accounts of the respective years

Chart 1.13: Major components of State's Non-Tax Revenue

(₹ in crore)



Source: Finance Accounts of the respective years

Non-Tax Revenue exceeded both BE and RE in 2024-25, mainly due to strong growth in Interest Receipts. Mining revenues stagnated and remained far below the targets. Non-tax revenue has more than doubled since 2020-21, showing resilience and diversification in sources. Though non-tax revenue has outperformed in absolute terms in 2024-25, sustained efforts are needed to enhance stable components like interest receipts, dividends, and user charges, as mining-based revenue remains volatile.

B. State's share in Union Taxes and Duties

Trends in the components of State's share in Union taxes and duties are shown in **Table 1.8** and percentage of total State's share in Union taxes and duties to GSDP is given in **Chart 1.14.**

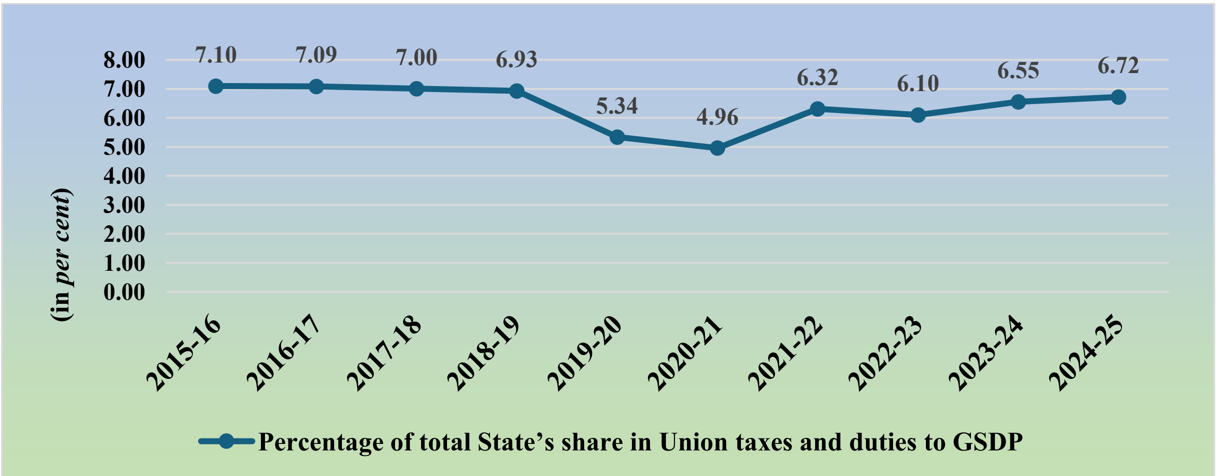
Table 1.8: State's share in Union Taxes and Duties

(₹ in crore)

Year	Central Goods and Service Tax	Integrated Goods and Service Tax	Corporation Tax	Taxes on Income other than Corporation Tax	Taxes on Wealth	Customs	Union Excise Duties	Service Tax	Other Taxes and Duties on Commodities and Services	Total
2015-16	-	-	12,078	8,400	3	6,134	5,100	6,656	27	**38,398**
2016-17	-	-	14,752	10,252	34	6,346	7,246	7,434	0	**46,064**
2017-18	716	5,132	15,569	13,147	0	5,131	5,363	5,795	0	**50,853**
2018-19	14,188	1,132	19,990	14,722	7	4,075	2,708	531	134	**57,487**
2019-20	14,052	-	16,884	13,229	1	3,139	2,182	-	31	**49,518**
2020-21	13,947	-	14,155	14,511	0	2,495	1,577	203	25	**46,913**
2021-22	19,855	-	20,563	20,589	4	4,950	2,647	863	71	**69,542**
2022-23	21,064	-	24,990	24,399	0	2,930	919	116	123	**74,541**
2023-24	26,909	-	26,613	30,735	0	3,107	1,176	17	3	**88,666**
2024-25	29,504	-	28,665	36,557	0	5,139	989	3	163	**1,01,020**

Source: Finance Accounts of the respective years

Chart 1.14: Percentage of total State's share in Union taxes and duties to GSDP



Source: Finance Accounts of the respective years

The chart shows a stable to declining trend in the State's share in Union taxes and duties during 2015-16 to 2020-21 followed by gradual increase from 2021-22 to 2024-25. Direct taxes viz. Corporation and Income Tax have been the major contributors and range variation 53 *per cent* to 65 *per cent* of total central transfers from 2015-16 to 2024-25. The contribution of State's share in Union Taxes in revenue receipts increased from 32 *per cent* in 2020-21 to 40 *per cent* in 2024-25 which shows that the reliance has shifted towards Union tax devolution in recent years and not purely to own resources as the contributions from state's own resources (own tax and non tax revenue) remained stable. This indicates a moderate to high dependence on central transfers for the State's fiscal resources making the State vulnerable to Centre's devolution policies.

C. Grants-in-aid from Government of India

The trend and components of Grants-in-aid (GIA) from GoI are shown in **Table 1.9** and its percentage to GSDP in **Chart 1.15**.

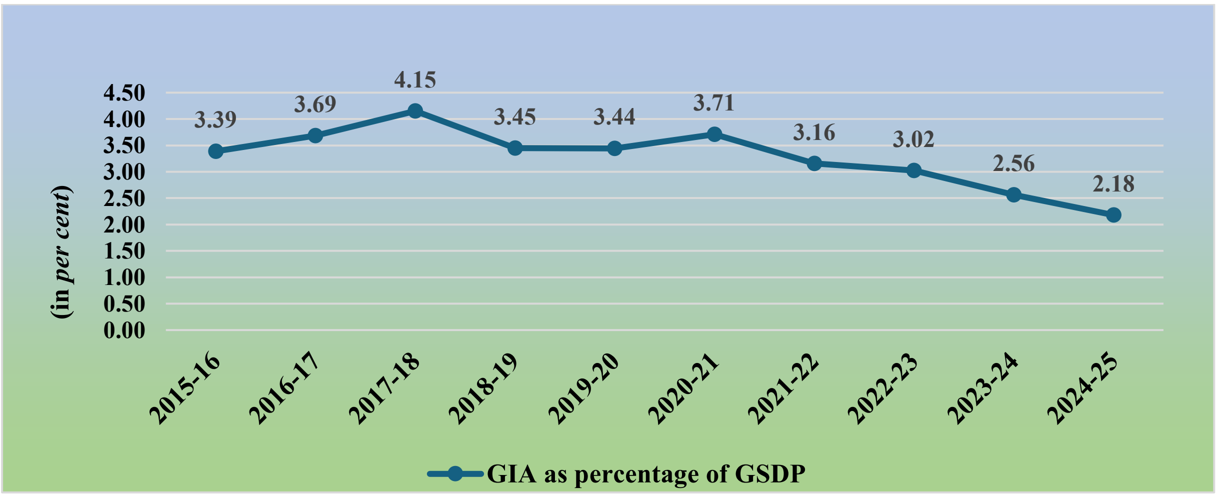
Table 1.9: Grants-in-aid from Government of India

(₹ in crore)

Year	Non-Plan grants	Grants for State Plan schemes	Grants for Central Plan schemes	Grants for Centrally Sponsored Schemes	Other grants to States (Compensation for loss of revenue arising out of implementation of GST)	Centrally Sponsored Scheme	Finance Commission Grant	Other Transfer/Grants to States/ Union Territory with Legislature	Total
2015-16	3,990	13,371	359	610	-	-	-	-	**18,330**
2016-17	5,473	17,702	257	531	-	-	-	-	**23,963**
2017-18	4,408	23,164	67	-	2,511	-	-	-	**30,150**
2018-19	4,921	20,821	17	-	2,866	-	-	-	**28,625**
2019-20	-	-	-	-	6,327	19,548	6,078	-	**31,953**
2020-21	-	-	-	-	-	21,340	6,577	7,185	**35,102**
2021-22	-	-	-	-	-	25,488	5,609	3,695	**34,792**
2022-23	-	-	-	-	-	26,291	5,495	5,169	**36,955**
2023-24	-	-	-	-	-	25,855	5,306	3,550	**34,711**
2024-25	-	-	-	-	-	24,967	6,961	750	**32,678**

Source: Finance Accounts of the respective years

Chart 1.15: Percentage of Grant-in-aid from Government of India to GSDP



Source: Finance Accounts of the respective years

(i) Grants for Centrally Sponsored Schemes

Out of the Grants of ₹24,967 crore for Centrally Sponsored Schemes during 2024-25, major allocations were made to the schemes shown in **Table 1.10**.

Table 1.10: Major Schemes receiving grants

(₹ in crore)

Name of the Scheme	2024-25	2023-24	Percentage change over previous year
Prime Minister Housing Scheme	4,566	1,532	198
Samagra Shiksha Abhiyaan	3,435	3,376	2
Jal Jeevan Mission (J.J.M.)	2,622	5,448	(-)52
National Rural Employment Guarantee Scheme	1,872	2,254	(-)17
National Health Mission (NUHM/NRHM)	1,516	1,238	22
Ken Betwa Link National Scheme	1,363	-	-
Anganwadi Sevayen (Saksham Anganwadi Aur Poshan 2.0)	1,108	1,126	(-)2

Source: Finance Accounts of the respective years

(ii) Fifteenth Finance Commission Grants

The Fifteenth Finance Commission (15th FC) grants were provided to the States for local bodies and State Disaster Response Fund (SDRF), State Disaster Mitigation Fund (SDMF) and health sector grants. Details of grants provided by GoI are given in **Table 1.11.**

Table 1.11: Recommended amount, actual release and transfers of Grant-in-aid

(₹ in crore)

Transfers		Recommendation of XV FC for 2024-25	Actual release by GoI during 2024-25	Release by State Government (Total percentage of the amount released by GoI)
i. Grants to PRIs		**3,265**	**3,054.10**	**3,054.10 (100)**
a. Performance/Tied Grants[2]		1,959	1,832.46	1,832.46 (100)
b. Untied Grants[3]		1,306	1,221.64	1,221.64 (100)
ii. Grants to ULBs		**1,588**	**1,076.97**	**670.47 (62)**
a. Non-Million Plus Cities (Performance/Tied Grant)		495	417.77	127.77 (31)
b. Non-Million Plus Cities (General Basic/Untied Grant)		1,093	659.20	542.70 (82)
iii. Grants for Health Sector		**1,018**	**1,226.76**	**135.20 (11)**
Total for Local Bodies (i+ii+iii)		**5,871**	**5,357.83**	**3,859.77 (72)**
State Disaster Response Fund (SDRF)	Centre Share	1,686.40	1,686.40	1,686.40 (100)
	State Share	561.60	561.60	561.60 (100)
State Disaster Mitigation Fund (SDMF)	Centre Share	421.60	411.50	411.50 (100)
	State Share	140.40	137.10	137.10 (100)
Total for SDRMF		**2,810.00**	**2,796.60**	**2,796.60 (100)**

Source: Information furnished by Finance Department, GoMP

During 2024-25, the State fully released the Finance Commission grants received from the Government of India (GoI) for Panchayati Raj Institutions (PRIs) and for the State Disaster Response and Mitigation Fund. However, part of the grants (₹1,498.06 crore) meant for Urban Local Bodies (₹406.50 crore) and the Health Sector (₹1,091.56 crore) remained unreleased. The unreleased portion relates mainly to performance/tied grants for Non-Million Plus cities and a significant share of the Health Sector grant, indicating gaps in internal allocation and

[2] Tied Grants can be used for basic services such as drinking water, rainwater harvesting, SWM and Sanitation.
[3] Untied Grants can be used as per location specific needs.

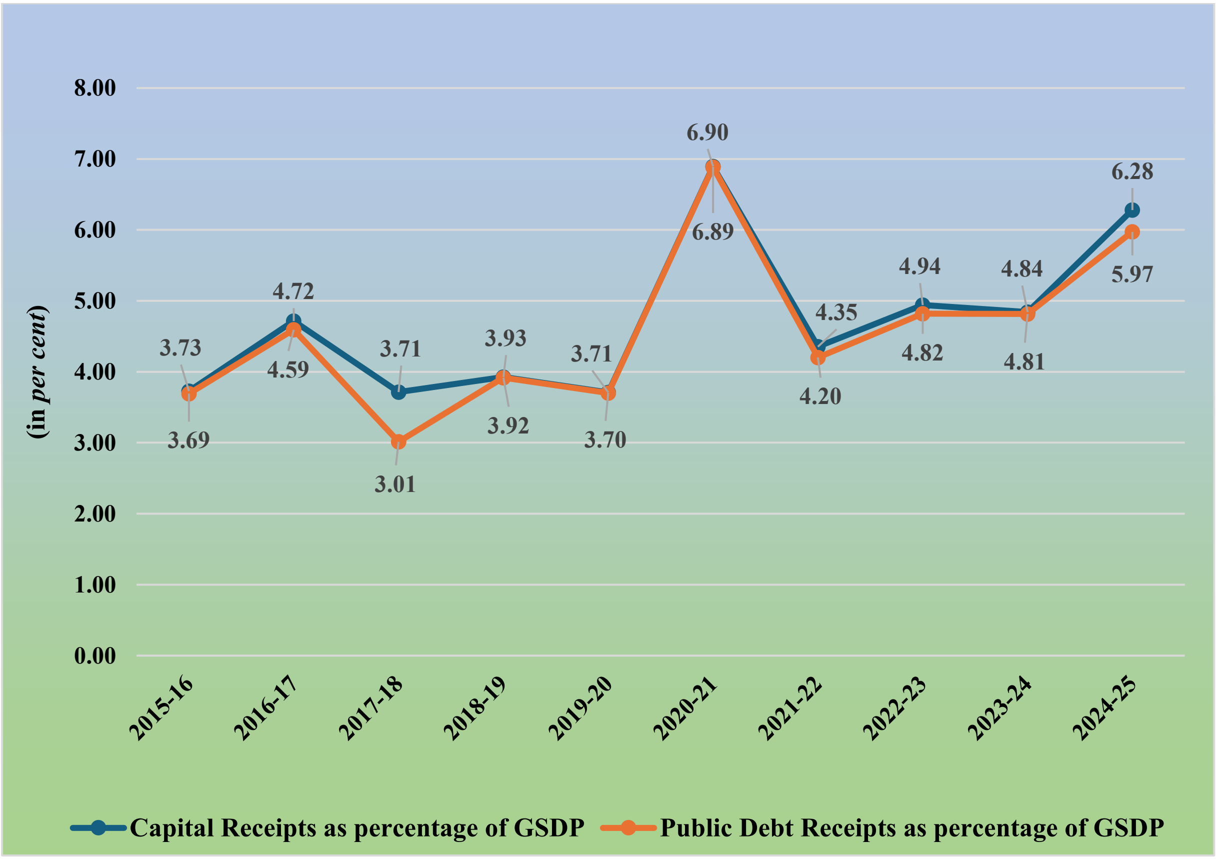
utilisation planning. The State may ensure timely release of the remaining amounts and ensure that all grants are fully and effectively deployed within the financial year.

1.2.2 Capital Receipts and Public Debts

Capital receipts comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GoI.

Capital Receipts and Public Debts as percentage of GSDP are depicted in **Chart 1.16**.

Chart 1.16: Capital Receipts and Public Debts as percentage of GSDP



Source: Finance Accounts of the respective years

Trends of capital receipts and its components during 2015-16 to 2024-25 are shown in **Table 1.12.**

Table 1.12: Trends in growth and composition of capital receipts

(₹ in crore)

Sl. No.	Sources of State's Receipts	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
1	**Capital Receipts (5+6)**	**20,175**	**30,643**	**26,981**	**32,580**	**34,424**	**65,243**	**47,946**	**60,371**	**65,556**	**94,421**
2	Miscellaneous Capital Receipts	26	24	19	13	14	14	1,598	47	4	2
3	Inter-State settlement	2	-	-	-	-	-	1	-1	0	0
4	Recovery of loans and advances	162	772[4]	5,070[5]	70	46	58	62	1,458	372	4,622
5	**Non-debt Capital Receipts (2+3+4)**	**190**	**796**	**5,089**	**83**	**60**	**72**	**1,661**	**1,504**	**376**	**4,624**
6	**Public Debt Receipts (7+8)**	**19,985**	**29,847**	**21,892**	**32,497**	**34,364**	**65,171**	**46,285**	**58,867**	**65,180**	**89,797**
7	Internal Debt	18,659	28,581	19,975	28,701	29,496	54,242	33,671	48,202	50,108	74,640
8	Loans and Advances from GoI	1,326	1,267	1,917	3,796	4,868	10,929	12,614	10,665	15,072	15,157
	Year-on-year growth rates (in *per cent*)										
9	GSDP	12.74	20.10	11.77	14.25	11.82	1.98	16.38	10.96	10.80	11.05
10	Capital receipts	(-)7.72	51.89	(-)11.95	20.75	5.66	89.53	(-)26.51	25.91	8.59	44.03
11	Public Debt Receipts	32.62	49.35	(-) 26.65	48.44	5.75	89.65	(-)28.98	27.18	10.72	37.77
12	Internal Debt	36.23	53.18	(-)30.11	43.68	2.77	83.9	(-)37.92	43.16	3.95	48.96
13	Loans and Advances from GoI	(-)3.35	(-)4.45	51.30	98.02	28.24	124.51	15.42	(-)15.45	41.32	0.56

Source: Finance Accounts of the respective years

[4] Of this, ₹507 crore pertains to recovery of loans to agriculture and allied activities.
[5] Of this, ₹4,622 crore pertains to recovery of 'loans for power projects'.

Capital receipts exhibited an overall upward trend during 2015-2025, with notable decline in 2021-22 as the Government borrowing was 90 *per cent* more in 2020-21 (COVID period). Public debt receipts were consistently more than 95 *per cent* of capital receipts signifying an increased reliance on borrowings to meet the State's fiscal requirements. Non-debt capital receipts contribution (like recoveries, disinvestment) remain negligible, except in 2017-18 (19 *per* cent), 2021-22 (three *per cent*) and 2024-25 (five *per cent*).

The persistent increase in debt dependency raises concerns regarding fiscal sustainability, as it directly translates into a rising interest burden on the State exchequer and imposing additional pressures on future budgets to allocate a greater share of resources towards debt servicing at the expense of growth promoting outlays.

1.2.3 Finance Commission Projections and Actuals

The projected revenue, deficits and GSDP by the 15th Finance Commission and actuals for the FY 2020-21 to FY 2024-25 are given in the **Table 1.13**.

Table 1.13: 15th FC Projection vis-à-vis actuals

(₹ in crore)

	2020-21		2021-22		2022-23		2023-24		2024-25	
	Projection	Actual	Projection	Actual	Projection	Actual	Projection	Actual	Projection	Actual
GSDP (2011-12 Series Current Prices)	9,65,307	9,46,218	9,08,401	11,01,168	9,78,966	12,21,813	10,62,853	13,53,809	11,58,236	15,03,395
Own Revenue Receipts	85,771	64,361	74,147	81,542	81,246	92,489	89,829	1,10,650	99,771	1,16,800
State's Own Tax Revenue	73,449	54,459	58,453	66,237	64,211	72,611	71,188	90,724	79,290	94,408
State's Non-Tax Revenue	12,322	9,902	15,694	15,305	17,035	19,878	18,641	19,926	20,481	22,392
State's share in Union Taxes/Duties	46,025	46,914	52,247	69,542	64,107	74,543	80,184	88,665	95753	1,01,020
Revenue Deficit(+)/ Surplus(-) as percentage of GSDP	-3.04	1.94	-2.08	-0.44	-2.60	-0.33	-3.16	-0.92	-3.86	-0.11
Fiscal Deficit as percentage of GSDP	5.0	5.27	4.50	3.40	4.00	3.37	3.50	3.29	4.12	4.28

Source: Finance Commission Report and Finance Accounts of the respective years

1.2.4 Expenditure

Government expenditure is classified into revenue expenditure, capital expenditure, and loans and advances. Revenue expenditure includes costs for maintenance, repairs, and day-to-day functioning of departments, including administrative and establishment expenses. Capital expenditure relates to the initial construction of projects and sanctioned improvements or additions to assets. Loans and advances comprise funds provided by the government to Public

Sector Undertakings and other entities, which are recoverable over time. Details of expenditure, total expenditure as percentage of GSDP and share of its components is given in **Table 1.14, Chart 1.17** and **Chart 1.18** respectively.

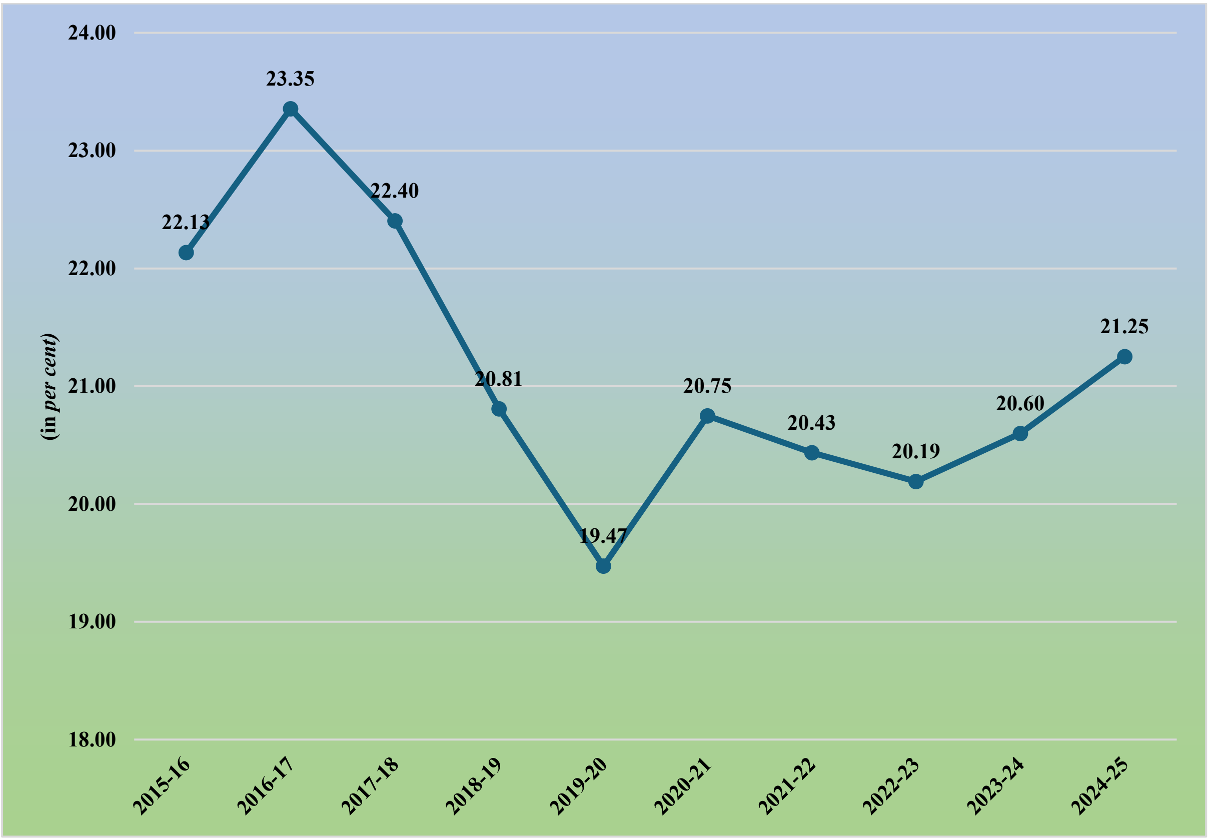
Table 1.14: Total expenditure and its composition

(₹ in crore)

Year	Total Expenditure (TE)	Revenue Expenditure (RE)	Capital Outlay (CO)	Loans and Advances	Appropriation to contingency fund
2015-16	**1,19,764**	99,771	16,835	3,158	-
2016-17	**1,51,766**	1,19,537	27,288	4,941	-
2017-18	**1,62,709**	1,30,246	30,913	1,550	-
2018-19	**1,72,663**	1,42,149	29,424	1,090	-
2019-20	**1,80,672**	1,50,444	29,241	987	-
2020-21	**1,96,319**	1,64,733	30,356	1,230	-
2021-22	**2,25,023**	1,81,061	40,733	3,229	-
2022-23	**2,46,693**	1,99,895	44,438	2,360	-
2023-24	**2,78,886**	2,21,538	56,538	810	-
2024-25	**3,19,510**	2,48,925	67,441	3,144	-

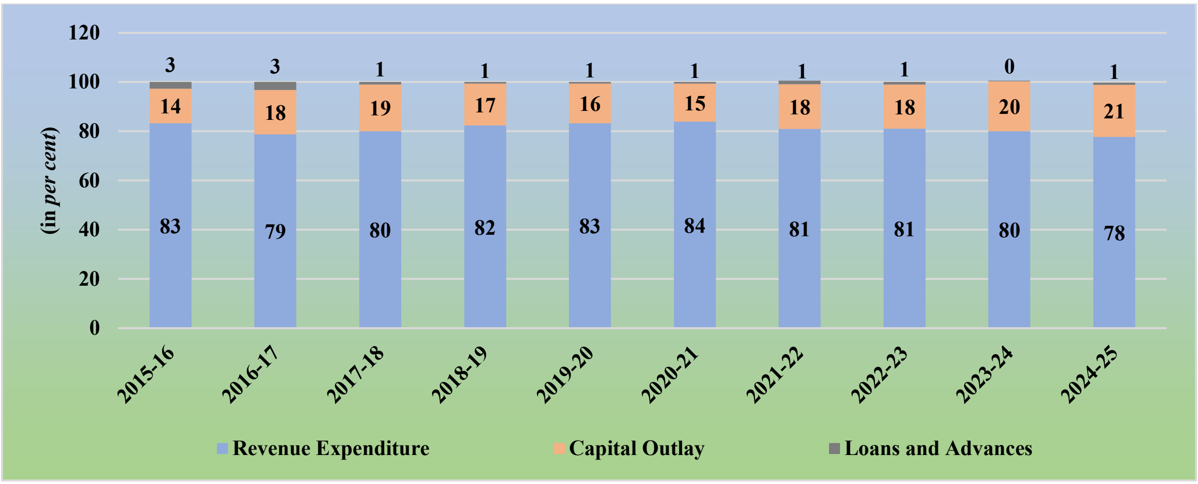
Source: Finance Accounts of the respective years

Chart 1.17: Total Expenditure as percentage of GSDP



Source: Finance Accounts of the respective years

Chart 1.18: Share of components in Total Expenditure



Source: Finance Accounts of the respective years

Out of the total expenditure of ₹3,19,510 crore incurred by the State during the financial year 2024-25 a portion of ₹54,097 crore pertained to pass-through transactions such as Finance Commission grants, Grants-in-Aid from Government of India, NMET, SNA, SDRF, SDMF, NPS and other transfers.

The expenditure profile shows that the revenue expenditure consistently forms the largest share, though its proportion shows a gradual decline in recent years from 84 *per cent* in 2020–21 to 78 *per cent* in 2024–25 which reflects a gradual shift towards increased allocation for capital expenditure.

During the last five years, Capital outlay exhibits a rising trend, increasing from 15 *per cent* in 2020–21 to 21 *per cent* in 2024–25, indicating a shift towards capital creation and asset-building. However, the overall expenditure pattern is increasingly debt-driven, implying that much of the capital spending is being financed through borrowings.

Sector-wise Total Expenditure

Sector-wise composition of expenditure is given in **Table 1.15** and relative share of various sectors in total expenditure is depicted in **Chart 1.19**.

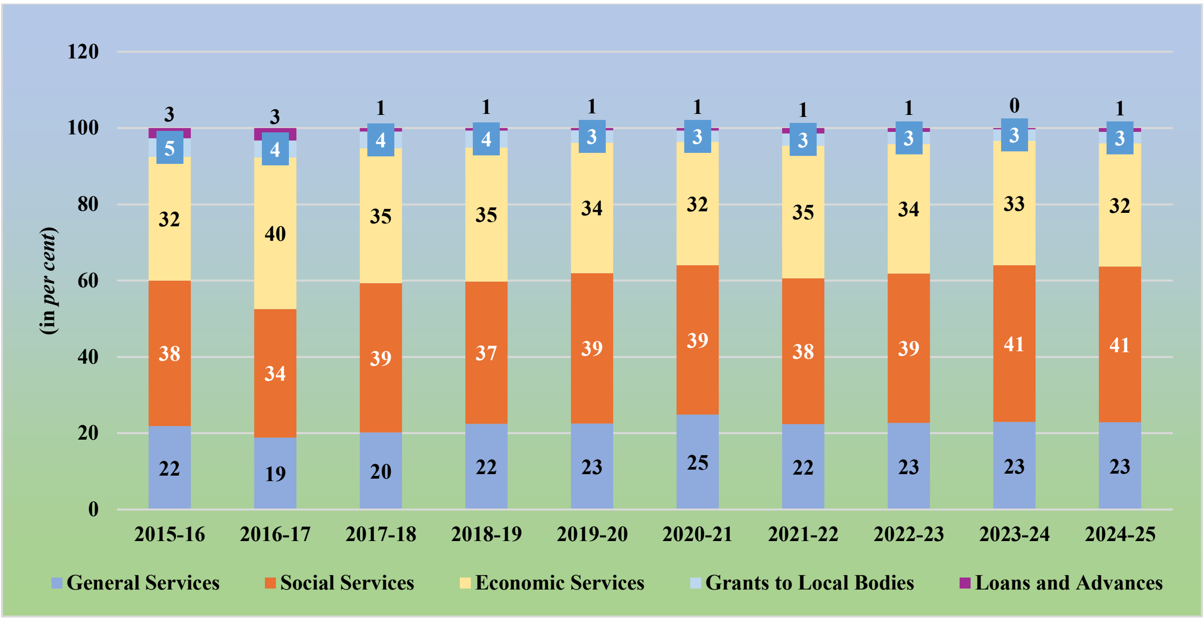
Table 1.15: Sector-wise Total Expenditure

(₹ in crore)

Year	General Services	Social Services	Economic Services	Grants to Local Bodies	Loans and Advances
2015-16	26,249	45,675	38,790	5,891	3,158
2016-17	28,601	51,228	60,190	6,807	4,940
2017-18	32,843	63,705	57,547	7,065	1,550
2018-19	38,835	64,427	60,640	7,672	1,090
2019-20	40,809	71,147	61,830	5,900	987
2020-21	48,859	76,889	63,441	5,900	1,230
2021-22	50,450	85,996	78,223	7,125	3,229
2022-23	55,972	96,716	83,768	7,877	2,360
2023-24	64,034	1,14,625	90,901	8,516	810
2024-25	73,056	1,30,501	1,03,052	9,758	3,144

Source: Finance Accounts of the respective years

Chart 1.19: Relative share of various sectors in Total Expenditure



Source: Finance Accounts of the respective years

Expenditure on General, Social, and Economic Services shows signs of stagnation. General services, which largely represent administrative and governance-related expenditure, have maintained a considerable share, limiting space for developmental spending. Social services have consistently received the highest allocations and its share increased over the years, reflecting a strong welfare focus but also creating recurring fiscal pressures.

1.2.4.1 Revenue Expenditure

Revenue expenditure is incurred to maintain the current level of services and payment for the past obligation. As such, it does not result in any addition to the State's infrastructure and service network. Growth of revenue expenditure, its ratio to total expenditure, GSDP and revenue receipts are shown in **Table 1.16**.

Table 1.16: Revenue Expenditure – Basic Parameters

(₹ in crore)

Year	Total Expend-iture (TE)	Revenue Expend-iture (RE)	Revenue Receipts (RR)	RE as percentage of Revenue Receipts	Revenue Expend-iture as percentage of TE	RE/GSDP (*per cent*)	Year-on-year growth (in *per cent*)	
							Revenue Expend-iture	GSDP
2015-16	**1,19,766**	99,771	1,05,511	94.56	83.30	18.44	21.12	12.74
2016-17	**1,51,767**	1,19,537	1,23,307	96.94	78.76	18.40	19.81	20.10
2017-18	**1,62,709**	1,30,246	1,34,875	96.57	80.05	17.97	8.96	11.77
2018-19	**1,72,664**	1,42,149	1,48,893	95.47	82.33	17.56	9.14	14.25
2019-20	**1,80,672**	1,50,444	1,47,643	101.90	83.27	16.59	5.84	11.82
2020-21	**1,96,319**	1,64,733	1,46,377	112.54	83.91	17.40	9.50	1.98
2021-22	**2,25,023**	1,81,061	1,85,876	97.41	80.46	16.57	9.91	16.38
2022-23	**2,46,693**	1,99,895	2,03,986	97.99	81.03	16.04	10.40	10.96
2023-24	**2,78,886**	2,21,538	2,34,026	94.66	79.44	16.25	10.83	10.80
2024-25	**3,19,510**	2,48,925	2,50,498	99.37	77.91	16.56	12.36	11.05

Source: Finance Accounts of the respective years

As can be seen from the above table, revenue expenditure has been growing steadily at around 10–12 *per cent* annually, broadly keeping pace with GSDP growth but the high RE/GSDP ratio (around 16-18 *per cent*) shows limited flexibility.

The Revenue Expenditure has consistently been the dominant component of Total Expenditure**.** Although this ratio has gradually declined from about 84 *per cent* in 2020-21 to 78 *per cent* in 2024-25, it still indicates that a large share of resources is tied up in routine and committed expenditure, leaving relatively less fiscal space for capital investments that drive long-term growth.

A. Sector-wise Revenue Expenditure

Sector-wise composition of Revenue expenditure is given in **Table 1.17** and Relative share of various sectors in Revenue expenditure is depicted in **Chart 1.20**. Detailed Sector-wise expenditure is given in ***Appendix 1.2***.

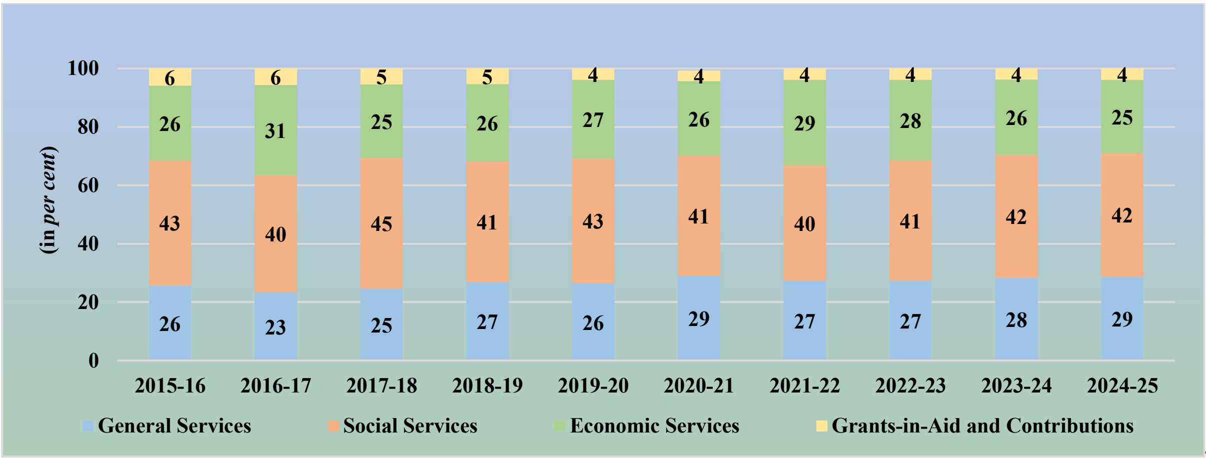
Table 1.17: Sector-wise Revenue Expenditure

(₹ in crore)

Year	General Services	Social Services	Economic Services	Grants-in-Aid and Contributions
2015-16	25,700	42,651	25,529	5,891
2016-17	27,903	47,942	36,885	6,807
2017-18	32,100	58,346	32,735	7,065
2018-19	38,113	58,707	37,658	7,672
2019-20	39,827	64,225	40,493	5,900
2020-21	47,885	68,757	42,191	5,900
2021-22	49,461	71,644	52,831	7,125
2022-23	54,807	82,084	55,127	7,877
2023-24	62,830	93,007	57,185	8,516
2024-25	71,509	1,05,223	62,435	9,758

Source: Finance Accounts of the respective years

Chart 1.20: Relative share of various sectors in Total Expenditure



Source: Finance Accounts of the respective years

As can be seen from the above table and chart, Social Services consistently dominate spending and constitute 40–45 *per cent* of total expenditure indicating a welfare-oriented focus. General Services being the second largest contributor reflects a significant administrative and committed expenditure burden.

B. Committed Expenditure

The committed expenditure of the State Government on revenue account consists of interest payments; expenditure on salaries and wages; and pensions. It has first charge on Government resources. The components of committed expenditure are given in **Table 1.18** and committed expenditure as a percentage of revenue receipts and remaining fiscal space for other expenditure is given in **Chart 1.21.**

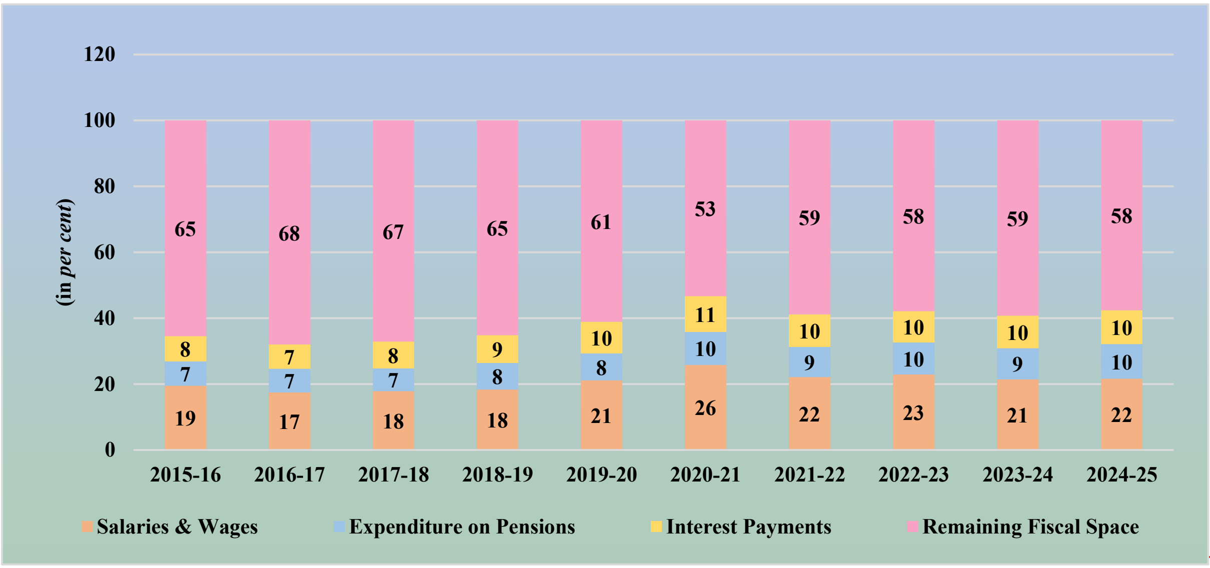
Table 1.18: Components of Committed Expenditure

(₹ in crore)

Year	Salaries and Wages	Expenditure on Pensions	Interest Payments	Total	Committed Expenditure as a percentage of Revenue Expenditure
2015-16	20,554	7,819	8,091	36,464	36.54
2016-17	21,577	8,793	9,079	39,449	33.00
2017-18	24,027	9,290	11,045	44,362	34.06
2018-19	27,256	11,984	12,696	51,936	36.54
2019-20	31,160	12,053	14,217	57,430	38.17
2020-21	37,759	14,671	15,918	68,348	41.49
2021-22	41,096	17,042	18,446	76,584	42.30
2022-23	46,799	19,691	19,453	85,943	42.99
2023-24	50,249	21,966	23,098	95,313	43.02
2024-25	54,179	26,201	25,888	1,06,268	42.69

Source: Finance Accounts of the respective years

Chart 1.21: Committed Expenditure as a percentage of Revenue Receipts and Remaining Fiscal Space



Source: Finance Accounts of the respective years

As can be seen from the above table and chart, the share of committed expenditure as percentage of revenue expenditure has remained persistently high and varied from 35 *per cent* to 42 *per cent* during the last 10 years, while committed expenditure variation in 2024-25 was marginal as compared to previous year. This indicates that a substantial and largely inflexible portion of the State's resources is tied up in meeting fixed obligations and routine liabilities leading to shortage in Fiscal space to other developmental activities.

The State needs to pursue reforms in expenditure management like rationalisation of employee costs, pension reforms and prudent debt management strategies.

C. Subsidies

The subsidies during the current year increased by ₹23,320 crore (114.49 *per cent*) from the previous year. The increase was mainly due to increase of ₹13,475 crore (253.55 *per cent*) on account of Energy subsidy, ₹6,670 crore (79.66 *per cent*) on account of Farmer Welfare and Agriculture Development, ₹1,510 crore (158 *per cent*) on account of Industrial Policy and Investment Promotion and ₹1,144 crore (217.24 *per cent*) on account of Micro, Small and Medium industries.

Department-wise major subsidies for FYs 2020-21 to 2024-25, are shown in **Table 1.19** and its trend analysis is shown in **Chart 1.22**.

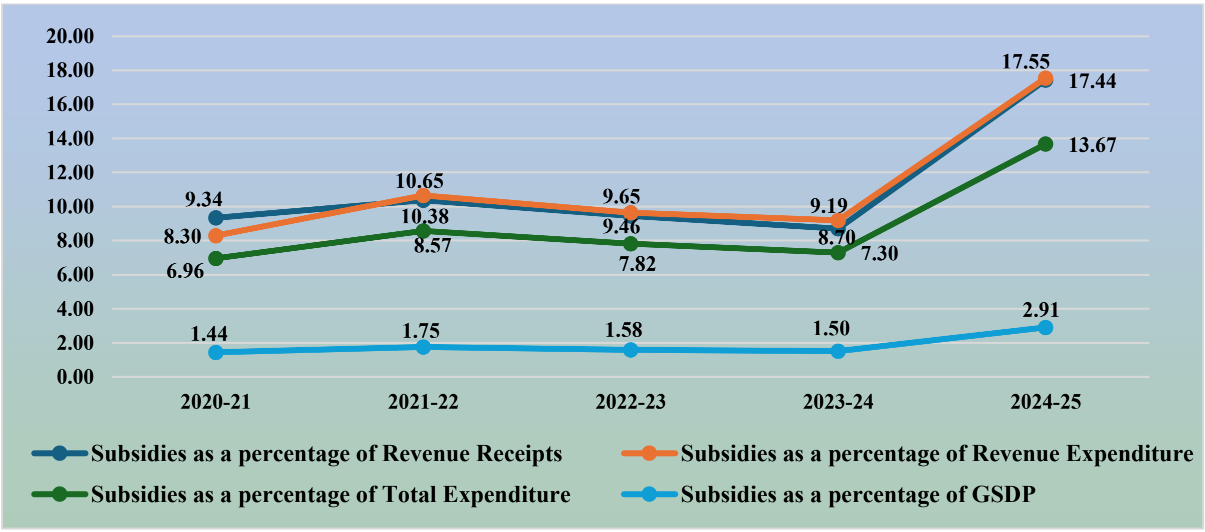
Table 1.19: Department-wise Subsidies during FYs 2020-21 to 2024-25

(₹ in crore)

Sl. No.	Departments	2020-21	2021-22	2022-23	2023-24	2024-25
1.	Energy	3,626	7,060	3,940	5,315	18,790
2.	Farmer Welfare and Agriculture Development	4,971	6,575	8,864	8,373	15,043
3.	Industrial Policy and Investment Promotion	290	1,331	1,400	956	2,465
4.	Micro, Small & Medium Industries	276	570	801	527	1,671
5.	School Education	282	343	510	1,125	1,366
6.	Food, Civil Supplies and Consumer Protection	549	687	812	1287	992
7.	Public Health and Family Welfare	400	403	492	600	772
8.	Technical Education, Skill Development and Employment	152	195	401	480	766
9.	Co-operation	383	1,008	584	490	538
10.	Other Departments[6]	2,739	1,114	1,484	1,217	1,284
	Total	**13,669**	**19,285**	**19,289**	**20,367**	**43,687**

Source: Finance Accounts of the respective years

Chart 1.22: Trend analysis of subsidies



Source: Finance Accounts of the respective years

[6] Other Departments include 27 departments wherein departments having major portion of Subsidies include General Administration, Rural Development, Women and Child Development, Planning, Economics and Statistics, Schedule Caste Welfare, etc.

Madhya Pradesh's subsidies have more than tripled over the past five years and more than doubled since last year. The sharp rise in FY 2024-25 as compared to 2023-24 was mainly due to increased subsidies in Power (254 *per cent*), Farmer Welfare and Agriculture Development (80 *per cent*), and Industrial Policy and Investment Promotion (158 *per cent*) both in absolute and relative terms.

Subsidies as a percentage of Revenue Receipts in comparison with neighbouring states

State	2020-21	2021-22	2022-23	2023-24	2024-25
Madhya Pradesh	9.34	10.38	9.46	8.70	17.44
Uttar Pradesh	3.94	5.43	5.09	5.31	5.58
Chhattisgarh	11.57	8.24	8.85	10.43	13.75
Rajasthan	11.04	12.70	13.42	13.97	14.96
States other than NE&H average	9.73	9.17	9.32	9.35	11.38

Madhya Pradesh's subsidies remained close to the all-state average until 2023-24. However, in 2024-25 it sharply increased to 17.44 *per cent*, significantly higher than the States other than NE&H average (11.38 *per cent*) and neighboring states of Uttar Pradesh, Chhattisgarh and Rajasthan.

Rising subsidies reduce the fiscal space for capital formation, infrastructure, and productive investments which will eventually lead to dependence on borrowings.

D. Financial assistance by the State Government to Local Bodies and Other institutions

Assistance provided by way of grants to the local bodies and other institutions during the period 2020-21 to 2024-25 is presented in **Table 1.20.**

Table 1.20: Financial assistance to Local bodies and other Institutions

(₹ in crore)

Financial assistance to Institutions	2020-21	2021-22	2022-23	2023-24	2024-25
(A) Local Bodies					
Municipal Corporations and Municipalities	6,292.63	6,381.23	6,508.50	6,930.17	6,732.25
GIA for creation of Capital assets to Municipal Corporations and Municipalities	**581.30**	**620.00**	**481.11**	**776.83**	**806.42**
Zilla parishads and other Panchayati Raj Institutions	19,103.09	16,889.40	20,441.40	17,203.40	22,231.98
GIA for creation of Capital assets to PRIs	**0**	**0**	**0**	**0**	**0**
Total (A)	**25,977.02**	**23,890.63**	**27,431.01**	**24,910.40**	**29,770.65**
(B) Others					
Universities	107.79	109.33	148.81	199.48	243.10
Development Authorities	3,116.20	4,523.47	4,116.23	4,060.68	3,306.91
Non-Government Organisation (NGOs)	880.53	1,090.95	1,047.81	839.28	1,027.49
Other Institutions	34,189.41	36,983.59	39,762.94	51,983.18	42,061.13
Total (B)	**38,293.93**	**42,707.34**	**45,075.79**	**57,082.62**	**46,638.63**
Total (A+B)	**64,270.95**	**66,597.97**	**72,506.80**	**81,993.02**	**76,409.28**

Financial assistance to Institutions	2020-21	2021-22	2022-23	2023-24	2024-25
Total GIA for creation of Capital assets	**581.30**	**620**	**481.11**	**776.83**	**806.42**
Revenue Expenditure	1,64,733	1,81,061	1,99,895	2,21,538	2,48,925
Assistance as percentage of Revenue Expenditure	39.02	36.78	36.27	37.01	30.70

Source: Finance Accounts of the respective years

In pursuance of Article 243(I) of the Constitution, the Government of Madhya Pradesh (GoMP) has constituted five State Finance Commissions (SFCs) since June 1994. While the First and Second SFCs were constituted on time, delays began with the Third SFC, which was due to be constituted on 10.12.2004 but was actually constituted on 12.07.2005. Its award period was 2006-2011; however, the implementation of its recommendations was extended unusually up to 31.03.2022.

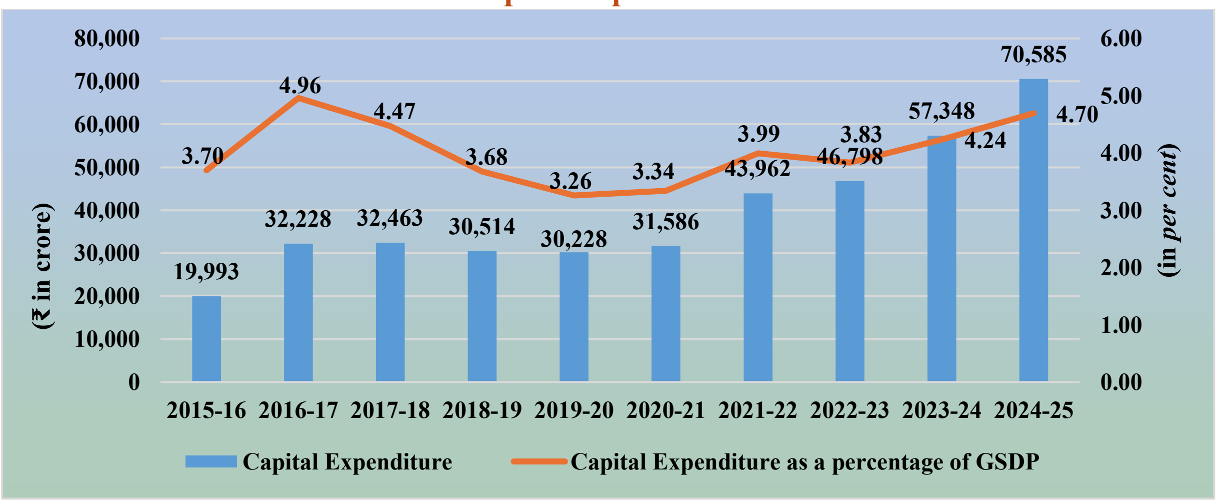
The Fourth SFC, constituted on 20.03.2017, but its recommendations were not implemented by the State Government. Instead, the Government directly adopted the recommendations of the Fifth SFC from 2022-23 wherein the devolution to PRIs and ULBs will be done in a phased manner in next four years from 2022-23 to 2025-26 at 6.25 *per cent*, 7.50 *per cent*, 8.75 *per cent* and 10 *per cent* of its divisible fund respectively.

Due to the non-implementation of the Fourth SFC and the delay in operationalising the Fifth SFC, the State devolved only five *per cent* of its divisible fund to Local Bodies until 31.03.2022. This resulted in substantially lower transfers to PRIs and ULBs during the intervening years, falling short of what SFCs had envisaged. The prolonged continuation of Third SFC recommendations beyond its award period and the ad hoc five *per cent* devolution created stagnation in fund flows and thereby, undermining Local Bodies' ability to plan and execute developmental activities.

1.2.4.2 Capital Expenditure

Capital expenditure is primarily expenditure on creation of fixed infrastructure assets, such as roads, buildings, *etc*. Capital expenditure, in both the Centre and the State, is being met with budgetary support and extra budgetary resources/off-budget borrowings. It also includes investments made by the State Government in Companies/Corporations. Trends of capital expenditure in the State over the last 10 years *i.e.* 2015-25 are given in **Chart 1.23**.

Chart 1.23: Capital Expenditure in the State



Source: Finance Accounts of the respective years

Apart from Capital expenditure of ₹70,585 crore, State government also transferred ₹1,051 crore as Grant-in-Aid for creation of capital assets to the local bodies and other institutions. Further, percentage of Capital Expenditure as compared to Debt receipts was 79 *per cent*, which indicates that the borrowings were not proportionately converted to infrastructural development.

Capital expenditure has shown a rising trend, indicating the State's conscious attempt to strengthen growth-oriented spending. Although the pace of increase has varied across years, the overall trajectory reflects alignment with the expansion of GSDP, as seen in the steady improvement in the capital expenditure-to-GSDP ratio. The share of capital expenditure in total spending is also gradually increasing, pointing towards prioritising infrastructure and asset creation rather than confining resources to revenue expenditure alone. Moreover, grants-in-aid for the creation of capital assets have been an important component, supplementing the State's own efforts and enabling a higher level of capital formation without exerting excessive pressure on its fiscal space.

A. Sector-wise Capital Expenditure

Sector-wise composition and relative share of various sectors in Capital expenditure are given in **Table 1.21** and **Chart 1.24** respectively. Detailed Sector-wise expenditure is given in ***Appendix 1.2.***

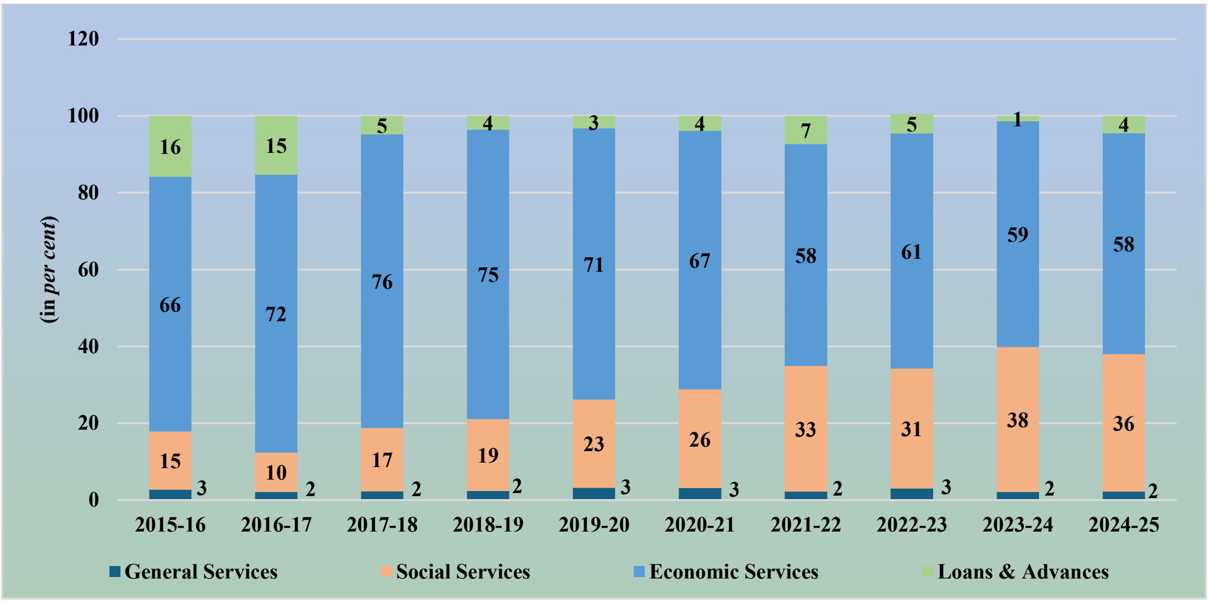
Table 1.21: Sector-wise Capital Expenditure

(₹ in crore)

Year	General Services	Social Services	Economic Services	Loans and Advances
2015-16	549	3,024	13,262	3,158
2016-17	698	3,285	23,305	4,940
2017-18	743	5,358	24,812	1,550
2018-19	723	5,719	22,982	1,090
2019-20	982	6,922	21,337	987
2020-21	974	8,132	21,250	1,230
2021-22	989	14,352	25,392	3,229
2022-23	1,165	14,632	28,641	2,360
2023-24	1,204	21,618	33,716	810
2024-25	1,547	25,277	40,617	3,144

Source: Finance Accounts of the respective years

Chart 1.24: Relative share of various sectors in Capital Expenditure

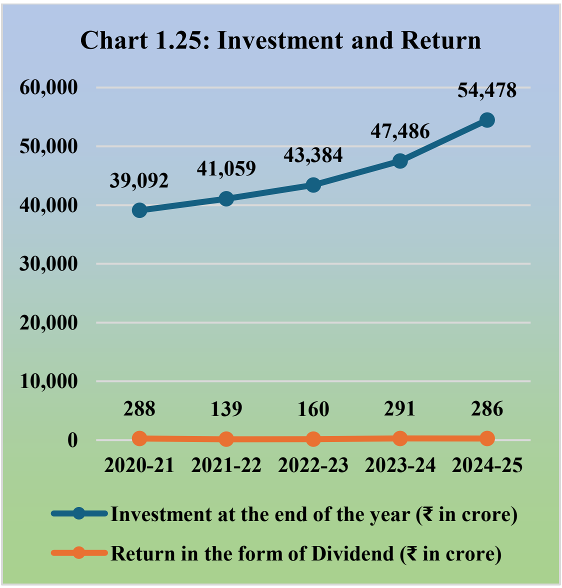


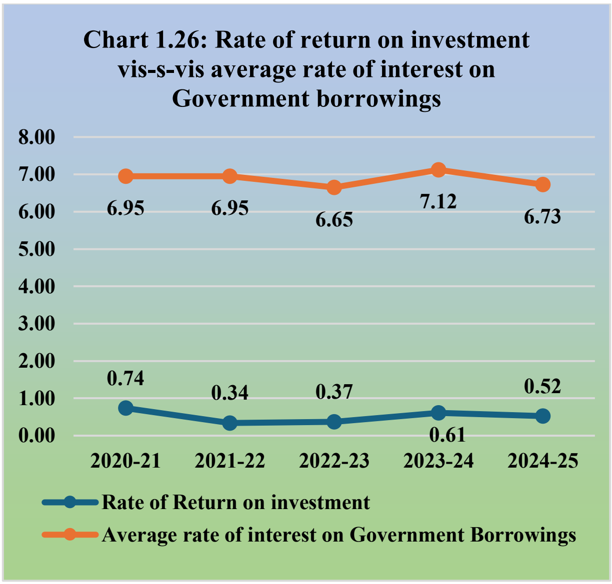
Source: Finance Accounts of the respective years

B. Quality of investments in the companies, corporations and other bodies

As of 31 March 2025, the State Government's investment in companies, corporations and other bodies stood at ₹54,478 crore, mainly comprising Government Companies (₹35,795 crore), Co-operative Societies (₹4,241 crore), Statutory Corporations (₹14,440 crore), Other Joint Stock Companies and Partnerships (₹1.31 crore).

Trends of investment at the end of the year in companies, corporations, and co-operative banks and societies, and return on this investment is depicted in **Chart 1.25**. Rate of return on investment made *vis-à-vis* average rate of interest on government borrowing is depicted in **Chart 1.26.**





Source: Finance Accounts of the respective years

During 2024-25, the return on investment was ₹286 crore (0.52 *per cent*). The return was only between 0.34 *per cent* and 0.74 *per cent* during 2020-25 while the average rate of interest paid by the State Government on its borrowings was between 6.65 *per cent* and 7.12 *per cent* during the same period. Over the past five years, the difference in cost of Government borrowings and return on investments in PSUs was to the tune of ₹14,339 crore.

It was observed that during FY 2024–25, ₹6,992 crore was invested in 11 companies, two statutory corporations and one cooperative society; however, none of these companies or statutory corporations paid any dividend during the financial year. Only two[7] companies and three[8] statutory corporation paid dividends amounting to ₹18.36 crore and ₹262.76 crore respectively in FY 2024–25, even though no fresh investment was made in these companies during the year. The return from dividends/interests was merely 0.52 *per cent* of the total investment of the State Government, which was negligible when compared to the average interest rate of 6.73 *per cent* paid by the Government on its borrowings.

C. Loans and advances by State Government

In addition to the investments in co-operative societies, corporations and companies, the State Government has also been providing loans and advances to many institutions/organisations. **Table 1.22** presents the position of outstanding loans and advances as on 31 March 2025 and interest receipts *vis-à-vis* interest payments by the State Government on its borrowings during the last 10 years.

[7] Manganese Ore (India) Ltd. and Madhya Pradesh Police Housing Corporation.

[8] Madhya Pradesh State Warehousing Corporation, Madhya Pradesh Public Health Service Corporation Ltd. and National Hydroelectrtic Development Corporation Ltd.

Table 1.22: Quantum of loans disbursed and recovered during 2015-25

(₹ in crore)

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Opening Balance of Loans outstanding (1)	**37,842**	**40,827**[9]	**44,989**[10]	**41,124**[11]	**42,144**	**42,585**[12]	**43,757**	**46,924**	**47,826**	**48,263**
Amount advanced during the year (2)	3,158	4,941	1,550	1,090	987	1,230	3,229	2,360	809	3,144
Amount recovered during the year (3)	162	772	5,070	70	46	58	62	1,458	372	4,622
Closing Balance of Loans outstanding (4)	**40,838**	**44,996**	**41,469**	**42,144**	**43,085**	**43,757**	**46,924**	**47,826**	**48,263**	**46,785**
Net addition (5) = (2-3)	**2,996**	**4,169**	**(-)3,520**	**1,020**	**941**	**1,172**	**3,167**	**902**	**437**	**(-)1,478**
Interest received (6)	139	62	97	235	130	88	1,432	4,033	1,509	2,089
Interest rate on Loans and Advances given by the Government (7)	0.34	0.14	0.23	0.56	0.30	0.20	3.05	8.43	3.13	4.47
Average rate of interest on Government borrowings[13] *(per cent)* (8)	7.82	7.28	7.61	7.77	7.50	6.95	6.95	6.65	7.12	6.73
Difference between the rate of interest received and interest paid *(per cent)* (9)	-7.48	-7.14	-7.38	-7.21	-7.20	-6.75	-3.90	1.78	-4.00	-2.26

Source: Finance Accounts of the respective years

9 Opening balance decreased by ₹10.21 crore due to proforma transfer to Chhattisgarh.
10 Opening balance decreased by ₹6.74 crore due to proforma transfer to Chhattisgarh.
11 Opening balance decreased by ₹345.35 crore due to proforma transfer to Chhattisgarh.
12 Opening balance decreased by ₹500 crore due to proforma correction.
13 The State Government received interest free loan during 2020-21 (₹1,320 crore), 2021-22 (₹1,512.36 crore), 2022-23 (₹7,360.20 crore) and 2023-24 (₹12,636.20 crore). Rates of interest have been calculated excluding the said interest free loan along with the non-interest bearing reserve funds and deposit funds.

As can be seen from the above table, except for 2022-23, the interest rate earned on loans remained substantially below the average cost of Government borrowings, leading to negative interest spreads throughout the period. This indicates that the Government is effectively subsidizing these loans, resulting in a recurring interest cost burden on the exchequer. Persistent negative interest spreads implies that the Government is incurring a net cost on lending operations, which affects fiscal sustainability. Further, irregular recovery patterns can impact cash flows and reduce availability of funds for other development priorities. Revisiting the policy for interest rate fixation on Government loans is essential to align lending rates more closely with borrowing costs and market trends.

1.3 The Contingency Fund

The Contingency Fund of the Government of Madhya Pradesh is intended to provide advances for meeting unforeseen expenditure, pending its authorisation by the State Legislature. The fund is recouped once the Legislature approves the additional expenditure. The corpus of the Fund is ₹1,000 crore.

During 2024-25, ₹12.60 crore had been withdrawn from the fund under various budgetary heads viz. 2202, 2203 and 2235. However, the total amount of ₹27.60 crore (₹15 crore of previous financial year) had been recouped by the end of the FY 2024-25. As on 31st March 2025, the Contingency Fund had a balance of ₹1,000 crore.

Timely recoupment is essential to ensure that the corpus remains intact and available for meeting unforeseen or emergent expenditure during the year. The recoupment of withdrawals made during 2024-25 was completed within the same financial year, and no shortfall was noticed.

Details of expenditure made out of the Contingency Fund are discussed in paragraph no. 2.8 of Chapter-II.

1.4 Public Account

Receipts and Disbursements in respect of certain transactions such as Small Savings, Provident Funds, Reserve Funds, Deposits, Suspense, Remittances, etc., which do not form part of the Consolidated Fund, are kept in the Public Account set up under Article 266(2) of the Constitution and are not subject to vote by the State Legislature. The balance after disbursements during the year is the fund available with the Government for use for various purposes.

1.4.1 Net Public Account Balances

The component-wise net balances in Public Account of the State are given in **Table 1.23.**

Table 1.23: Component-wise net balances in Public Account

(₹ in crore)

Sector	Sub Sector	2020-21	2021-22	2022-23	2023-24	2024-25
I. Small Savings, Provident Fund, *etc*.	National Small Savings Fund, State Provident Funds and Other Accounts	19,894.09	19,310.64	18,019.74	16,976.37	15,344.25
J. Reserve Funds	(a) Reserve Funds bearing Interest	5,684.40	7,997.82	8,963.55	13,168.37	15,972.72

Sector	Sub Sector	2020-21	2021-22	2022-23	2023-24	2024-25
	(b) Reserve Funds not bearing Interest	10,144.49	12,363.12	14,032.37	13,428.99	10,821.94
	Total	**15,828.89**	**20,360.94**	**22,995.92**	**26,597.36**	**26,794.66**
K. Deposits and Advances	(a) Deposits bearing Interest	(-)66.79	(-)94.80	204.43	288.26	151.51
	(b) Deposits not bearing Interest	20,400.20	19,276.88	21,506.83	20,256.28	26,582.84
	(c) Advances	(-)3.48	(-)3.48	(-)3.49	(-)3.50	(-)3.58
	Total	**20,329.93**	**19,178.60**	**21,707.77**	**20,541.04**	**26,730.77**
L. Suspense and Miscellaneous	(b) Suspense	(-)862.43	251.45	573.27	514.28	1,887.96
	(c) Other Accounts	(-)20,177.29	(-)16,810.90	(-)21,389.80	(-)17,846.96	(-)19,677.90
	(d) Accounts with Governments of Foreign Countries	(-)0.15	(-)0.15	(-)0.15	(-)0.15	(-)0.15
	(e) Miscellaneous	0.00	0.00	0.00	0.00	0
	Total	**(-)21,039.87**	**(-)16,559.60**	**(-)20,816.68**	**(-)17,332.83**	**(-)17,790.09**
M. Remittances	(a) Money Orders and other Remittances	3,820.37	5,499.15	6,402.02	7,198.98	4,026.54
	(b) Inter-Governmental Adjustment Account	(-)655.74	(-)717.05	(-)724.69	(-)998.29	(-)1,009.69
	Total	**3,164.63**	**4,782.10**	**5,677.33**	**6,200.69**	**3,016.85**
Grand Total		**38,177.67**	**47,072.68**	**47,584.08**	**52,982.63**	**54,096.45**

Source: Finance Accounts of respective years

Note: +ve figures denotes debit balance and -ve figures denotes credit balance

1.4.2 Reserved Funds

Reserve Funds are created for specific and defined purposes under the Public Account of the State Government. These funds are met from contributions or grants from the Consolidated Fund or from outside agencies. It comprises interest bearing reserve funds and reserve funds not bearing interest.

There were three interest bearing funds and five Reserve Funds not bearing interest as on 31 March 2025. The fund balances lying in these Reserve Funds as on 31 March 2025 are given in **Table 1.24**.

Table 1.24: Details of Major Reserve Funds

(₹ in crore)

SI. No.	Name of Reserve Funds	Balance as on 31 March 2025
A	**Reserve Funds bearing Interest**	**15,972.72**
1	State Disaster Response Fund	5,184.40
2	State Compensatory Afforestation Fund	9,783.35
3	State Disaster Mitigation Fund	1,004.97
B	**Reserve Funds not bearing Interest**	**10,821.94**
1	Famine Relief Fund	5.93
2	Depreciation/Renewal Reserve Fund	5.11
3	Revenue Reserve Funds	24.09
4	Development and Welfare Funds	10,430.08
5	General and Other Reserve Funds	356.73
	Grand Total	**26,794.66**

Source: Finance Accounts 2024-25

1.4.3 Cash Balances

As per the agreement with Reserve Bank of India (RBI), State Governments must maintain a minimum daily cash balance with the Bank. If the balance falls below this minimum, the shortfall is met through instruments like Ways and Means Advances (WMA)/Special Ways and Means Advances (SWMA)/ Special Drawing Facility (SDF)/ Overdrafts (OD), with the WMA limit revised periodically by RBI.

The State Government invests surplus cash balances, including those from earmarked reserve funds in GoI securities and Treasury Bills. Earnings from these investments are credited under '0049-Interest Receipts'.

It is undesirable for the State Government to raise market loans while holding large unutilized cash balances, as it leads to idle funds rather than productive use. Cash balance and investment details for 2023-24 and 2024-25 are provided in **Table 1.25.**

Table 1.25: Cash balances and their investment

(₹ in crore)

Particulars	Opening balance as on 1 April 2024	Closing balance as on 31 March 2025
A. General Cash Balance		
Deposits with Reserve Bank of India	(-)508.49	(-)400.38
Investments held in Cash Balance Investment account	**18,071.06**	**19,974.64**
Total (A)	**17,562.57**	**19,574.26**
B. Other cash balances and Investments		
Departmental balances	(-)3.38	(-)3.52
Permanent advances with departmental officers for contingent expenditure	0.84	0.84
Investment out of earmarked funds	973.76	1,088.29
Total (B)	**971.22**	**1,085.61**
Grand Total (A+B)	**18,533.79**	**20,659.87**
Interest realised	**168.49**	**209.27**

Source: Finance Accounts of respective years

Details of Cash Balance Investment Account during the last 10 years is given in **Table 1.26**.

Table 1.26: Cash Balance Investment Account (Major Head-8673)

(₹ in crore)

Year	Opening Balance	Closing Balance	Increase (+)/ decrease(-)	Interest earned
2015-16	4,791.31	9,485.24	4,693.93	250.71
2016-17	9,485.24	10,628.22	1,143.64	426.89
2017-18	10,628.22	7,412.19	(-)3,216.03	491.39
2018-19	7,412.19	8,638.46	956.27	146.45
2019-20	8,638.46	11,270.17	2,631.71	145.29
2020-21	11,270.17	20,788.72	9,518.55	144.73
2021-22	20,788.72	17,441.88	(-)3,346.84	196.99
2022-23	17,441.88	23,149.64	5,707.76	166.17
2023-24	23,149.64	18,071.06	(-)5,078.58	168.49
2024-25	18,071.06	19,974.64	1,903.58	209.27

Source: Finance Accounts of respective years

The State Government is required to maintain a minimum cash balance of ₹1.96 crore with the Reserve Bank of India (RBI) on all working days, in accordance with the agreement between the State Government and the RBI. During the 10-year period 2015-16 to 2024-25, the closing cash balance (including investments in the Cash Balance Investment Account) remained significantly higher than the prescribed minimum. There was no instance during 2020-25 where the State Government had to resort to Ways and Means Advances (WMA), Special Ways and Means Advances (SWMA), Special Drawing Facility (SDF) or Overdrafts (OD) to maintain its minimum cash balance. Further, the Investment out of earmarked funds increased from ₹973.76 crore at the beginning of the year to ₹1,088.29 crore at the end of the year and no diversion of earmarked funds was observed during the year.

1.5 Fiscal Sustainability

Fiscal Sustainability is the ability of a government to manage its revenue and expenditure in a manner that ensures it can meet its current and future obligations such as public services, infrastructure, and debt repayments without excessive borrowing or accumulating unsustainable debt. It implies maintaining a stable balance between revenue generation and expenditure over the long term. **Chart 1.27** and **Chart 1.28** show receipts and expenditure of the State as a percentage of GSDP, during FY 2020-25 respectively.

Chart 1.27: Receipts of the State as a percentage of GSDP

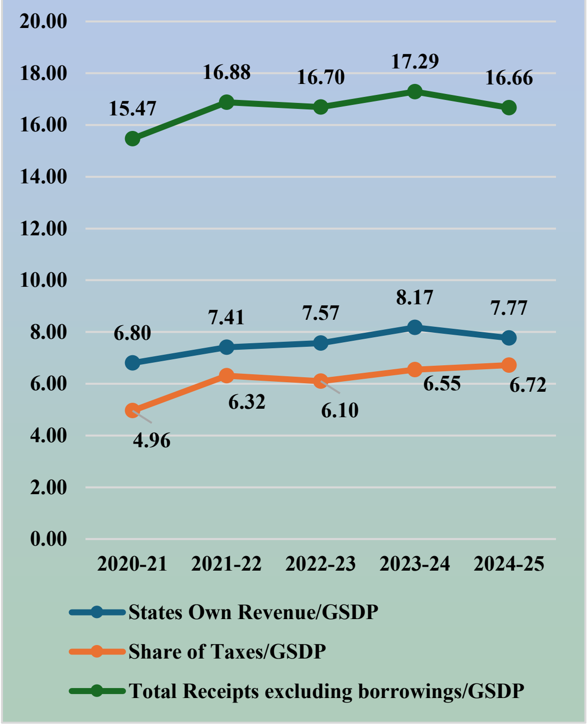
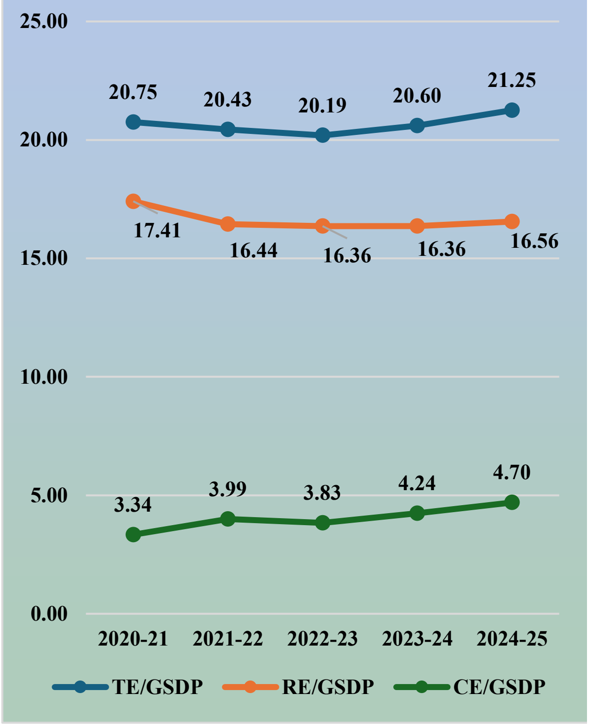


Chart 1.28: Expenditure of the State as a percentage of GSDP

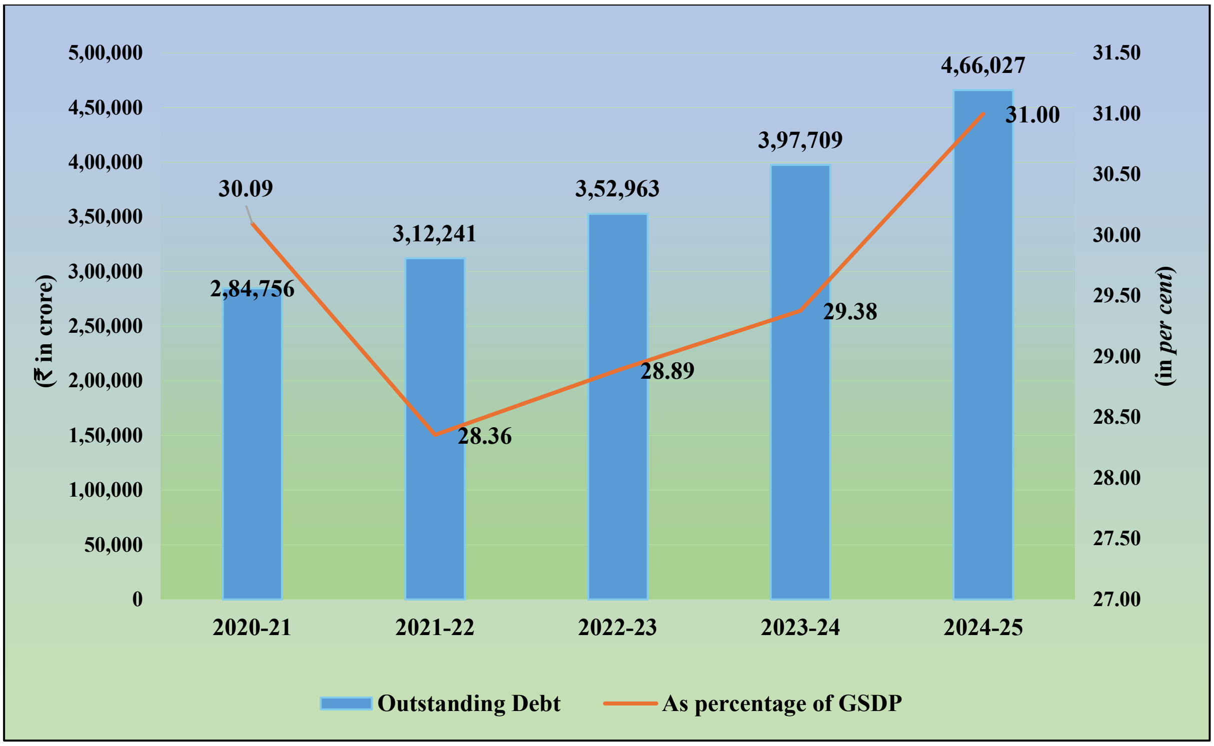


Source: Finance Accounts of respective years

1.5.1 Public Liability Management

Outstanding liability of the State along with its percentage to GSDP for the years 2020-21 to 2024-25 is depicted in **Chart 1.29.**

Chart 1.29: Outstanding Public Liability and its percentage to GSDP



Source: Finance Accounts of respective years

1.5.1.1 Liability Profile:

Total liabilities of the State Government typically constitute Internal Debt of the State (market loans, ways and means advances from RBI, special securities issued to National Small Savings Fund, loans from financial institutions, *etc.*), loans and advances from the Central Government, and Public Account Liabilities. The component-wise liability trends of the State for the period of 10 years beginning from 2015-16 are presented in **Table 1.27**.

Table 1.27: Component-wise liability trends

(₹ in crore)

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Outstanding Total Liability[14]	**1,27,144**	**1,55,800**	**1,72,363**	**1,94,309**	**2,30,572**	**2,89,298**	**3,23,794**	**3,64,516**	**4,09,262**	**4,69,003**
Public Debt	**97,386**	**1,22,308**	**1,38,424**	**1,57,398**	**1,80,829**	**2,33,242**	**2,64,364**	**3,01,226**	**3,44,770**	**3,99,562**
Internal Debt	83,718	1,08,391	1,23,683	1,40,009	1,59,793	2,02,719	2,23,013	2,51,428	2,82,516	3,33,216
Loans from GoI	13,668	13,917	14,741	17,389	21,036	30,523	41,351	49,798	62,254	66,345
Public Account Liabilities	**29,758**	**33,492**	**33,939**	**36,911**	**49,743**	**56,056**	**58,854**	**62,726**	**64,118**	**68,874**
Small Savings Provident Funds etc.	13,682	14,493	14,331	16,577	19,033	19,894	19,311	18,020	16,976	15,344
Reserve Funds bearing interest	770	770	102	75	5,200	5,684	7,998	8,964	13,168	15,973
Reserve Funds not bearing interest	6,959	6,447	5,409	5,999	6,700	10,144	12,363	14,032	13,429	10,822
Deposits bearing interest	32.46	2.93	(-)16.63	(-)31.54	(-)44.45	(-)67	(-)95	204	288	152
Deposits not bearing interest	8,313	11,778	14,113	14,292	18,854	20,400	19,277	21,507	20,256	26,583
Off Budget borrowing	**-**	**-**	**-**	**-**	**-**	**-**	**576**	**564**	**374**	**568**
Rate of growth of Outstanding total liability (*per cent*)	16.98	22.54	10.63	12.73	18.66	25.47	11.92	12.58	12.28	14.60
Gross State Domestic Product (GSDP)	5,41,068	6,49,823	7,26,284	8,29,805	9,27,855	9,46,218	11,01,168	12,21,813	13,53,809	15,03,395
Outstanding Total Liability/GSDP (*per cent*)	23.50	23.98	23.73	23.42	24.85	30.09	28.36	28.89	29.38	31.00
Borrowings and Other Liabilities										
Total Receipts	49,524	64,106	52,579	71,063	85,613	1,37,196	88,536	1,19,552	1,24,741	1,91,974
Total Repayments	31,067	35,448	34,506	49,087	49,351	78,470	54,616	78,818	79,805	1,23,851
Net fund available	18,457	28,658	18,073	21,976	36,262	58,726	33,920	40,734	44,936	68,123
Repayments/Receipts (*per cent*)	62.73	55.30	65.63	69.08	57.64	57.20	61.69	65.93	63.98	64.51

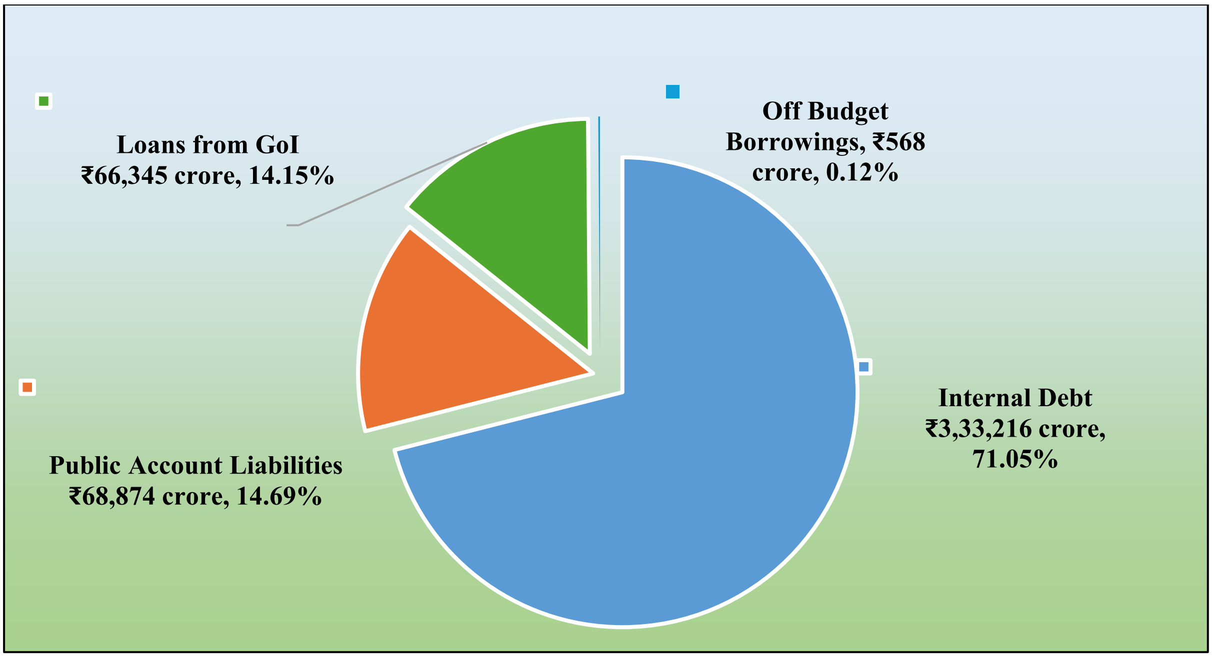
Source: Finance Accounts of respective years

Note: As per the NTFA, the cumulative Off-budget borrowing up to 2024-25 was ₹3,668 crore.

[14] Outstanding Total Liability includes back-to-back loans received from GoI in lieu of short fall in GST compensation.

Break-up of outstanding total liabilities at the end of 2024-25 is shown in **Chart 1.30**.

Chart 1.30: Break-up of Outstanding Total Liability at the end of FY 2024-25

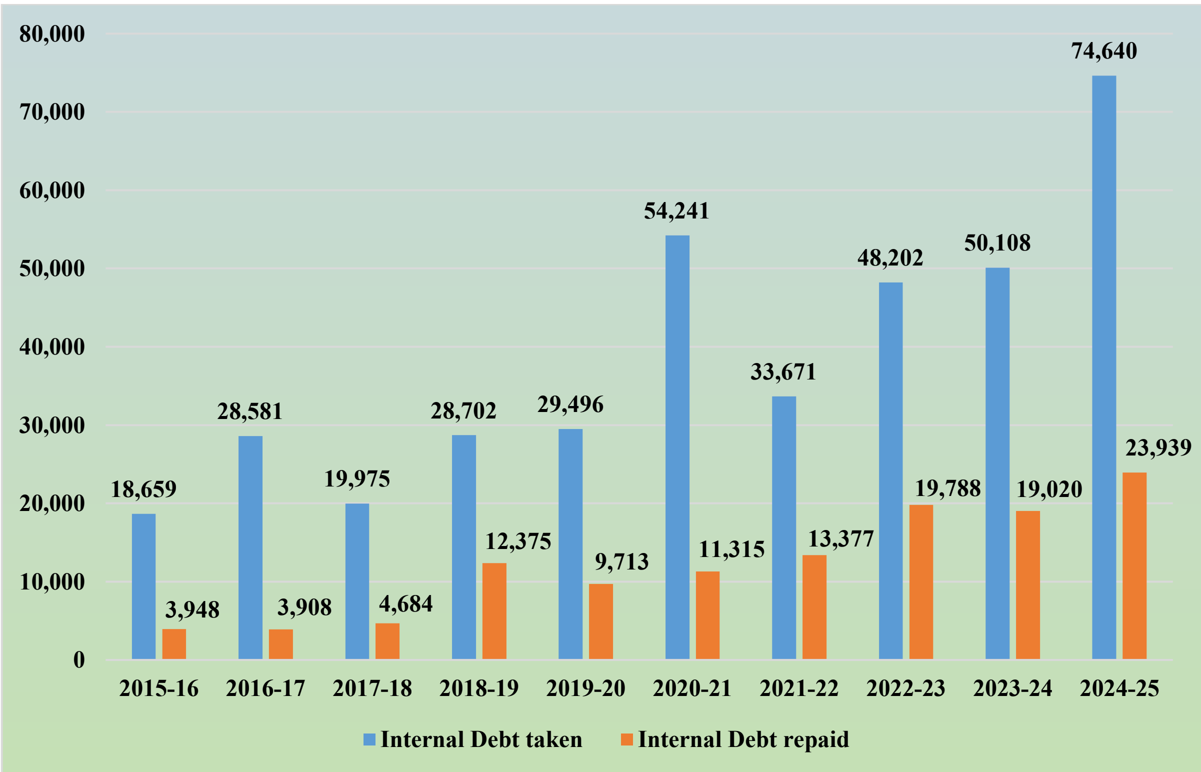


Source: Finance Accounts 2024-25

Chart 1.31 depicts the quantum of internal debt taken *vis-à-vis* repaid during the period of 10 years i.e. 2015-25.

Chart 1.31: Internal debt taken vis-à-vis repaid

(₹ in crore)



Source: Finance Accounts of the respective years

Internal debt of the State Government increased by ₹2,49,498 crore (298 *per cent*) from ₹83,718 crore in 2015-16 to ₹3,33,216 crore in 2024-25. An amount of ₹21,466 crore was paid towards interest on internal debt during 2024-25.

The State's Outstanding Total Liability has exhibited a consistently increasing trend during the last 10-year period i.e. 2015-16 to 2024-25, with the growth rate increasing from 12.28 *per cent* in 2023-24 to 14.60 *per cent* in 2024-25. This sharper increase in 2024-25 was primarily driven by higher Public Debt, particularly Internal Debt, which grew substantially during the year. The ratio of Outstanding Liability to GSDP has been continuously increasing since 2015-16 reflecting a higher reliance on borrowings relative to the growth in GSDP.

1.5.1.2 Utilisation of borrowed funds

Borrowed funds should ideally be used to fund capital creation and developmental activities. Using borrowed funds for meeting current consumption and repayment of interest on outstanding loans is not a healthy trend. **Table 1.28** and **Chart 1.32** depicts the utilisation and trends of borrowed funds during 2015-25 respectively.

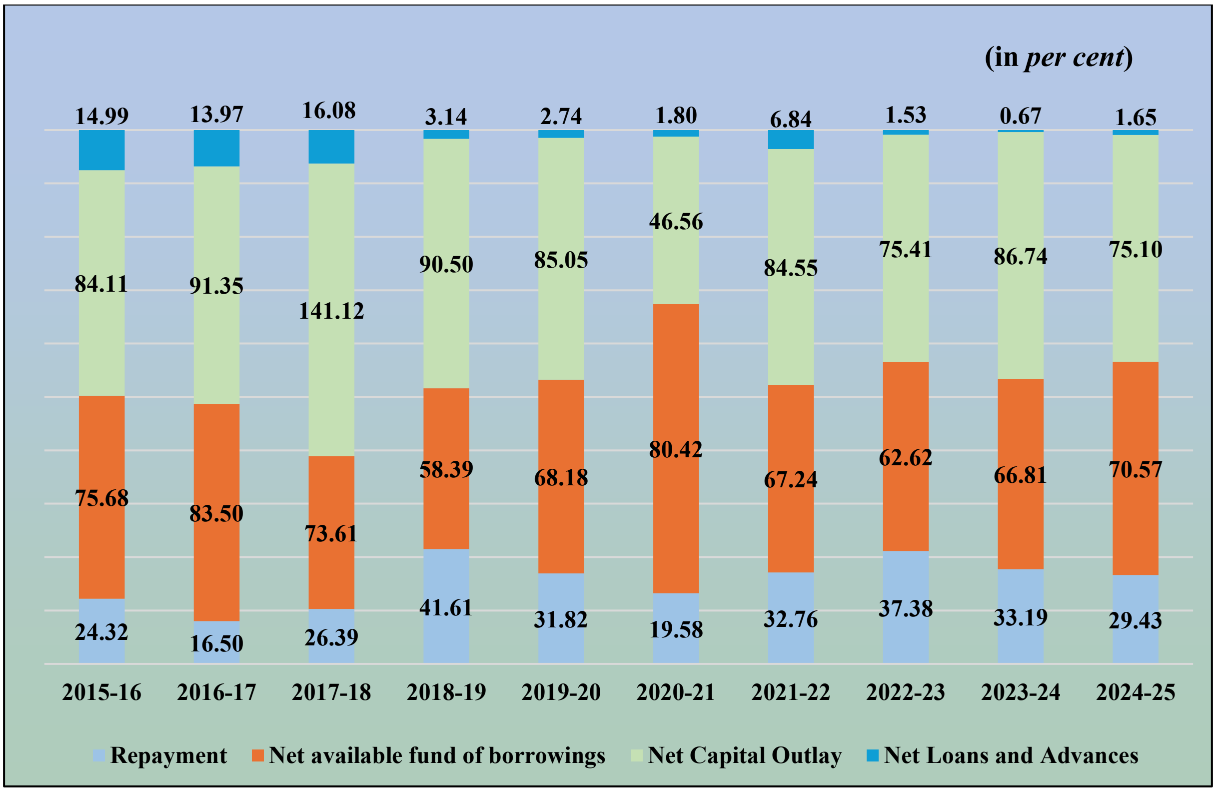
Table 1.28: Utilisation of borrowed funds

(₹ in crore)

Year	Total Borrowings	Repayment of earlier borrowings i.e., Principal (percentage)	Net available fund of borrowings	Net Capital Outlay	Net Loans and Advances	Portion of Revenue Expenditure met out of net available borrowings
2015-16	19,985.30	4,860.36 (24.32)	15,124.94	16,809.00	2,995.59	NIL
2016-17	29,847.41	4,925.41 (16.50)	24,922.00	27,264.12	4,168.22	NIL
2017-18	21,892.17	5,776.38 (26.39)	16,115.79	30,893.87	(-)3,519.33	NIL
2018-19	32,497.42	13,523.72 (41.61)	18,973.70	29,411.17	1,019.78	NIL
2019-20	34,364.41	10,933.62 (31.82)	23,430.79	29,227.82	941.3	NIL
2020-21	65,170.50	12,757.30 (19.58)	52,413.20	30,341.31	1,172.00	20,899.89
2021-22	46,284.98	15,162.44 (32.76)	31,122.54	39,135.41	3,166.52	NIL
2022-23	58,867.32	22,006.24 (37.38)	36,861.08	44,391.60	902.05	NIL
2023-24	65,180.02	21,635.72 (33.19)	43,544.30	56,534.81	437.72	NIL
2024-25	89,797.05	26,428.21 (29.43)	63,368.84	67,439.17	1,478.17	NIL

Source: Finance Accounts of the respective years

Chart 1.32: Trends of utilisation of borrowed funds



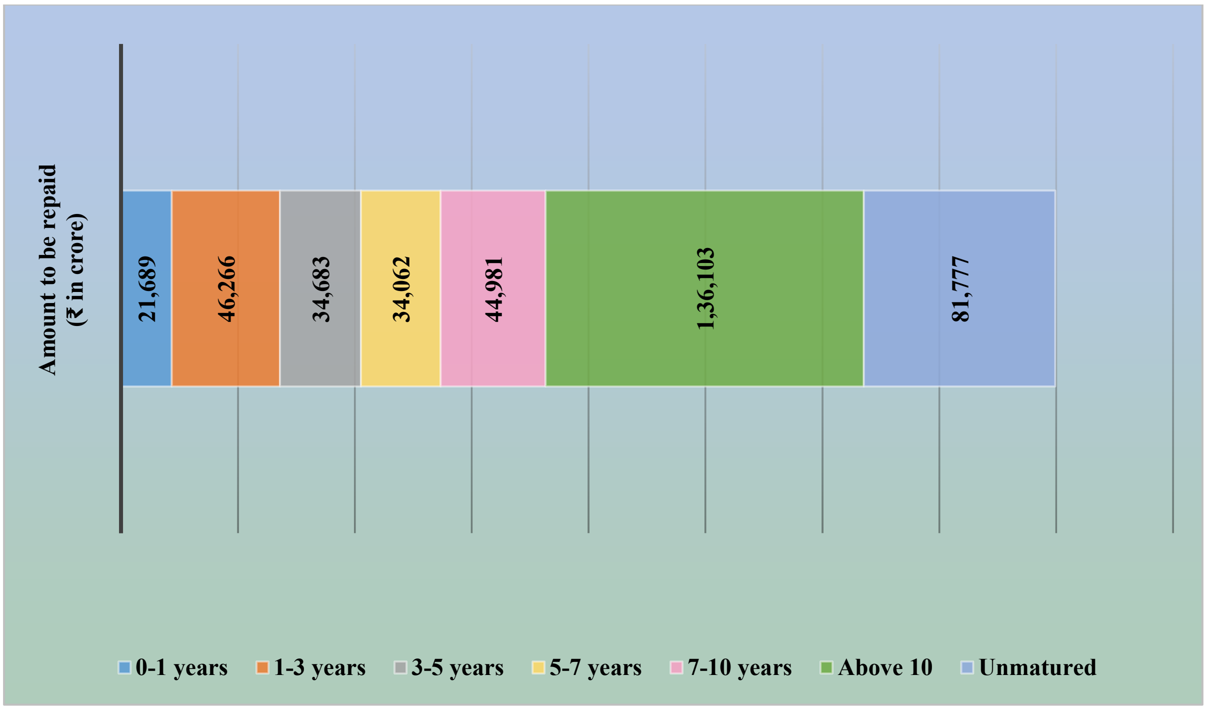
Source: Finance Accounts of the respective years

It can be seen from the above Table/Chart that the State Government expended 29.43 *per cent* of its total borrowings towards servicing past debt/liabilities during 2024-25 (average expenditure of 29.30 *per cent* during the last 10 years), thereby leaving less funds available for incurring Capital Outlay out of the borrowed funds. The percentage of net available fund of borrowings after repaying the debt ranged between 58.39 *per cent* and 83.50 *per cent* during the period from 2015-16 to 2024-25, leaving limited funds for development activities. The use of borrowings for revenue expenditure was observed only in 2020-21. Heavy reliance on borrowings for debt servicing increases vulnerability to interest burden.

1.5.1.3 Debt profile: Maturity and Repayment

Debt maturity and repayment profile indicates commitment on the part of the Government for debt repayment or debt servicing. Debt maturity profile of the State is depicted in **Chart 1.33**.

Chart 1.33: Maturity Profile of Public Debt



Source: Finance Accounts for the year 2024-25

The State's maturity profile reveals a significant concentration of liabilities in the short to medium term (0–7 years), with repayment obligations amounting to ₹1,36,700 crore. This debt bunching pattern shows higher rollover and refinancing risks, as a large amount of liabilities will come up for repayment or refinancing in a short period. This can put pressure on the State's liquidity, especially if market conditions become tighter or borrowing costs increase.

1.5.1.4 Financing pattern of fiscal deficit

Table 1.29 depicts financing pattern of the fiscal deficit during 2015-25.

Table 1.29: Components of Fiscal Deficit and its financing pattern

(₹ in crore)

	Particulars	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Fiscal Deficit (-)/Surplus (+) (FD/GSDP)		**(-)14,065 (2.60)**	**(-)27,664 (4.26)**	**(-)22,745 (3.12)**	**(-)23,688 (2.93)**	**(-)32,970 (3.64)**	**(-)49,870 (5.27)**	**(-)37,487 (3.43)**	**(-)41,202 (3.31)**	**(-)44,485 (3.26)**	**(-)64387.72 (4.28)**
Composition of Fiscal Deficit/Surplus											
1	Revenue Deficit (-) /Surplus(+)	5,740	3,770	4,629	6,744	(-)2,801	(-)18,356	4,815	4,091	12,487.78	1,572.99
2	Net Capital Outlay	(-)16,809	(-)27,265	(-)30,894	(-)29,411	(-)29,228	(-)30,342	(-)39,135	(-)44,392	(-)56,534.81	(-)67,439.17
3	Net Loans and Advances	(-)2,996	(-)4,169	3,520	(-)1,021	(-)941	(-)1,172	(-)3,167	(-)902	(-)437.72	1,478.17
Financing Pattern of Fiscal Deficit											
1	Market Borrowings	12,991	14,551	13,125	15,001	16,550	38,773	13,900	27,585	27,000	47,941.91
2	Loans from GoI	414	249	824	2,647	3,647	9,487	10,829	8,447	12,456	12,667.88
3	Special Securities issued to NSSF	922	1,266	1,348	1,086	2,970	3,582	4,129	1,360	3,257	1,926.86
4	Loans from Financial Institutions	798	1,590	913	334	310	572	2,265	205	1,567	1,568.19
5	Reserve Funds	1,733	(-)498	(-)1,038	590	5,827	3,929	4,532	2,635	3,602	311.83
6	Small Savings, PF, *etc.*	1,025	813	680	2,249	2,456	860	(-)583	(-)1,291	(-)1,043	(-)1,632.12
7	Deposits and Advances	574	3,436	2,316	164	4,550	1,524	(-)1,151	2,529	(-)1,167	6,189.72
8	Suspense and Miscellaneous	1,457	(-)842	110	(-)677	(-)1,552	640	1,128	1,448	(-)1,596	1,444.37
9	Remittances	(-)352	(-)72	704	642	(-)69	1,003	1,617	895	523	(-)3183.84
10	Others[15]	0	7,266	(-)94	(-)94	(-)47	0	0	(-)755	(-)732	(-)721.00
11	Increase (+)/Decrease (-) in cash	(-)5,497	(-)95	3,857	1,746	(-)1,672	(-)10,500	822	(-)1,856	618	(-)2,126.08
12	Gross Fiscal Deficit	**14,065**	**27,664**	**22,745**	**23,688**	**32,970**	**49,870**	**37,487**	**41,202**	**44,485**	**64,387.72**

Source: Finance Accounts of respective years

[15] Transactions under the Contingency Fund and Investment and Bonds.

1.5.2 Post Audit Deficit Indicators

As per Finance Accounts of the State for the financial year 2024-25 the Revenue Surplus of the State was ₹1,572.99 crore (0.10 *per cent* of GSDP), Fiscal deficit was ₹64,387.72 crore (4.28 *per cent* of GSDP) whereas Primary deficit was ₹38,500 crore (2.56 *per cent* of GSDP). However, Audit found that, during 2024-25, the State Government misclassified ₹2,004.48 crore of Revenue nature as capital expenditure (Details discussed in paragraph no 2.5.6 of Chapter-II). This resulted in overstatement of Capital expenditure and Revenue Surplus by ₹2,004.48 crore, due to which Revenue surplus turned into Revenue deficit and worked out to ₹431.49 crore (0.03 *per cent* of the GSDP) after Audit.

1.5.3 Fiscal Balance: Achievement of deficit and total debt targets

As per the MPFRBM Act 2005 and its amendments aligned with the 15th Finance Commission, State aims to:

- eliminate revenue deficit and maintain the fiscal deficit within the ceiling of three *per cent* of GSDP, with an additional 0.50 *per cent* permitted on fulfilling reform milestones.
- The outstanding debt-to-GSDP ratio is to be contained below 32.32 *per cent*.
- Interest payments are capped at 10 *per cent* of revenue receipts, and
- Salary expenditure capped at 22 *per cent* of the State's Own Revenue Receipts.
- Madhya Pradesh also follows a Medium-Term Fiscal Plan (MTFP) and is required to disclose off-budget borrowings.

Achievements, *vis-à-vis* the fiscal targets, prescribed in the State FRBM Act for the FYs 2015-16 to 2024-25, post Audit are detailed in **Table 1.30** and trend analysis of deficits post audit is shown in **Chart 1.34**.

Table 1.30: Compliance with provisions of MPFRBM Act

Fiscal Parameters		Fiscal targets set in the Act	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
			Achievment vis-a-vis targets									
Revenue Deficit (-)/ Surplus (+) (₹ in crore)	T	Revenue Surplus	5,740	7,781[16]	4,629	6,744	(-)2,801	(-)18,356	4,815	4,091	12,488	1,573
	A		✓	✓	✓	✓	✗	✗	✓	✓	✓	✓
Fiscal Deficit* (-)/ Surplus (+) (as percentage of GSDP)	T		2.60 (Not exceeding 3.50 % of GSDP)	3.12 (Not exceeding 3.50 % of GSDP)	3.14 (Not exceeding 3.50 % of GSDP)	2.93 (Not exceeding 3.24 % of GSDP)	3.64 (Not exceeding 3.34 % of GSDP)	5.19 (Not exceeding 4.99% of GSDP)	3.30 (Not exceeding 4.50% of GSDP)	3.11 (Not exceeding 4.56% of GSDP)	3.26 (Not exceeding 4.02% of GSDP)	4.28 (Not exceeding 4.12% of GSDP)
	A		✓	✓	✓	✓	✗	✗	✓	✓	✓	✗
Ratio of total Outstanding liability to GSDP (in per cent)	T		23.49 (Not exceeding 25 % of GSDP)	23.98 (Not exceeding 25 % of GSDP)	23.78 (Not exceeding 25 % of GSDP)	24.01 (Not exceeding 26.34 % of GSDP)	25.43 (Not exceeding 24.43 % of GSDP)	29.61[17] (Not exceeding 28.83% of GSDP)	27.48[18] (Not exceeding 28.52% of GSDP)	26.68[19] (Not exceeding 33.31% of GSDP)	29.17[20] (Not exceeding 30.42% of GSDP)	30.99[21] (Not exceeding 32.32% of GSDP)
	A		✓	✓	✓	✓	✗	✗	✓	✓	✓	✓

Source: Finance Accounts of respective years

*** Includes additional borrowings of 0.50 *per cent* of GSDP allowed for reforms undertaken in energy sector.**

16 Excludes impact of UDAY, on including impact of UDAY, Revenue Surplus would be ₹3,770 crore.

17 Debt to GSDP percentage has been calculated on total debt of ₹2,84,756 crore excluding back-to-back loan of ₹4,542 crore in lieu of GST compensation shortfall from the total outstanding debt of ₹2,89,298 crore.

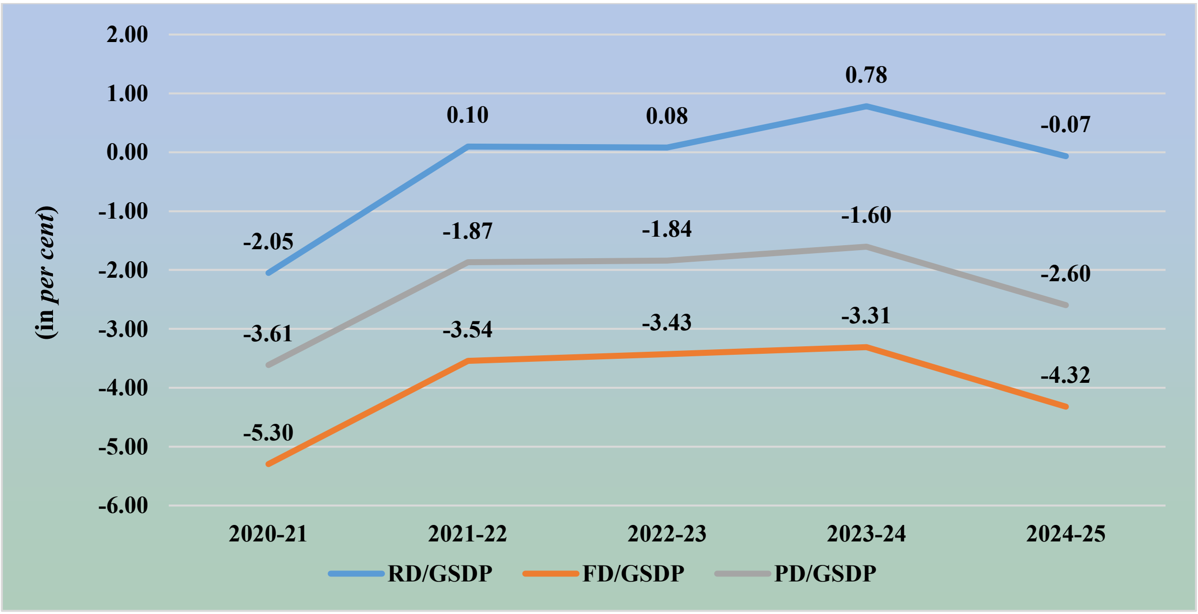
18 Debt to GSDP percentage has been calculated on total debt of ₹3,12,241 crore excluding back-to-back loan of ₹11,553 crore in lieu of GST compensation shortfall from the total outstanding debt of ₹3,23,218 crore and including Off Budget borrowing ₹576 crore.

19 Debt to GSDP percentage has been calculated on total debt of ₹3,52,963 crore excluding back-to-back loan of ₹11,553 crore in lieu of GST compensation shortfall from the total outstanding debt of ₹3,63,952 crore and including Off Budget borrowing ₹564 crore.

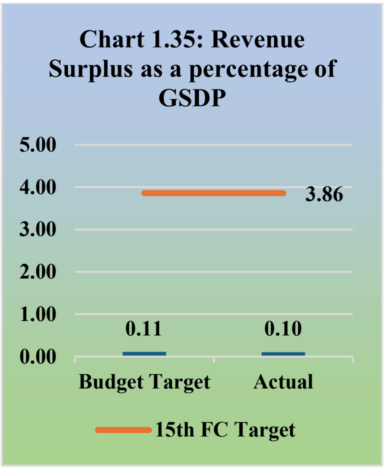
20 Debt to GSDP percentage has been calculated on total debt of ₹3,97,709 crore excluding back-to-back loan of ₹11,553 crore in lieu of GST compensation shortfall from the total outstanding debt of ₹4,08,888 crore and including Off Budget borrowing ₹374 crore.

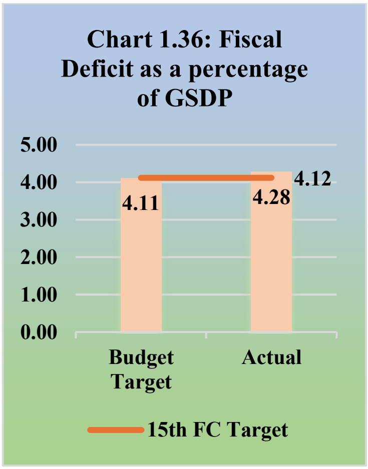
21 Debt to GSDP percentage has been calculated on total debt of ₹4,66,027 crore excluding back-to-back loan of ₹2,976 crore in lieu of GST compensation shortfall from the total outstanding debt of ₹4,69,003 crore and including Off Budget borrowing ₹568 crore.

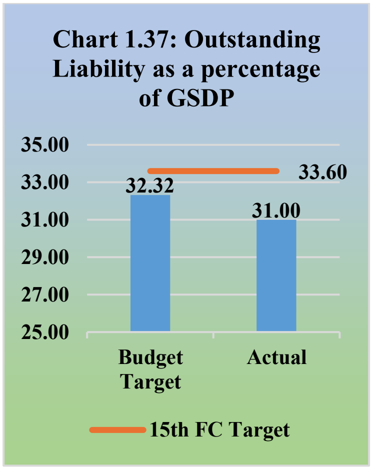
Chart 1.34: Trends analysis of deficits post audit



The targets set by 15th FC and those projected in the State budget *vis-à-vis* achievements in respect of major fiscal aggregates with reference to GSDP during 2024-25 are given in **Chart 1.35**, **Chart 1.36** and **Chart 1.37**.







Source: Finance Accounts of respective years

Except for the years 2019-20 and 2020-21, the State achieved revenue surplus and keep the fiscal deficit well within the prescribed limits. However, in 2024–25, the fiscal deficit rose marginally above the target (4.28 *per cent* against 4.12 *per cent*), indicating renewed fiscal pressures. One of the key reasons for this slippage was a sharp rise in subsidies, which doubled from the previous year, increasing by ₹23,320 crore (114 *per cent*). Further, in 2024-25, the Government was unable to contain the revenue surplus-GSDP ratio and fiscal deficit-GSDP ratio within the levels fixed by 15th FC and those projected in the budget estimates. Further, outstanding debt-GSDP ratios remained within the levels fixed by 15th FC and the Budget target.

1.5.4 Debt Sustainability Analysis

Debt sustainability refers to the ability of the State to service its debt obligation now and in future. Analysis of variations in debt sustainability indicators is given in **Table 1.31.**

Table 1.31: Trends in Debt Sustainability Indicators

(₹ in crore)

Sl. No.	Debt Sustainability indicators	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
1	Overall Liabilities or Overall debt[22]	1,27,144	1,55,800	1,72,363	1,94,309	2,30,572	2,84,756	3,12,241	3,52,963	3,97,709	4,66,027
1a	Non-Interest Bearing Debt (Reserve funds and deposits)	15,273	18,225	19,522	20,290	25,554	31,865	34,472	45,732	56,514	37,405
1b	Overall Liability or Overall Debt (excluding Non-Interest Bearing Debt`)	1,11,871	1,37,575	1,52,841	1,74,019	2,05,018	2,52,891	2,77,769	3,07,231	3,41,195	4,28,622
2	Rate of Growth of Overall Debt (*per cent*)	17.66	22.98	11.10	13.86	17.81	23.50	9.65	13.04	12.68	17.18
3	GSDP (in nominal terms)	5,41,068	6,49,823	7,26,284	8,29,805	9,27,855	9,46,218	11,01,168	12,21,813	13,53,809	15,03,395
4	Nominal GSDP growth (*per cent*)	12.74	20.10	11.77	14.25	11.82	1.98	16.38	10.96	10.80	11.05
5	Overall Debt/GSDP (*per cent*)	23.50	23.98	23.78	24.00	25.43	30.08	28.57	28.32	29.17	31.00
6	Repayment to Gross Borrowings (*per cent*)	24.4	22.8	20.0	25.30	21.40	27.56	17.50	22.33	20.07	26.58
7	Net borrowings available as a percentage of Gross Borrowings	75.6	77.2	80.0	74.70	78.6	72.40	82.51	77.67	79.93	73.42
8	Interest payments on Overall Debt	8,091	9,079	11,045	12,696	14,217	15,918	18,446	19,453	23,098	25,888
9	Effective rate of interest on Overall Debt[23] (*per cent*)	7.82	7.28	7.61	7.77	7.50	6.95	6.95	6.65	7.12	6.73
10	Interest payment to Revenue Receipts (*per cent*)	7.67	7.36	8.19	8.53	9.63	10.87	9.92	9.54	9.87	10.33
11	Revenue Deficit/Surplus	5,740	7,781	4,629	6,744	-2,801	-18,356	4,815	4,091	12,488	1,573
12	Primary Revenue Balance (PRB)	13,831	12,849	15,675	19,439	11,415	-2,438	23,261	23,544	35,586	27,461
13	Primary Balance (PB)	-19,573	-13,666	-12,643	-20,274	-18,753	-33,952	-19,041	-21,749	-21,387	-38,500
14	PB/GSDP (*per cent*)	-3.62	-2.10	-1.74	-2.44	-2.02	-3.59	-1.73	-1.78	-1.58	-2.56

22 Includes public debt and other liabilities, Off Budget Borrowings but excludes back-to-back loan of ₹4,542 crore in 2020-21 and ₹7,011.17 crore in 2021-22, ₹11,553 crore in 2022-23 and 2023-24 and ₹2,976 crore in 2024-25 which was provided by GoI to the State in lieu of GST compensation.

23 Effective rate of interest on Overall Debt has been calculated adjusting the Reserve Funds, Deposits not bearing interest and 50 years' interest free Central assistance to State for Capital Expenditure. Effective Rate of Interest = Interest Payment/Average of Opening and Closing Stock of Debt (excluding non- interest bearing liabilities)*100.

Sl. No.	Debt Sustainability indicators	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
15	Difference between RoI[24] and effective rate of interest on Overall Debt	-6.79	-6.83	-6.93	-6.31	-6.82	-6.61	-2.97	2.20	-4.21	-3.24
16	Liquidity Management (use of financial accommodation instruments available with RBI) (in number of occasions)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
17	Debt Stabilisation (Quantum spread[25] + Primary balance)	-14,072	3,972	-6,285	-8,989	-9,908	-46,529	7,135	-8,521	-8,835	-19,968
18	**Domar gap**										
a	GSDP (in constant terms)	4,18,736	4,70,669	4,97,102	5,43,272	5,67,525	5,40,604	5,93,665	6,28,256	6,71,636	7,12,260
b	GSDP Growth (in constant terms)	9.06	12.40	5.62	9.29	4.46	-4.74	9.82	5.83	6.90	6.05
c	Inflation based on CPI (*per cent*)	4.36	3.53	2.73	3.50	5.47	6.83	6.45	7.46	4.36	4.73
d	Effective Rate of interest	7.82	7.28	7.61	7.77	7.50	6.95	6.95	6.65	7.12	6.73
e	Real effective rate of interest (Effective rate of interest- Inflation)	3.46	3.75	4.88	4.27	2.03	0.12	0.50	-0.81	2.76	2.00
f	Growth Interest Differential (Real growth-Real effective rate of interest)	5.60	8.65	0.74	5.02	2.43	-4.87	9.31	6.64	4.14	4.05
g	Primary Balance (PB)	-19,573	-13,666	-12,643	-20,274	-18,753	-33,952	-19,041	-21,749	-21,387	-38,500

Source: Finance Accounts of the respective years and Directorate of Economics and Statistics, Madhya Pradesh

*****Interest paid/(OB of Public Debt + CB of Public Debt/2) (in per cent)***

 # Net debt available to the State Government is calculated as excess of Public debt receipts over Public debt repayment and interest payment on Public debt.

24 Return on Investment (RoI) as measured by effective rate of interest receipts.
RoI = Interest Receipts/Average of Opening & Closing Stock of Loans and Advances Disbursed *100

25 Quantum Spread = Interest Spread x Debt (excluding non- interest bearing liabilities)

The debt sustainability analysis may be summarised as follows:

- Debt is growing faster than the economy in the last three years. This is an early signal that debt sustainability may turn adverse unless growth re-accelerates or borrowing moderates.
- The Overall Debt to GSDP ratio has been continuously increasing over the years. This upward movement indicates a moderate increase in the debt burden relative to the size of the economy. Sustained increase in this ratio, if not accompanied by higher revenue generation or economic growth, could affect debt sustainability.
- Repayments are continued to be met from fresh borrowings and net borrowing availability remained around 70 *per cent* in 2024–25 to be available for supporting capital expenditure and developmental programmes.
- Primary balances remain in deficit and have worsened in 2024-25 showing that the State continues to borrow even to meet interest payments. Unless the primary deficit is reduced significantly, debt levels will keep rising whenever economic growth slows or borrowing costs increase.
- Sustainability is still defensible but losing buffer. The State needs a credible plan to shrink the primary deficit, smooth/refinance maturities, and lift medium-term growth.

1.5.5 Status of Guarantees – Contingent Liabilities

Guarantees are contingent liabilities on the Consolidated Fund in case of borrower defaults. The State extends guarantees for loans raised by entities like statutory corporations, boards, local bodies, and co-operative institutions. As per the Madhya Pradesh FRBM Act 2005, outstanding guarantees must not exceed 80 *per cent* of the previous year's revenue receipts. Details of the guarantees and status of outstanding guarantees to total receipts for the last 10 years are given in **Table 1.32**.

Table 1.32: Guarantees given by the State Government

(₹ in crore)

Year	Ceiling applicable to the outstanding amount of guarantees, including interest (Criteria)	Outstanding amount of guarantees including interest	Outstanding amount of guarantees at the end of the year
2015-16	70,913	35,621	27,530
2016-17	84,409	42,476	33,397
2017-18	98,646	25,048	14,003
2018-19	1,07,900	43,459	30,763
2019-20	1,19,114	45,147	30,930
2020-21	1,18,115	52,928	37,010
2021-22	1,17,101	53,452	35,006
2022-23	1,48,701	59,241	39,788
2023-24	1,63,189	68,649	45,551
2024-25	1,87,221	71,195	45,307

Source: Finance Accounts of the respective years

The outstanding guarantees for ₹45,307 crore as on 31 March 2025 were in respect of Food Civil Supplies and Consumer protection (₹26,763 crore); Power (₹9,007 crore); Co-operatives

(₹4,438 crore); Urban Development & Housing (₹2,994 crore); Finance (₹48 crore); and Others (₹134.83 crore).

Out of the outstanding guarantees for ₹45,307 crore during the current year, the State Government had given guarantees amounting to ₹4,627 crore to three PSUs whose net worth had become negative. This means that the actual liability lies with the State Government to repay their loans.

The Government gave guarantees well within the limits prescribed in the FRBM Act during 2015-25. The utilisation of the ceiling ranged from around 25 to 50 *per cent*, indicating that the State has avoided excessive build-up of contingent liabilities. This reflects a measure of fiscal prudence, as guarantees did not approach or breach the permissible limit in any year. However, the absolute amount of outstanding guarantees including interest has shown a gradual increase from 2015-16 to 2024-25. This indicates that contingent liabilities are being carried forward and moderately accumulating, rather than being actively reduced. Such a trend could increase the potential fiscal risks in the medium to long term, especially if a significant portion of these guarantees are invoked. However, the State Government of Madhya Pradesh constituted the Guarantee Redemption Fund (GRF) in 2006 to absorb such risks vide notification dated 27.01.2006 to be administered by the RBI. During the year Government had to contribute ₹48.16 crore (Government received ₹24.08 crore as Guarantee fee in 2023-24 and matching share ₹24.08 crore). However, in 2024-25, Government contributed ₹100.47 crore and interest amounting ₹114.52 crore on GRF was reinvested by RBI. The total accumulation in the Fund was ₹1,302.73 crore as on 31st March 2025 (₹1,087.74 crore as on 31st March 2024) out of which ₹1,080.65 crore were invested with RBI.

1.5.6 Pathways to Fiscal Stability

Deficits can be improved by enhancing revenues and rationalizing expenditures. This includes strengthening tax compliance, widening the tax base, revising user charges, and monetizing idle government assets. On the spending side, better targeting of subsidies, controlling salary and pension growth, and ensuring proper classification of expenditure are key factors. Prioritizing productive capital investment and improving debt management through transparent and efficient borrowing can further ease fiscal pressure. These measures collectively create fiscal space and help reduce revenue, fiscal, and primary deficits in a sustainable manner. These have been discussed in succeeding paragraphs.

1.5.6.1 Improving revenues of the State

Untapped revenue potential that, if harnessed effectively, could significantly enhance fiscal space and reduce dependence on debt. Inefficiencies in assessment, undervaluation, and limited enforcement mechanisms of key tax streams such as State GST, Stamp Duty, and Excise will lead to subdued revenue growth. Under-realized non-tax revenues, with low user charges, poor cost recovery, and suboptimal returns on public assets and investments also impede the fiscal space. Timely realization of pending arrears is (tax and non- tax) another step towards enhancing the fiscal space. Information pertaining to Arrears of Revenue, Arrears of assessment and Evasion of tax detected was sought from various departments viz. Department of Commercial Tax, Department of Excise, Department of Transport, Department of Mines and Geology, Department of Stamps and Registration, Department of Forest and Department of

Revenue. However, only the Department of Stamps and Registration furnished complete information. The Department of Mines and Geology furnished information in respect of Arrears of Assessment and Evasion of tax, while the Department of Forest furnished information only in respect of Arrears of Revenue. All other departments except above did not furnish any information as on 31st December 2025.

A. Arrears of Revenue

As on 31 March 2025, the arrears of revenue in respect of principal heads of revenue were ₹416.55 crore, of which ₹260.29 crore were outstanding for more than five years, as depicted in **Table 1.33**.

Table 1.33: Arrears of revenue

(₹ in crore)

Sl. No.	Head of Revenue	Amount outstanding as on 31 March 2025	Amount outstanding for more than five years as on 31 March 2025
1.	Stamps and Registration Fee	387.70	234.63
2.	Forestry and Wild life	28.85	25.66
	Total	**416.55**	**260.29**

Source: Departmental Information

Clearance of arrears requires focused efforts by the departments concerned and a push for coordination with banks, police department and other stakeholders involved in the process of recovery.

B. Arrears in assessment

The information on number of cases pending at the beginning of the year, cases becoming due for assessment, cases disposed off during the year and number of cases pending for finalisation at the end of the year, as furnished by the Department of Stamp and Registration and Mining is depicted in **Table 1.34**.

Table 1.34: Arrears of assessment

(₹ in crore)

Head of Revenue	Cases pending at the beginning of 2024-25	New cases due for assessment during 2024-25	Total cases due for assessment	Cases disposed of during 2024-25	Balance at the end of the year	Percentage of disposal
Stamps and Registration Fee	32,972	1,785	34,757	3,031	31,726	8.72
Mining	2,838	7,734	10,572	6,555	4,017	62.00
Total	35,810	9,519	45,329	9,586	35,743	21.15

Source: Departmental Information

During the period 2020-25, the number of pending cases at the end of the respective years were 12,627 (2020-21); 13,282 (2021-22); 33,220 (2022-23); 24,907 (2023-24) as against 35,743 cases at the end of 2024-25. Disposal of cases during this period ranged between 5.02 *per cent* and 43.79 *per cent*.

C. Details of evasion of tax detected by the Department, refund cases, etc.

The cases of evasion of tax detected, cases finalised and the demands for additional tax raised are important indicators of revenue collection efforts of the State Government.

The details of cases of evasion of tax detected by the Department of Stamp and Registration and Mining, cases finalised and the demand for additional tax raised; during the year 2024- 25, as reported by the departments concerned, are depicted in **Table 1.35**.

Table 1.35: Evasion of tax detected

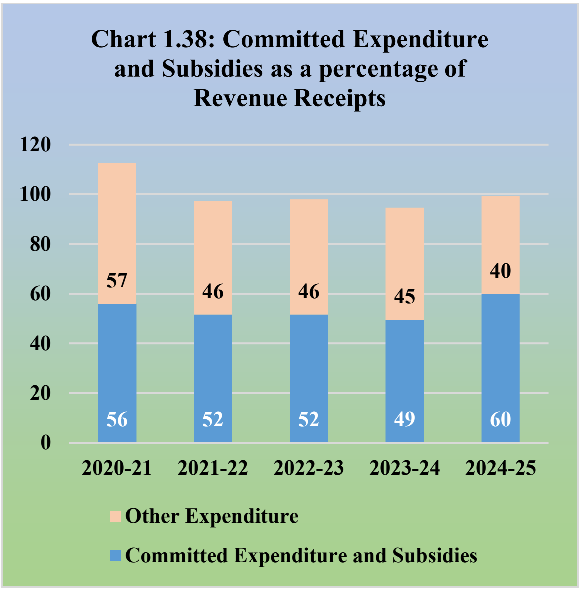
Nature of Revenue	No. of cases pending as on 31.03.2024	No. of cases detected during 2024-25	Total no. of cases	No. of cases in which investigation completed and additional demand including penalty raised		No. of pending cases as on 31.03.2025
				No. of cases	Amount (₹ in crore)	
Stamp duty and Registration fees	14,455	9,630	24,085	10,023	128.73	14,062
Mining	10,401	9,528	19,929	8,323	70.65	11,606
Total	24,856	19,158	44,014	18,346	199.38	25,668

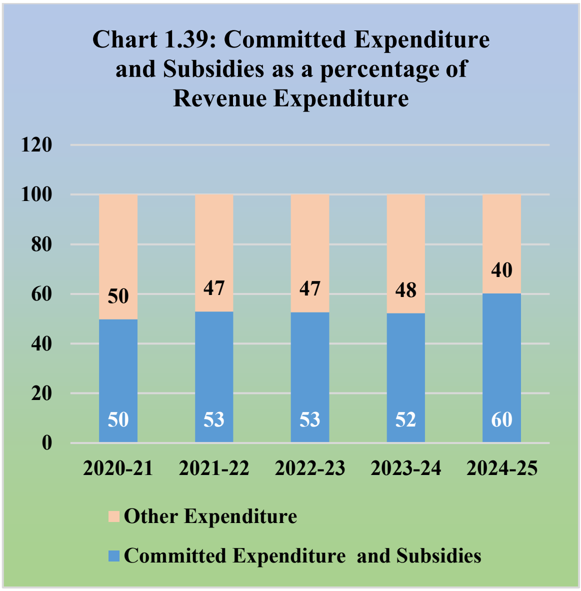
Source: Departmental Information

1.5.6.2 Issues on expenditure side

A. Fiscal stress from committed expenditure and subsidies

Chart 1.38 and **Chart 1.39** depicts Committed expenditure and subsidies together as a percentage of Revenue Receipts and Revenue Expenditure during the FY 2020-25 respectively.





Source: Finance Accounts of the respective years

Chart 1.38 shows that in 2020–21, total expenditure exceeded 100 *per cent* of revenue receipts, indicating a revenue deficit in that year, as expenditures were higher than revenues. In contrast, for the subsequent years from 2021–22 to 2024–25, total expenditure remained below 100 *per cent* of revenue receipts, indicating revenue surplus in these years.

In 2024-25, the State's committed expenditure of ₹1,06,269 crore comprising salaries and wages (₹54,179 crore), pensions (₹26,202 crore), and interest payments (₹25,888 crore), accounted for approximately 42 *per cent* of the Revenue Receipts. In addition, subsidies amounted to ₹43,687 crore, bringing the total rigid expenditure to ₹1,49,956 crore, which was nearly 60 *per cent* of the State's revenue receipts. The high and inflexible nature of such expenditure significantly compresses fiscal space, limiting the State's ability to allocate resources towards capital investment and developmental priorities. This structural imbalance increases the risk of persistent revenue and primary deficits, constrains long-term fiscal sustainability, and reduces the government's capacity to respond to emergent socio-economic challenges.

There is an urgent need for expenditure reform through rationalization of subsidies, improved targeting, and prudent management of salary and pension commitments, to enhance fiscal flexibility and ensure a sustainable fiscal path.

B. Capital blocked in incomplete projects

An assessment of capital blocked in incomplete capital projects would also indicate the quality of Capital Expenditure. Blocking of funds in incomplete projects/ works impinges negatively on the quality of expenditure and deprives the State of the intended benefits of the projects for prolonged periods. Further, funds borrowed for implementation of these projects, during the respective years would lead to an extra burden, in terms of servicing of debt and interest liabilities. Details of the incomplete projects are shown in **Table 1.36** (based on information provided by the State Government for ***Appendix-IX*** of the Finance Accounts for the year 2024-25)

Table 1.36: Capital blocked in incomplete projects

(₹ in crore)

Particulars	Number of incomplete projects	Initial budgeted cost of all incomplete projects	Cumulative actual expenditure of all incomplete projects	No. of project for which costs were revised	Estimated cost of project for which costs were revised		
					Initial	Revised estimated cost	Cost overrun
Water Resource Department	33	20,972	21,607	16	13,657	16,742	3,085

Source: Finance Accounts 2024-25

Out of the estimated cost of ₹24,057 crore (initial budget of ₹20,972 crore and cost overrun of ₹3,085 crore) on these 33 ongoing projects, ₹21,607 crore was spent till 2024-25. Therefore, due to non-completion of these 33 projects, Capital Expenditure of ₹2,450 crore remained blocked.

Due to incomplete information in ***Appendix-IX*** of the Finance Accounts for the year 2024-25 Audit could not ascertain the actual progressive expenditure, pending payments (future liability), revised cost and physical progress of work as on 31 March 2025.

C. Un-discharged liabilities on Fiscal Space

Undischarged/deferred liabilities, if not addressed timely, will reduce the available fiscal space for future developmental and infrastructure spending. Besides creating lack of transparency and credibility, this impairs the state's ability to raise resources in a sustainable manner, thereby impacting overall fiscal health and long-term sustainability.

Audit observed that the State Government had accumulated several un-discharged liabilities over the years, which have significant implications for fiscal sustainability. These include:

- Un-discharged interest liabilities totaling ₹559.22 crore pertaining to State Compensatory Afforestation Deposit, SDRF and SDMF.
- Off-budget borrowings and other liabilities not captured in the debt stock amounting to ₹568.12 crore.
- Non-transfer of State and Central Finance Commission (SFC/CFC) grants to local bodies, aggregating ₹554.43 crore.

The cumulative value of these un-discharged liabilities amounted to ₹1,681.87 crore, which is equivalent to 0.11 *per cent* of the GSDP and 2.61 *per cent* of the Fiscal Deficit for the year 2024-25.

Audit recommends that the State Government disclose and address all un-discharged liabilities transparently and make provisions for timely discharge of these obligations to avoid future fiscal stress.

1.6 Conclusion

While state's own resources buoyancy was above one in 2021-22 to 2023-24 indicating state's own revenues grew faster than GSDP, in 2024-25, it slipped below one which shows revenue did not keep pace with GSDP showing sign of stress on fiscal side.

From 2021–22 onwards, the State achieved revenue surpluses and keep the fiscal deficit well within the prescribed limits for three consecutive years. However, in 2024–25, the fiscal deficit rose marginally above the target (4.28 per cent against 4.12 per cent). One of the key reasons for this slippage was a sharp rise in subsidies, which doubled from the previous year.

1.7 Good Practices

- Madhya Pradesh has adhered to fiscal responsibility targets under the FRBM framework except for fiscal deficit in 2024-25, ensuring greater accountability in financial management.
- The State has maintained a record of presenting budgets on time, with clear disclosures on receipts, expenditures, and liabilities, enhancing fiscal transparency.
- Madhya Pradesh has maintained a revenue surplus consistently, reflecting sound fiscal management and enabling more fiscal space for capital expenditure and development activities.

1.8 Recommendations

- Government may strengthen revenue mobilization by improving tax compliance, and enforcing a clear non-tax revenue policy, especially for dividends, mining, and interest receipts, and revising user charges and fees periodically.
- The State needs to pursue reforms in expenditure management viz. rationalisation of employee costs, pension reforms, prudent debt management strategies and controlling interest payments to create fiscal space for developmental spending.

- The State should rationalize and better target subsidies to free up fiscal space for capital formation, infrastructure development, and productive investments. This will help reduce excessive dependence on borrowings and improve the quality of public expenditure.
- Debt Sustainability is still defensible but is losing buffer. The State needs a credible plan to shrink the primary deficit, smooth/refinance maturities, and lift medium-term growth.

Chapter II

BUDGETARY MANAGEMENT

CHAPTER-II: BUDGETARY MANAGEMENT

This chapter reviews Madhya Pradesh budgetary process, revealing significant gaps between budget estimates and actual expenditure, with issues like excess spending, persistent savings, and last-minute fund surrenders. It highlights weaknesses in financial planning, control, and compliance, stressing the need for realistic budgeting, timely fund utilisation, and modern practices like gender, agriculture and child budgeting.

2.1 Budget Process

In compliance with Article 202 of the Constitution of India, in respect of every financial year, a statement of the estimated receipts and expenditure of the State for that year, called "the Annual Financial Statement (Budget)" is to be laid before the State Legislature. The estimates of the expenditure show 'charged' and 'voted' items[26] of expenditure separately and distinguish expenditure on revenue accounts from other expenditure. Legislative authorization is necessary before incurring any expenditure by the State Government.

As per the Madhya Pradesh Budget Manual, the Finance Department is responsible for preparing the annual budget by obtaining estimates from various departments. The departmental estimates of receipts and expenditure are prepared by Controlling Officers on the advice of the heads of departments and submitted to the Finance Department on prescribed dates. The Finance Department consolidates the estimates and prepares the Detailed Estimates called 'Demand for Grants'. The State budget majorly comprises the following documents:

- ✓ **Annual Financial Statement**
- ✓ **Demand for Grants**
- ✓ **Others**
- ✓ **Medium Term Fiscal Plan**
- ✓ **FRBM Statements**

2.2 Budget projection and gap between expectation and actual

Efficient management of tax administration/other receipts and public expenditure holds the balance for optimum utilization of resources, strengthen scheme implementation and monitoring capacity and achievement of fiscal targets. Persistent savings/excesses indicate need for improvement in the underlying budgetary processes.

Details of total appropriation obtained from state legislature, actual expenditure and savings are summarized in **Table 2.1**.

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[26] **Charged expenditure**: Certain categories of expenditure (e.g. salaries of Constitutional authorities, loan repayments, etc.), constitute a charge on the Consolidated Fund of the State and are not subject to vote by the Legislature**. Voted expenditure:** All other expenditure is voted by the Legislature.

Table 2.1: Actual expenditure vis-à-vis budget provision during the financial year 2024-25

(₹ in crore)

Voted/ Charged	Nature of Expenditure	Budget (Original)	Budget (Supp.)	Total Budget (O+S)	Expenditure	Savings (-)	Amount Surrendered 2024-25	
							Amount	Per Cent
Voted	I. Revenue	2,38,838.00	20,784.11	2,59,622.11	2,25,481.36	34,140.75	16,693.97	48.90
	II. Capital	62,846.53	18,097.41	80,943.94	71,572.03	9,371.92	4,201.05	44.83
	III. Loans and Advances	3,102.86	2,050.00	5,152.86	3,144.03	2,008.83	0.01	0.00
	Total Voted	**3,04,787.39**	**40,931.52**	**3,45,718.91**	**3,00,197.42**	**45,521.50**	**20,895.03**	**45.90**
Charged	IV. Revenue	30,176.82	235.31	30,412.13	28,457.62	1,954.51	87.01	4.45
	V. Capital	406.30	500.14	906.44	802.33	104.11	6.29	6.04
	VI. Public Debt-Repayment	29,696.85	0.00	29,696.85	26,428.21	3,268.64	1.96	0.06
	Total Charged	**60,279.97**	**735.45**	**61,015.42**	**55,688.16**	**5,327.26**	**95.26**	**1.79**
Grand Total		**3,65,067.36**	**41,666.97**	**4,06,734.33**	**3,55,885.58**	**50,848.76**	**20,990.29**	**41.28**

Source: VLC Data and Appropriation Accounts 2024-25

Note: The expenditure shown above are gross figures without taking into account the recoveries adjusted in the accounts as reduction of expenditure under Revenue Heads (₹5,013.71 crore) and Capital Heads (₹4,933.41 crore).

Trends in the original budget, revised estimate, and actual expenditure for the period 2020-21 to 2024-25 are given in **Table 2.2**.

Table 2.2: Original Budget, Revised Estimate and Actual Expenditure during FYs 2020-21 to 2024-25

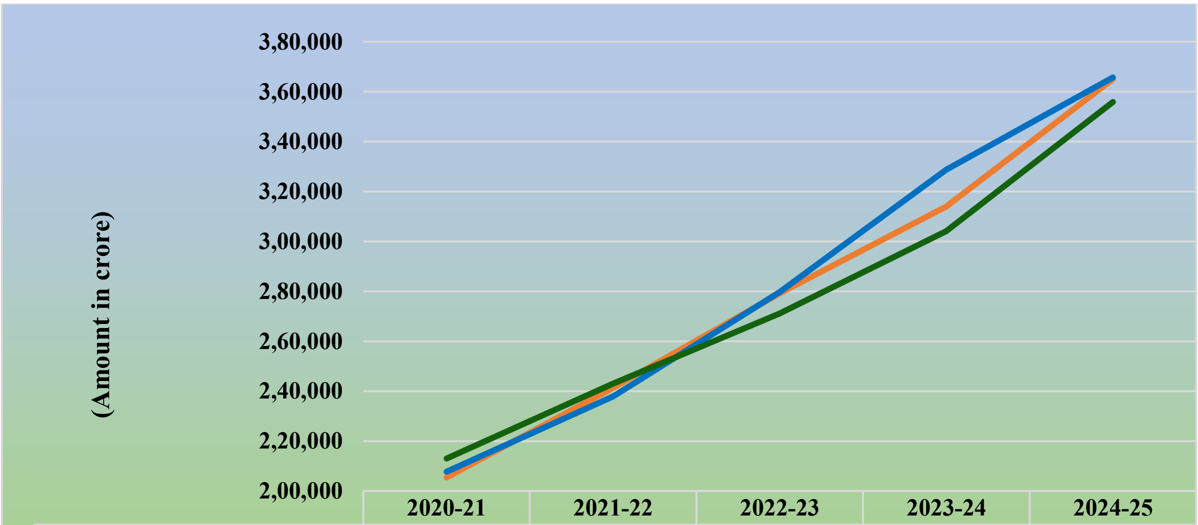
(₹ in crore)

	2020-21	2021-22	2022-23	2023-24	2024-25
Original Budget	2,05,397	2,41,375	2,79,237	3,14,025	3,65,067
Supplementary budget	30,530	41,404	42,421	57,984	41,667
Total budget (TB)	2,35,927	2,82,779	3,21,658	3,72,009	4,06,734
Revised Estimate (RE)	2,07,710	2,37,909	2,79,697	3,28,786	3,65,713
Actual Expenditure (AE)	2,12,983	2,42,993	2,71,114	3,04,083	3,55,885
Savings	22,944	39,786	50,544	67,926	50,849
Percentage of supplementary to the original budget	14.86	17.15	15.19	18.46	11.41
Percentage of overall saving/excess to the total budget	9.73	14.07	15.71	18.26	12.50
TB-RE	28,217	44,870	41,961	43,223	41,021
RE-AE	(-)5,273	(-)5,084	8,583	24,703	9,827
(TB-RE) as % of TB	11.96	15.87	13.05	11.62	10.09
(RE-AE) as % of TB	(-)2.24	(-)1.80	2.67	6.64	2.42

Source: Annual Financial Statement and Appropriation Accounts of respective years

Table 2.2 shows that supplementary provision of ₹41,667 crore during 2024-25 constituted 11.41 *per cent* of the original provision as against 18.46 *per cent* in the previous year.

Chart 2.1: Trend showing BE, RE and Actuals



	2020-21	2021-22	2022-23	2023-24	2024-25
Original Budget	2,05,397	2,41,375	2,79,237	3,14,025	3,65,067
Revised Estimate (RE)	2,07,710	2,37,909	2,79,697	3,28,786	3,65,713
Actual Expenditure (AE)	2,12,983	2,42,993	2,71,114	3,04,083	3,55,886

Source: Appropriation Accounts of respective years

As can be seen in **Chart 2.1**, the Original Budget and Revised Estimates (RE) for 2024-25 are nearly identical, with actual expenditure only marginally lower than the RE well within acceptable variance. On the other hand, 2023–24 displays a clear divergence, where REs were not matched by corresponding spending, highlighting inefficiencies in fund allocation or implementation.

2.2.1 Component/Services wise analysis of budgetary provisions and expenditure

Component wise analysis of the Budget and Expenditure for the FY 2024-25 is summarized in **Table 2.3.**

Table 2.3: Component Wise Budget and Expenditure for the year 2024-25

(₹ in crore)

Component	Total Budget	Total Expenditure	Percentage of Total Budget	Percentage of Total Expenditure	Percentage of expenditure against the Total Budget
(1)	(2)	(3)	(4)	(5)	(6=3/2*100)
Committed Expenditure	1,15,056.66	1,06,267.48	33.23	34.26	92.36
State Schemes	1,69,191.54	1,51,498.32	48.86	48.84	89.54
Central Share for CSS	37,683.12	25,561.48	10.88	8.24	67.83
State Share for CSS	20,327.08	23,333.31	5.87	7.52	114.79
EAP - Externally Aided Projects	4,009.27	3,534.75	1.16	1.14	88.16
Total	**3,46,267.67**	**3,10,195.34**	**-**	**-**	**89.58**

Source: VLC Data and Appropriation Accounts 2024-25

As can be seen from above table, overall budget utilization is about 90 *per cent* indicating a healthy expenditure pattern. However, it may be noted that total expenditure under CSS was more than 14 *per cent* less than the budget and State share compensated for the lower Central share indicating the imbalance in CSS funding.

Missing/Incomplete Explanation for variation from Budget

Apart from showing the expenditure against the approved budget, Appropriation Accounts also provide explanation for cases where the expenditure varies significantly from the budgeted provision (Original *plus* Supplementary). The limit beyond which such variation at the Sub-Head level (unit of Appropriation) to be explained in the Appropriation Accounts is set (September 2004) by the Public Accounts Committee (PAC).

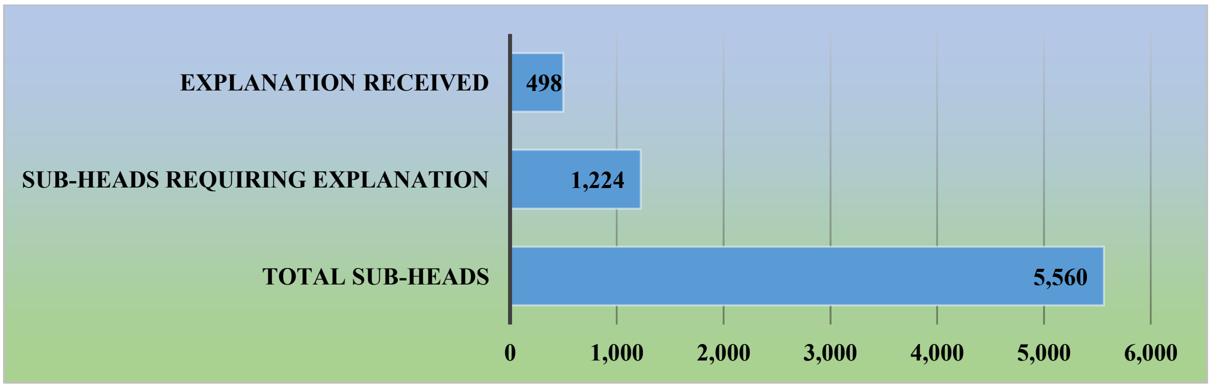
AG (A&E) provides the draft Appropriation Accounts to the Controlling Officers of the Departments and seeks the reasons/explanations for the variations in expenditure with reference to approved budgetary allocation, in keeping with the limits set by the PAC, as given below:

Savings	• *Comments are to be made if total savings under the Grant is five per cent or more of the total provision.* • *Comments are to be made if total savings under the Sub-head is 10 per cent or more of the total provision of the Sub-head, provided the amount of savings is:* *(a) Not less than ₹40 lakh in case the total provision exceeds ₹30 crore,* *(b) Not less than ₹20 lakh in case the total provision is between ₹10 crore and ₹30 crore, or* *(c) Not less than ₹10 lakh in case the total provision is less than ₹10 crore.* • *Comments are to be made if total savings under Charged Expenditure of the Grant is not less than ₹10 lakh.*
Excess	• *General comments are to be made for regularisation of excess over the provision in all cases where there is an overall excess in any Grant or Appropriation.* • *Comments are to be made in cases where excess under individual Sub-head exceeds ₹10 lakh and also 10 per cent of the total provision under the Sub-head.* • *Comments are to be made in cases where excess under individual Sub-head does not exceed 10 per cent of total provision under the Sub-head provided:* *(a) Excess in each Sub-head is more than ₹40 lakh where total provision exceeds ₹30 crore,* *(b) Excess in each Sub-head is more than ₹20 lakh where total provision is between ₹10 crore and ₹30 crore, or* *(c) Excess in each Sub-head is more than ₹10 lakh where total provision is less than ₹10 crore.*

Source: Appropriation Accounts 2024-25

The summary of explanations received in case of variations in Appropriation Accounts is depicted in **Chart 2.2**.

Chart 2.2: Summary of Explanation for Variation in Appropriation Accounts



Source: Appropriation Accounts 2024-25

Out of 5,560 total sub-heads, explanations were required for 1,224 sub heads, while the same have been received for only 498 sub-heads. This indicates that the significant variations in 59 *per cent* of the sub heads are yet to be addressed.

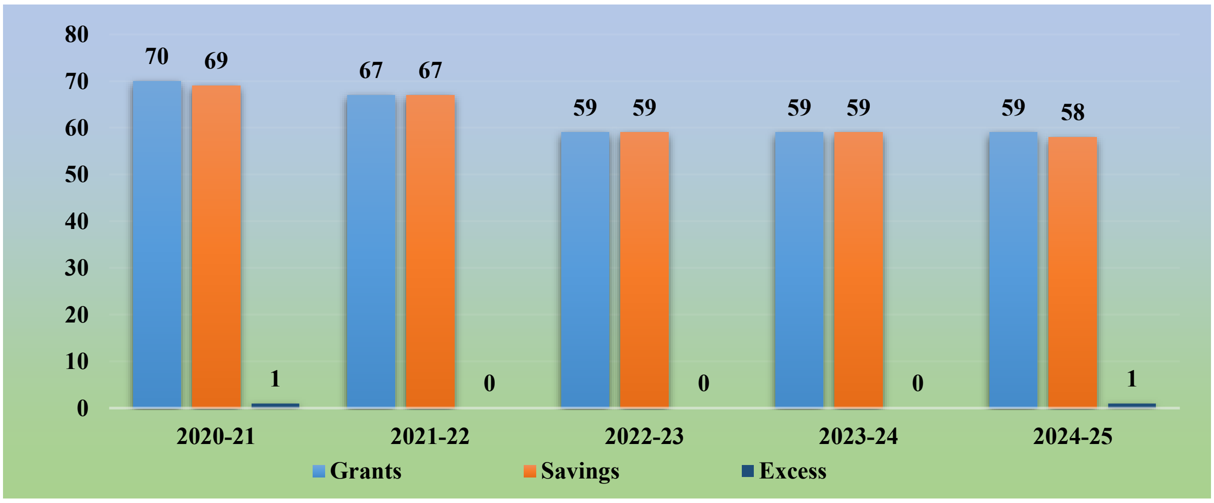
2.3 Budget Marksmanship

Expenditure Composition Outturn

Expenditure Composition Outturn measures the extent to which re-allocations between the main budget categories during execution have contributed to variance in expenditure composition.

A year-wise analysis of grants, excesses, and savings providing valuable insights into the efficiency of budget execution and financial management by the State has been depicted in **Chart 2.3**.

Chart 2.3: Year-Wise Grants, Excesses, and Savings



Source: Appropriation Accounts of respective years

The expenditure composition outturn for the FY 2024-25 is summarised in **Table 2.4**.

Table 2.4: Expenditure composition overall deviation FY 2024-25

Section	Overall Deviation (*per cent*)	Range of Deviation (*per cent*)	Number of Grants
Revenue (Voted)	5.14	0 to ± 25	35
		± 25 to ± 50	17
		± 50 to ± 100	6
		≥ ±100	1
Capital (Voted)	-13.29	0 to ± 25	24
		± 25 to ± 50	11
		± 50 to ± 100	23
		≥ 100	1
Revenue (Charged)	5.70	0 to ± 25	20
		± 25 to ± 50	1
		± 50 to ± 100	38
Capital (Charged)	97.33	0 to ± 25	52
		± 25 to ± 50	3
		± 50 to ± 100	3
		≥ 100	1

Source: VLC Data and Appropriation Accounts 2024-25

The Revenue (Voted and Charged) segments show overall controlled expenditure. However, a large number of grants under Revenue (Charged) exhibit significant deviations, indicating the need for more accurate estimation in this category.

The Capital (Voted) segment reflects notable underspending and a wide range of deviations, suggesting underlying issues in planning and implementation. In contrast, while the Capital (Charged) segment appears stable for most grants, the overall deviation is significantly influenced by a few grants with exceptionally high overspending, pointing to critical but isolated lapses.

It is recommended that the GoMP may enhance budget forecasting, especially for capital expenditures, to ensure better alignment between budget estimates and actual utilisation. The Government may consider strengthening the monitoring and control mechanisms for charged expenditures, in view of their relatively higher volatility.

2.4 Appropriation Accounts

Appropriation Accounts are accounts of the expenditure of the Government for each financial year, compared with the amounts of grants voted and appropriations charged for different purposes as specified in the schedules appended to the Appropriation Act passed under Article 204 of the Constitution of India. These Accounts depict the original budget provision, supplementary grants, surrenders and re-appropriations distinctly in gross basis.

Audit of appropriations by the CAG seeks to ascertain whether the expenditure actually incurred under various grants is in accordance with the authorisation given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution (Article 202) is so charged. It also ascertains whether the expenditure incurred is in conformity with the laws, relevant rules, regulations and instructions.

2.5 Budgetary and accounting process

2.5.1 Expenditure incurred without authority of law

No money shall be withdrawn from the Consolidated Fund of the State except under appropriation made by law passed in accordance with the provisions of Article 204 of the Constitution. Paragraph 14.3 of the Madhya Pradesh Budget Manual provides that no expenditure can be incurred on a 'new service' or 'new instrument of service' from the Consolidated Fund of the State without prior approval of legislature through supplementary demands for grants. However, in accordance with Article 267(1), in case it is not possible to wait for prior approval of legislature, the State Contingency Fund can be drawn upon for meeting expenditure on the new service/ new instrument of service, pending its authorisation by the Vidhan Sabha.

All expenditure in Madhya Pradesh is being routed through IFMIS. Budget provision is also being made from IFMIS.

It was observed that an expenditure of ₹5,389.42 crore (***Appendix 2.1***), was incurred in nine cases (more than ₹ two crore in each case) under various components of two grants during the year 2024-25 without having any provision in the original budget estimates/ supplementary demands and without issuing any re-appropriation orders to this effect.

Expenditure under these heads occurred without having provision in original budget, even after the implementation of IFMIS in the state for authorization of the expenditure shows the lack of internal control mechanism and improper monitoring.

Government may consider strengthening internal control mechanism and ensure that the expenditure without budget provision may not occur in future.

2.5.2 Excess Expenditure and its regularisation

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get excesses over grants/appropriations regularised by the State Legislature. Although no time limit for regularisation of expenditure has been prescribed under the Article, the regularisation of excess expenditure is done after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee.

A. Excess expenditure during the current year

During 2024-25, in Grant No. 6 Finance, the budget provision was ₹26,326.43 crore and the expenditure was incurred ₹26,526.19 crore resulting in excess expenditure of ₹199.75 crore under Revenue Voted section. Schemes under this grant where excess expenditure were incurred are given in **Table 2.5** below:

Table 2.5: Excess expenditure in the schemes under Grant No. 6 Finance

(₹ in crore)

Sl. No.	Heads of Account up to Detail Head and Name of Scheme	Total Budget Provision (Org.+ Supp.+ Re-app.)	Expenditure Incurred	Excess Expenditure
1	2054-003.9545- Maintenance of Departmental Assets	1.00	1.82	0.82
2	2054-095.0101.6327- Establishment of Madhya Pradesh Internal Audit Cell	6.50	7.23	0.73
3	2071-01.101.9998- Madhya Pradesh Pension	4,903.00	6,553.64	1,650.64
4	2071-01.102.9998- Madhya Pradesh Pension	264.00	272.77	8.77
5	2071-01.105.9998- Madhya Pradesh Pension	1,590.00	2,050.64	460.64
6	2071-01.111.9998- Madhya Pradesh Pension	13.70	19.63	5.93
7	2071-01.115.9998- Madhya Pradesh Pension	840.00	949.09	109.09
8	2071-01.115.9999- Composite Madhya Pradesh Pension	375.00	381.73	6.73
	Total	**7,993.20**	**10,236.55**	**2,243.35**

Source: Appropriation Accounts 2024-25

We may see from above table that excess expenditure of ₹2,243.35 crore was occurred in eight schemes which was counter-balanced by savings under other schemes in the grant leading to overall excess expenditure of ₹199.75 crore.

Reasons for excess expenditure in serial no. 3,5 and 6 were mainly attributed to the additional recovery towards pension liabilities, made by the Government of Chhattisgarh from the State of Madhya Pradesh arrived at while revising pension recovery amount for the Financial year 2024-25. No reason was reported in other cases.

B. Regularisation of excess expenditure of previous financial years

Excess disbursements of ₹1,238.29 crore pertaining to 2018-19 to 2024-25 pending for regularisation as shown in **Table 2.6** are yet to be regularised from the State Legislature.

Table 2.6: Excess expenditure relating to previous years requiring regularisation

(₹ in crore)

Year	Grant No./ Appropriation	Grant/Appropriation details	Amount of excess required to be regularised
2018-19	CH-II	Public Debt (Capital-Charged)	1,026.20
	4	Other Expenditure pertaining to Home Department (Revenue-Voted)	2.42
2020-21	20	Public Health Engineering (Revenue-Voted)	9.92
2024-25	6	Finance (Revenue-Voted)	199.75
		Total	**1,238.29**

Source: Appropriation Accounts of the respective years

The excess expenditure indicates that the budgetary control in the department was ineffective, and budget estimates were not prepared on realistic basis.

Regularisation of existing cases of excess expenditure may be expedited and measures to prevent the recurrence of instances of excess expenditure may be taken by the State Government. All the existing cases of excess expenditure need to be regularised at the earliest.

2.5.3 Supplementary Grants rendered non-essential

As per Article 205 of the Constitution, a Supplementary or Additional Grant or Appropriation over the provision made by the Appropriation Act for the year can be made during the current financial year but not after the expiry of the current financial year. When such additional expenditure is found to be inevitable and there is no possibility of effecting savings within the grant to cover the excess by re-appropriation, the Secretary in the Department concerned proposes to the Finance Department for Supplementary or Additional Grant or Appropriation.

The Madhya Pradesh Budget Manual, 2012 permits obtaining of a Supplementary Grant/ Appropriation if the budgetary provision falls short and a commitment for expenditure has already been made under the orders of the competent authority.

The State Legislature approved two supplementary budgets on 17.12.2024 and 11.03.2025 respectively for a total of ₹41,666.97 crore (in respect of 39 Grants and two appropriations) for the year 2024-25. Audit analyses that supplementary provisions of ₹6,253.66 crore during the year 2024-25 in 33 cases (more than ₹ three crore in each case) proved unnecessary ***(Appendix 2.2)*** as the expenditure did not come up even to the level of original provision. Similarly, supplementary provisions of ₹5,921.96 crore in 13 cases (more than ₹ three crore in each case) proved excessive **(*Appendix 2.3*)** as full amount of supplementary provisions could not be utilised.

2.5.4 Injudicious re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. During 2024-25, re-appropriation orders under 57 grants and two appropriations amounting to ₹ 61,272.36 crore were issued.

Further, in 28 cases (***Appendix 2.4-Sl. No. 1 to 28***), reduction of provision exceeding ₹ three crore through re-appropriation orders effected by various departments proved injudicious as there was excess expenditure of ₹112.13 crore under these cases where excess expenditure is more than or equal to ₹ one lakh. In seven cases, (***Appendix 2.4-Sl. No. 29 to 35***) augmentation of provision also proved unnecessary because expenditure was either equal to or did not come up to the level of original/supplementary budget provision which resulted in savings of ₹355.76 crore under these cases where savings is more than or equal to ₹ one lakh.

2.5.5 Unspent amount and surrendered appropriation and Large Savings/Surrenders

Budget proposals should strive to strike to optimize all foreseeable expenditure to appropriate spending levels to balance the quality of expenditure and reduce underutilization of budgeted funds. Timely surrenders by the spending units are an important mechanism for optimal reallocation within the approved budget.

The analysis of grants and appropriations showed that in 31 cases (under 21 grants and two appropriations) during the year 2024-25, the savings (excluding surrenders) exceeded ₹100 crore in each case (***Appendix 2.5***). It was further noticed that in three grants no expenditure was occurred vis-à-vis total grant amounting to ₹42.00 crore as given in **Table 2.7** (total budget exceeded ₹ one crore) was incurred during the year 2024-25.

Table 2.7: Entire grants remaining unutilised during the financial year 2024-25

(₹ in crore)

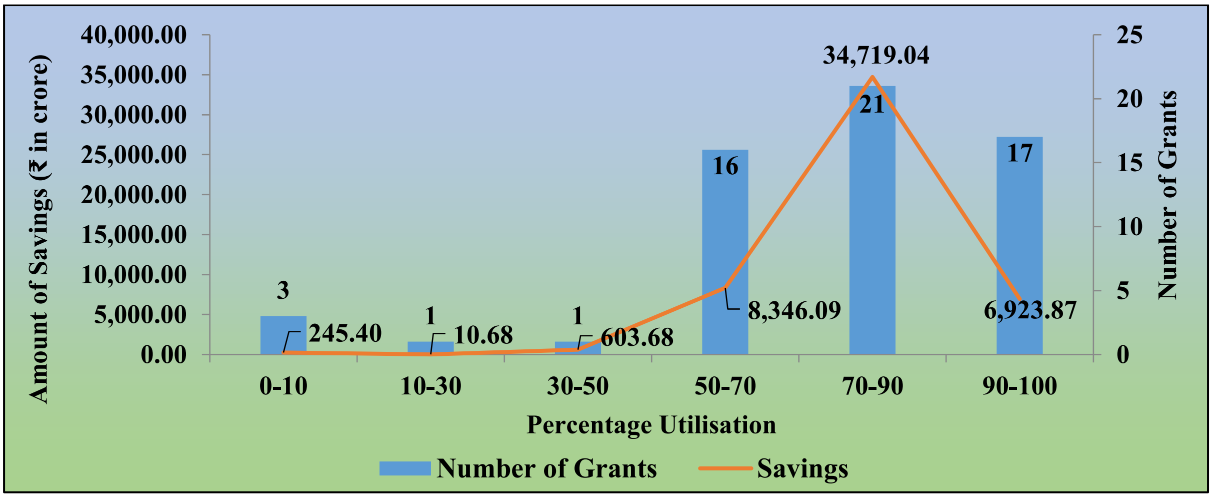
Sl. No.	Number and Name of the grant	Amount
1	6-Finance (Capital - Charged)	2.00
2	34- Social Justice and Disabled Person Welfare (Capital- Charged)	20.00
3	35- Micro, Small and Medium Enterprises (Revenue - Charged)	20.00
	Total	**42.00**

Source: Appropriation Accounts 2024-25

Further, it was also observed that in 42 cases under 31 grants and two appropriations, there were persistent savings exceeding ₹100 crore in each case (***Appendix 2.6***) during 2022-23 to 2024-25.

Detail of grants grouped by the percentage of utilisation along with total savings during 2024-25 has been shown in ***Appendix 2.7*** and **Chart 2.4**.

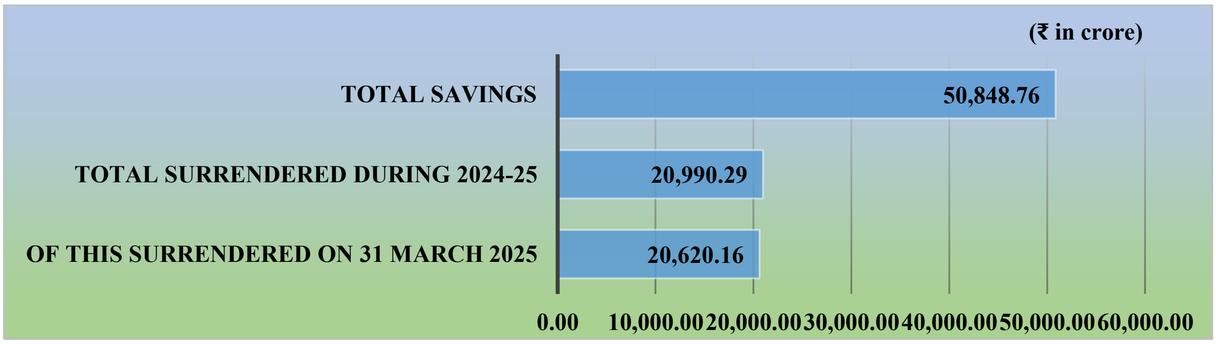
Chart 2.4: The distribution of the number of Grants/Appropriations grouped by the percentage of utilization along with total savings



Source: Appropriation Accounts 2024-25

It was noticed that savings under 51 Grants and two appropriations amounting to ₹29,858.45 crore (***Appendix 2.8***) were not surrendered. Details of savings surrendered on the last day of March (exceeding ₹100 crore in each case) is given in ***Appendix 2.9***.

Chart 2.5: Savings and surrenders for the year 2024-25



Source: Appropriation Accounts 2024-25

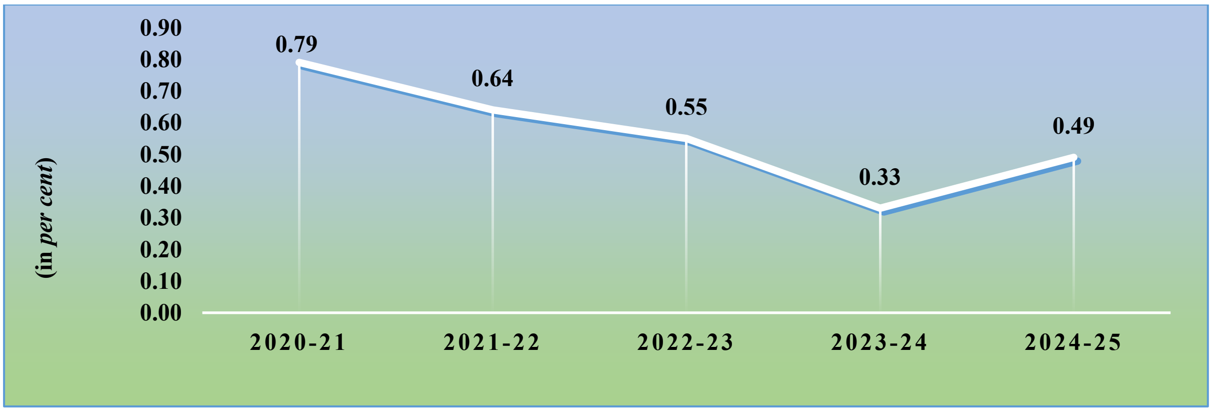
Analysis of **Chart 2.5** revealed that only 41.28 *per cent* of the savings were surrendered. Out of surrendered amount of ₹20,990.29 crore, ₹20,620.16 crore (98.24 *per cent*) was surrendered on 31 March 2025.

2.5.6 Misclassification between Revenue Expenditure and Capital Expenditure

The Indian Government Accounting Standard-2 was notified by the GoI in 2011 for accounting and classification of Grants-in-Aid received or given by both Central as well as State Governments. As per Indian Government Accounting Standard-2, Grants-in-aid are payments in the nature of assistance, donations or contributions made by one Government to another Government, body, institutions or individual. Further, expenditure on Grants-in-Aid is recorded as Revenue Expenditure in the books of the grantor and as Revenue Receipts in the books of the recipient. As per rule 30 of the Government Accounting Rules,1990 expenditure that only results in the creation of concrete, material and permanent assets should be classified in capital expenditure.

Details of the extent of classification of GIA as Capital Expenditure instead of Revenue Expenditure by the State Government during 2020-21 to 2024-25 as well as the impact of non-compliance with the provisions of IGAS-2 by the State Government in absolute terms during the same period are given in **Table 2.8**, whereas **Chart 2.6** highlights the share of Grants-in-Aid in Capital Expenditure.

Chart 2.6: Share of GIA in Capital Expenditure



Source: Finance Accounts of respective years

Table 2.8 and **Chart 2.7** indicate that the non-compliance with the provisions of IGAS-2 by the State in absolute terms during 2020-25 led to overstatement of revenue surplus and understatement of revenue deficit. Moreover, Capital Expenditure during the period was also overstated to that extent.

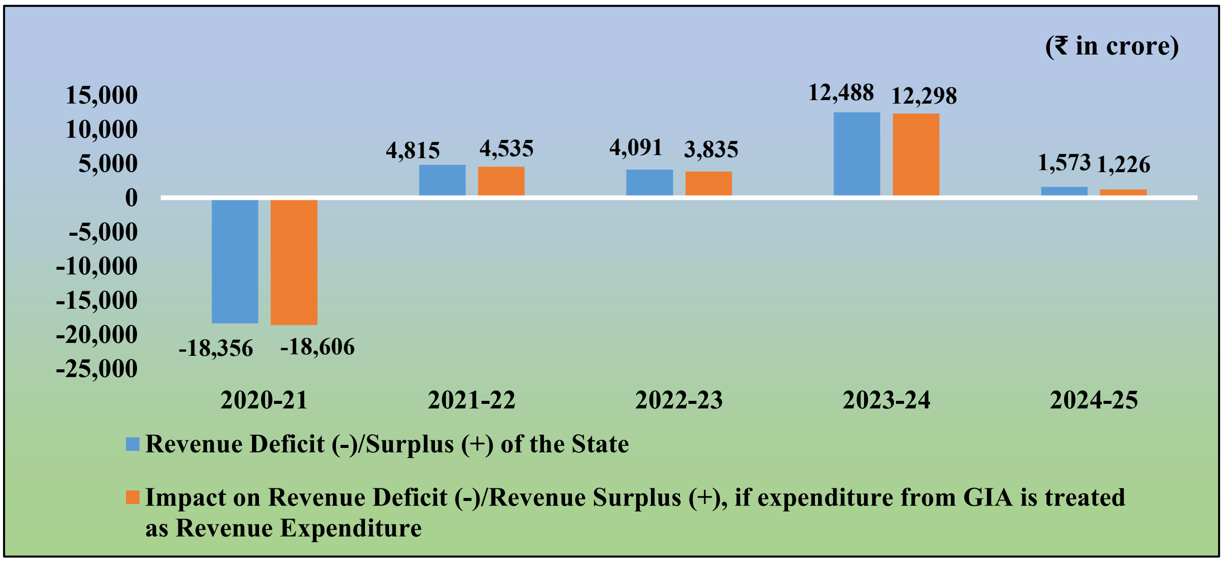
Table 2.8: Extent of classification of GIA as Capital Expenditure

(₹ in crore)

	2020-21	2021-22	2022-23	2023-24	2024-25
GIA booked as Capital Expenditure	250	280	256	190	347
Total Capital Expenditure	31,586	43,962	46,798	57,349	70,585
Share of GIA in Capital Expenditure (In *per cent*)	0.79	0.64	0.55	0.33	0.49
Revenue Deficit (-)/Revenue Surplus (+)	(-) 18,356	4,815	4,091	12,488	1,573
Impact on Revenue Deficit (-)/Revenue Surplus (+), if expenditure from GIA is treated as Revenue Expenditure	(-) 18,606	4,535	3,835	12,298	1,226

Source: Finance Accounts of respective years

Chart 2.7: Actual Revenue Deficit(-)/Surplus(+)



Source: Finance Accounts of respective years

However, during 2024-25, an amount of ₹2,004.48 crore was misclassified by the State Government as Capital Expenditure instead of accounting for it under Revenue Expenditure. Out of this, ₹347 crore pertains to Grants-in-Aid and ₹1,657.48 crore pertains to other expenditure. Due to this, Revenue Expenditure was understated by ₹2,004.48 crore, and Capital expenditure was overstated by ₹2,004.48 crore. Details are given in ***Appendix 2.10(a)***.

Similarly, an amount of ₹12.70 crore was incorrectly budgeted and expended (for 'Machinery' 'Survey, Investigation and Design and Preparation of DPRs' and Investment) as Revenue Expenditure instead of Capital Expenditure by the State Government, due to which Revenue Expenditure was overstated by ₹12.70 crore and Capital Expenditure was understated by ₹12.70 crore. Details are given in ***Appendix 2.10(b)***.

2.5.7 Major policy pronouncements in budget and their actual funding for ensuring implementation

Several policy initiatives taken up by the Government are wholly or partially not executed due to non-approval of scheme guidelines/modalities, non-commencement of works for want of administrative sanction, non-release of budget, etc. It was observed that under 24 schemes, there was budget provision of ₹739.33 crore but no expenditure was incurred resulting in non-implementation of schemes as shown in ***Appendix 2.11***.

Further, in 15 out of above 24 schemes, there was approved outlay of ₹179.12 crore which was fully withdrawn in revised outlay as shown in ***Appendix 2.12.***

The observation highlights lapse in budget utilization and scheme implementation in respect of initiatives of the State Government. Corrective action in this regard may be considered to effectively implement the policy initiatives of the Government.

2.5.8 Non-adherence to the Quarterly Expenditure Limit

As per Para 26.13 of the Madhya Pradesh Budget Manual, a rush of expenditure particularly in the closing months of the financial year, is regarded as breach of financial regularity.

Table 2.9: Rush of Expenditure during 2024-25

	Amount (₹ in crore)	Percentage of Total Expenditure in the year
Last Quarter of the year (Jan to Mar-2025)	1,31,166.43	36.86
Last month of the year (Mar-25)	74,086.95	20.82
Last day* of the year (31 March 2025)	7,290.28	2.05

Source: Information provided by O/o the AG (A&E) Madhya Pradesh, Gwalior

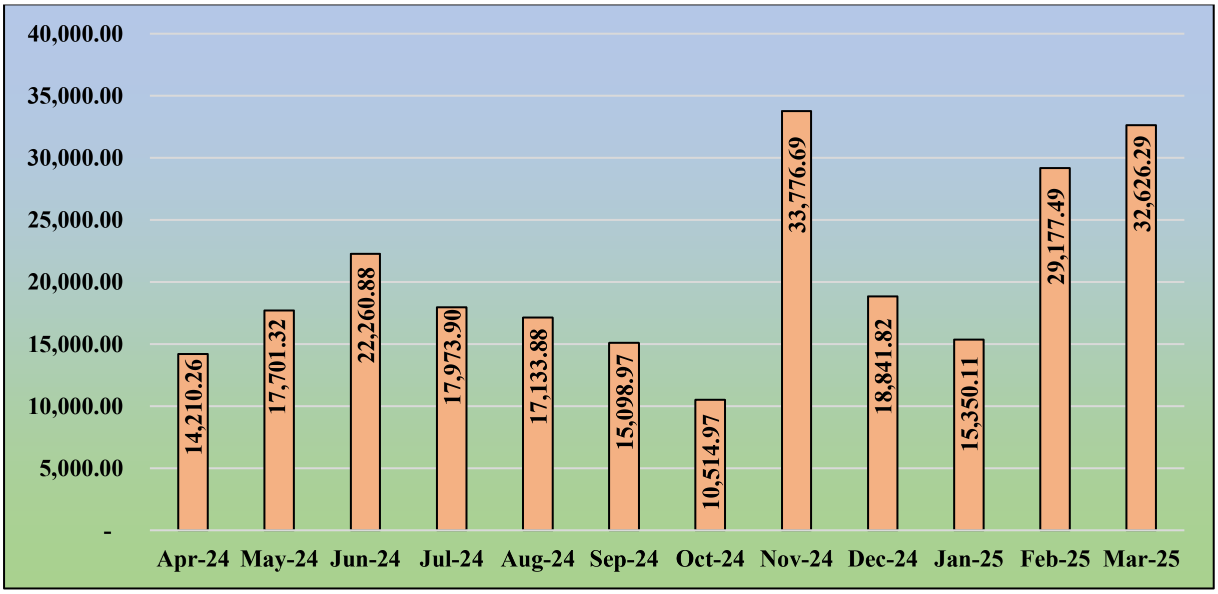
*** This is the expenditure data where the voucher was compiled in the VLC system, and the bill date is 31.03.2025**

Table 2.9 shows that a disproportionate share of annual expenditure (36.86 *per cent*) was executed in the last quarter, with 20.82 *per cent* in March alone, and a staggering ₹7,290.28 crore spent on just 31 March. This indicates a classic year-end spending spike, which points towards systemic budgeting inefficiencies and calls for stronger financial planning, review mechanisms, and expenditure control.

Trend of total Monthly receipts (Revenue Receipts, Capital Receipts and cash balance) and expenditure during financial year 2024-25 is shown in **Chart 2.8** and **Chart 2.9**.

Chart 2.8: Trend analysis of receipts (Month wise)

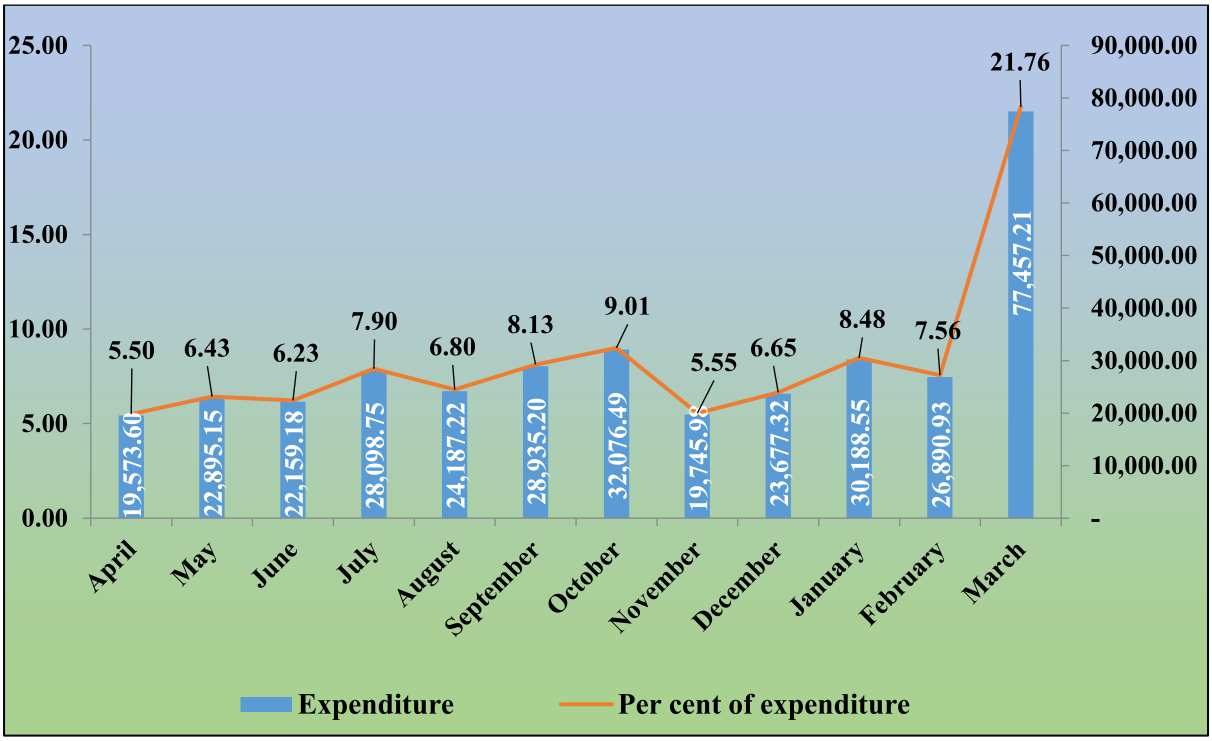
(₹ in crore)



Source: Information provided by O/o the AG (A&E) Madhya Pradesh, Gwalior

Chart 2.9: Trend analysis of expenditure (Month wise)

(₹ in crore)



Source: Information provided by O/o the AG (A&E) Madhya Pradesh, Gwalior

The quarter wise percentages of expenditure of the state were as follows:

1st Quarter- 18.16 *per cent;* 2nd Quarter- 22.82 *per cent;*
3rd Quarter- 21.21 *per cent*; 4th Quarter- 37.80 *per cent*

The quarterly details of expenditures incurred across all Grants are shown in ***Appendix 2.13***. The monthly expenditure trend depicted in the chart above and in the Appendix indicate a pronounced skewness towards the last quarter of the financial year and, particularly in the month of March.

Maintaining a steady pace of expenditure is a crucial component of sound public financial management as it prevents fiscal imbalances and temporary cash crunches.

2.6 Single Nodal Agency (SNA)

Ministry of Finance, Government of India vide letter No. 1(13) PFMS/FCD/2020 dated 23.03.2021 had notified procedure for release of funds under Centrally Sponsored Scheme (CSS) and monitoring utilization of the funds released through Single Nodal Agency (SNA). For each CSS, SNA is set up with own Bank Account in scheduled Commercial Bank authorised to conduct Government business by the State Government.

As per MoF, GoI's letter dated 16 February, 2023, the State Government shall transfer the Central share as well as the commensurate State share to the SNA account within 30 days of receipt of Central share. In case of delay beyond 30 days in transfer of Central share to the SNA account, interest on the number of days at the rate of 7 *per cent* per annum has to be paid by the State Government with effect from 01.04.2023.

Audit analysed the VLC data and SNA/PFMS report and found that there was discrepancy in data of Central and State share transfer to SNA accounts, as shown in **Table 2.10**.

Table 2.10: Discrepancies in Central and State share transfer

(₹ in crore)

Source of data	Central share received	Central share transferred	State share transferred	Less amount release by State
VLC (a)	24,434.02	25,561.61	23,309.48	9,054.96
SNA/PFMS Report (b)	25,432.61	18,370.83	24,037.66	Not available on PFMS
Difference Amount (a-b)	-998.59	7,190.78	-728.18	

Source: Information provided by O/o the AG (A&E) Madhya Pradesh, Gwalior

Table 2.10 indicates that discrepancies exist between VLC and PFMS figures. These figures are required to be reconciled regularly between PFMS and VLC to maintain accurate financial records.

2.7 Single Nodal Agency- SPARSH

To enhance oversight of the availability and utilization of funds released under Centrally Sponsored Schemes (CSS), the Department of Expenditure introduced revised guidelines for fund flow procedures. These guidelines aim to implement the principles of 'just-in-time releases' for payments, ensuring more efficient cash management at both the Central and State levels. As part of this effort, an alternative fund flow mechanism, SNA-SPARSH a real-time system for the integrated and swift transfer of CSS funds was introduced. This system operates through a seamless framework integrating the Public Financial Management System (PFMS), State Integrated Financial Management Information System (IFMIS), and e-Kuber of the Reserve Bank of India (RBI), facilitating efficient and transparent fund disbursement.

As per the revised procedure notified by the Ministry of Finance, State Governments are required to transfer both the Central and State share of funds to the Single Nodal Agency (SNA) Account under the SNA-SPARSH model and all releases are to be routed exclusively through the Public Financial Management System (PFMS). Further, all SNAs and Implementing Agencies must be registered in the State Integrated Financial Management Information System (IFMIS), and funds are to be released on a just-in-time basis directly to beneficiaries or vendors, without routing through Personal Deposit (PD) accounts or other intermediary accounts, thereby promoting improved cash management and transparency.

SNA SPARSH model has been implemented in Madhya Pradesh State. As regards opening of account in regional office of RBI, Bhopal, state government submits proposal to this office for consent of the same. As on 20.08.2025, this office has given consent to open 141 SNA accounts (SLS wise) on SNA-SPARSH model. As information by State Government, almost 190 schemes are required to be onboarded on SNA-SPARSH model.

This shows good progress but indicates there is still a way to go for full integration. Continuous coordination between the state government and RBI is essential to complete the onboarding of all schemes. Full onboarding of all schemes will enhance financial transparency, ease of fund flow monitoring, and scheme wise accounting. Timely consent for remaining accounts is critical to avoid delays in scheme fund management.

2.8 The Contingency Fund

The Contingency Fund of Government of Madhya Pradesh was established under the Section 3 of Madhya Pradesh Contingency Fund Act, 1957, and the State Government made the Madhya Pradesh Contingency Fund Rules, 1957 for regulating all matters connected with or ancillary to the custody of payment of monies into and the withdrawal of monies from the Contingency Fund of the State of Madhya Pradesh for meeting unforeseen expenditure. The fund is recouped when the State Legislature authorises the additional expenditure. The corpus of the Fund is ₹1,000.00 crore.

2.8.1 Advance from the Contingency Fund

Advances from the Contingency Fund are to be made only for meeting expenditure of an unforeseen and emergent character, postponement of which, till its authorisation by the Legislature, would be undesirable.

During FY 2024-25, an amount of ₹12.60 crore was withdrawn as an advance by three Departments namely Social Justice & Empowerment of Persons with Disabilities, Higher Education, and Technical Education and Skill Development and Employment, from the Contingency Fund in respect of three schemes. All the amounts were recouped till the end of the FY 2024-25 along with the previous year amount of ₹15.00 crore under Major Head 2052-'Secretariat- General Services'. Major Head wise details of the expenditure incurred, are given in **Table 2.11**.

Table 2.11: Major Head-wise Expenditure

(₹ in crore)

Sl. No.	Major Heads	Amount
1	2202- General Education	9.00
2	2203- Technical Education	1.44
3	2235- Social Security and Welfare	2.16
	Total	**12.60**

Source: Finance Accounts 2024-25

Details of schemes in which amounts were withdrawn as advances from the Contingency Fund, are given in **Table 2.12**.

Table 2.12: Details of schemes in which amount was withdrawn as an advance from the Contingency Fund

(₹ in crore)

Sl. No.	Nomenclature of the scheme	Date of sanction	Original budget	Supple-mentary budget	Total	Expen-diture	Savings / Excess	Advance from Contingency fund
1	34-2235-02-104-1456-42-007 Atal Vayo Abhyudaya (A.V.Y.A.Y.)	28.04.2024	10.00	0.00	10.00	3.91	6.09	2.16
2	44-2202-03-102-1534-42-002 Block Grant to Rani Avantibai Lodhi University, Sagar	14.08.2024	Token (₹2,000)	3.00	3.00	3.00	0.00	3.00

Sl. No.	Nomenclature of the scheme	Date of sanction	Original budget	Supple-mentary budget	Total	Expen-diture	Savings / Excess	Advance from Contingency fund
3	44-2202-03-102-1535-42-002 Block Grant to Kantisurya Tantya Bhil University, Khargone	14.08.2024	Token (₹2,000)	3.00	3.00	3.00	0.00	3.00
4	44-2202-03-102-1536-42-002 Block Grant to Krantikari Tatya Tope University, Guna	14.08.2024	Token (₹2,000)	3.00	3.00	3.00	0.00	3.00
5	47-2203-00-104-5885-44-001 Establishment of I.I.T. Indore	13.02.2025	0.00	1.44	1.44	1.44	0.00	1.44
	Total		**10.00**	**10.44**	**20.44**	**14.35**	**6.09**	**12.60**

Source: Data furnished by O/o the AG (A&E) Madhya Pradesh, Gwalior

It is clear from the **Table 2.12**, that in serial no.1, it was unnecessary to withdraw the advance of ₹2.16 crore in the scheme 34-2235-02-104-1456-42-007 Atal Vayo Abhyudaya as the expenditure was not even up to the level of original budget.

2.9 Review of selected Grants

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

During the year 2024-25, two Grants were selected for audit, *i.e.,* Grant No. 12-Energy and Grant No. 52-Medical Education for detailed scrutiny to review compliance with prescribed budgetary procedures, monitoring of funds, control mechanisms and implementation of schemes within these grants.

2.9.1 Grant No. 12-Energy

We reviewed (September 2025) the budgetary procedure and control over expenditure pertaining to the Grant No. 12 "Energy". Secretary, Department of Energy, Bhopal (code no 1301) and Chief Electrical Inspector & Advisor, Bhopal (code no 1302) are the Budget Controlling Officers (BCOs) of Grant No. 12.

2.9.1.1 Summarised position of Budget and Expenditure

The details of amount budgeted for, and the expenditure incurred under the Grant No. 12 during 2024-25 is summarised below in **Table 2.13.**

Table 2.13: Showing details of Budget and Expenditure

(₹ in crore)

Section	Original Budget	Supple-mentary Budget	Total Budget	Budget released to BCOs	Expenditure		Savings	
					As per BCOs	As per Appropr-iation Accounts	As per BCOs	As per Appropr-iation Accounts
1	2	3	4 (2+3)	5	6	7	8 (5-6)	9 (4-7)
Revenue (Voted)	10,709.56	12,998.43	23,707.99	19,677.82	19,662.31	19,662.44	4,045.68	4,045.55
Revenue (Charged)	0	0	0	0	0	0	0	0
Capital (Voted)	8,557.47	Token	8,557.47	8,400.47	6,769.56	6,769.56	1,787.91	1,787.91
Capital (Charged)	0	0	0	0	0	0	0	0
Total	**19,267.03**	**12,998.43**	**32,265.46**	**28,078.29**	**26,431.87**	**26,432.00**	**5,833.59**	**5,833.46**

Source: Appropriation Accounts 2024-25 and information obtained from BCOs Statement

As can be seen from the above **Table 2.13** that, under section Revenue (voted), original budget as approved by the legislature was ₹23,707.99 crore and actual budget released to Budget Controlling Officers (BCOs) by Finance Department (FD) was ₹19,677.82 crore. Thus, there was a short release of ₹4,030.17 crore. Similarly, budget under section Capital (voted) was ₹8,557.47 crore, and the budget release to BCOs was ₹8,400.47 crore, thus there was a short release of ₹157 crore.

As per Appropriation Accounts 2024-25, against the provision of ₹23,707.99 crore (Revenue), expenditure of ₹19,662.44 crore was incurred resulting in unspent provision of ₹4,045.55 crore (17.06 *per cent*). Further, against the provision of ₹8,557.47 crore (Capital), expenditure of ₹6,769.56 crore was incurred resulting in unspent provision of ₹1,787.91 crore (20.89 *per cent*). Huge savings indicates that the BCOs had not given due care and also not complied budget manual at the time of preparation of budget estimates.

The matter is brought to the notice of the Government; Reply is still awaited (January 2026).

Review of this grant revealed the following:

2.9.1.2 Substantial and persistent Savings

(i) Persistent savings

According to Paras 30.1 and 30.2 of Budget Manual, departments should carry out budget monitoring by reviewing expenditure incurred by departments during a financial year. The primary objective of such monitoring is to ensure that State budget presented and approved by the Vidhan Sabha remains a reliable guide to the actual expenditure incurred during the financial year. The monitoring should include not only expenditure incurred in the current financial year but should also made a comparison and analysis of past expenditure data for the last three years.

Audit observed that during the last five years from 2020-21 to 2024-25, there were persistent savings of more than ₹0.33 crore in six schemes ranging between 3.24 *per cent* to 100 *per cent* of the total budget allotment under the relevant appropriation as shown below in **Table 2.14**:

Table 2.14: List of appropriations indicating persistent savings during 2020-25

(₹ in crore)

Sl. No.	Scheme Name	Amount of Savings (*Per cent* to total budget allotment in the scheme)					Activity (Object head) in which maximum savings occurred during 2024-25
		2020-21	2021-22	2022-23	2023-24	2024-25	
1	6929-Strengthening of transmission system	54.10 (37.31%)	6.17 (3.24)	Nil	11.52 (50.11%)	Nil	NA
2	5666-Formation of Special Courts under Electricity Act 2003	4.10 (62.27%)	2.79 (36.74%)	3.04 (36.59%)	3.70 (33.32%)	0.33 (3.24%)	012-2045-00-103-9999-5666-V-18-004
3	1284-Strengthening of Transmission System	34.57 (100%)	242.20 (100%)	9.20 (55.99%)	6.38 (100%)	2.55 (100%)	012-6801-00-190-1201-1284-V-67-001
4	7837-Assistance for making required improvements as per 15th Finance commission reforms	NA	5,660.00 (100%)	5,850.00 (100%)	3,000.00 (100%)	7,612.00 (100%)	012-4801-05-190-0101-7837-V-64-002
5	0700-Green Corridor	Nil	618.00 (100%)	Nil	20.00 (100%)	8.00 (100%)	012-6801-00-205-1201-0700-V-67-001
6	9542-RDSS	NA	NA	225.00 (90%)	2,598.47 (73.69%)	1,229.65 (38.96%)	012-4801-05-190-0702-9542-V-64-002

Source: Information obtained from BCOs Statement

It can be seen from the above table that savings during 2024-25 were mainly in the Schemes viz., 15th Finance Commission (7837), Green Corridor (0700), Strengthening of Transmission system (1284) and RDSS (9542). The persistent savings is indicative of poor budgetary monitoring or shortfall in performance or both. This also showed that budget allocations were made without considering the previous years' trends in expenditure which resulted in persistent savings.

The matter is brought to the notice of the Government; Reply is still awaited (January 2026).

(ii) Substantial savings in the Scheme

The main objective of the schemes under Grant 12 is to strengthen the electrical infrastructure and maintain reliable & affordable power supply, operational efficiencies and financial sustainability of Power sector.

Audit observed that during 2024-25, there were substantial savings of ₹5,607.08 crore in nine schemes, where savings were ₹4.99 crore or above which was ranging between 13.58 to 64.40 *per cent* of the total budget allotment. The details are shown below in **Table 2.15**.

Table 2.15: Substantial savings in the scheme

(₹ in crore)

Sl. No.	Scheme No. and Name	Original budget	Supple-mentary Budget	Re-appropri ation	Total budget/ grant	Expend-iture	Savings	Percen-tage of savings
1	4281-Collection charges-Electricity Duty	38.34	0	0	38.34	27.65	10.69	27.87
2	5666-Formation of Special Courts under Electricity Act 2003	9.27	0.77	4.73	14.76	9.77	4.99	33.79
3	5378-Atal Grah Jyoti yojana	3,500.00	1,020.41	2,995.27	7,515.68	6,495.27	1,020.41	13.58
4	5381-Atal Krishi Jyoti Yojana	780.00	10,474.57	0	11,254.57	9,262.79	1,991.78	17.70
5	5855-Payment of subsidy to MPEB for reimb. of exp. in conn. with free supply of elec. to 1 pt. conn. and 5HP Agri. pumps/thres	2,300.00	772.17	0	3,072.17	2,300.00	772.17	25.13
6	6929-Strengthening of Transmission system	26.51	0	23.40	49.91	26.91	23.00	46.08
7	7313-Tariff Grant	440.00	495.72	0	935.72	720.07	215.65	23.05
8	7900-Strengthening of Sub Transmission & distribution system (SSTD)	565.00	0	32.71	597.71	212.81	384.89	64.40
9	9542-Revamped Distribution System (RDSS)	3,156.00	0	-46.15	3,109.85	1,926.35	1,183.49	38.06
	Total				**26,588.71**	**20,981.63**	**5,607.08**	

Source: Information obtained from BCOs Statement

As shown in **Table 2.15** the major savings were under SSTD (7900), Strengthening of Transmission system (6929) and RDSS (9542) schemes which shows that department could not meet the targeted creation/strengthening of transmission/distribution infrastructure in the State.

The matter is brought to the notice of the Government; Reply is still awaited (January 2026).

2.9.1.3 Non-utilisation of entire provision

During 2024-25, in 20 cases, where provision was ₹ one crore or more, the entire provision of the schemes aggregating to ₹19,267.03 crore, out of which budget allotment of ₹8,749.94 crore (45.47 *per cent*) released by the Finance Department was not utilised by the Energy department as detailed below in **Table 2.16**.

Table 2.16: Non-utilisation of entire provision

(₹ in crore)

Sl. No.	Scheme head	Total provision	Funds released to BCOs	Expen-diture	Savings
1	4801-05-190-0101-1937- Investment for Strengthening Jayka of Transmission System	20.00	20.00	0.00	20.00
2	4801-05-190-0101-7837- Assistance for Making Required Improvements as per 15th Finance Commission	2,451.96	2,400.00	0.00	2,451.96
3	4801-05-190-0102-7837- Assistance for Making Required Improvements as per 15th Finance Commission	865.04	860.00	0.00	865.04
4	4801-05-190-0103-7837- Assistance for Making Required Improvements as per 15th Finance Commission	1,295.00	1,195.00	0.00	1,295.00
5	2801-80-101-0101-7837-Assistance for Making Required Improvements as per 15th Finance Commission	1,572.36	1,572.36	0.00	1,572.36
6	2801-80-101-0102-7837-Assistance for Making Required Improvements as per 15th Finance Commission	806.13	806.13	0.00	806.13
7	2801-80-101-0103-7837-Assistance for Making Required Improvements as per 15th Finance Commission	621.50	621.50	0.00	621.50
8	4801-05-190-0702-9542- Revamped Distribution Sector Scheme (R.D.S.S.)	348.11	348.11	0.00	348.11
9	4801-05-190-0703-9542- Revamped Distribution Sector Scheme (R.D.S.S.)	232.07	232.07	0.00	232.07
10	6801-190-0705-9542- Revamped Distribution Sector Scheme (R.D.S.S.)	33.50	33.50	0.00	33.50
11	6801-190-0706-9542- Revamped Distribution Sector Scheme (R.D.S.S.)	24.36	24.36	0.00	24.36
12	4801-05-190-1201-0700- Green Corridor	4.00	4.00	0.00	4.00
13	6801-00-205-1201-0700- Green Corridor	4.00	4.00	0.00	4.00
14	6801-190-0101-5336- Renovation and Modernisation Work of Power Houses	27.92	27.92	0.00	27.92
15	6801-190-0101-7900- Strengthening of Sub Transmission and Distribution System	250.00	250.00	0.00	250.00
16	6801-190-0102-7900- Strengthening of Sub Transmission and Distribution System	80.00	80.00	0.00	80.00
17	6801-190-0103-7900- Strengthening of Sub Transmission and Distribution System	85.00	85.00	0.00	85.00
18	6801-190-1201-1284- Strengthening of Transmission System (ADB-3)	1.58	1.58	0.00	1.58
19	6801-205-1201-6929- Strengthening of Transmission System	23.00	23.00	0.00	23.00
20	6801-205-1201-7255- For Modernisation and Renewal of 33/11 K.V. Sub-Centers and D.T.R. Metering	4.41	4.41	0.00	4.41
	Total	**8,749.94**	**8,592.94**	**0.00**	**8,749.94**

Source: Information obtained from BCOs Statement

As shown in **Table 2.16** entire provision of 20 Scheme heads remained unutilised. Further it was observed that the provision made under Scheme-7837 (Assistance for making required improvements as per 15th Finance Commission) was re-appropriated to the other schemes which indicates that the said provision was not required at all.

The matter is brought to the notice of the Government; Reply is still awaited (January 2026).

2.9.1.4 Unnecessary provisions of supplementary/re-appropriation

According to Paras 28.8 and 28.9 of Budget manual Vol-1, the primary responsibility of preparing and justifying for supplementary grants rests on BCOs. Proposals for supplementary grants or appropriation should be submitted by the controlling officer to the concerned administrative department and administrative department should examine the proposals very carefully and recommend to the Finance Department only those that are considered to be fully justified.

We observed that during the year 2024-25 in three schemes, supplementary/re-appropriation amounting to ₹1,797.58 crore proved unnecessary as the savings were equal or more than the supplementary provision/Re-appropriation in these schemes, as detailed below in **Table 2.17**.

Table 2.17: Details of unnecessary supplementary/re-appropriation of provision

(₹ in crore)

Schemes	Original Provision	Suppleme-ntary provision	Re-appropr-iation	Total	Expenditure	Savings
(5666) Setting up of Special Courts under the Electricity Act, 2003	9.27	0.77	4.73	14.77	9.77	5.00
(5378) Atal Griha Jyoti Yojana	3,500.00	1,020.41	2,995.27	7,515.68	6,495.27	1,020.41
(5855) Payment of subsidy to MPEB for reimb. of exp. in conn. with free supply of elec. to 1 pt. conn. and 5HP Agri. Pumps	2,300.00	772.17	0.00	3,072.17	2,300.00	772.17
Total	**5,809.27**	**1,793.35**	**3,000.00**	**10,602.62**	**8,805.04**	**1,797.58**

Source: Information obtained from budget books and BCOs

This indicates that proposals for supplementary budget were sent to Finance Department without assessing the actual requirement. As unnecessary provisioning reflects injudicious budgetary exercise, robust checks should be placed to avoid such occurrences. Further, re-appropriation of funds which is an exercise of the budget controlling authorities with reference to the budget/expenditure, needs to be carried out in rigorous manner.

The matter is brought to the notice of the Government; Reply is still awaited (January 2026).

2.9.1.5 Non surrender of funds by DDOs

Scrutiny of records made available by the Budget Controlling Officer (BCO), Chief Engineer (Electrical Safety), and Chief Electrical Inspector (BCO code 1302) revealed that the balance budget held by DDOs was not surrendered to the BCO within the stipulated time (before 15th January). The details are shown below in the **Table 2.18**.

Table 2.18: Non-Surrender of funds by DDOs

(₹ in crore)

Sl. No.	Name of scheme	Budget Allotment to DDOs 2024-25	Budget Distribution to DDOs	Utilised by DDOs	Balance Budget with BCO	Balance Budget with DDOs
1	(4281) Collection Charges-Electricity Duty	38.14	27.87	27.65	10.26	0.22

Source: Information furnished by BCO

It can be seen from the above table that out of ₹38.14 crore of allotted budget, BCO could allot only ₹27.87 crore to the DDOs.

Further, the balance budget with the DDOs (₹0.22 crore) was not surrendered to the BCO within the stipulated time (before 15th January).

The matter is brought to the notice of higher authorities; Reply is still awaited (January 2026).

2.9.1.6 Deficient release of Budget

According to Paras 30.1 and 30.2 of Budget Manual, department should carry out budget monitoring by reviewing expenditure incurred by departments during a financial year. The primary objective of such monitoring is to ensure that State budget presented and approved by the Vidhan Sabha remains a reliable guide to the actual expenditure incurred during the financial year.

We observed that during the year 2024-25, an amount of ₹30.00 crore was included in the Budget Estimate approved by the legislature under the scheme 1436 - Chief Minister Krishak Mitra Scheme, in Grant No. 12, however, no corresponding estimates/allotments were reflected in BCO statements.

We further observed that during the year 2024-25, an amount of ₹75.49 crore, was shown in the BCO statements, under the scheme (1216- Loans from Rural Electrification Corporation of ₹53.49 crore and 1217- Interest on loans from Rural Electrification Corporation Limited of ₹22.00 crore), however, no corresponding estimates/allotments were reflected in the Budget under Grant No.12 of Energy Department.

This shows ineffective budget monitoring and lack of coordination between Budget formulation and BCO.

The matter is brought to the notice of the Government; Reply is still awaited (January 2026).

2.9.1.7 Non-Surrender of Unutilised Funds by BCO

According to para 26.9 of the Madhya Pradesh Budget Manual Vol I, statements of anticipated savings in expenditure are required to be submitted by the Budget Controlling Officers to the Finance Department by 15th January for each financial year so that resources can be allocated by Finance Department to other demand of grants.

We observed that during the year 2024-25 in two schemes savings aggregating to ₹15.51 crore (8.05 *per cent*) of total provision of ₹192.67 crore should have been surrendered to Government within stipulated timeline i.e. 15th January. However, the same was not surrendered to Government within the 2024-25. Details are shown in **Table 2.19** below.

Table 2.19: Non-Surrender the anticipated savings in stipulated time

(₹ in crore)

Sl. No.	Name of scheme	Budget Allotment to BCO	Utilised by BCO	Surrender by BCO	Remanning Budget	Per cent of non-utilisation of funds by BCOs
1	(4281) Collection Charges-Electricity Duty	38.14	27.65	NIL	10.49	27.50
2	5666 Establishment of Special court under Electricity Act- 2003	14.79	9.77	NIL	5.02	33.94
	Total	**52.93**	**37.42**		**15.51**	**29.30**

Source: Information obtained from BCOs Statement

Further it was observed that BCO prepared a statement of surrender in April 2025.

This indicates inadequate financial control by the BCO resulted in non-utilization of the funds for other development programmes/purpose during the respective year.

The matter is brought to the notice of the Government; Reply is still awaited (January 2026).

2.9.2 Grant No. 52-Medical Education

Audit reviewed (September 2025) the budgetary procedures and expenditure control pertaining to Grant No. 52 – Medical Education at the Directorate of Medical Education, Bhopal, which serves as the Budget Controlling Officer (BCO) for this grant.

2.9.2.1 Audit Findings

During the budgetary review of Grant No. 52 for the year 2024–25, the following deficiencies were observed, as detailed below:

(i) Summarised position of Budget and Expenditure

As per para-B.5 of Budget Manual-I, BCOs serve as the crucial link between the Administrative Department, Finance Department, Accountant General and disbursing officers in all stages of the budget cycle from preparation of estimates to reconciliation of accounts with the Accountant General.

There were variations between Appropriation Accounts and records provided by the BCO as given in **Table 2.20** below:

Table 2.20: Difference between appropriation account and records of BCO

(₹ in crore)

Section	Original Budget as per AG	Original Budget as per BCO	Supple-mentary Budget	Total Grant	Budget released to BCOs	Expenditure		Savings	
						As per BCO	As per Appropria-tion Accounts	As per BCO	As per Appropri-ation Accounts
Revenue (Voted)	3,292.11	3,292.03	0	3,292.11	3,157.75	2,507.14	2,508.05	650.61	784.06
Revenue (Charged)	0.10	0.10	0	0.10	0.10	0	0	0.10	0.10
Capital (Voted)	1,638.61	1,617.05	0	1,638.61	1,600.85	1,330.84	1,330.84	270.01	307.77
Capital (Charged)	0	0	0	0	0	0	0	0	0
Total	**4,930.82**	**4,909.18**	**0**	**4,930.82**	**4,758.70**	**3,837.98**	**3,838.89**	**920.72**	**1,091.93**

Source:* *Appropriation Accounts 2024-25 and information furnished by the BCO

It is evident from the above table that:

i. The budget as approved by the legislature was ₹4,930.82 crore and actual budget released to Budget Controlling Officers (BCOs) by Finance Department (FD) was ₹4,758.70 crore. Thus, there was a short release of ₹172.12 crore to the BCOs from the actual budget approved by the legislature.

ii As per Appropriation Accounts 2024-25, against the provision of ₹4,930.82 crore, expenditure of ₹3,838.89 crore was incurred resulting in unspent provision of ₹1,091.93 crore (22 *per cent*). Thus, the significant amount of budget could not be utilized.

During audit it was noticed that there was difference of ₹21.64 crore (₹4,930.82 crore-₹4,909.18 crore) between original budget figures of AG and BCO and difference of ₹0.91 crore (₹3,838.89 crore - ₹3,837.98 crore) in the expenditure figures of AG and BCO.

In reply, Department stated that the department's allocation was initially reduced by 10–20 *per cent*, and remaining funds were to be released only after expenditure reached the allocated limit. Since the actual expenditure was lower than the budget allocation, the Finance Department did not release the remaining funds, making the allocation appear less than provisioned. Further, reconciliation between the department's figures and AG's figures will be carried out in future to resolve these differences.

The reply is silent about the reasons for reduction in allocation and expenditure not meeting the budget allocation. Further, had the BCO office reconciled the expenditure figures with the Accountant General's office in a timely manner, these discrepancies would have been avoided.

2.9.2.2 Substantial and Persistent Saving

(i) Persistent Saving:

According to Paras 30.1 and 30.2 of Budget Manual, department should carry out budget monitoring by reviewing expenditure incurred by departments during a financial year. The primary objective of such monitoring is to ensure that State budget presented and approved by the Vidhan Sabha remains a reliable guide to the actual expenditure incurred during the financial year. The monitoring should include not only expenditure incurred in the current financial year but should also include a comparison and analysis of past expenditure data for the last three years.

We observed that during the last three years from 2022-23 to 2024-25, there were persistent savings of more than ₹ one crore in nine schemes ranging between two *per cent* and 100 *per cent* of the total budget allotment under the relevant appropriation as shown in **Table 2.21** below:

Table 2.21: Details of persistent savings during 2022-25

(₹ in crore)

Sl. No.	Scheme Name	Amount of Savings (*Per cent* to total budget allotment in the scheme)			Activity (Object head) in which maximum savings occurred during 2024-25
		2022-23	2023-24	2024-25	
1	2210-01-110-0101-1353-Medical College and Affiliated Hospital	33.83 (4)	92.49 (8)	389.91 (25)	11-Salaries and allowances
2	2210-01-110-0102-1353-Medical College and Affiliated Hospital	7.37 (3)	18.93 (6)	105.33 (24)	31-Payment for professional services 34-Material and Supply 42-Grant-in-aid
3	2210-01-110-0103-1353-Medical College and Affiliated Hospital	10.61 (4)	4.50 (2)	32.64 (9)	31-Payment for professional services 34-Material and Supply 42-Grant-in-aid
4	2210-01-110-0101-9545-Maintenance of Departmental Assets	4.59 (38)	4.25 (35)	6.00 (62)	33-Maintenance Work
5	4210-03-105-0704-1210-Establishment of State Cancer Institute Jabalpur	1.00 (9)	27.42 (82)	33.60 (100)	63-Machine
6	2210-05-105-0701-1211-Establishment of Super Specialty Hospital under PMSSY	2.09 (52)	1.89 (37)	7.61 (58)	31-Payment for professional services 34-Material and Supply
7	2210-05-105-0704-1211-Establishment of Super Specialty Hospital under PMSSY	2.33 (87)	17.24 (76)	5.03 (59)	31-Payment for professional services 34-Material and Supply
8	2210-05-105-1355-Directorate Medical Education	2.63 (34)	2.98 (9)	44.56 (34)	11-Salaries and Allowances 22-Office Expenses 31-Payment for professional services 34-Material and Supply
9	4210-03-105-0101-6335-Upgradation in Medical Colleges	1.36 (14)	6.14 (34)	2.11 (14)	63-Machine

Source: VLC data and Appropriation Accounts

It is evident from the above table that savings were mainly in the activities of Salaries and Allowances, Material and Supply and Machine during 2024-25. The persistent savings are indicative of poor budgetary monitoring or shortfall in performance or both. This also showed that budget allocations were made without considering the previous years' trends in expenditure, which resulted in persistent savings.

The department replied that budget provisions were made based on the expectation of filling new posts; however, as the posts remained vacant, the allocated budget could not be utilized. It was further stated that in the future, budget provisions will be prepared considering scheme heads where savings are likely to occur.

Thus, reply indicates that budget allocations for schemes are being made in anticipation of filling of new post. Further, it does not explain the reasons for savings under the heads of maintenance and machinery.

(ii) Substantial Saving

The main objective of the Schemes was to provide best tertiary health care facilities for the people of the State by establishing new medical colleges and strengthening existing medical colleges including super specialty hospitals, cancer and mental hospitals. Substantial savings in the budget heads against the appropriation approved by the State Legislature defeated the goal of the Government to provide best tertiary health care facilities to the people of the State.

We observed that there were substantial savings of ₹1,074.51 crore in 15 schemes, where savings were ₹20 crore or more ranging between nine *per cent* and 100 *per cent* of the total budget allotment during 2024-25 as detailed in **Table 2.22** below:

Table 2.22: Details of substantial saving during 2024-25

(₹ in crore)

Sl. No.	Scheme Head	Re-appropriation (+ or -)	Total Budget	Expenditure	Saving	Saving (In Per cent)	Activity (Object head) in which maximum savings occurred
1	2210-01-110-0101-1353-Medical College and Affiliated Hospital	(-) 47.12	1,549.77	1,159.86	389.91	25	42-Grant-in-aid
2	2210-01-110-0102-1353-Medical College and Affiliated Hospital	(+) 0.10	440.49	335.16	105.33	24	42-Grant-in-aid
3	2210-01-110-0103-1353-Medical College and Affiliated Hospital	-	381.47	348.83	32.64	9	42-Grant-in-aid
4	2210-05-796-105-0101-1542-Establishment of Super Speciality Hospital under PMSSY Scheme (State Aided)	-	105.86	43.29	62.57	59	34-Material Supply
5	2210-05-105-0101-9080-Ratlam/ Datia/ Shivpuri/Satna Medical College	(+) 0.20	415.20	347.13	68.07	16	41-Scholarship and Stipend
6	2210-05-105-0102-9080-Ratlam/ Datia/Shivpuri/ Satna Medical College	(-) 9.00	55.40	32.94	22.46	41	31-Payment of Professional Services
7	2210-05-105-1355-Directorate Medical Education	(+) 30.06	130.41	85.85	44.56	34	31-Payment of Professional Services
8	4210-03-105-0701-1210-Establishment of State Cancer Institute Jabalpur	-	50.40	-	50.40	100	63-Machine
9	4210-03-105-0702-7853-Establishment of new medical colleges	-	73.00	16.32	56.68	78	64-Major Construction Work
10	4210-03-105-0703-7853-Establishment of new medical Colleges	-	48.00	27.68	20.32	42	64-Major Construction Work
11	4210-03-105-0704-1210-Establishment of State Cancer Institute Jabalpur	-	33.60	-	33.60	100	63-Machine
12	4210-03-105-0704-2061-Increase in MBBS Seats	-	46.97	-	46.97	100	63-Machine

Sl. No.	Scheme Head	Re-appropriation (+ or -)	Total Budget	Expenditure	Saving	Saving (In Per cent)	Activity (Object head) in which maximum savings occurred
13	4210-03-105-0704-6460-Strengthering of PG Course in Medical College	(-) 83.33	71.86	-	71.86	100	63-Machine
14	4210-03-105-0705-6460-Strengthering of PG Course in Medical College	-	34.79	-	34.79	100	63-Machine
15	4210-03-105-0705-7853-Establishment of New Medical College	(-) 5.30	43.70	9.36	34.34	79	64-Major Construction Work
	Total		**3,480.92**	**2,406.42**	**1,074.51**		

Source: VLC data and Appropriation Accounts

The Department replied that the savings occurred due to delays in approval processes for construction works, lower demand for scholarships and professional services, and a slow process of procurement of machinery and equipment.

Thus, the reply indicates that the department lacked in optimizing the efforts to ensure full utilization of the budget provisions under various schemes.

2.9.2.3 Preparation of budget estimates on ad-hoc basis

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

Audit noticed that while preparing the budget estimates by the BCO, information was not collated from the DDOs before finalisation of the budget estimates. Further, it was observed that the department had spent ₹3,835.79 crore against the allotted amount of ₹4,758.69 crore during the financial year 2024-25, which indicates that budget estimates were made without assessing the actual requirement at DDOs level, resulting in blockage of funds as well as violation of said provisions.

Department replied that the savings were due to non-release of the Central share, lower expenditure on medicines, consumables, machinery, equipment and construction works, and vacancies in various medical colleges.

This reply indicates that the Department did not properly consider the availability of the Central share, actual spending requirements, and existing vacancies while preparing the Budget Estimates, resulting in large savings.

(i) Non-utilization of entire provision of various budget heads

During 2024-25, in 33 cases, where provision was ₹ one crore or more, the entire provision of the schemes after re-appropriation remained unutilized at the end of year as detailed in **Table 2.23** below:

Table 2.23: Details of under-utilization of entire budget during 2024-25

(₹ in crore)

Sl. No.	Scheme Name	Original budget	Re-appropri-ation (+ or -)	Total Grant	Expend-iture	Savings
1	4210-03-105-0101-7280-Upgradation of Mental Hospital Indore and Mental Health centre Gwalior	7.00	0	7.00	0	7.00
2	4210-03-105-0701-1136-Construction of New Nursing Colleges	9.15	0	9.15	0	9.15
3	4210-03-105-0705-1210-Establishment of State Cancer Institute Jabalpur	50.40	0	50.40	0	50.40
4	4210-03-105-0701-1211-Establishment of Super Speciality Hospital under PMSSY Scheme	19.20	0	19.20	0	19.20
5	4210-03-105-0701-2061-Increase in MBBS Seats	10.98	0	10.98	0	10.98
6	4210-03-105-0701-2064-Tertiary Care Cancer, Gwalior	14.83	0	14.83	0	14.83
7	4210-03-105-0701-5388-Allied Health Centre	5.00	0	5.00	0	5.00
8	4210-03-105-0701-7280-Upgradation of Mental Hospital Indore and Mental Health centre Gwalior	7.93	0	7.93	0	7.93
9	4210-03-105-0702-1136-Construction of New Nursing Colleges	3.45	0	3.45	0	3.45
10	4210-03-105-0702-2061-Increase in MBBS Seats	14.14	0	14.14	0	14.14
11	4210-03-105-0702-2064-Tertiary Care Cancer, Gwalior	4.83	0	4.83	0	4.83
12	4210-03-105-0702-7280-Upgradation of Mental Hospital Indore and Mental Health centre Gwalior	2.99	0	2.99	0	2.99
13	4210-03-105-0703-1136-Construction of New Nursing Colleges	2.40	0	2.40	0	2.40
14	4210-03-105-0703-2061-Increase in MBBS Seats	12.88	0	12.88	0	12.88
15	4210-03-105-0703-2064-Tertiary Care Cancer, Gwalior	3.36	0	3.36	0	3.36
16	4210-03-105-0703-7280-Upgradation of Mental Hospital Indore and Mental Health centre Gwalior	2.08	0	2.08	0	2.08
17	4210-03-105-0705-1136-Construction of New Nursing Colleges	6.10	0	6.10	0	6.10
18	4210-03-105-0704-1210-Establishment of State Cancer Institute Jabalpur	33.60	0	33.60	0	33.60
19	4210-03-105-0704-1211-Establishment of Super Speciality Hospital under PMSSY Scheme	7.80	0	7.80	0	7.80
20	4210-03-105-0704-2061-Increase in MBBS Seats	46.97	0	46.97	0	46.97
21	4210-03-105-0704-2064-Tertiary Care Cancer, Gwalior	9.89	0	9.89	0	9.89
22	4210-03-105-0704-6460-Strengthering of PG Course in Medical College	155.19	(-)83.33	71.86	0	71.86
23	4210-03-105-0704-9080-Ratlam/Datia/Shivpuri/Satna Medical College	73.40	(-)72.39	1.00	0	1.00

Sl. No.	Scheme Name	Original budget	Re-appropri-ation (+ or -)	Total Grant	Expend-iture	Savings
24	4210-03-105-0705-1136-Construction of New Nursing Colleges	2.30	0	2.30	0	2.30
25	4210-03-105-0705-2061-Increase in MBBS Seats	17.79	0	17.79	0	17.79
26	4210-03-105-0705-2064-Tertiary Care Cancer, Gwalior	3.22	0	3.22	0	3.22
27	4210-03-105-705-6460-Strengthering of PG Course in Medical College	34.79	0	34.79	0	34.79
28	4210-03-105-0705-9080-Ratlam/Datia/Shivpuri/Satna Medical College	5.25	0	5.25	0	5.25
29	4210-03-105-0706-1136-Construction of New Nursing Colleges	1.60	0	1.60	0	1.60
30	4210-03-105-0701-2061-Increase in MBBS Seats	12.32	0	12.32	0	12.32
31	4210-03-105-0706-2064-Tertiary Care Cancer, Gwalior	2.24	0	2.24	0	2.24
32	4210-03-105-0706-6460-Strengthering of PG Course in Medical College	10.85	0	10.85	0	10.85
33	4210-03-105-0706-9080-Ratlam/Datia/Shivpuri/Satna Medical College	9.06	0	9.06	0	9.06
	Total	**602.99**	**(-)155.72**	**447.27**	**0**	**447.27**

Source: VLC data and Appropriation Accounts

Thus, against the total budget provision of ₹602.99 crore approved by State Legislature, the BCO made re-appropriation of ₹155.72 crore by decreasing the budget, however, the entire available budget of ₹447.27 crore of 33 schemes was not utilized.

The department replied that although budget provisions and allocations were made, the Central share of funds was not released, which in turn prevented the drawl of the corresponding State share. Consequently, no expenditure was incurred against these allocations.

Thus, the fact remains that the budget allotted for medical facilities under the scheme could not be operationalized as planned, and the intended works, remained incomplete.

(ii) Unnecessary augmentation by re-appropriation

As per para B.13 of Budget Manual during the course of the financial year, BCOs are also responsible for obtaining necessary sanctions for re-appropriations and supplementary grants.

During the budgetary process, it was noticed that, in the case of four scheme heads, augmentation of funds through re-appropriation proved unnecessary, as the actual expenditure was less than the original budget, as detailed in **Table 2.24** below:

Table 2.24: Details of augmentation by re-appropriation

(₹ in crore)

Sl. No.	Scheme Name	Original Budget	Augmentation by Re-appropriation	Total Grant or Appropriation	Actual Expenditure	Saving
1	2210-01-110-0102-1353-Medical College and Affiliated Hospital	440.39	0.10	440.49	335.16	105.33
2	2210-05-105-0101-9080-Ratlam/Datia/Shivpuri/Satna Medical College	415.00	0.20	415.20	347.13	68.07
3	2210-05-105-0101-1355-Directorate Medical Education	100.35	30.06	130.41	85.85	44.56
4	2210-05-105-1915-Dental College	37.00	10.22	47.22	35.81	11.41
	Total	**992.74**	**40.58**	**1,033.32**	**803.95**	**229.37**

Source: Appropriation Account 2024-25

It is evident from above table that augmentation of ₹40.58 crore in original budget was proved unnecessary as the actual expenditure of ₹803.95 crore was less than the original budget of ₹992.74 crore.

Department replied that re-appropriation was made under the concerned budget heads in anticipation of higher expenditure; however, due to lower demand for expenditure, the actual expenditure was less than the original budget.

Thus, it is evident from the reply that while re-appropriating funds under the scheme heads, the estimation was not assessed appropriately.

2.9.2.4 Non-Surrender of anticipated savings within due time

Para B.29 of the Budget Manual specified that if the Administrative Department anticipates savings then it should be surrendered to the Finance Department. Such an exercise should be undertaken by 15th of January for each financial year so that resources can be allocated by Finance Department to other demand of grants. Further, para no. 6.1 of Finance Department's orders (July 2021) also reiterated the same instructions. The status of unspent budget/saving during 2024-25 is given in **Table 2.25** below:

Table 2.25: Details of unspent budget/saving during 2024-25

(₹ in crore)

Section	Total provision or Grant	Unspent Budget/ Saving at the end of year.	Budget Surrender as per BCO	Budget Surrender as per Appropriation Accounts of AG
Revenue- Charged	0.10	0.10	0	0
Revenue-Voted	3,292.11	784.06	657.54	0
Capital-Charged	0	0	0	0
Capital-Voted	1,638.61	307.77	222.44	0
Total	**4,930.82**	**1,091.93**	**879.98**	**0**

Source: Appropriation Accounts 2024-25 and information furnished by the BCO

As per Appropriation Accounts of 2024-25, saving of ₹1,091.93 crore had occurred against the total budget provision of ₹4,930.82 crore. However, during the scrutiny of records related to surrender of saving it was noticed that no amount of saving was surrendered during the financial year by the Department and a bulk amount of saving of ₹879.98 crore under various budget heads was surrendered on 31 March 2025 which leaves no scope for Finance Department to utilising the funds for other development programmes.

Department replied that all possible efforts were made to utilize the budget provisions before 31 March. However, due to periodic restrictions imposed by the Finance Department, budget provisions were reduced. Subsequently, when funds were reallocated, delays in approvals by the Finance Department for drawal created uncertainty, resulting in incomplete utilization of budget provisions. Furthermore, savings could not be surrendered in time due to delays in the supply of materials by construction agencies and suppliers of medicines, consumables, and machinery, as well as the late submission of bills by subordinate institutions.

The reply indicates that the department lacked in planning and executing the activities in accordance with the budget provision under the further more schemes. Surrender of budget on the last day of Financial Year prevented the Finance Department from effectively reallocating the funds to other departments or priority areas.

2.9.2.5 Expenditure relating to previous years was met from the current year's budget allocation.

As per Rule 14 of the Madhya Pradesh Financial Code, Volume I, all charges incurred shall be paid within the same financial year and shall not be carried forward for payment from the appropriation of a subsequent year. If necessary, the expenditure may be postponed until provisions are made in the new budget and the required sanction is obtained. However, under no circumstances should an expenditure incurred in one year be charged to the appropriation of another year.

Audit noticed that subordinate Drawing and Disbursing Officers (DDOs) demanded additional budget in various heads to enable them to make the payment of pending liabilities of previous years (2021-22 to 2023-24). Consequently, the BCO allowed them to make the payment of pending liabilities of previous year from the budget allotment of current year (2024-25). The total amount of allotment was ₹1.91 crore.

The allotment of additional budget in various heads for payment of pending liabilities of previous years was contrary to the provisions of Madhya Pradesh Financial Code.

Department replied that subordinate institutions were permitted to clear pending liabilities from previous years using the budget allocation of the financial year 2024–25, based on their requests for funds to settle outstanding bills. It was further assured that, in future, all subordinate institutions would be instructed not to make such payments from the current year's budget.

The reply itself indicates that the department was charging the previous years liabilities in current financial year in contravention to the provisions of Budget Manual.

2.9.2.6 Rush of Expenditure

As per provisions contained in Budget Manual, Vol.–I, Chapter–26, Para–26.13, the Drawing and Disbursing Officers (DDOs) are required to regulate the pace of expenditure in such a manner that it is evenly distributed throughout the financial year. The Manual specifically discourages a rush of expenditure towards the close of the financial year, as it indicates poor financial planning and may result in infructuous or irregular spending.

Audit observed that the pattern of expenditure was irregular, with a disproportionately high amount incurred during the last quarter, particularly in the final month of the financial year. This trend is contrary to the principle of proportionate expenditure distribution prescribed in the Budget Manual. The details of such expenditure are provided in **Table 2.26** below:

Table 2.26: Details of expenditure incurred in the last months during 2024-25

(₹ in crore)

Sl. No.	Month	Exp. In the Month	Progressive Exp.
1	Apr-24	215.67	215.67
2	May-24	239.51	455.18
3	Jun-24	206.86	662.04
4	Jul-24	242.04	904.08
5	Aug-24	336.14	1,240.22
6	Sep-24	464.64	1,704.86
7	Oct-24	339.73	2,044.59
8	Nov-24	293.71	2,338.31
9	Dec-24	264.18	2,602.49
10	Jan-25	213.08	2,815.57
11	Feb-25	253.27	3,068.84
12	Mar-25	770.05	3,838.89
Total		**3,838.89**	
	Jan-25	213.08	
	Feb-25	253.27	
	Mar-25	770.05	
Total		**1,236.40**	Expenditure incurred in last three Month – 32.21%
	Mar-25	**77.05**	**Expenditure incurred in the March 2025-20.06%**

Source: VLC data of AG (A&E) Madhya Pradesh, Gwalior

It is evident from the above, expenditure incurred at the close of the financial year was 32.21 *per cent* in the last quarter and 20.06 *per cent* in March 2025 alone, which is indicative of rush of expenditure in contravention to the provisions of Budget Manual ibid.

Department replied that restrictions imposed by the Finance Department on monthly withdrawals limited the fund utilization during earlier quarters, leading to the release of unutilized amounts in the last quarter or month, which resulted in higher expenditure during that period.

The fact remains that the expenditure pattern was not maintained in a balanced or consistent manner throughout the year, contrary to the guidelines prescribed in the Budget Manual.

2.9.2.7 On boarding of Centrally Sponsored Schemes (CSS) funds through SNA SPARSH model

Ministry of Finance (Department of Expenditure), GoI issued (June 2021) instructions regarding release of funds to States for Centrally Sponsored Schemes (CSS) and monitoring utilization of the funds. In this regard, it was directed that a Single Nodal Agency (SNA) is designated for each CSS by every State Government. Each SNA is registered in the Public Financial Management System (PFMS) and the bank account of each SNA is opened and mapped in PFMS.

In the department under the Grant No.52, 10 Centrally Sponsored Schemes were operated during 2024-25 as detailed in **Table 2.27** below:

Table 2.27: Details of Centrally Sponsored Schemes

SI. No.	Name of Schemes
1	2061-Increasement in MBBS Seats
2	6460-Strengthening of PG Courses in Medical College
3	9080-Ratlam/Datia/ Shivpuri and Satna Medical College
4	1210- Establishment of State Cancer Institute Jabalpur
5	2064-Tertiary Care Cancer Gwalior
6	1946- Establishment of Burn Unit
7	7853-Establishment of new medical colleges
8	5388-Allied Health Centre
9	1211-Establishment of Super Specialty Hospital under PMSSY Project
10	1136-Construction of new Nursing Colleges

On verification of CSS following shortcomings were noticed:

(i) Non-Submission of Utilization Certificates:

During the scrutiny of records related to budget provisions and allotments, details regarding the submission of Utilization Certificates (UCs) to the Government of India for funds received under Centrally Sponsored Schemes (CSS) were sought. The records provided by the department revealed that no UCs were submitted for the years 2023–24 and 2024–25. Consequently, the extent of utilization of funds released under CSS could not be verified during the audit.

(ii) Non-return of unspent balance in Consolidated Fund of GoI

Ministry of Finance (DoE), GoI issued (January 2024) directions that on boarding of a scheme into SNA-SPARSH platform, the State Government shall close all the SNA accounts pertaining to the scheme and return the Central Share of unspent balance lying in the SNA accounts to the Consolidated Fund of India (CFI). Similarly, the State share of unspent balance in the SNA accounts should be returned to the Consolidated Fund of the State.

Audit observed that out of 10 CSS, only one SNA (Scheme 7853 – Establishment of New Medical Colleges) was fully closed, while bank statements for seven SNAs were submitted. The status of unspent balances remaining in these bank accounts is provided in **Table 2.28** below:

Table 2.28: Details of unspent balances lying in SNA account

SI. No.	Name of Scheme	Bank Account No.	Name of Bank	Bank Balance as on 23 May 2025 (₹)
1	2061-Increasement in MBBS Seats	59160100001205	Bank of Baroda	69,78,76,344
2	6460-Strengthening of PG Courses in Medical College	59160100001203	Bank of Baroda	1,71,52,06,043
3	9080-Ratlam/Datia/ Shivpuri and Satna Medical College	59160100001202	Bank of Baroda	14
4	1210- Establishment of State Cancer Institute Jabalpur	59160100001208	Bank of Baroda	40,14,24,712
5	2064- Establishment of Tertiary Care Cancer Gwalior	59160100001204	Bank of Baroda	27,93,11,370
6	1946-Establishment of Burn Unit	59160100001206	Bank of Baroda	3,33,58,371
7	5388-Allied Health Centre	59160100001207	Bank of Baroda	1
			Total	**3,12,71,76,855**

Source: Information provided by the BCO

Thus, an unspent balance of ₹312.72 crore remained in the bank accounts and was not returned to the Consolidated Fund of India.

(iii) Short release of State share in CSS

During examination of allotment of Central and State Share under the Centrally Sponsored Schemes it was noticed that in four Centrally Sponsored Schemes, the State Share of ₹4.84 crore was released less in comparison to Central Share**.**

The department stated that the process of closing these Single Nodal Agency (SNA) accounts is currently underway, and the funds in these accounts are being transferred to the Central and State Governments in the prescribed ratio. It was further mentioned that future transfers will be carried out through the Central Treasury under the SNA-SPARSH scheme.

However, the fact remains that all SNA accounts have not yet been closed, and the remaining funds have not been transferred to the Consolidated Funds of the Centre and State in accordance with the applicable ratio.

2.9.2.8 Savings due to non-distribution of allotted budget to DDOs

Para B.12 of MP Budget Manual stipulates that once the budgetary allocations approved by the Legislature are communicated to the BCOs, they are responsible for disbursing the funds to the DDOs under their control.

Audit observed that the BCO did not disburse funds to the DDOs under seven schemes, each having a provision of ₹10.00 lakh or more during 2024–25. Consequently, the budget of ₹34.16 crore remained unutilized, as detailed in **Table 2.29** below:

Table 2.29: Details of funds not disbursed by BCOs to the DDOs

(₹ in crore)

Sl. No.	Budget Head	Scheme Nomenclature	Budget available with BCO for distribution	Budget Distributed to DDOs	Expenditure	Balance Budget with BCO
1	052-2210-01-110-0103-6105-V-34-002	(6105) Medicine Facility to Pension	0.32	0.17	0.17	0.15
2	052-2210-05-105-0101-1542-V-31-005	(1542) P.M.S.S.Y. Establishment of Super speciality Hospital under (State Aided)	7.40	4.94	4.94	2.45
3	052-2210-05-105-0101-1542-V-31-006	(1542) P.M.S.S.Y. Establishment of Super speciality Hospital under (State Aided)	10.97	10.23	10.23	0.74
4	052-2210-05-105-0101-1542-V-34-009	(1542) P.M.S.S.Y. Establishment of Super speciality Hospital under (State Aided)	1.06	0.87	0.87	0.19
5	052-2210-05-105-0101-6458-V-22-004	(6458) Establishment of virology lab in Medical College, Bhopal (XIII Finance Commission)	0.10	0.00	0.00	0.10
6	052-4210-03-105-0101-5402-V-64-001	(5402) Chhindwara Institute of Medical Science	196.70	168.14	168.14	28.56
7	052-4210-03-105-0703-7853-V-64-001	(7853) Establishment of new medical colleges	29.65	27.68	27.68	1.97
		Total	**246.20**	**212.03**	**212.03**	**34.16**

Source: Information provided by the BCO

The department replied that the savings occurred due to non-receipt of payment demands related to the procurement of medicines, consumables, and construction works. Reply is not acceptable, as timely release of funds to subordinate units could have facilitated expenditure under these schemes, thereby avoiding such savings.

2.9.2.9 Regarding non-closure of inoperative Personal Deposit Account.

The operation and maintenance of Personal Deposit (PD) Accounts are governed by Subsidiary Rules 542 and 543 of the Madhya Pradesh Treasury Code, Volume I. As per these provisions, PD account shall be opened only with prior approval of the Government, after consultation with the Accountant General, and only when the Government is satisfied that proper initial accounts will be maintained and subjected to audit.

Furthermore, the rules stipulate that if PD account remains inoperative for a continuous period of three years, the Treasury Officer shall issue a written notice to the Administrator of the account, requiring an explanation within one month as to why the unutilized balance should not be transferred to Government Revenue Deposits.

During the scrutiny of records relating to funds maintained under the head 8443 (Civil Deposits) it was observed that Personal Deposit (PD) Account No. 31 was operated by the Directorate of Medical Education in the treasury for the receipt and payment of admission fees collected from students of autonomous medical colleges for graduate and postgraduate courses. However, the account has remained inoperative since September 15, 2022, with no transactions recorded for the past three years, and the unspent balance of ₹36.78 crore had not been transferred to the Consolidated Fund of the State as required under the rules.

The department replied that the process for closure of the Personal Deposit Account is presently under progress.

2.10 Conclusion

Out of total budget provision of ₹4,06,734.33 crore during the year 2024-25, an expenditure of ₹3,55,885.58 crore was incurred against the 57 grants and two appropriations leaving savings of ₹50,848.76 crore.

During the last four years (2021-25), budgetary provisions increased consistently but the percentage of utilization of budget never reached 90 per cent *highlighting the consistent overestimation of budgetary provisions and lack of control over the execution and monitoring of budget.*

Departments surrendered ₹20,620.16 crore on the last working day of the Financial Year, leaving no scope for utilising these funds for other purposes.

Despite flagging the issue several times with the Finance Department and mentioning in the Reports of the CAG on the finances of the State Government, the latter continued to misclassify revenue expenditures of ₹2,004.48 crore in the capital section, which impacted the revenue surplus and other fiscal parameters.

There were 13 grants where more than 50 per cent *of the expenditure of ₹32,252.05 crore incurred in the last quarter of Financial Year pointing out the poor expenditure discipline and increases the risk of unproductive and hasty spending.*

2.11 Good Practices

- The percentage of supplementary budget to the original budget decreased significantly from 18.46 *per cent* in 2023-24 to 11.41 *per cent* in 2024-25, reflecting the improvement in original budgetary formulation.

- Also, the percentage of overall savings to the total budget which was gradually increasing from year-on-year from 9.73 *per cent* in 2020-21 to 18.26 *per cent* in 2023-24 has dropped to 12.50 *per cent* in 2024-25, highlighting the improvement in execution of budgetary expenditure in 2024-25.

- The recoupment of Contingency fund of total withdrawn amount of ₹12.60 crore in 2024-25 along with previous year unrecouped amount of ₹15.00 crore outlines the compliance with the Madhya Pradesh Contingency Fund Act, 1957.

2.12 Recommendations

- Controlling Officers need to be made aware of their responsibility to explain the variation in expenditure from the allocation to facilitate proper analysis of budget and preparation of meaningful Appropriation Accounts.
- An appropriate control mechanism needs to be instituted by the State Government to enforce proper implementation and monitoring of budget implementation to ensure that large

savings within the Grants/ Appropriations are controlled, and anticipated savings are identified and surrendered within the specified timeframe.

- State Government needs to take urgent steps to comply with IGAS-2 relating to classification of grants-in-aid and other expenditure correctly under the respective heads of account.
- The State Government should be more realistic in its budgetary estimates and ensure efficient control mechanisms to curtail savings/excess expenditure.
- Excess expenditure over grants approved by the Legislature is in violation of the will of the Legislature. Therefore, it needs to be viewed seriously and regularised at the earliest.
- The State Government should assess the actual requirement of supplementary Grants in various schemes before the close of the financial year, so that it can be effectively utilised in other areas/schemes.
- The State Government may properly analyse the requirement of funds during appropriation/re-appropriation stage, to avoid savings/surrender and reduce its dependence of external loans to manage the fiscal deficit.

Chapter III

FINANCIAL REPORTING PRACTICES

CHAPTER-III: FINANCIAL REPORTING PRACTICES

This chapter provides broad based perspective of quality of the State Government Accounts rendered by various authorities of the State Government and status of compliance with prescribed financial rule, procedures and directives.

Compliance with financial rules, procedures and directives as well as the completeness, timeliness and quality of reporting on the status of such compliance enhances relevance and reliability of the information presented in the financial reports.

Issues related to completeness of accounts

3.1 Off budget borrowings through State owned PSU/authorities

Article 293(3) of the Constitution of India mandates consent of Government of India for a State Government's borrowing if it has any outstanding loans or guarantees from the Government of India. Further, the Fifteenth Finance Commission recommended that the normal Net Borrowing Ceiling (NBC) for State Governments be fixed at three *per cent* of GSDP for the period 2023-24 to 2025-26, with additional borrowing space of 0.50 *per cent* linked to power sector reforms and 0.62 *per cent* for capital investment works for the year 2024-25, aggregating to a total borrowing limit of 4.12 *per cent* of GSDP.

Bypassing the above stipulated net borrowing ceiling by routing loans outside budget through various State Government Public Sector Undertaking (SPSUs)/ Corporations/ other Bodies despite the State being responsible for repayment of such loans pose significant risk to fiscal health and transparency in the Government finances. The Borrowing Ceilings for a financial year of the State Governments are now being reduced by GoI to the extent of Off-Budget Borrowings.

The State Fiscal Responsibility and Budget Management (FRBM) Act, 2005 outlined that the State Government shall take suitable measures to ensure greater transparency in its fiscal operations in public interest by disclosing the actual liabilities arising out of Off Budget Borrowings by PSUs, Special Purpose Vehicles and other equivalent instruments where liability for repayment is on the State Government allocations. Further, the State Fiscal Responsibility and Budget Management Rules, 2006 provided that the 'Medium Term Fiscal Restructuring Policy (MTFRP) Statement' laid before the Legislature along with Budget documents shall contain the five- year rolling targets with respect to Revenue Deficit, Fiscal Deficit and total outstanding debt[27] of the State Government.

For the year 2024-25, debt was targeted as 32.32 *per cent* of GSDP under MTFRP and 33.60 *per cent* under FRBM Act. Besides, on the recommendation of the Fifteenth Finance Commission, GoI had fixed maximum limit of borrowing ceiling at 4.12 *per cent* of GSDP (₹15,03,395 crore), amounting to ₹61,939.87 crore for the State during 2024-25.

State Government did not provide the complete details of off budget borrowings in its budget. Further, as per information furnished by the State Government to GoI as on 31 March 2025, the outstanding off budget borrowing was ₹3,468.34 crore which included borrowings of ₹568.12 crore borrowed during 2024-25 as detailed in **Table 3.1**:

[27] As defined in the State FRBM Act, total outstanding debt of the State includes Internal Debt, Loans and Advances from GoI, Small Savings, Provident Funds, etc., Reserve funds and Deposits.

Table 3.1: Details of off-budget borrowings as on 31 March 2025 as disclosed by the State Government

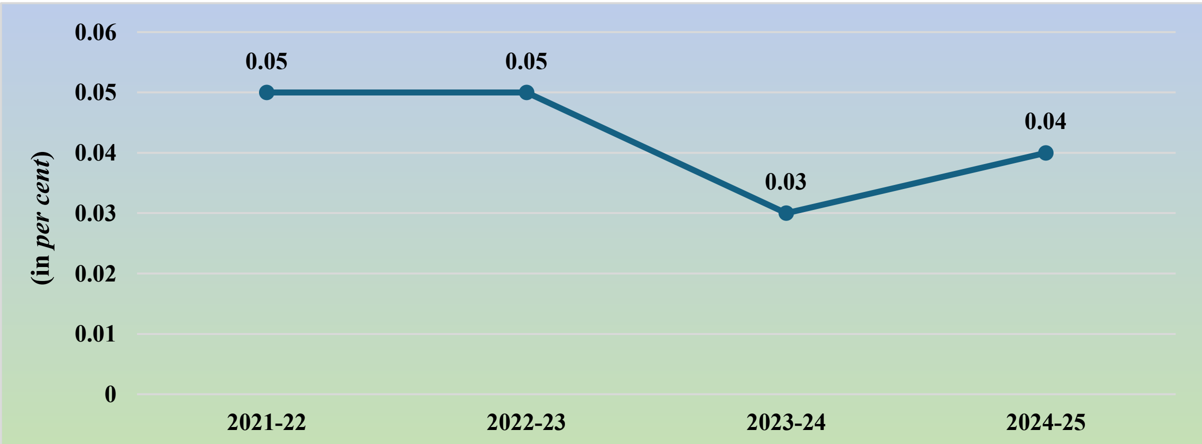
(₹ in crore)

Entities borrowed on behalf of Government	Opening Balance	Fund raised	Repayment	Purpose of loan	Outstanding loan as on 31 March 2025
Narmada Basin Projects Company Ltd. (MP. Govt. Undertaking)	1,769.94	413.05	163.61	Construction of multiple irrigation projects of Narmada Valley Development Authority under MP Govt.	2,019.38
Madhya Pradesh Urban Development Co. Limited	1,059.10	155.07	--	Chief Minister Urban Infrastructure and Development Scheme	1,214.17
Urban Administration and Housing Department	271.21	0.00	36.42	Mukhya Mantri Shahri Peyjal Yojana (MMSPY)	234.79
Total	**3,100.25**	**568.12**	**200.03**		**3,468.34**

Source: Information provided by the Finance Department

Apart from the off-budget borrowings as depicted in **Table 3.1**, out of 73 SPSUs/Corporations/Autonomous Bodies under the audit jurisdiction of the CAG of India, only three SPSUs provided information regarding off budget borrowings. Audit examination revealed that the State Government routed additionally ₹1,630.84 crore loans outside the budget through various State PSUs/ Authorities, as detailed in **Table 3.2.** Total-outstanding off-budget borrowings as a percentage of GSDP is depicted in **Chart 3.1.**

Chart 3.1: Outstanding off-budget borrowings as a percentage of GSDP as on 31 March 2025



Source: Information provided by the Finance Department

Table 3.2: Details of off-budget borrowings as on 31 March 2025 in addition to those detailed in Table 3.1

(₹ in crore)

Entities borrowed on behalf of Government	Year of off budget borrowings	Lending Financial Institution	Loan Sanctioned	Loan disbursed	Purpose of loan	Outstanding loan as on 31 March 2025
Madhya Pradesh Poorv kshetra Vidyut Vitran	2017	Rural Electrification Corporation Limited (REC)	585.50	585.50	DDUGJY Project + IPDS Project	408.60

Entities borrowed on behalf of Government	Year of off budget borrowings	Lending Financial Institution	Loan Sanctioned	Loan disbursed	Purpose of loan	Outstanding loan as on 31 March 2025
Company Limited						
Madhya Pradesh Madhya kshetra Vidyut Vitran Company Limited	2017	Rural Electrification Corporation Limited (REC)	590.38	540.35	DDUGJY Project + IPDS Project	354.58
Madhya Pradesh Paschim kshetra Vidyut Vitran Company Limited	2017	PNB Bank	504.99	504.99	DDUGJY Project + IPDS Project	347.89
Total			**1,680.87**	**1,630.84**		**1,111.07**

Source: Information provided by the respective entities

As per information furnished by the SPSUs, none of these three electricity distribution companies have received any financial assistance from the Government of Madhya Pradesh for either interest payment obligations or principal repayment of their loans.

3.2 Undischarged liabilities of the Government

Undischarged liabilities, such as non-transfer of collected cess to designated bodies or short remittances to the National Pension System (NPS), *etc.* can have significant long-term fiscal and governance implications. These unpaid obligations accumulate over time, creating hidden liabilities that distort the true financial position of the State. Further, delays in cess transfer hinder the intended development or welfare outcomes, defeating the purpose for which such levies were imposed. Similarly, short transfers to NPS not only violate statutory commitments but also compromise the financial security of employees. Over the years, such practices can erode trust, trigger legal liabilities and increase future expenditure obligations, thereby constraining fiscal space and weakening fiscal sustainability. Such cases are discussed in succeeding paragraphs.

3.2.1 Undischarged Interest liability

The Government has a liability to provide and pay interest on the amount in the interest-bearing deposits/Reserve funds.

Audit observed that ₹559.22 crore was required to be paid as interest on the balance of ₹13,195.78 crore lying under interest bearing deposit/Reserve funds as on 1 April 2024 as shown in **Table 3.3**. However, provision for the same was not made.

Table 3.3: Non discharge of liability in respect of interest towards interest bearing deposits

(₹ in crore)

Sl. No.	Name of the Interest-bearing deposit/Funds	Opening Balance as on 1 April 2024	Basis for calculation of interest	Amount of Interest not provisioned
1	State Compensatory Afforestation Fund	9,409.08	As per circular issued by the Ministry of Environment, Forest and Climate Change @3.35 *per cent*	315.20
2	State Compensatory Afforestation Deposit	27.42		0.92

Sl. No.	Name of the Interest-bearing deposit/Funds	Opening Balance as on 1 April 2024	Basis for calculation of interest	Amount of Interest not provisioned
3	State Disaster Response Fund	3,224.07	Interest calculated at the rate applicable to Overdraft (repo rate + 2%, which is 8.46 %)	148.20
			Interest calculated at Bank Rate of 6.46 %, for delay in transfer of Central Share and State Share to the Fund. (for 246 days delay -First Installment and 42 days delay-Second Installment)	57.29
4	State Disaster Mitigation fund	535.21	Interest calculated at the rate applicable to Overdraft (repo rate + 2%, which is 8.46 %)	25.67
			Interest calculated at Bank Rate of 6.46 %, for delay in transfer of Central Share and State Share to the Fund. (for 231 days delay -First Installment-2023-24 and 20 days delay-Second Installment-2024-25)	11.94
	Total	**13,195.78**		**559.22**

Source: Finance Accounts 2024-25

Short payment of interest amounting to ₹559.22 crore has resulted in understatement of Revenue Expenditure and over statement of Revenue surplus to that extent.

3.2.2 National Mineral Exploration Trust Fund

The National Mineral Exploration Trust (NMET) was established in August 2015 under Section 9C of the MMDR Act, 1957. As per Section 9C (4) of this Act, holder of a mining lease or a mineral concession are required to contribute 2 *per cent* of the royalty paid to the trust. As per the NMET Rules, the State Government is responsible for collecting these contributions, depositing them in the Public Account under Major Head '8449–123–NMET Deposits', and transferring the funds monthly to the Consolidated Fund of India.

The opening balance under MH-8449-123 as on 1 April 2024 was ₹0.12 crore and an amount of ₹89.24 crore was deposited during 2024-25. However, during the year, only ₹89.24 crore has been transferred to Government of India, ignoring the opening balance of ₹0.12 crore by the State Government.

3.2.3 State Mineral Exploration Trust/State Mineral Development Fund

The Ministry of Mines, Government of India, vide its letter dated 19 November 2024, advised all State Governments to establish a State Mineral Exploration Trust (SMET)/ State Mineral Development Fund (SMDF) on the lines of the National Mineral Exploration Trust (NMET), as mandated under clause (g) of sub-section (A) of Section 15 of the Mines and Minerals (Development and Regulation) Act, 1957.

The State Government did not furnish the information in respect of establishing the State Mineral Development Fund as of December 2025.

3.2.4 Pendency of refund cases

Promptness in disposal of refund cases is an important indicator of performance of the Department concerned. During the year 2024-25, the information pertaining to pendency of refund cases was called from various departments viz. Department of Commercial Tax, Excise, Transport, Mines and Geology, Stamps and Registration, Forest and Department of revenue.

However, only the Department of Stamps and Registration, provided the details of refund cases during the year 2024-25. The details are given in **Table 3.4.**

Table 3.4: Details of refund cases

(₹ in crore)

Sl. No.	Particulars	Stamp and Registration fees	
		No. of cases	Amount
1	Claims outstanding at the beginning of the year	4890	18.86*
2	Claims received during the year	14055	84.59
3	Refunds made during the year	13446	84.19
4	Refunds rejected during the year	100	0.51
5	Balance outstanding at the end of the year	5399	18.42

Source: Information furnished by the concerned department

- ***Amount of claims outstanding at the beginning of the year differs from the previous year amount (₹22.27 crore) as per the information furnished by Department of Stamp and Registration.***

As can be seen from the above table, during 2024-25, the number of pending refund claims increased from 4,890 cases to 5,399 cases, reflecting a net increase of 509 cases (10.41 *per cent*).

Issues related to transparency

3.3 Delay in Submission of Utilisation Certificates

In terms of Rule 182 of the Madhya Pradesh Financial Code, the departmental officers shall furnish the Utilization Certificates (UCs) in respect of conditional Grants-in-Aids to the Accountant General on or before 30th September of the following year from which grant-in-aid related. To the extent of non-submission of UCs, there is a risk that the amount shown in Finance Accounts may not have reached the beneficiaries.

During the year 2024-25, 33 Grant-in-aids bills amounting ₹1,758.88 crore become due for UCs. As on 31st March 2025, 19,897 UCs for ₹22,049.38 crore were outstanding. of these, 275 outstanding UCs for ₹4,241.10 crore were cleared. During the year 2024-25, 61,517 Conditional Grants amounting ₹42,310.70 crore were issued which will become due in 2025-26. Out of these, 10 UCs amounting to ₹5.65 crore were received. Age-wise details of delays in submission of UCs are given in **Table 3.5**:

Table 3.5: Age-wise pendency of Utilisation Certificates

(₹ in crore)

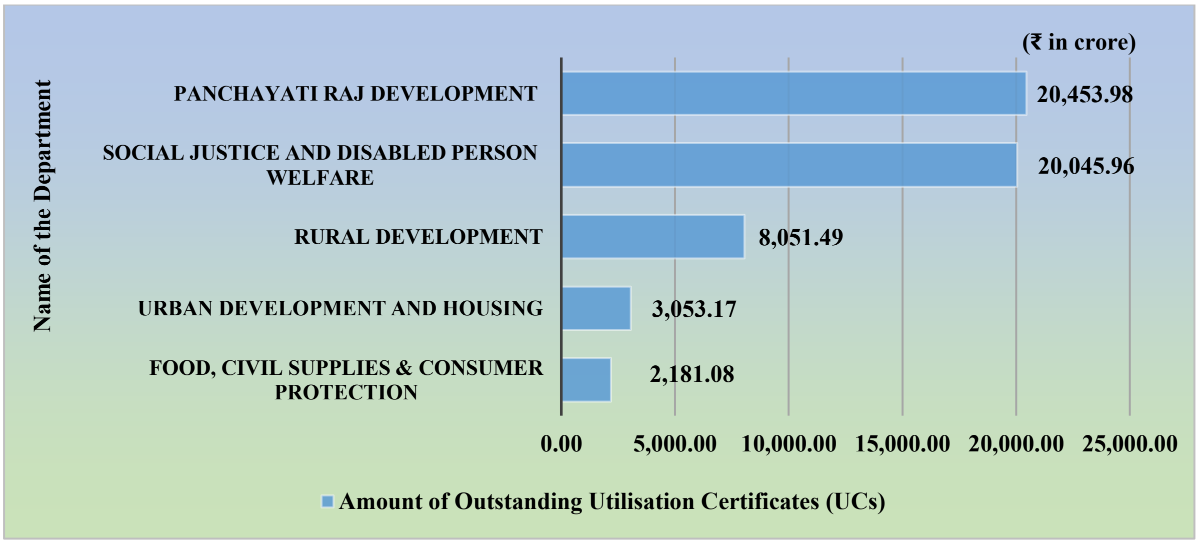
UC due year*	Number of pending UCs	Amount
Upto 2014-15	19,227	13,514.23
2015-16	9	39.18
2016-17	2	5.15
2018-19	15	155.35
2019-20	1	0.70
2021-22	313	529.19
2022-23	22	1,805.60
2023-24	33	1,758.88
2024-25	61,507	42,305.05
Total	**81,129**	**60,113.33**

Source: Finance Accounts 2024-25 and Information furnished by O/o the AG (A&E) Madhya Pradesh, Gwalior
****The year mentioned above relates to "Due year", i.e., after 18 months of actual drawl***

As can be seen from the above Table, 76 *per cent* of outstanding utilisation certificates (61,507) pertain to the period 2024-25 and *24 per cent* (outstanding UCs 19,227) pertain to the period upto 2014-15. In the absence of accountability for expenditure relating to funds provided as far back as 10 years or more, the possibility of misappropriation of these funds cannot be ruled out. Further, delay in submission of UCs may affect receipt of performance grants from GoI.

The Department-wise break-up of outstanding Utilisation Certificates for grants released up to the year 2024-25 is given in ***Appendix 3.1.*** The pendency of UCs is spread across 31 Departments of the State Government and their status in respect of five major pendencies is presented in **Chart 3.2**.

Chart 3.2: Outstanding Utilisation Certificates in respect of five Major Departments as on 31 March 2025



Source: Information furnished by O/o the AG (A&E) Madhya Pradesh, Gwalior

Since non-submission of UCs is fraught with the risk of mis-utilisation, it is imperative that the State Government should monitor this aspect closely and hold the persons concerned accountable for submission of UCs in a timely manner.

3.3.1 Audit findings regarding Non-submission of Utilisation Certificates

- Audit of the Office of the Commissioner, Social Justice and Empowerment of Persons with Disabilities Department, Bhopal (December 2024) revealed that during the period 2019-20 to 2024-25, expenditure of ₹7.20 crore was incurred through districts for de-addiction activities, and expenditure of ₹45.85 crore was incurred for blind, deaf and mute schools, and for the Indian Leprosy Eradication Associations. Thus, a total grant of ₹53.05 crore was disbursed to the districts. The details of expenditure are shown in **Table 3.6** and **3.7** respectively.

Table 3.6: Details of grants released for de-addiction activities

(₹ in crore)

Sl. No.	Programme/activities	Year	Amount Granted
1	Alcohol Prohibition Week and Alcohol Prohibition Resolution Day	2019-20	0.64
2	International Drug prevention day	2020-21	0.03
3	World Tobacco Prohibition Day, International Drug prevention day and Alcohol Prohibition Week	2021-22	0.36
4	World Tobacco Prohibition Day and Alcohol Prohibition Week	2022-23	2.65

Sl. No.	Programme/activities	Year	Amount Granted
5	World Tobacco Prohibition Day, International Drug prevention day, Alcohol Prohibition Week and Alcohol Prohibition Resolution Day	2023-24	1.97
6	World Tobacco Prohibition Day, International Drug prevention day and Alcohol Prohibition Resolution Day	2024-25	1.55
	Total		**7.20**

Source: Information provided by the Department concerned

Table 3.7: Details of expenditure incurred on blind, deaf and mute schools, and for the Indian Leprosy Eradication Associations

(₹ in crore)

Sl. No.	Name of the scheme/Scheme head	Year	Expenditure incurred
1	Grant to Blind Deaf Schools 0073 and Indian Leprosy Eradication Association 5258	2019-20	10.03
2	Grant to Blind Deaf Schools 0073 and Indian Leprosy Eradication Association 5258	2020-21	8.35
3	Grant to Blind Deaf Schools 0073 and Indian Leprosy Eradication Association 5258	2021-22	8.89
4	Grant to Blind Deaf Schools 0073 and Indian Leprosy Eradication Association 5258	2022-23	8.79
5	Grant to Blind Deaf Schools 0073 and Indian Leprosy Eradication Association 5258	2023-24	9.79
	Total		**45.85**

Source: Information provided by the Department concerned

During scrutiny of the records, it was observed that out of the total grant of ₹53.05 crore, Utilisation Certificates amounting to only ₹0.05 crore had been submitted by the Department, while the remaining UCs are still pending.

In response to audit observation, the department stated that UCs would be obtained from the districts and furnished to the Audit.

The reply is not acceptable, as UCs have been pending for period of one to five years. This indicates that the Department failed to ensure timely submission and proper, purpose-oriented utilization of the grants.

The matter was referred to the Government (September 2025); their reply was awaited (December 2025).

- Audit of the Office of Madhya Pradesh Council of Science and Technology (MPCST). Bhopal, (February-March 2025) revealed that, funds amounting to ₹3.88 crore was released to various construction agencies and research/academic institutions. However, the respective UCs and supporting records had not been furnished by the Department to Audit. Details of pending Utilisation Certificates from Construction Agencies and Research Institutions are given in **Table 3.8** and **Table 3.9** respectively.

Table 3.8: Details of pending Utilisation Certificate from Construction Agencies

(₹ in lakh)

Sl. No.	Construction Agency	Year and Month	Amount (Released)	Status
1	Madhya Pradesh Laghu Udyog Nigam Limited (MPLUN)	January 2020	2.84	UC pending
2	MP. Housing Construction and Infra Division.	October 2021	40.00	UC pending

Sl. No.	Construction Agency	Year and Month	Amount (Released)	Status
3	Madhya Pradesh Laghu Udyog Nigam Limited (MPLUN)	March 2022	28.41	UC pending
4	Madhya Pradesh Laghu Udyog Nigam Limited (MPLUN)	March 2023	277.84	UC pending
	Total		**349.09**	

Source: Information provided by the Department concerned

Table 3.9: Details of pending Utilisation Certificates from Research/Academic Institution

(₹ in lakh)

Sl. No.	Institution/Researcher	Project Title	Year	Amount Released	Status
1.	Dr. Sunil Kumar (Rajiv Gandhi Proudyogiki Vishwavidyalaya, Bhopal)	Smart Solar House	2021-22	7.36	UC pending
2.	Dr. Purnima.Swarup Khare (Rajiv Gandhi Proudyogiki Vishwavidyalaya, Bhopal)	Carbon Nano Composites	2022-23	3.85	UC pending
3.	Dr. Reenu Sharma (Rani Durgawati Govt. PG College, Mandla)	Geometric Modelling	2022-23	2.70	UC pending
4.	Dr. Piyush Kumar Shukla (Rajiv Gandhi Proudyogiki Vishwavidyalaya, Bhopal)	Design & Development of intelligent & secure Algorithms for digital Rights Management (DRM)	2022-23	7.50	UC pending
5.	Dr. Shikha Agarwal (Rajiv Gandhi Proudyogiki Vishwavidyalaya, Bhopal)	Cryptography for Medical Images	2022-23	3.10	UC pending
6.	Dr. Krishnakant Dhakar (Shri G.S. Institute of Technology and Science, Indore)	Micro-ultrasonic Machining	2022-23	3.85	UC pending
7.	Dr. Tushar Choudhary (Indian Institute of Information Technology, Design and Manufacturing, Jabalpur)	Smart Solar Dryer	2022-23	5.34	UC pending
8.	Dr. H.L. Tiwari (Maulana Azad National Institution of Technology, Bhopal)	Fish Scales Water Treatment	2022-23	5.62	UC pending
	Total			**39.32**	

Source: Information provided by the Department concerned

Non-submission of UCs constitutes a violation of financial rules and undermines accountability as well as assurance regarding proper and purpose-oriented utilisation of public funds.

The matter was referred to the Government (July 2025); In response, the Department stated (October 2025) that UCs amounting to ₹28.11 lakh had been received from research institutions. The reply was not acceptable, as no UCs were furnished to Audit for verification. A letter was subsequently issued to the Department to obtain the requisite documents, and the matter was again brought to the notice of the Government (November 2025). Further response was awaited (December 2025).

3.4 Personal Deposit Accounts

Under the List of Major and Minor Heads of Accounts of Union and States, Personal Deposits are of the nature of deposits not bearing interest opened under 8443-Civil Deposits-106-Personal Deposits.

During the year 2024-25, an amount of ₹12,085.57 crore was transferred/deposited from the Consolidated Fund of the State to Personal Deposit (PD) Accounts under head 8443-106. Details of PD accounts as on 31 March 2025 are given in **Table 3.10.**

Table 3.10: Status of PD Accounts during the year 2024-25

(₹ in crore)

Opening Balance (As on 01-04-2024)		Addition during the year 2024-25		Closed/Withdrawal during the year 2024-25		Closing Balance (As on 31-03-2025)	
Number of Administrators	Amount	Number of Administrators	Amount	Number of Administrators	Amount	Number of Administrators	Amount
730	(-)917.24	11	12,085.57	62	6,356.20	679	4,812.13

Source: Finance Accounts 2024-25

As can be seen from the above table, as of 31 March 2025, 679 Personal Deposit Accounts were in existence and the closing balance in these accounts was ₹4,812.13 crore. Further, the amount of ₹12,085.57 crore transferred during 2024-25 included ₹1,548.00 crore transferred from Consolidated Fund of the State and challans in March 2025. Of which, ₹726.00 crore was transferred on the last working day of March 2025 from the Consolidated Fund of the State.

Further, out of 679 Administrators of PD accounts only 194 Administrators of Personal Deposit Accounts had reconciled and verified their balances with the treasury figures as per the provision contained in Rule 359 and 376 of the Madhya Pradesh Treasury Code. Remaining 485 Administrators of Personal Deposit Accounts had not reconciled and verified their balances with the treasury figures.

Non transfer of unspent balances lying in the PD accounts to the Consolidated Fund of the State entails the risk of misuse of public fund, fraud and misappropriation.

3.4.1 Trends in the closing balance of PD Accounts

The closing balances in the PD Accounts for the period from 2020-21 to 2024 25 are indicated in **Table 3.11.**

Table 3.11: Funds kept in PD Accounts from 2020-21 to 2024-25

(₹ in crore)

Year	Opening Balance		Addition during the year	Receipt during the year	Expenditure during the year	Accounts closed during the year	Closing Balance	
	Number	Amount	Number	Amount	Amount	Number	Number	Amount
2020-21	801	6,268.70	23	7,561.86	8,867.97	8	816	4,962.59
2021-22	816	4,962.59	0	4,064.64	6,390.83	2	814	2,636.40
2022-23	814	2,636.40	10	5,417.63	5,700.45	3	821	2,353.57
2023-24	821	2,353.57	34	2,098.40	5,369.20	125	730	(-)917.24
2024-25	730	(-)917.24	11	12,085.57	6,356.20	62	679	4,812.13

Source: Finance Accounts of the respective years

As can be seen from the above table, the closing balances in these accounts have fluctuated significantly over the five years. In 2020-21, the closing balance stood at ₹4,962.59 crore in respect of 816 PD Accounts, which declined to ₹2,636.40 crore in 2021-22 and further to ₹2,353.57 crore in 2022-23. A sharp reduction was observed in 2023-24, when the balance turned negative at ₹(-)917.24 crore due to non-reflection of Works to PD account transfer transaction in the compiled accounts of Public Works Division, Water Resource Division, etc., reflecting higher expenditure (₹5,369.20 crore) compared to receipts (₹2,098.40 crore). In 2024-25, receipts increase sharply to ₹12,085.57 crore, However, the same could not be utilised and led to closing balance of ₹4,812.13 crore pertaining to 679 PD accounts. However, the number of operational PD accounts also showed a declining trend from 816 in 2020-21 to 679 in 2024-25 (17 *per cent*), indicating efforts toward consolidation and closure of inactive accounts.

3.4.2 Inoperative Personal Deposit Accounts

Rule 319(2) of Madhya Pradesh Treasury Code states that, if a PD Account has remained un-operated upon a continuous period of three years, the Treasury Officer shall address the Administrator of the Account in writing requiring him to show cause within one month why the balance in the account should not be credited to Revenue Deposits failing which, the Treasury Officer shall close the account and transfer the balance to Revenue Receipt Head 0075. As per existing accounting practice, amount brought back from the PD Account should be deduct debited to the service head from where the original transfers took place.

During the year 2024-25, 189 PD accounts having a total balance of ₹206.16 crore were inoperative for more than three years as of 31 March 2025. However, no action has been taken to close these accounts by the treasuries concerned. The details of inoperative Personal Deposit Accounts are given in ***Appendix 3.2.***

3.4.3 Adverse balance under PD Account

Rule 355 of Madhya Pradesh Treasury Code volume-II states that the credit balance in the Personal Deposit Account maintained in the treasury should not be negative. It is necessary to make corrections by matching the figures with the records of the O/o AG (A&E). Audit noticed that out of 679 Personal Deposit Accounts, 114 PD accounts maintain in 38 treasuries have shown a negative balance of (-)₹ 2,324.55 crore. The details are given in ***Appendix 3.3.***

3.5 Operation of Minor Head-800

The Minor Head 800-Other Expenditure/800-Other Receipts is to be operated only when the appropriate minor head has not been provided in the accounts. Routine operation of Minor Head 800 should be discouraged, since it renders the accounts opaque. Classification of large amounts under the omnibus Minor Head 800 affects transparency in financial reporting and distorts proper analysis of allocative priorities and quality of expenditure.

During the year 2024-25, ₹41,034.89 crore under 68 Major Heads of accounts, constituting 12.97 *per cent* of the total Revenue and Capital expenditure (₹3,16,366.17 crore) was classified under the Minor Head 800-Other Expenditure in the accounts. Out of this, specific Minor Heads have been identified that could have been used instead of Minor Head 800 to book expenditure of ₹5,789.23 crore (1.83 *per cent* of the total Revenue and Capital expenditure : ₹3,16,366.17 crore). The details are given in **Table 3.12.**

Table 3.12: Expenditure misclassified under Minor Head 800- Other Expenditure during 2024-25

(₹ in crore)

Details of head under booking was wrongly classified	Amount	Nature of expenditure	Correct Classification
2235-02-800-6693	36.88	Girls Guardian Pension Scheme	2235-02-104-6693
2204-800-5159	56.86	Establishment of Sports Academies	2204-104-5159
2204-800-6239	2.49	Sports council Purchase of Sports Material	2204-104-6239
2204-800-6703	9.18	Construction of Stadium and Sports Infrastructure	2204-104-6703
4202-03-800-5159	84.30	Establishment of Sports Academies	4202-03-102-5159
4202-03-800-6703	75.97	Construction of Stadium and Sports Infrastructure	4202-03-102-6703
2401-800-6345	4,999.01	Mukhya Mantri Kisan Kalyan Yojana	2401-115-6345
2053-800-5722	20.50	Establishment of Call Centre	2053-094-5722
2501-02-800-8711	6.40	Block Grant to WALMI	2501-02-307-8711
4406-01-800-9664	140.88	Campa Compensatory Afforestation	4406-01-101-9664
4406-01-800-9666	13.14	Campa Wildlife Conservation Scheme Charge	4406-02-110-9666
2235-02-800-6710	229.19	Financial Assistance to Deen Dayal Antyoday Mission (Chief Minister Girls' Marriage Assistance Scheme)	2235-02-103-6710
2235-02-800-6692	14.43	Chief Minister Marriage Scheme	2235-02-103-6692
4055-800-7352	100	Construction of Administrative Buildings	4055-207-7352
Total	**5,789.23**		

Source: VLC data compiled by O/o the AG (A&E) Madhya Pradesh, Gwalior

Instances where a substantial portion (50 *per cent* or more) of the total expenditure under the Major Head concerned of the expenditure have been classified under Minor Head 800-Other Expenditure are given in **Table 3.13**.

Table 3.13: Booking under Minor Head 800-other Expenditure

(₹ in crore)

Sl. No.	Major Head	Description	Expenditure under Minor Head 800-Other Expenditure	Total Expenditure under the Major Head	Percentage
1	2204	Sports and Youth Services	143.79	230.41	62.41
2	2217	Urban Development	2,155.53	2,882.99	74.77
3	2250	Other Social Services	67.72	67.72	100.00
4	2401	Crop Husbandry	5,135.83	7,843.90	65.48
5	2702	Minor Irrigation	89.38	91.63	97.55
6	2705	Command Area Development	5.10	5.10	100.00
7	2851	Village and Small Industries	2,173.99	2,554.93	85.09
8	2852	Industries	2,775.02	2,785.90	99.61
9	3454	Census, Surveys and Statistics	74.05	137.14	53.99
10	4070	Capital Outlay on Other Administrative Services	180.60	181.44	99.54
11	4220	Capital Outlay on Information and Publicity	1.67	2.97	56.26

Sl. No.	Major Head	Description	Expenditure under Minor Head 800-Other Expenditure	Total Expenditure under the Major Head	Percentage
12	4402	Capital Outlay on Soil and Water Conservation	2.50	2.51	99.80
13	4700	Capital Outlay on Major Irrigation	13,101.23	16,459.34	79.60
14	4701	Capital outlay on Medium Irrigation	1,546.36	1,591.64	97.16
15	4853	Capital Outlay on Non-Ferrous Mining and Metallurgical Industries	1,106.19	1,106.90	99.94
16	4875	Capital Outlay on Other Industries	667.00	708.00	94.21
17	5475	Capital Outlay on other General Economic Services	0.63	0.63	100.00

Source: VLC data compiled by O/o the AG (A&E) Madhya Pradesh, Gwalior

Similarly, ₹10,793.88 crore under 50 Major Heads of Account, constituting 4.31 *per cent* of the total Revenue Receipts (₹ 2,50,498.27 crore) was classified under 800-Other Receipts in the accounts.

Instances where a substantial portion (50 *per cent* or more) of the total receipts under the Major Head concerned of the receipts have been classified under Minor Head 800-Other Receipts are given in **Table 3.14**:

Table 3.14: Booking under Minor Head 800-other Receipts

(₹ in crore)

Sl. No.	Major Head	Description	Receipt under Minor Head 800-Other Receipts	Total Receipt under the Major Head	Percentage
1	0029	Land Revenue	835.67	1,069.39	78.14
2	0056	Jails	1.47	1.67	87.78
3	0059	Public Works	63.15	62.98	100.27
4	0071	Contributions and Recoveries towards Pension and Other Retirement Benefits	46.03	51.43	89.50
5	0210	Medical and Public Health	213.09	244.60	87.12
6	0211	Family Welfare	0.03	0.03	99.97
7	0217	Urban Development	30.22	31.36	96.38
8	0220	Information and Publicity	0.08	0.08	99.89
9	0235	Social Security and Welfare	34.51	34.48	100.08
10	0401	Crop Husbandry	413.32	432.30	95.61
11	0404	Dairy Development	0.02	0.02	100.00
12	0406	Forestry and Wild Life	854.96	1,649.63	51.83
13	0408	Food Storage and Warehousing	2.67	2.63	101.64
14	0435	Other Agricultural Programmes	1.74	1.80	96.86
15	0700	Major Irrigation	108.36	141.62	76.52
16	0702	Minor Irrigation	347.50	347.50	100.00
17	0801	Power	420.28	420.28	100.00
18	0852	Industries	0.03	0.03	100.00

Source: VLC data compiled by O/o the AG (A&E) Madhya Pradesh, Gwalior

Issues related to Measurement

3.6 Outstanding balances under major Suspense and Debt, Deposit and Remittance (DDR) Heads

The Finance Accounts reflect the net balances under Suspense and Remittance Heads. The outstanding balances under these heads are worked out by aggregating the outstanding debit and credit balances under various heads. Significant suspense items balances for the last three years have been shown in **Table 3.15**:

Table 3.15: Balances under Suspense and Remittance Heads

(₹ in crore)

	Head of Account	2022-23		2023-24		2024-25	
		Dr.	**Cr.**	**Dr.**	**Cr.**	**Dr.**	**Cr.**
8658	**Suspense Accounts**						
101	Pay and Accounts Office Suspense	615.00	(-)116.75	161.42	31.61	162.51	85.23
	Net Debit (Dr.)/ Credit (Cr.)	**Dr. 731.75**		**Dr. 129.81**		**Dr. 77.28**	
102	Suspense Account (Civil)	0.19	0.01	0.19	0.01	0.19	0.01
	Net Debit (Dr.)/ Credit (Cr.)	**Dr. 0.18**		**Dr. 0.18**		**Dr. 0.18**	
107	Cash Settlement Suspense Account	141.60	28.05	141.60	28.05	141.60	28.05
	Net Debit (Dr.)/ Credit (Cr.)	**Dr. 113.55**		**Dr. 113.55**		**Dr. 113.55**	
109	Reserve Bank Suspense (Headquarters)	3.04	200.04	303.48	200.10	302.40	200.11
	Net Debit (Dr.)/ Credit (Cr.)	**Cr. 197.00**		**Dr.103.38**		**Dr.102.29**	
110	Reserve Bank Suspense – Central Account Office	455.24	5.21	307.57	5.41	(-) 986.94	11.23
	Net Debit (Dr.)/ Credit (Cr.)	**Dr. 450.03**		**Dr. 302.16**		**Dr. (-) 998.17**	
112	Tax Deducted at Source (TDS) Suspense	(-) 297.06	627.21	(-) 297.06	401.10	(-)297.06	470.40
	Net Debit (Dr.)/ Credit (Cr.)	**Cr. 924.27**		**Cr. 698.16**		**Cr. 767.46**	
123	AIS Officers Group Insurance Scheme	4.56	15.73	4.99	16.25	5.48	16.79
	Net Debit (Dr.)/ Credit (Cr.)	**Cr. 11.17**		**Cr. 11.26**		**Cr. 11.31**	
129	Material Purchase Settlement suspense Account	36.10	223.11	36.10	223.11	36.10	223.11
	Net Debit (Dr.)/ Credit (Cr.)	**Cr. 187.01**		**Cr. 187.01**		**Cr. 187.01**	
8782	**Cash Remittances and adjustments between officers rendering accounts to the same Account Officers**						
102	Public Works Remittances	1,87,976.06	1,95,677.65	2,15,221.14	2,23,771.52	2,51,081.60	2,56,488.12
	Net Debit (Dr.)/ Credit (Cr.)	**Cr. 7,701.59**		**Cr. 8,550.37**		**Cr. 5,406.52**	
103	Forest Remittances	4,506.19	4,585.54	4,506.70	4,585.37	4,511.66	4,585.13

	Head of Account	2022-23		2023-24		2024-25	
	Net Debit (Dr.)/ Credit (Cr.)	**Cr. 79.35**		**Cr. 78.67**		**Cr.73.47**	
108	Other Departmental Remittances	0.20	3.43	0.20	3.44	0.20	3.45
	Net Debit (Dr.)/ Credit (Cr.)	**Cr. 3.23**		**Cr. 3.24**		**Cr. 3.25**	
110	Miscellaneous Remittances	8,984.61	7,604.80	9,153.04	7,722.08	9,346.79	7,892.43
	Net Debit (Dr.)/ Credit (Cr.)	**Dr. 1,379.81**		**Dr. 1,430.96**		**Dr. 1,454.36**	
8793	**Inter-State Suspense Account**	724.00	0.01	997.60	0.01	1,009.00	0.01
	Net Debit (Dr.)/ Credit (Cr.)	**Dr. 723.99**		**Dr. 997.59**		**Dr. 1,008.99**	

Source: Finance Accounts of the respective years

non-clearance of outstanding balances under these heads affects the accuracy of receipt/expenditure figures and balances under different heads of Accounts (which are carried forward from year to year) of the State Government.

3.7 Reconciliation of Departmental Figures

All Controlling Officers are required to reconcile the receipts and expenditure of the Government with the figures accounted for by the Accountant General (A&E). In Madhya Pradesh, instead of Budget Controlling Officers, Directorate of Treasuries and Accounts is primarily reconciling the figures with the A&E office.

During 2024-25, Directorate of Treasuries and Accounts has reconciled expenditure of ₹3,40,740.22 crore (98.50 *per cent* of the total expenditure under the Consolidated Fund ₹3,45,938.47 crore) and receipt of ₹3,42,475.05 crore (99.29 *per cent* of total receipts under the Consolidated Fund ₹3,44,919.59 crore). The status of reconciliation of receipts and expenditure figures during the last three-year period 2022-23 to 2024-25 is shown in **Table 3.16** and **Charts 3.3**:

Table 3.16: Status of Reconciliation of Receipts and Expenditure by Controlling Officers

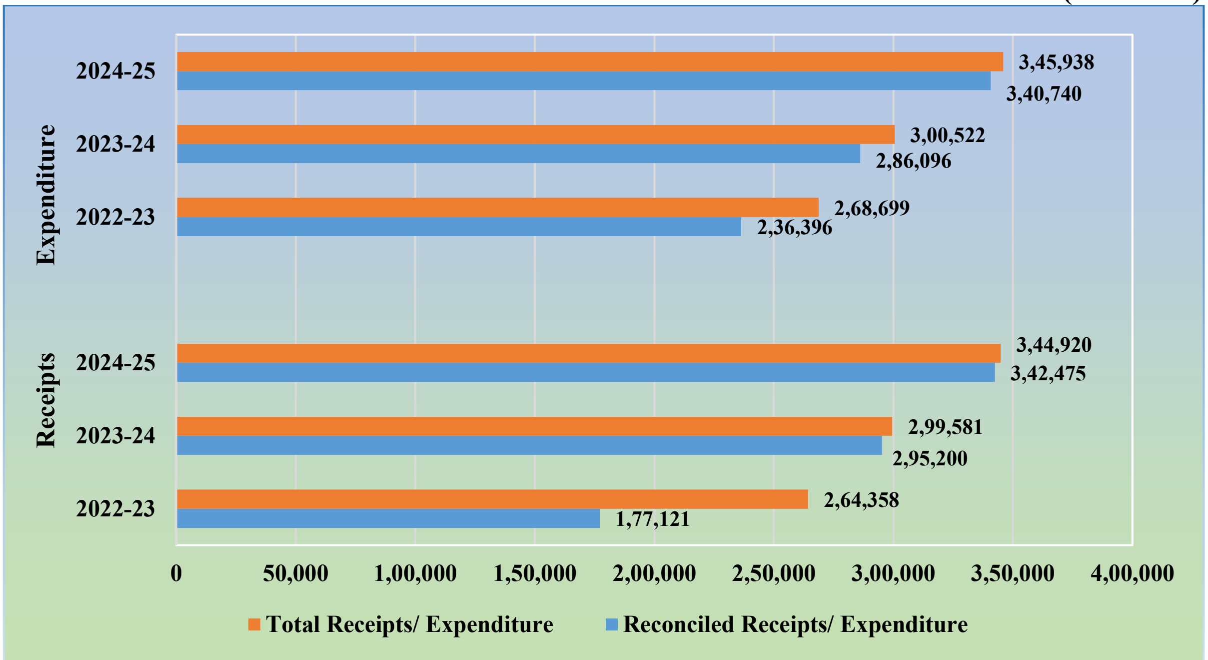
(₹ in crore)

Year	Total No. of Controlling Officer	No. of Controlling Officer reconciled their receipts/expenditure			Figures of Reconciliation
Receipts		**Fully reconciled**	**Partially reconciled**	**Not reconciled**	**Receipts**
2022-23	119	In Madhya Pradesh, instead of Budget Controlling Officers, Directorate of Treasuries and Accounts is primarily reconciling the figures with the A&E office. The process of reconciliaton has been made online and the data of Receipts/Expenditure is provided to DTA, Bhopal to reconcile the figures booked by A&E office with the data of IFMIS.			1,77,121.05
2023-24	119				2,95,199.94
2024-25	115				3,42,475.05
Expenditure					**Expenditure**
2022-23	119				2,36,395.56
2023-24	119				2,86,095.61
2024-25	115				3,40,740.22

Source: Finance Accounts of the respective years and information furnished by O/o AG (A&E) Madhya Pradesh, Gwalior

Chart 3.3: Status of Reconciliation of Receipts and Expenditure during the year 2022-25

(₹ in crore)



Source: Finance Accounts of the respective years and information furnished by O/o AG (A&E) Madhya Pradesh, Gwalior

After the introduction of system of online reconciliation by the Directorate of Treasury and Accounts in July 2020, Audit observed that there have been significant improvements in the reconciliation process.

3.8 Reconciliation of Cash Balances

As per accounts of the Accountant General (A&E), the Cash Balance of the State Government as on 31 March 2025 was ₹400.37 crore (credit) while the same was reported as ₹198.74 crore (Debit) by the Reserve Bank of India. As such, there was an un-reconciled difference of ₹201.63 crore, which was under reconciliation between the Accountant General (A&E) and the State Government.

After integration of e-Kuber system (of the RBI) with State Integrated Financial Management System (IFMS) for payments in the State, the difference in reported transactions has increased as the State IFMS reports are on transaction date basis whereas the e-Kuber system reports the transactions on scroll date basis.

3.9 Unspent amount lying with divisional officers

As per Codal provisions, funds received by Public Works Divisions towards Deposit Works from non-government agencies are required to be credited under Minor Head '108 - Public Works Deposits' below Major Head '8443-Civil Deposits'. The expenditure for related Deposit Works is also met from the same head of account. In the Monthly Divisional Accounts unremitted amount of such deposits are classified under Major Head '8671 -Departmental Balances, 101 – Civil', by the PW Divisions, under Public Account of the State and then form part of the Government Accounts. However, the funds received towards Deposits Works are being kept in the bank accounts of Divisional Officers operated by PW Divisions instead of remitting them into the Government Accounts and thus, are not forming part of cash balance of the State with Reserve Bank of India.

During the year 2024-25, the information pertaining to unspent amount lying with divisional officers was called from various departments of Govt. of Madhya Pradesh viz. PWD, PHE, NVDA, WRD and Finance Department, etc. However, only the Water Resourse Department furnished the information of the amounts lying in bank accounts being operated by Divisional Officers as detailed in **Table 3.17**.

Table 3.17: Details showing unspent amount lying with Divisional Officers

(₹ in crore)

Sl No.	Name of Department	Number of Divisional Officers operating Bank Accounts	Amount lying in Bank Account
1	Water Resources	07	0.26

Source: Information furnished by the Department concerned

As on 31 March 2025, out of seven Divisional officer[28] operating Bank Accounts, an amount of ₹0.26 crore was lying in the bank accounts (No. 42398113496) of Dy. Director Jal Mousam Vigyan Dn. No.-1 WRD Bhopal. Had the funds been deposited in the treasury, the same would have impacted on the daily Cash Balance of the State Government.

Issues related to disclosure

3.10 Compliance with Accounting Standards

As per Article 150 of the Constitution of India, the President of India may, on the advice of the Comptroller and Auditor General of India (CAG), prescribe the form of accounts of the Union and of the States. On the advice of the CAG, the President of India has so far notified four Indian Government Accounting Standards (IGAS). Compliance to these Accounting Standards by the State Government as well as deficiencies therein during 2024-25, are detailed in **Tabel 3.18**.

Table 3.18: Compliance to Accounting Standards

Sl. No.	Accounting Standards	Essence of IGAS	Compliance by State Government	Compliance/Deficiency
1.	IGAS-1	Guarantees given by Government – Disclosure requirements	Complied	Sector and Class wise, details of guarantees are disclosed in Statements 9 and 20 of the Finance Accounts as per the details made available by the State Government
2.	IGAS-2	Accounting and Classification of Grants-in-Aid	Partially Complied	State Government classified GIA amounting to ₹346.80 crore as Capital expenditure instead of as Revenue expenditure. Non-compliance led to overstatement of Revenue surplus and overstatement of Capital expenditure.
3.	IGAS-3	Loans and Advances given by Government	Partially Complied	Disclosures regarding "Write-off of irrecoverable loans and advances", 'Interest payment in arrears', 'Cases of loans having

28 2 Accounts of Project Director Atal Bhu Jal Yojana, WRD Bhopal, 2 Accounts of Dy. Director Jal Mousam Vigyan WRD Bhopal, 1 Accounts of Superintending Engineer, Survey & Investigation Circle WRD Jabalpur, 1 Accounts of Senior Geohydrologist Divisional Ground Water Survey Unit, Jabalpur and 1 Accounts of Senior Geohydrologist Divisional Ground Water Survey Unit, Rewa.

Sl. No.	Accounting Standards	Essence of IGAS	Compliance by State Government	Compliance/Deficiency
				been sanctioned as Loan in Perpetuity' "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 in the Finance Accounts, as the information was not provided by the State Government. It is therefore not possible to report on these aspects of State finances.
4.	IGAS-4	Prior period Adjustment	Complied	The State Government has carried out adjustments as per the existing procedure and discloses such information in the Annexure to Statement 13 of Finance Accounts-Details of Prior Period Adjustment.

Source: Finance Accounts 2024-25

3.11 Submission of Accounts of Autonomous Bodies

As on 31 March 2025, 10 accounts in respect of six Autonomous Bodies (ABs) were pending from 2023-24 to 2024-25 as detailed in **Table 3.19**.

Table 3.19: Arrears of accounts of Autonomous Bodies/Authorities

Sl. No.	Name of Body or Authority	Accounts pending since	No. of Accounts pending up to F.Y. 2024-25
1	Madhya Pradesh Housing and Infrastructure Development Board, Bhopal	2023-24	2
2	Madhya Pradesh Building and Other Construction Workers Welfare Board, Bhopal	2023-24	2
3	Madhya Pradesh Human Rights Commission, Bhopal	2023-24	2
4	Madhya Pradesh State Legal Services Authority, Jabalpur	2024-25	1
5	Madhya Pradesh Khadi and Gramodhyog Board, Bhopal	2023-24	2
6	Madhya Pradesh State Compensatory Afforestation Fund Management and Planning Authority (CAMPA)	2024-25	1
	Total		**10**

Note-Cut-off date of the pendency of any previous financial year is to be taken on 30 September of succeeding financial year.

As the accounts of the above six autonomous bodies have not been received by O/o the Principal Accountants General (Audit-I and II) Madhya Pradesh, Audit did not form any opinion on their accounts during the year. Delay in finalisation of accounts carries the risk of financial irregularities, therefore, the accounts need to be finalised and submitted to Audit at the earliest.

Other Issues

3.12 Misappropriations, losses, thefts, etc.

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

As on 31 March 2025, 3161 cases of misappropriation, losses, theft, etc. involving ₹40.24 crore were pending. The Department-wise break-up of pending cases are given in **Table 3.20**.

Table 3.20: Details of pending Cases of misappropriation, losses, theft, etc.

(₹ in lakh)

Name of Department /Corporation	Cases of misappropriation/ losses/ theft		Reasons for the delay in final disposal of pending cases of misappropriation, losses, theft, etc.					
			Awaiting departmental and criminal investigation		Departmental action initiated but not finalized		Criminal Proceedings finalized but recovery of the amount pending	
	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
2210-Medical and Public Health	08	47.89	01	3.65	05	23.71	02	20.53
2211-Family Welfare	03	47.68	0	0.00	02	47.35	01	0.33
2014-Administration of Justice	07	33.97	03	2.58	02	18.46	02	12.93
2015-Election	01	7.90	0	0.00	01	7.90	0	0.00
2055-Police	323	404.63	168	241.76	155	162.87	0	0.00
2225- Welfare of SC/ST/OBC	06	7.04	06	7.04	0	0.00	0	0.00
2235-Women and Child Welfare	07	16.13	07	16.13	0	0.00	0	0.00
2058-Stationery and Printing	02	8.59	0	0.00	01	0.17	01	8.41
2202-General Education	92	693.62	14	656.61	04	12.17	74	24.84
2203- Technical Education	33	78.12	24	48.10	01	0.56	08	29.46
2204-Sports and Youth Services	03	4.20	02	2.95	01	1.25	0	0.00
2501-Special Programs for Rural Development	04	46.56	02	3.34	01	42.31	01	0.90
2054-Finance	11	830.44	11	830.44	0	0.00	0	0.00
2853-Mineral Resources	03	4.22	02	4.22	01	0.00	0	0.00
2040-Commercial Tax.	01	0.69	01	0.69	0	0.00	0	0.00
2401-Crop Husbandry	19	47.02	11	26.28	05	10.40	03	10.34
2403-Animal Husbandry	17	19.75	13	13.24	02	0.91	02	5.60
2406-Forestry and Wildlife	2621	1,725.32	1119	606.14	1471	1,097.72	31	21.46
Total	**3161**	**4,023.77**	**1384**	**2,463.17**	**1652**	**1,425.78**	**125**	**134.80**

Source: Information furnished by Departments concerned

Out of the total 3161 cases, in respect of 1652 cases (₹14.26 crore), departmental action had been initiated but not finalized, while in 1384 cases (₹24.63 crore) departmental and criminal proceedings were pending.

The age-profile of the pending cases and the number of cases pending in each category-theft and misappropriation/loss of Government material is summarized in **Table 3.21**.

Table 3.21: Details of misappropriation, losses, defalcations etc.

(₹ in lakh)

Age profile of the pending cases			Nature of the pending cases	Number of cases	Amount involved
Range in years	**Number of cases**	**Amount involved**			
0-5	262	321.90	Theft cases	10	22.31
			Misappropriation/Loss of Government Material	252	299.59
5-10	659	773.18	Theft cases	13	21.57
			Misappropriation/Loss of Government Material	646	751.60
10-15	471	1,716.54	Theft cases	102	600.82
			Misappropriation/Loss of Government Material	369	1,115.72
15-20	114	426.66	Theft cases	08	10.61
			Misappropriation/Loss of Government Material	106	416.05
20-25	180	143.57	Theft cases	02	0.84
			Misappropriation/Loss of Government Material	178	142.73
More than 25	1475	641.92	Theft cases	60	18.39
			Misappropriation/Loss of Government Material	1415	623.54
Total	**3161**	**4,023.77**		**3161**	**4,023.77**

Source: Information furnished by Departments concerned

Out of the total cases, 195 cases amounting to ₹6.75 crore were related to theft of Government money/stores, and the remaining 2966 cases involving ₹33.49 crore were pertaining to misappropriation/loss of Government material, whereas 1415 cases involving ₹6.24 crore pertaining to misappropriation/loss of Government material were pending for more than 25 years.

3.13 Follow-up Action on State Finances Audit Reports

In every State, the Public Accounts Committee (PAC)/Finance Department require the line Departments to provide suo-moto Explanatory Notes (EN) on the paragraphs featuring in the Audit Reports within one month of placing the Reports in the Legislature. The line Departments are also required to provide Action Taken Notes (ATNs) to the AG (for vetting and onward transmission to the PAC) within three months of tabling the Reports.

The discussion on the State Finances Audit Report for the year 2011-12 was held in 2018-19 wherein PAC had recommended regularisation regarding paragraph on excess expenditure requiring regularisation. However, regularisation was confirmed through a gazette notification published on 18 December 2025. The SFARs for the years 2019-20 and 2020-21 are yet to be discussed by the PAC. Further, a selection proposal of paragraph included in the Audit Reports for the years 2021-22 and 2022-23 has been submitted to the Public Accounts Committee for examination through oral evidence and written replies. The response from the Committee is awaited. The State Finances Audit Report for the year 2023-24 was tabled in the State Legislature on 31 July 2025.

3.14 Conclusion

Utilisation Certificates had not been submitted by various Departments for an aggregate amount of ₹60,113.33 crore drawn for specific developmental programmes/projects, which was violative of prescribed financial rules and directives, and points to inadequate internal controls, while reflecting poorly on the monitoring mechanism of the State Government.

As of 31 March 2025, 679 Personal Deposit Accounts were in existence and the closing balance in these accounts was ₹4,812.13 crore. Out of the total number of 679 PD accounts, 189 PD accounts having a total balance of ₹206.16 crore were inoperative for more than three years. The Government should have monitored these Accounts closely and ensured that such inoperative Accounts are closed and the balances transferred to Government Account in accordance with the Treasury Code of the State.

During the year 2024-25, ₹41,034.89 crore constituting 12.97 per cent of the total Revenue and Capital expenditure (₹3,16,366.17 crore) was classified under the Minor Head 800-Other Expenditure in the accounts. Similarly, ₹10,793.88 crore constituting 4.31 per cent of the total Revenue Receipts (₹2,50,498.27 crore) was classified under 800-Other Receipts in the accounts. Classification of large amounts under the omnibus Minor Head 800 affects transparency in financial reporting and distorts proper analysis of allocative priorities and quality of expenditure.

The reconciliation work of departmental figures with those booked by the Office of the Accountant General (A&E) has been initiated online by Directorate of Treasury and Accounts in July 2020 and accounts have been reconciled to the extent of 99.29 per cent *in respect of receipts and 98.50 per cent in respect of expenditure.*

3.15 Good Practices

- Against the correct accounting procedure for transferring the government and employee contribution in NPS to Public Account, the State Government till F.Y 2023-24 had first treated the contribution as its receipt and then transferred it to the NSDL. However, the State Government has adopted the approved accounting procedure of transferring of employee and employer's contribution into Public Account and onward submission to NSDL from the F.Y. 2024-25.
- After the introduction of system of online reconciliation by the Directorate of Treasury and Accounts in July 2020, Audit observed that there have been significant improvements in the reconciliation process.

3.16 Recommendations

- It is recommended that the State Government may institute a rigorous monitoring mechanism to identify the reasons for non/delay in submission of UCs and ensure that the

Departments comply with the prescribed rules and procedures with regard to timely submission of UCs.

- The State Government should review all the Personal Deposit Accounts and ensure that funds lying idle in these accounts are immediately transferred to the Government account. Further, Government should also disclose details of unspent balances in PD Accounts.
- The State Government should discourage the use of omnibus Minor Head 800 to improve transparency in financial reporting. Government should chalk out a specific timeframe, in consultation with the Accountant General (A&E), to identify appropriate Heads of Account to classify the transactions correctly in the books of accounts.

(RAM HIT)
Principal Accountant General (Audit-II)
Madhya Pradesh

Bhopal
The 30 March 2026

Countersigned

(K. SANJAY MURTHY)
Comptroller and Auditor General of India

New Delhi
The 09 April 2026

APPENDICES

Appendix 1.1

Time series data on the State Government Finances[29]

(Reference: Paragraph 1.1.3; Page 5)

(₹ in crore)

	2020-21	2021-22	2022-23	2023-24	2024-25
Part A. Receipts					
1. Revenue Receipts (i+ii+iii+iv)	**1,46,377**	**1,85,876**	**2,03,986**	**2,34,026**	**2,50,498**
(i) Tax Revenue (own)	54,459(37)	66,237(36)	72,611(36)	90,724(39)	94,408(38)
State Goods and Service Tax (SGST)	17,258(32)	22,028(33)	23,397(32)	37,791(41)	35,837(38)
Taxes on Agricultural Income	--	--	--	--	--
Taxes on Sales, Trade etc.	13,296(24)	16,185(24)	17,719(24)	17,863(20)	19,268(20)
State Excise	9,526(17)	10,334(16)	12,955(18)	13,524(15)	15,201(16)
Taxes on Vehicles	2,749(5)	3,029(5)	4,028(6)	4,606(5)	4,878(5)
Stamps and Registration fees	6,817(13)	8,098(12)	8,812(12)	10,331(11)	11,357(12)
Land Revenue	504(1)	733(1)	956(1)	1,079(1)	1,069(1)
Taxes on Goods and Passengers	75(0)	64(0)	59(0)	31(0)	22(0)
Other Taxes	4,234(8)	5,766(9)	4,685(6)	5,499(6)	6,776(7)
(ii) Non-Tax Revenue	9,902(7)	15,305(8)	19,878(10)	19,926(9)	22,392(9)
(iii) State's Share of Union Taxes and Duties	46,914(46)	69,542(51)	74,543(51)	88,665(49)	1,01,020(40)
(iv) Grants-in-Aid from Government of India	35,102(24)	34,792(19)	36,954(18)	34,711(15)	32,678(13)
2. Miscellaneous Capital Receipts	**14**	**1,598**	**47**	**4**	**2**
2A. Inter-State Settlement	**(-)0.02**	**1.14**	**(-)0.78**	**(-)0.39**	**0.35**
3. Recoveries of Loans and Advances	**58**	**62**	**1,458**	**372**	**4,622**
4. Total Revenue and Non-Debt Capital Receipts (1+2+3)	**1,46,449**	**1,87,537**	**2,05,490**	**2,34,402**	**2,55,122**
5. Public Debt Receipts	**65,171**	**46,285**	**58,867**	**65,180**	**89,797**
Internal Debt (No Ways and Means Advances and Overdrafts)	54,242	33,671	48,202	50,108	74,640
Net transactions under Ways and Means Advances and Overdrafts	--	--	--	--	--
Loans and Advances from Government of India	10,929	12,614	10,665	15,072	15,157
6. Total Receipts in the Consolidated Fund (4+5)	**2,11,620**	**2,33,822**	**2,64,357**	**2,99,582**	**3,44,919**
7. Contingency Fund Receipts	**--**	**--**	**--**	**19**	**28**
8. Public Account Receipts	**2,35,479**	**2,29,353**	**2,63,707**	**2,92,530**	**3,67,974**
9. Total Receipts of the State (6+7+8)	**4,47,099**	**4,63,175**	**5,28,064**	**5,92,133**	**7,12,922**
Part B. Expenditure/Disbursement					
10. Revenue Expenditure	**1,64,733(84)**	**1,81,061(80)**	**1,99,895(81)**	**2,21,538(79)**	**2,48,925**(78)
General Services (including interest payments)	47,885(29)	49,461(27)	54,807(27)	62,830(28)	71,509(29)
Social Services	68,757(42)	71,644(40)	82,084(41)	93,007(42)	1,05,223(42)
Economic Services	42,191(25)	52,831(29)	55,127(28)	57,185(26)	62,435(25)

[29] Figures in parenthesis represents percentages rounded to total of each sub-heading

	2020-21	2021-22	2022-23	2023-24	2024-25
Grants-in-Aid and Contributions	5,900(4)	7,125(4)	7,877(4)	8,516(4)	9,758(4)
11. Capital Outlay	**30,356(15)**	**40,733(18)**	**44,438(18)**	**56,538(20)**	**67,441**(21)
General Services	974(3)	989(2)	1,165(3)	1,204(2)	1,547(2)
Social Services	8,132(27)	14,352(36)	14,632(33)	21,618(38)	25,277(37)
Economic Services	21,250(70)	25,392(62)	28,641(64)	33,716(60)	40,617(60)
12. Disbursement of Loans and Advances	**1,230(1)**	**3,229(1)**	**2,360(1)**	**810(0.3)**	**3,144**(1)
12A. Inter-State Settlement	**(-)0.25**	**1**	**(-)0.95**	**(-)0.23**	**0.06**
13. Total Expenditure (10+11+12+12A)	**1,96,319**	**2,25,024**	**2,46,692**	**2,78,887**	**3,19,510**
14. Repayments of Public Debt	**12,757**	**15,162**	**22,007**	**21,636**	**26,428**
Internal Debt (excluding Ways and Means Advances and Overdrafts)	11,315	13,376	19,788	19,021	23,939
Net transactions under Ways and Means Advances and Overdraft	--	--	--	--	0
Loans and Advances from Government of India	1,442	1,786	2,219	2,615	2,489
15. Appropriation to Contingency Fund	**--**	**--**	**--**	**--**	**--**
16. Total disbursement out of Consolidated Fund (13+14+15)	**2,09,076**	**2,40,186**	**2,68,699**	**3,00,522**	**3,45,938**
17. Contingency Fund disbursements	**--**	**--**	**19**	**15**	**13**
18. Public Account disbursements	**2,27,522**	**2,23,811**	**2,57,491**	**2,92,211**	**3,64,844**
19. Total disbursement by the State (16+17+18)	**4,36,598**	**4,63,997**	**5,26,209**	**5,92,748**	**7,10,795**
Part C. Deficits					
20. Revenue Deficit(-)/ Revenue Surplus(+) (1-10)	-18,356	4,815	4,091	12,488	1,573
21. Fiscal Deficit (-)/Fiscal Surplus(+) (4-13)	-49,870	-37,487	-41,202	-44,485	-64,388
22. Primary Deficit(-)/ Surplus(+) (21+23)	-33,952	-19,041	-21,749	-21,386	-38,500
Part D. Other data					
23. Interest Payments (included in revenue expenditure)	15,918	18,446	19,453	23,098	25,888
24. Financial Assistance to local bodies etc.	30,101	28,645	31,980	29,491	34,446
25. Ways and Means Advances/Overdraft availed (days)	--	--	--	--	--
- Ways and Means Advances availed (days)	--	--	--	--	--
- Overdraft availed (days)	--	--	--	--	--
26. Interest on Ways and Means Advances/ Overdraft	--	--	--	--	--
27. Gross State Domestic Product (GSDP)[30]	**9,46,218**	**11,01,168**	**12,21,813**	**13,53,809**	**15,03,395**

30 Revised GSDP figures as communicated by the Government adopted for the year 2020-21 to 2023-24.

	2020-21	2021-22	2022-23	2023-24	2024-25
28. Outstanding Fiscal liabilities (year-end)	2,89,298[31]	3,23,218[32]	3,63,952[33]	4,08,888[34]	4,68,435[35]
29. Outstanding guarantees (year-end) (including interest)	37,010	35,006	39,788	45,551	45,307
30. Maximum amount guaranteed (year-end)	54,464	60,634	67,624	69,417	70,405
Part E. Fiscal Health Indicators (in per cent)					
I Resource Mobilization					
Own Tax Revenue/GSDP	5.76	6.02	5.94	6.70	6.28
Own Non-Tax Revenue/GSDP	1.05	1.39	1.63	1.47	1.49
Own Revenue/GSDP	6.80	7.41	7.57	8.17	7.77
Own Revenue/Total Expenditure	32.78	36.24	37.49	39.68	36.56
II Expenditure Management					
Total Expenditure/GSDP	20.75	20.44	20.19	20.60	21.25
Total Expenditure/Revenue Receipts	134.12	121.06	120.94	119.17	127.55
Revenue Expenditure/Total Expenditure	83.91	80.46	81.03	79.44	77.91
Expenditure on Social and Economic Services/Total Expenditure	71.48	72.98	73.16	73.70	73.10
Capital Outlay/Total Expenditure	15.46	18.1	18.01	20.27	21.11
Capital Outlay/GSDP	3.21	3.70	3.64	4.18	4.49
III Management of Fiscal Imbalances					
Revenue Deficit(-) /Surplus(+)/GSDP	-1.94	0.44	0.33	0.92	0.10
Fiscal Deficit(-)/GSDP	-5.27	-3.40	-3.37	-3.29	-4.28
Primary Deficit(-) /Surplus(+)/GSDP	-3.59	-1.73	-1.78	-1.58	-2.56
IV Debt Sustainability					
Outstanding Liabilities/GSDP (*per cent*)	30.57	29.35	29.79	30.20	31.16
Interest Payments/Revenue Receipts	10.87	9.92	9.54	9.87	10.33

Source: Finance Accounts of respective years

31 Includes back to back loan in lieu of GST compensation shortfall of ₹4,542 crore.
32 Include Back to back loan in lieu of GST compensation shortfall of ₹11,553 (₹7,011+₹4,542) crore.
33 Include Back to back loan in lieu of GST compensation shortfall of ₹11,553 crore
34 Include Back to back loan in lieu of GST compensation shortfall of ₹11,553 crore
35 Include Back to back loan in lieu of GST compensation shortfall of ₹2,976 crore

Appendix 1.2
Abstract of receipts and disbursements for the year 2023-24 and 2024-25

(Reference: Paragraphs 1.1.4, 1.2.4.1 and 1.2.4.2; Pages 5, 22 and 27)

(₹ in crore)

Receipts	2024-25	2023-24	Disbursements	2024-25	2023-24
Section A: Revenue					
I. Revenue Receipts	**2,50,498**	**2,34,026**	**I. Revenue Expenditure-**	**2,48,925**	**2,21,538**
Tax Revenue	94,408	**90,724**	**General Services**	**71,509**	**62,830**
			Social Services-	**1,05,223**	**93,007**
Non-Tax Revenue	22,392	19,926	Education, Sports, Art and Culture	39,750	36,604
			Health and Family Welfare	14,603	13,804
State's Share of Union Taxes	1,01,020	88,665	Water Supply, Sanitation, Housing and Urban Development	11,260	8,179
			Information and Broadcasting	675	1,017
			Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	5,332	4,442
			Labour and Labour Welfare	1,927	1,141
			Social Welfare and Nutrition	31,568	27,703
			Others	108	117
			Economic Services-	**62,435**	**57,184**
Centrally Sponsored Scheme	24,967	25,855	Agriculture and Allied Activities	15,176	13,035
			Rural Development	9,123	9,796
Finance Commission Grants	6,961	5,306	Special Areas Programmes	0	0
			Irrigation and Flood Control	1,752	1,474
Other Transfer/Grants to States	750	3,550	Energy	26,801	26,850
			Industry and Minerals	7,491	3,839
			Transport	1,550	1,765
			Science, Technology and Environment	217	164
			General Economic Services	325	261
			Grants-in-aid and Contributions-	**9,758**	**8,517**
II. Revenue deficit carried over to	--	--	**II. Revenue Surplus carried over**	1,573	12,488
Section B : Capital					
III. Opening Cash balance including Permanent Advances and Cash Balance Investment	**18,534**	**19,152**	**III. Opening Overdraft from Reserve Bank of India**	0	0
IV. Miscellaneous Capital Receipts	**2**	**4**	**IV. Capital Outlay-**	**67,441**	**56,539**
			General Services-	**1,547**	**1,204**
			Social Services-	**25,277**	**21,618**

Receipts	2024-25	2023-24	Disbursements	2024-25	2023-24
			Education, Sports, Art and Culture	4,515	3,887
			Health and Family Welfare	2,080	2,505
			Water Supply, Sanitation, Housing and Urban Development	17,154	13,670
			Information and Broadcasting	3	1
			Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	1,307	1,343
			Social Welfare and Nutrition	165	139
			Others	54	73
			Economic Services-	**40,617**	**33,716**
			Agriculture and Allied Activities	1,063	2,230
			Rural Development	2,523	2,355
			Special Areas Programmes	0	0
			Irrigation and Flood Control	18,843	14,694
			Energy	5,819	1,174
			Industry and Minerals	2,176	1,702
			Transport	9,764	11,343
			Science, Technology and Environment	145	73
			General Economic Services	284	145
V. Recoveries of Loans and Advances-	**4,622**	**372**	**V. Loans and Advances disbursed-**	**3,144**	**809**
From Power Projects	4,455	315	For Power Projects	28	195
From Government Servants	0.02	0.02	To Government Servants	0	0
From Others	166.98	56.98	To Others	3,116	615
VI. Revenue Surplus brought down	**1,573**	**12,488**	**VI. Revenue Deficit brought down**	0	0
VII. Public Debt Receipts-	**89,797**	**65,180**	**VII. Repayment of Public Debt-**	**26,428**	**21,636**
External debt			External debt		
Internal debt other than Ways and Means Advances and Overdrafts	74,640	50,108	Internal Debt other than Ways and Means Advances and Overdrafts	**23,939**	**19,021**
Net transactions under Ways and Means Advances	0	**0**	Net transactions under Ways and Means Advances	**0**	**0**
Net transactions under Overdraft	0	**0**	Net transactions under Overdraft	**0**	**0**
Loans and Advances from Central Government	15,157	15,071	Repayment of Loans and Advances to Central Government	**2,489**	**2,615**
VIII. Appropriation to Contingency Fund	0	**0**	**VIII. Appropriation to Contingency Fund**	**0**	**0**
IX. Amount transferred to Contingency Fund	**28**	**19**	**IX. Expenditure from Contingency Fund**	**13**	**15**
X. Public Account Receipts-	**3,67,974**	**2,92,530**	**X. Public Account Disbursements-**	**3,64,844**	**2,92,212**

Receipts	2024-25	2023-24	Disbursements	2024-25	2023-24
Small Savings and Provident Funds	3,785	3,952	Small Savings and Provident Funds	**5,417**	**4,996**
Reserve Funds	8,593	9,555	Reserve Funds	**8,281**	**5,953**
Suspense and Miscellaneous	2,32,910	2,04,759	Suspense and Miscellaneous	**2,31,466**	**2,06,355**
Remittance	32,887	28,211	Remittances	**36,071**	**27,688**
Deposits and Advances	89,799	46,053	Deposits and Advances	**83,609**	**47,220**
XI. Closing Overdraft from Reserve Bank of India	**0**	**0**	**XI. Cash Balance at end-**	**20,660**	**18,534**
			Cash in Treasuries and Local Remittances	**0**	**0**
			Deposits with Reserve Bank	**-400.38**	**-508.49**
			Departmental Cash Balance including permanent Advances	**-2.68**	**-2.54**
			Investment of Earmarked Funds	**1,088**	**974**
			Cash Balance Investment	**19,975**	**18,071**
TOTAL	**7,33,028**	**6,23,771**	**TOTAL**	**7,33,028**	**6,23,771**

Source: Finance Accounts of respective years

Appendix 1.3
Summarised financial position of the Government of Madhya Pradesh as on 31 March 2025

(Reference: Paragraph 1.1.5; Page 6)

(₹ in crore)

As on 31 March 2024		As on 31 March 2025
	Liabilities	
2,82,515.51	**Internal Debt -**	**3,33,216.47**
2,22,625.39	Market Loans bearing interest	2,70,567.39
0.26	Market Loans not bearing interest	0.17
-0.87	Loans from Life Insurance Corporation of India	-1.09
59,890.73	Loans from other Institutions	62,650
0	Ways and Means Advances	0
0	Overdrafts from Reserve Bank of India	0
62,254.31	**Loans and Advances from Central Government -**	**66,345.46**
1.88	Pre 1984-85 Loans	1.88
11.03	Non-Plan Loans	7.76
8,092.44	Loans for State Plan Schemes	5,608.08
0	Loans for Central Plan Schemes	0
0	Loans for Central Sponsored Schemes	0
54,148.96	Loans for State/UTs with Legislature Schemes	60,727.74
1,000.00	**Contingency Fund**	**1,000.00**
16,976.37	**Small Savings, Provident Funds, etc.**	**15,344.25**
20,544.55	**Deposits**	**26734.35**
27,571.12	**Reserve Funds Advances**	**27,882.96**
735.68	**Suspense and Miscellaneous Balances**	**2,181.86**
6,200.69	**Remittance Balances**	**3,016.85**
0	**Miscellaneous Capital Receipts**	**0**
63,482.37	**Cumulative excess of receipts over expenditure**	**73,632.30**
4,81,280.60	**Total**	**5,49,354.50**
	Assets	
4,14,464.87	**Gross Capital Outlay on Fixed Assets -**	**4,81,905.78**
47,483.80	Investments in shares of Companies, Corporations *etc.*	54,475.96
3,66,981.07	Other Capital Outlay	4,27,429.82
48,263.44	**Loans and Advances -**	**46,785.27**
26,938.74	Loans for Power Projects	23,418.91
21,136.90	Other Development Loans	23,178.58
187.80	Loans to Government servants and Miscellaneous loans	187.78
3.50	**Advances**	**3.58**
0	**Remittance Balances**	**0**
0	**Suspense and Miscellaneous Balances**	**0**
18,533.79	**Cash -**	**20,659.87**
0	Cash in Treasuries and Local Remittances	0
-508.49	Deposits with Reserve Bank	-400.38
-2.54	Departmental Cash Balance including Permanent Advances	-2.68
0	Security Deposits	0
973.76	Investment of Earmarked Funds	1,088.29
18,071.06	Cash Balance Investments	19,974.64
0	**Deficit on Government Account -**	**0**
0	(i) Less Revenue Surplus of the current year	0

As on 31 March 2024		As on 31 March 2025
0	(ii) Appropriation to Contingency Fund	0
0	Accumulated deficit at the beginning of the year	0
15	**Contingency Fund**	**0**
4,81,280.60	**Total**	**5,49,354.50**

Source: Finance Accounts of respective years

Appendix 2.1

Expenditure without Budget Provision or Re-appropriation (exceeding ₹ two crore)

(Reference: Paragraph 2.5.1; Page 60)

(₹ in crore)

SI.No.	Grant Number	Head of Accounts	Number of cases	Expenditure incurred
1	12-Energy	4801-05-190-0101-2051	5	4,455.00
2		4801-05-190-0704-9542		632.39
3		4801-05-190-0705-9542		128.83
4		4801-05-190-0706-9542		77.82
5		4801-05-190-0410-9654		13.44
6	22-Urban Housing and Development	2217-05-800-0701-1544	4	16.06
7		2217-05-800-0704-1544		5.35
8		2217-05-800-0701-1545		2.06
9		2217-05-800-0710-7839		58.47
		Total		**5,389.42**

Source: Appropriation Accounts 2024-25

Appendix 2.2

Cases where supplementary provisions (₹ Three crore or more in each case) proved unnecessary

(Reference: Paragraph 2.5.3; Page 62)

(₹ in crore)

Sl. No.	Number and Name of Grant	Original Budget	Supplementary Budget	Actual Expenditure	Savings out of Original Budget
A-Revenue (Voted)					
1	1- General Administration	976.21	3.83	668.72	307.49
2	3- Home	10,462.43	10.80	8,885.55	1,576.88
3	7- Commercial Tax	2,558.33	25.31	2,423.67	134.65
4	8- Expenditure On Land Revenue	9,765.66	72.82	6,209.00	3,556.66
5	10- Forest	2,523.89	131.92	2,119.60	404.29
6	16- Fisherman Welfare and Fisheries Development	204.74	124.32	197.60	7.14
7	17-Co-operation	963.84	84.50	867.40	96.44
8	19-Public Health and Family Welfare	14,235.44	290.00	11,085.49	3,149.95
9	20-Public Health Engineering	1,101.34	84.00	981.32	120.01
10	22-Urban Development and Housing	10,283.50	65.38	8,837.12	1,446.38
11	23- Water Resources	1,459.47	78.00	1,295.28	164.19
12	24- Public Works	2,608.35	242.00	2,055.24	553.11
13	29- Law and Legislative Affairs	3,436.91	5.29	2,598.48	838.43
14	30- Rural Development	15,317.94	1,061.00	15,000.81	317.13
15	33- Tribal Affairs	10,760.75	324.30	9,229.89	1,530.86
16	38-Ayush	821.42	54.32	709.09	112.33
17	39-Food	1,496.96	10.00	1,161.38	335.58
18	40-Panchayat	9,123.15	85.00	6,940.50	2,182.65
19	44-Higher Education	3,247.20	34.59	2,481.69	765.51
20	47-Technical Education, Skill Development and Employment	1,849.20	301.44	1,741.54	107.66
21	49-Scheduled Caste Welfare	2,117.91	140.00	1,356.41	761.49
22	50-Horticulture And Food Processing	510.80	44.00	354.15	156.65
23	54-Backward Classes Welfare	1,499.35	567.34	1,403.47	95.89
24	55-Women and Child Development	26,253.59	550.01	25,634.39	619.20
	Total	**133,578.36**	**4,390.18**	**114,237.79**	**19,340.57**
B-Revenue (Charged)					
25	29-Law and Legislative Affairs	305.37	5.40	234.65	70.72
	Total	**305.37**	**5.40**	**234.65**	**70.72**
C-Capital (Voted)					
26	5-Jail	110.59	15.00	38.82	71.76
27	6-Finance	402.87	150.00	266.44	136.43
28	22-Urban Development and Housing	4,976.40	570.00	3,691.82	1,284.58
29	29-Law and Legislative Affairs	483.60	10.00	254.56	229.04
30	30-Rural Development	3,428.12	905.39	3,347.40	80.72
31	31-Planning, Economics and Statistics	609.49	8.00	565.66	43.83
32	43-Sports and Youth Welfare	354.95	89.26	331.85	23.09
33	44-Higher Education	618.93	110.43	485.75	133.18
	Total	**10,984.94**	**1,858.08**	**8,982.30**	**2,002.64**
	GRAND TOTAL	**1,44,868.68**	**6,253.66**	**1,23,454.74**	**21,413.93**

Source: Appropriation Accounts 2024-25

Appendix 2.3

Cases where supplementary provisions (₹ Three crore or more in each case) proved excessive

(Reference: Paragraph 2.5.3; Page 62)

(₹ in crore)

Sl. No.	Number and Name of Grant	Original Budget	Supplementary Budget	Total Budget	Actual Expenditure	Excessive Supplementary provision (savings)
A-Revenue (Voted)						
1	11-Industrial Policy and Investment Promotion	1,862.05	926.00	2,788.05	2,783.65	4.40
2	12-Energy	10,709.56	12,998.43	23,707.99	19,662.44	4,045.56
3	18-Labour	1,000.01	800.00	1,800.01	1,666.63	133.38
4	35-Micro, Small and Medium Enterprises	969.02	1,525.80	2,494.82	2,460.43	34.39
5	48-Narmada Valley Development	355.97	141.90	497.87	488.15	9.72
	Total	**14,896.61**	**16,392.13**	**31,288.74**	**27,061.30**	**4,227.44**
B-Revenue (Charged)						
6	22-Urban Development and Housing	1244.05	229.35	1473.40	1297.54	175.86
	Total	**1,244.05**	**229.35**	**1,473.40**	**1,297.54**	**175.86**
C-Capital (Voted)						
7	20-Public Health Engineering	9,175.60	6,359.70	15,535.30	14,839.74	695.55
8	23-Water Resources	5,778.60	2,515.14	8,293.73	8,240.72	53.01
9	24-Public Works	7,511.47	2,342.00	9,853.47	9,236.45	617.02
10	36-Transport	21.72	21.00	42.72	40.24	2.48
11	39-Food, Civil Supplies and Consumer Protection	18.70	2,000.00	2,018.70	2,012.32	6.38
12	48-Narmada Valley Development	5,990.76	4,864.50	10,855.26	10,736.05	119.21
	Total	**28,496.85**	**18,102.34**	**46,599.18**	**45,105.52**	**1,493.67**
D-Capital (Charged)						
13	24-Public Works	45.00	500.00	545.00	520.00	25.00
	Total	**45.00**	**500.00**	**545.00**	**520.00**	**25.00**
	GRAND TOTAL	**44,682.51**	**35,223.82**	**79,906.33**	**73,984.36**	**5,921.96**

Source: Monthly Appropriation Accounts 2024-25

Appendix 2.4
Unnecessary/Inadequate re-appropriation of funds during 2024-25

(Reference: Paragraph 2.5.4; Pages 62 and 63)

(₹ in crore)

Sl. No.	Grant No.	Head of Accounts	Original Grant	Supplementary Grant	Re-appropriation	Total	Expenditure	Savings (-) / Excess(+)
Reduction of provision through Re-appropriation orders, which was excess expenditure occurred								
1	1	01-2013-00-105-5839	200.00	0.00	-5.40	194.60	194.74	0.14
2	1	01-2235-60-200-5710	82.00	0.00	-33.53	48.47	48.83	0.35
3	3	03-2055-00-113-2634	5.00	0.00	-3.47	1.53	1.98	0.45
4	3	03-2055-00-109-4491	16.20	0.00	-4.20	12.00	26.16	14.15
5	3	03-2055-00-109-4491	84.00	0.00	-30.42	53.58	54.34	0.75
6	10	10-2406-01-203-0535	15.50	0.00	-5.15	10.35	11.51	1.15
7	13	13-2401-00-800-0701-5626	88.70	0.00	-73.77	14.93	51.36	36.43
8	13	13-2401-00-800-0702-5626	31.47	0.00	-17.05	14.42	23.21	8.79
9	13	13-2401-00-102-0701-7499	18.60	0.00	-17.21	1.39	8.18	6.79
10	13	13-2401-00-102-0702-7499	6.60	0.00	-4.00	2.60	4.21	1.61
11	13	13-2401-00-108-0701-7500	29.99	0.00	-9.51	20.48	23.38	2.90
12	13	13-2401-00-108-0702-7500	10.28	0.00	-4.08	6.20	6.86	0.66
13	13	13-2401-00-108-0703-7500	9.13	0.00	-5.13	4.01	4.64	0.63
14	13	13-2401-00-102-0703-7501	32.06	0.00	-13.75	18.32	26.33	8.01
15	14	14-2403-00-102-0102-1108	52.92	0.00	-13.48	39.44	39.46	0.02
16	14	14-2403-00-101-0701-1458	15.32	0.00	-6.57	8.75	9.05	0.31
17	17	17-2425-00-107-0102-9254	138.00	0.00	-68.00	70.00	70.07	0.07
18	23	23-4701-E2-800-0101-2884	0.00	8.55	-5.55	3.00	5.80	2.80
19	23	23-4702-00-101-1901-3803	500.00	0.00	-137.66	362.34	363.88	1.54
20	24	24-4217-01-050-0101-7218	36.00	0.00	-34.99	1.01	5.00	3.99
21	24	24-5054-04-337-1902-2457	209.62	0.00	-35.00	174.62	179.88	5.26
22	24	24-5054-04-337-1903-4557	128.00	0.00	-65.00	63.00	67.25	4.25
23	24	24-5054-03-337-1902-5139	53.00	0.00	-44.91	8.09	9.72	1.63
24	28	28-2011-02-101-4007	7.70	0.00	-3.48	4.22	4.42	0.20
25	33	33-4225-02-277-0102-0762	36.00	0.00	-21.90	14.10	14.26	0.16
26	43	43-4202-03-800-0101-6703	17.11	0.00	-11.00	6.11	15.11	9.00
27	48	48-4700-43-001-0101-2428	20.50	0.00	-3.38	17.12	17.19	0.07
28	48	48-4700-43-800-0101-2884	15.00	0.00	-10.21	4.79	4.81	0.02
		Total	**1,858.71**	**8.55**	**-687.80**	**1,179.46**	**1,291.59**	**112.13**
Augmentation of provision proved injudicious								
29	20	20-4215-01-800-1701-7301	2.20	10.00	10.80	23.00	9.76	-13.24
30	27	27-2202-02-109-0581	1,125.18	0.00	48.89	1,174.07	1,038.19	-135.88
31	35	35-2851-00-800-0101-2124	267.00	683.00	48.00	998.00	950.00	-48.00
32	43	43-4202-03-102-0101-7662	0.00	0.00	89.26	89.26	0.00	-89.26
33	50	50-2401-00-119-0701-5116	21.69	36.85	14.46	73.00	28.83	-44.17
34	50	50-2401-00-119-0702-5116	11.52	4.80	7.68	24.00	10.50	-13.50
35	50	50-2401-00-119-0703-5116	9.39	2.35	6.26	18.00	6.29	-11.71
		Total	**1,436.98**	**737.00**	**225.35**	**2,399.33**	**2,043.57**	**-355.76**
		Grand Total	**3,295.69**	**745.55**	**-462.45**	**3,578.79**	**3,335.16**	**-243.63**

Source: Appropriation Accounts 2024-25

Appendix 2.5

Grants having large savings, after surrender (exceeding ₹100 crore), during FY 2024-25

(Reference: Paragraph 2.5.5; Page 63)

(₹ in crore)

Sl. No.	Number and Name of Grant	Total Budget Provision	Actual Expenditure	Savings	Surrendered	Savings (after surrender)
	A- Revenue (Voted)					
1	8-Expenditure on Land Revenue, and District Administration, and Disaster Relief	9,838.48	6,209.00	3,629.48	3,351.52	277.96
2	12-Energy	23,707.99	19,662.44	4,045.56	0.00	4,045.56
3	13-Farmers Welfare and Agricultural Development	19,689.11	17,231.08	2,458.03	2,172.90	285.13
4	16-Fisherman Welfare and Fisheries Development	329.06	197.60	131.46	14.52	116.95
5	18-Labour	1,800.01	1,666.63	133.38	24.46	108.91
6	19-Public Health and Family Welfare	14,525.44	11,085.49	3,439.95	0.00	3,439.95
7	22-Urban Development and Housing	10,348.88	8,837.12	1,511.76	14.73	1,497.03
8	23-Water Resources	1,537.47	1,295.28	242.19	3.79	238.40
9	24-Public Works	2,850.35	2,055.24	795.11	0.00	795.11
10	27-School Education	30,117.29	28,756.40	1,360.90	197.07	1,163.83
11	39-Food, Civil Supplies and Consumer Protection	1,506.96	1,161.38	345.58	6.97	338.60
12	40-Panchayat	9,208.15	6,940.50	2,267.65	0.00	2,267.65
13	47-Technical Education, Skill Development and Employment	2,150.64	1,741.54	409.10	0.00	409.10
14	50-Horticulture And Food Processing	554.80	354.15	200.65	0.00	200.65
15	52-Medical Education	3,292.11	2,508.05	784.06	0.00	784.06
16	54-Backward Classes Welfare	2,066.69	1,403.47	663.23	0.00	663.23
	Total	**1,33,523.43**	**1,11,105.36**	**22,418.07**	**5,785.96**	**16,632.11**
	B- Revenue (Charged)					
17	6-Finance	144.66	17.57	127.09	0.04	127.05
18	22-Urban Development and Housing	1,473.40	1,297.54	175.86	0.05	175.81
19	CH-II-Charged Appropriation- Interest Payments and Servicing of Debt.	27,399.86	25,887.86	1,511.99	0.30	1,511.70
	Total	**29,017.92**	**27,202.97**	**1,814.95**	**0.39**	**1,814.56**
	C- Capital (Voted)					
20	2-Aviation	176.12	44.64	131.48	0.00	131.48
21	6-Finance	552.87	266.44	286.43	22.91	263.53
22	12-Energy	8,557.47	6,769.56	1,787.91	0.00	1,787.91
23	19-Public Health and Family Welfare	1,273.07	727.69	545.38	0.00	545.38
24	20-Public Health Engineering	15,535.30	14,839.74	695.55	6.10	689.45
25	22-Urban Development and Housing	5,546.40	3,691.82	1,854.58	0.52	1,854.06
26	24-Public Works	9,853.47	9,236.45	617.02	2.00	615.02
27	43-Sports and Youth Welfare	444.21	331.85	112.35	0.00	112.35

Sl. No.	Number and Name of Grant	Total Budget Provision	Actual Expenditure	Savings	Surrendered	Savings (after surrender)
28	47-Technical Education, Skill Development and Employment	816.92	383.12	433.79	0.00	433.79
29	52-Medical Education	1,638.61	1,330.84	307.77	0.00	307.77
30	53-Minority Welfare	140.03	0.00	140.03	0.00	140.03
	Total	**44,534.47**	**37,622.16**	**6,912.31**	**31.53**	**6,880.78**
	D- **Capital (Charged)**					
31	CH-I-Charged Appropriation- Public Debt.	29,696.85	26,428.21	3,268.64	1.96	3,266.68
	Total	**29,696.85**	**26,428.21**	**3,268.64**	**1.96**	**3,266.68**
	Grand Total	**2,36,772.67**	**2,02,358.70**	**34,413.97**	**5,819.84**	**28,594.13**

Source: Appropriation Accounts 2024-25

Appendix 2.6

Grants having persistent savings (exceeding ₹100 crore) during FY 2022-23 to 2024-25

(Reference: Paragraph 2.5.5; Page 63)

(₹ in crore)

SI.No.	Grant No. and Name of the Grant	Savings		
		2022-23	2023-24	2024-25
Revenue (V)				
1	1-General Administration	267.05	191.32	311.32
2	3-Home	1,145.70	1,287.34	1,587.68
3	7-Commercial Tax	238.19	198.51	159.96
4	8-Expenditure on Land Revenue, and District Administration, and Disaster Relief	2,362.50	3,097.29	3,629.48
5	10-Forest	298.36	465.12	536.22
6	12-Energy	225.00	186.67	4,045.56
7	13-Farmers Welfare and Agriculture Development	3,204.80	3,348.34	2,458.03
8	14-Animal Husbandry and Dairy	340.87	447.73	761.36
9	16-Fisherman Welfare and Fisheries Development	133.11	103.97	131.46
10	17-Co-operation	188.21	118.25	180.94
11	19-Public Health and Family Welfare	1,273.62	1,458.13	3,439.95
12	20-Public Health Engineering	117.70	201.80	204.01
13	22-Urban Development and Housing	1,218.38	1,930.83	1,511.76
14	23-Water Resources	306.97	372.08	242.19
15	24-Public Works	621.03	364.09	795.11
16	27-School Education	2,820.65	2,093.23	1,360.90
17	29-Law and Legislative Affairs	450.87	465.19	843.73
18	30-Rural Development	4,822.73	6,000.15	1,378.13
19	33-Tribal Affairs	1,319.55	1,777.60	1,855.16
20	39-Food, Civil Supplies and Consumer Protection	211.29	218.94	345.58
21	40-Panchayat	2,546.20	2,181.18	2,267.65
22	44-Higher Education	664.10	791.08	800.10
23	47-Technical Education, Skill Development and Employment	258.90	943.22	409.10
24	49-Scheduled Caste Welfare	280.37	833.82	901.49
25	50-Horticulture and Food Processing	374.63	178.83	200.65
26	54-Backward Classes Welfare	251.05	346.20	663.23
27	55-Women and Child Development	1,209.80	649.48	1,169.21
	Total	**27,151.63**	**30,250.39**	**32,189.96**
Revenue (C)				
28	6-Finance	101.88	1,086.45	127.09
29	CH-II-Charged Appropriation- Interest Payments and Servicing of Debt	2,713.17	1,483.39	1,511.99
	Total	**2,815.05**	**2,569.84**	**1,639.08**
Capital (V)				
30	2-Aviation	120.92	189.76	131.48
31	6-Finance	1,325.91	401.35	286.43
32	12-Energy	4,771.71	20,482.47	1,787.91
33	17-Co-operation	1,020.05	500.45	704.56
34	20-Public Health Engineering	1,073.17	1,239.39	695.55
35	24-Public Works	281.15	533.81	617.02

SI.No.	Grant No. and Name of the Grant	Savings		
		2022-23	2023-24	2024-25
36	26-Culture	323.95	200.46	528.24
37	30-Rural Development	298.13	763.07	986.11
38	33-Tribal Affairs	411.41	274.11	405.12
39	44-Higher Education	119.47	228.53	243.61
40	48-Narmada Valley Development	147.26	235.63	119.21
41	49-Scheduled Caste Welfare	108.16	113.23	111.87
	Total	**10,001.29**	**25,162.26**	**6,617.11**
Capital (C)				
42	CH-I-Charged Appropriation-Public Debt	2,107.86	2,915.27	3,268.64
	Total	**2,107.86**	**2,915.27**	**3,268.64**
	Grand Total	**42,075.83**	**60,897.76**	**43,714.79**

Source: Appropriation Accounts 2024-25

Appendix 2.7
Grant-wise percentage of utilisation of budget and savings, during FY 2024-25

(Reference: Paragraph 2.5.5; Page 63)

(₹ in crore)

Sl. No.	Number and Name of Grant	Total Budget	Total Expenditure	Savings	Percentage of Utilisation	Range
1	4-Environment	38.71	2.02	36.69	5.22	Up to 50.00
2	9-New and Renewable Energy	64.01	1.12	62.89	1.75	
3	26-Culture	1,080.78	477.10	603.68	44.14	
4	53-Minority Welfare	156.51	10.70	145.81	6.83	
5	57-Happiness	15.00	4.32	10.68	28.80	
	Total	**1,355.01**	**495.26**	**859.75**	**36.55**	
6	1-General Administration	1,144.65	760.07	384.58	66.40	50.01 to 75.00
7	2-Aviation	383.56	193.57	189.99	50.47	
8	8-Expenditure on Land Revenue, and District Administration, and Disaster Relief	10,298.21	6,549.07	3,749.14	63.59	
9	14-Animal Husbandry and Dairy	2,149.92	1,342.88	807.04	62.46	
10	15-Nomadic and Semi-Nomadic Tribes Department	49.09	34.12	14.97	69.49	
11	16-Fisherman Welfare and Fisheries Development	354.37	216.44	137.93	61.08	
12	17-Co-operation	2,053.75	1,168.13	885.62	56.88	
13	19-Public Health and Family Welfare	15,798.72	11,813.18	3,985.54	74.77	
14	21-Public Service Management	121.67	69.81	51.86	57.38	
15	28-State Legislature	143.35	91.22	52.13	63.63	
16	29-Law and Legislative Affairs	4,252.01	3,090.63	1,161.38	72.69	
17	36-Transport	190.59	123.00	67.59	64.53	
18	41-Overseas Indian	19.50	14.29	5.21	73.29	
19	42-Bhopal Gas Tragedy Relief and Rehabilitation	158.75	113.41	45.34	71.44	
20	43-Sports and Youth Welfare	676.22	501.21	175.01	74.12	
21	44-Higher Education	4,011.64	2,967.58	1,044.06	73.97	
22	45-Public Assets Management	31.60	20.52	11.08	64.94	
23	47-Technical Education, Skill Development and Employment	2,967.66	2,124.70	842.96	71.60	
24	49-Scheduled Caste Welfare	2,466.86	1,453.40	1,013.46	58.92	
25	50-Horticulture and Food Processing	562.98	358.76	204.22	63.73	
26	51-Religious Trusts and Endowments	115.43	66.33	49.10	57.47	
27	54-Backward Classes Welfare	2,067.90	1,403.50	664.40	67.87	
28	56-Cottage and Rural Industry	152.60	89.61	62.99	58.72	
	Total	**50,171.03**	**34,565.43**	**15,605.60**	**68.90**	

Sl. No.	Number and Name of Grant	Total Budget	Total Expenditure	Savings	Percentage of Utilisation	Range
29	3-Home	11,303.57	9,626.67	1,676.90	85.16	75.01 to 90.00
30	5-Jail	742.13	586.65	155.48	79.05	
31	10-Forest	4,822.23	4,075.72	746.51	84.52	
32	12-Energy	32,265.47	26,432.00	5,833.47	81.92	
33	13-Farmers Welfare and Agriculture Development	19,717.77	17,233.72	2,484.05	87.40	
34	22-Urban Development and Housing	17,608.68	14,033.66	3,575.02	79.70	
35	24-Public Works	13,258.83	11,812.37	1,446.46	89.09	
36	30-Rural Development	20,712.51	18,348.20	2,364.31	88.59	
37	33-Tribal Affairs	12,977.66	10,717.32	2,260.34	82.58	
38	38-Ayush	899.98	727.85	172.13	80.87	
39	40-Panchayat	9,208.15	6,940.50	2,267.65	75.37	
40	46-Science and Technology	472.34	355.68	116.66	75.30	
41	52-Medical Education	4,930.82	3,838.89	1,091.93	77.86	
42	CH-I-Charged Appropriation-Public Debt	29,696.85	26,428.21	3,268.64	88.99	
	Total	**1,78,616.99**	**1,51,157.44**	**27,459.55**	**84.63**	
43	6-Finance	27,025.96	26,810.19	215.77	99.20	90.01 to 100.00
44	7-Commercial Tax	2,646.33	2,447.15	199.18	92.47	
45	11-Industrial Policy and Investment Promotion	3,796.21	3,791.65	4.56	99.88	
46	18-Labour	1,801.97	1,666.82	135.15	92.50	
47	20-Public Health Engineering	16,722.88	15,823.30	899.58	94.62	
48	23-Water Resources	9,841.31	9,544.63	296.68	96.99	
49	25-Mineral Resources	2,346.65	2,301.93	44.72	98.09	
50	27-School Education	33,532.69	32,094.75	1,437.94	95.71	
51	31-Planning, Economics and Statistics	988.91	902.25	86.66	91.24	
52	32-Public Relations	736.08	718.40	17.68	97.60	
53	34-Social Justice and Disabled Person Welfare	4,603.88	4,405.45	198.43	95.69	
54	35-Micro, Small and Medium Enterprises	2,744.04	2,671.14	72.90	97.34	
55	37-Tourism	413.87	404.49	9.38	97.73	
56	39-Food, Civil Supplies and Consumer Protection	3,525.68	3,173.70	351.98	90.02	
57	48-Narmada Valley Development	11,354.63	11,224.39	130.24	98.85	
58	55-Women and Child Development	27,110.35	25,799.32	1,311.03	95.16	
59	CH-II-Charged Appropriation-Interest Payments and Servicing of Debt	27,399.86	25,887.86	1,512.00	94.48	
	Total	**1,76,591.30**	**1,69,667.42**	**6,923.88**	**96.08**	
	Grand Total	**4,06,734.33**	**3,55,885.55**	**50,848.78**	**87.50**	

Source: Appropriation Accounts 2024-25

Appendix 2.8
Savings not Surrendered

(Reference: Paragraph 2.5.5; Page 64)

(₹ in crore)

Sl. No.	Number and Name of Grant	Original Budget	Supplement-ary Budget	Total Provision	Actual Expenditure	Savings	Amount not surrendered
1	1-General Administration	1,140.24	4.40	1,144.65	760.07	384.58	64.58
2	2-Aviation	383.56	0.00	383.56	193.57	189.99	189.99
3	3-Home	11,292.02	11.55	11,303.57	9,626.67	1,676.90	2.09
4	4-Environment	38.71	0.00	38.71	2.02	36.69	36.69
5	5-Jail	727.01	15.12	742.13	586.65	155.48	5.55
6	6-Finance	26,875.96	150.00	27,025.96	26,810.19	215.78	178.47
7	7-Commercial Tax	2,621.02	25.31	2,646.33	2,447.15	199.18	12.76
8	8-Expenditure on Land Revenue, District Administration, and Disaster Relief	10,225.29	72.92	10,298.21	6,549.07	3,749.13	335.87
9	9-New and Renewable Energy	63.86	0.15	64.01	1.12	62.89	62.89
10	10-Forest	4,686.97	135.25	4,822.23	4,075.72	746.51	50.67
11	11-Industrial Policy and Investment Promotion	2,820.21	976.00	3,796.21	3,791.65	4.56	0.08
12	12-Energy	19,267.03	12,998.43	32,265.47	26,432.00	5,833.47	5,833.47
13	13-Farmers Welfare and Agriculture Development	19,717.77	0.00	19,717.77	17,233.72	2,484.05	285.13
14	14-Animal Husbandry and Dairying	2,149.92	0.00	2,149.92	1,342.88	807.04	0.00
15	15-Nomadic and Semi-Nomadic Tribes Department	48.11	0.98	49.09	34.12	14.98	14.98
16	16-Fisherman Welfare and Fisheries Development	229.99	124.38	354.37	216.44	137.93	123.41
17	17-Co-operation	1,969.25	84.50	2,053.75	1,168.13	885.62	78.55
18	18-Labour	1,001.97	800.00	1,801.97	1,666.82	135.15	110.50
19	19-Public Health and Family Welfare	15,508.72	290.00	15,798.72	11,813.18	3,985.54	3,985.54
20	20-Public Health Engineering	10,279.18	6,443.70	16,722.88	15,823.30	899.58	754.71
21	21-Public Service Management	121.67	0.00	121.67	69.81	51.86	48.06
22	22-Urban Development and Housing	16,743.95	864.73	17,608.68	14,033.66	3,575.02	3,559.72
23	23-Water Resources	7,248.17	2,593.14	9,841.31	9,544.63	296.68	239.61
24	24-Public Works	10,174.83	3,084.00	13,258.83	11,812.37	1,446.45	1,444.45
25	25-Mineral Resources	2,346.65	0.00	2,346.65	2,301.93	44.72	44.72
26	26-Culture	1,080.78	0.00	1,080.78	477.10	603.68	21.43
27	27-School Education	33,532.69	0.00	33,532.69	32,094.75	1,437.94	1,211.39
28	28-State Legislature	143.35	0.00	143.35	91.22	52.13	22.22
29	29-Law and Legislative Affairs	4,231.32	20.69	4,252.01	3,090.63	1,161.38	49.57
30	30-Rural Development	18,746.12	1,966.39	20,712.51	18,348.20	2,364.31	92.37

Sl. No.	Number and Name of Grant	Original Budget	Supplement-ary Budget	Total Provision	Actual Expenditure	Savings	Amount not surrendered
31	31-Planning, Economics and Statistics	980.91	8.00	988.91	902.25	86.67	9.59
32	32-Public Relations	736.08	0.00	736.08	718.40	17.68	0.36
33	33-Tribal Affairs	12,653.36	324.30	12,977.66	10,717.32	2,260.34	17.50
34	34-Social Justice and Disabled Person Welfare	4,603.88	0.00	4,603.88	4,405.45	198.43	117.41
35	35-Micro, Small and Medium Enterprises	1,218.24	1,525.80	2,744.04	2,671.14	72.89	72.89
36	36-Transport	169.59	21.00	190.59	123.00	67.60	66.03
37	37-Tourism	282.33	131.54	413.87	404.49	9.38	8.80
38	38-Ayush	845.46	54.52	899.98	727.85	172.13	48.86
39	39-Food, Civil Supplies and Consumer Protection	1,515.68	2,010.00	3,525.68	3,173.70	351.98	343.73
40	40-Panchayat	9,123.15	85.00	9,208.15	6,940.50	2,267.65	2,267.65
41	41-Overseas Indian	19.50	0.00	19.50	14.29	5.21	0.00
42	42-Bhopal Gas Tragedy Relief and Rehabilitation	158.75	0.00	158.75	113.41	45.34	4.74
43	43-Sports and Youth Welfare	586.42	89.80	676.22	501.21	175.00	175.00
44	44-Higher Education	3,866.48	145.16	4,011.64	2,967.58	1,044.06	9.09
45	45-Public Assets Management	31.60	0.00	31.60	20.52	11.08	11.08
46	46-Science and Technology	472.34	0.00	472.34	355.68	116.66	0.00
47	47-Technical Education, Skill Development and Employment	2,666.21	301.44	2,967.66	2,124.70	842.95	842.95
48	48-Narmada Valley Development	6,348.23	5,006.40	11,354.63	11,224.39	130.24	6.47
49	49-Scheduled Caste Welfare	2,326.86	140.00	2,466.86	1,453.40	1,013.46	0.00
50	50-Horticulture and Food Processing	518.98	44.00	562.98	358.76	204.22	204.22
51	51-Religious Trusts and Endowments	115.43	0.00	115.43	66.33	49.10	49.10
52	52-Medical Education	4,930.82	0.00	4,930.82	3,838.89	1,091.93	1,091.93
53	53-Minority Welfare	156.51	0.00	156.51	10.70	145.82	145.82
54	54-Backward Classes Welfare	1,499.56	568.34	2,067.90	1,403.50	664.39	664.39
55	55-Women and Child Development	26,560.34	550.01	27,110.35	25,799.32	1,311.02	0.00
56	56-Cottage and Rural Industry	152.60	0.00	152.60	89.61	62.99	62.99
57	57-Happiness	15.00	0.00	15.00	4.32	10.68	0.00
58	CH-I-Charged Appropriation-Public Debt	29,696.85	0.00	29,696.85	26,428.21	3,268.64	3,266.68
59	CH-II-Charged Appropriation-Interest Payments and Servicing of Debt	27,399.86	0.00	27,399.86	25,887.86	1,511.99	1,511.70
	Grand Total	**3,65,067.37**	**41,666.97**	**4,06,734.34**	**3,55,885.59**	**50,848.75**	**29,858.45**

Source: Information furnished by O/o the AG (A&E) Madhya Pradesh, Gwalior

Appendix 2.9
Surrender of funds in excess of ₹100 crore, on the last day of March 2025

(Reference: Paragraph 2.5.5; Page 64)

(₹ in crore)

Sl. No.	Number and Name of Grant	Original Budget	Supplementary Budget	Total Provision	Actual Expenditure	Savings	Amount surrendered on 31.03.2025
1	1-General Administration	1,140.24	4.40	1,144.65	760.07	384.58	306.80
2	3-Home	11,292.02	11.55	11,303.57	9,626.67	1,676.90	1,674.81
3	5-Jail	727.01	15.12	742.13	586.65	155.48	149.93
4	7-Commercial Tax	2,621.02	25.31	2,646.33	2,447.15	199.18	171.42
5	8-Expenditure On Land Revenue, District Administration And Disaster Relief	10,225.29	72.92	10,298.21	6,549.07	3,749.13	3,413.26
6	10-Forest	4,686.97	135.25	4,822.23	4,075.72	746.51	695.84
7	13-Farmers Welfare And Agricultural Development	19,717.77	0.00	19,717.77	17,233.72	2,484.05	2,198.92
8	14-Animal Husbandary and Dairying	2,149.92	0.00	2,149.92	1,342.88	807.04	807.04
9	17-Co-operation	1,969.25	84.50	2,053.75	1,168.13	885.62	807.07
10	20-Public Health Engineering	10,279.18	6,443.70	16,722.88	15,823.30	899.58	144.87
11	26-Culture	1,080.78	0.00	1,080.78	477.10	603.68	582.26
12	27-School Education	33,532.69	0.00	33,532.69	32,094.75	1,437.94	226.54
13	29-Law and Legislative Affairs	4,231.32	20.69	4,252.01	3,090.63	1,161.38	1,111.81
14	30-Rural Development	18,746.12	1,966.39	20,712.51	18,348.20	2,364.31	2,271.94
15	33-Tribal Affairs	12,653.36	324.30	12,977.66	10,717.32	2,260.34	2,242.84
16	44-Higher Education	3,866.48	145.16	4,011.64	2,967.58	1,044.06	1,034.97
17	46-Science and Technology	472.34	0.00	472.34	355.68	116.66	116.66
18	49-Scheduled Caste Welfare	2,326.86	140.00	2,466.86	1,453.40	1,013.46	1,013.46
19	55-Women and Child Development	26,560.34	550.01	27,110.35	25,799.32	1,311.02	1,311.02
	Grand Total	**1,68,278.96**	**9,939.30**	**1,78,218.28**	**1,54,917.34**	**23,300.92**	**20,281.46**

Source: Information furnished by O/o the AG (A&E) Madhya Pradesh, Gwalior

Appendix 2.10(a)

Statement of misclassification of Revenue Expenditure under the Capital section

(Reference: Paragraph 2.5.6; Page 65)

(₹ in crore)

Sl. No.	Grant No.	Major Head	Budget Provision (O+S+R)	Expenditure
Object Head 11-Salary				
1	10	4406-Capital Outlay on Forestry and Wild Life	0.66	0.66
2	20	4215-Capital Outlay on Water supply and Sanitation	31.80	30.86
3	48	4700-Capital Outlay on Major Irrigation	93.25	93.34
4	48	4701-Capital Outlay on Medium Irrigation	6.38	6.39
5	48	4801-Capital Outlay on Power Projects	52.67	52.67
		Total (Object Head 11-Salary)	**184.76**	**183.92**
Object Head 12-Wages				
6	10	4406-Capital Outlay on Forestry and Wild Life	1,079.83	1,054.61
7	20	4215-Capital Outlay on Water supply and Sanitation	8.08	8.07
8	23	4700-Capital Outlay on Major Irrigation	0.48	0.48
9	23	4701-Capital Outlay on Medium Irrigation	5.71	6.60
10	23	4702-Capital Outlay on Minor Irrigation	0.46	0.46
11	48	4700-Capital Outlay on Major Irrigation	37.83	37.83
12	48	4701-Capital Outlay on Medium Irrigation	4.57	4.57
13	48	4801-Capital Outlay on Power Projects	15.13	15.14
		Total (Object Head 12-Wages)	**1,152.09**	**1,127.76**
Object Head 13-Pension and Pensionary Benefits				
14	48	4801-Capital Outlay on Power Projects	0.02	0.02
		Total (Object Head 13-Pension and Pensionary Benefits)	**0.02**	**0.02**
Object Head 16-Salary Allowances-All India Services				
15	10	4406-Capital Outlay on Forestry and Wild Life	0.31	0.31
16	48	4801-Capital Outlay on Power Projects	0.41	0.41
		Total (Object Head 16-Salary Allowances-All India Services)	**0.72**	**0.72**
Object Head 19-Salary of Charged/Contingent works employee				
17	20	4215-Capital Outlay on Water supply and Sanitation	39.09	25.96
18	23	4700-Capital Outlay on Major Irrigation	0.74	0.75
19	23	4701-Capital Outlay on Medium Irrigation	2.78	1.89
20	23	4702-Capital Outlay on Minor Irrigation	2.06	2.07
21	48	4700-Capital Outlay on Major Irrigation	28.55	28.54
22	48	4701-Capital Outlay on Medium Irrigation	1.57	1.55
23	48	4801-Capital Outlay on Power Projects	3.75	3.75
		Total (Object Head 19-Salary of Charged/Contingent works employee)	**78.54**	**64.51**
Object Head 21-Travelling Allowance				
24	48	4700-Capital Outlay on Major Irrigation	0.43	0.43
25	48	4701-Capital Outlay on Medium Irrigation	0.03	0.03
26	48	4801-Capital Outlay on Power Projects	0.21	0.21
		Total (Object Head 21-Travelling Allowance)	**0.67**	**0.67**
Object Head 22-Office Expenses				
27	1	4055-Capital Outlay on Police	0.08	0.08
28	1	4070- Capital Outlay on Other Administrative Services	0.28	0.10
29	3	4055- Capital Outlay on Police	3.79	3.45
30	3	4070- Capital Outlay on Other Administrative Services	0.01	0.01
31	3	4235- Capital Outlay on Social Security and Welfare	0.08	0.04
32	5	4070- Capital Outlay on Other Administrative Services	0.01	0.01
33	6	4070- Capital Outlay on Other Administrative Services	3.06	0.57
34	7	4070- Capital Outlay on Other Administrative Services	0.18	0.18

Sl. No.	Grant No.	Major Head	Budget Provision (O+S+R)	Expenditure
35	8	4058- Capital Outlay on Stationery and Printing	0.03	0.03
36	8	4070- Capital Outlay on Other Administrative Services	4.28	2.44
37	10	4406- Capital Outlay on Forestry and Wild Life	11.42	11.42
38	13	4402- Capital Outlay on Soil and Water Conservation	0.01	0.01
39	14	4403- Capital Outlay on Animal Husbandry	0.01	0.01
40	17	4425- Capital Outlay on Co-operation	0.03	0.03
41	18	4070- Capital Outlay on Other Administrative Services	0.16	0.02
42	19	4210- Capital Outlay on Medical and Public Health	3.51	1.90
43	20	4215-Capital Outlay on Water supply and Sanitation	0.25	0.06
44	22	4217- Capital Outlay on Urban Development	0.07	0.07
45	23	4701-Capital Outlay on Medium Irrigation	0.25	0.25
46	25	4853- Capital Outlay on Non-ferrous Mining and Metallurgical Industries	0.14	0.07
47	26	4202- Capital Outlay on Education, Sports, Art and Culture	0.11	0.11
48	27	4202- Capital Outlay on Education, Sports, Art and Culture	92.88	76.25
49	29	4070- Capital Outlay on Other Administrative Services	6.90	6.90
50	30	4515- Capital Outlay on other Rural Development Programmes	0.03	0.03
51	31	4070- Capital Outlay on Other Administrative Services	0.01	0.01
52	35	4851- Capital Outlay on Village and Small Industries	0.02	0.02
53	36	4070- Capital Outlay on Other Administrative Services	0.22	0.05
54	39	4408- Capital Outlay on Food Storage and Warehousing	0.15	0.14
55	42	4210- Capital Outlay on Medical and Public Health	0.10	0.10
56	44	4202- Capital Outlay on Education, Sports, Art and Culture	7.01	7.01
57	47	4202- Capital Outlay on Education, Sports, Art and Culture	2.99	0.43
58	48	4700-Capital Outlay on Major Irrigation	1.58	1.45
59	48	4701-Capital Outlay on Medium Irrigation	0.05	0.04
60	48	4801-Capital Outlay on Power Projects	2.70	2.67
61	50	4401- Capital Outlay on Crop Husbandry	0.05	0.04
62	52	4210- Capital Outlay on Medical and Public Health	0.69	0.67
63	54	4225- Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	0.10	0.04
64	55	4235- Capital Outlay on Social Security and Welfare	0.02	0.02
65	56	4851- Capital Outlay on Village and Small Industries	0.06	0.01
		Total (Object Head 22-Office Expenses)	**143.32**	**116.74**
Object Head 24-Examination and Training				
66	6	4070- Capital Outlay on Other Administrative Services	0.50	0.01
67	10	4406-Capital Outlay on Forestry and Wild Life	10.04	10.04
68	48	4801-Capital Outlay on Power Projects	0.04	0.04
		Total (Object Head 24-Examination and Training)	**10.58**	**10.09**
Object Head 26- Seminar, Workshop, Conference				
69	6	4070- Capital Outlay on Other Administrative Services	0.25	0.03
70	23	4701- Capital Outlay on Medium Irrigation	0.23	0.23
		Total (Object Head 24- Seminar, Workshop, Conference)	**0.48**	**0.26**
Object Head 31-Payment for Professional Services				
71	6	4070- Capital Outlay on Other Administrative Services	3.41	0.51
72	10	4406- Capital Outlay on Forestry and Wild Life	126.04	126.04
73	48	4700- Capital Outlay on Major Irrigation	8.12	8.00
74	48	4701- Capital Outlay on Medium Irrigation	0.49	0.48
75	48	4801- Capital Outlay on Power Projects	7.92	7.84
		Total (Object Head 31-Payment for Professional Services)	**145.98**	**142.87**
Object Head 33-Maintenance				
76	10	4406-Capital Outlay on Forestry and Wild Life	0.02	0.02
77	48	4801-Capital Outlay on Power Projects	0.07	0.07

Sl. No.	Grant No.	Major Head	Budget Provision (O+S+R)	Expenditure
		Total (Object Head 33-Maintenance)	**0.09**	**0.09**
Object Head 35-Advertisement and Publicity				
78	10	4406-Capital Outlay on Forestry and Wild Life	0.02	0.02
		Total (Object Head 35-Advertisement and Publicity)	**0.02**	**0.02**
Object Head 42-Grants-in-Aid				
79	30	4515-Capital Outlay on Other Rural Development Programmes	170.00	170.00
		Total (Object Head 42-Grants-in-Aid)	**170.00**	**170.00**
Object Head 43-Contributions				
80	48	4700- Capital Outlay on Major Irrigation	5.00	5.00
81	48	4801-Capital Outlay on Power Projects	5.00	5.00
		Total (Object Head 43-Contributions)	**10.00**	**10.00**
Object Head 45- Grants-in-Aid for creation of capital assets				
82	22	4217- Capital Outlay on Urban Development	1,353.00	176.80
		Total (Object Head 45-Grants-in-Aid for creation of capital assets	**1,353.00**	**176.80**
		Grand Total	**3,250.27**	**2,004.48**

Source: Information furnished by O/o the AG (A&E) Madhya Pradesh, Gwalior

Appendix 2.10(b)

Statement of misclassification of Capital Expenditure under the Revenue section

(Reference: Paragraph 2.5.6; Page 65)

(₹ in crore)

Sl. No.	Grant No.	Major Head	Budget Provision (O+S+R)	Expenditure
Object Head 23- Purchase of Vehicles				
1	23	2701- Medium Irrigation	0.04	0.04
Total (Object Head 23- Purchase of Vehicles)			**0.04**	**0.04**
Object Head 61-Survey, Investigation and Design and Preparation of DPRs				
2	25	2853- Non-Ferrous Mining and Metallurgical Industries	15.00	8.96
3	33	2225- Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	0.23	0.23
Total (Object Head 61-Survey, Investigation and Design and Preparation of DPRs)			**15.23**	**9.19**
Object Head 63-Machinery				
4	22	2217- Urban Development	3.00	1.87
		Total (Object Head 63-Machinery)	**3.00**	**1.87**
Object Head 65- Investment				
5	35	2851- Village and Small Industries	2.00	1.60
		Total (Object Head 65-Investment)	**2.00**	**1.60**
		Grand Total	**20.71**	**12.70**

Source: Information furnished by O/o the AG (A&E) Madhya Pradesh, Gwalior

Appendix 2.11

Policy initiatives with no expenditure

(Reference: Paragraph 2.5.7; Page 66)

(₹ in crore)

SI.No.	Grant No. and Name of the Department	Head of Account and Name of the New Schemes	Budget Provision	Expenditure
1	1-General Administration	01-2052-00-092-1484-Reimbursement of Fees to Staff Selection Board	50.00	0.00
2	1-General Administration	01-4070-00-003-1510- Mission Karmayogi	0.53	0.00
3	5-Jail	05-2056-00-101-1614-Financial Assistance to poor prisoners (State aided)	5.00	0.00
4	9-New and Renewable Energy	09-2810-00-105-1609-Electrification work under Prime Minister Jan Man Program	10.00	0.00
5	13-Farmer Welfare and Agricultural Development	13-4401-00-113-1457- Incentivisation of Agricultural Research in MP	5.00	0.00
6	13-Farmer Welfare and Agricultural Development	13-4401-00-113-1465-Establishment of M.P. State Chickpea Research Center	1.00	0.00
7	13-Farmer Welfare and Agricultural Development	13-4401-00-113-1460-Establishment of M.P State Shree Ann Research Center	1.00	0.00
8	13-Farmer Welfare and Agricultural Development	13-4401-00-113-1461-Establishment of M.P. State Mustard Research Center	1.00	0.00
9	19-Public Health and Family Welfare	19-2211-00-800-1531-Madhya Pradesh Peace Vehicle Service	24.48	0.00
10	22-Urban Development and Housing	22-2217-05-800-1546-Simhastha-2028	5.00	0.00
11	22-Urban Development and Housing	22-4217-60-800-1546- Simhastha-2028	500.00	0.00
12	26-Culture	26-4202-04-800-1617-Tasks of Simhastha-2028	70.00	0.00
13	30-Rural development	30-4515-00-103-1598-To complete the remaining works of Pradhan Mantri Gram Sadak Yojana Phase-1 and 2 (State funded)	25.50	0.00
14	39-Food, Civil Supply and Consumer Protection	39-4408-01-102-1466- Smart PDS	4.20	0.00
15	47- Technical Education, Skill Development and Employment	47-2203-00-104-1538- Establishment of Digital University	1.00	0.00
16	47- Technical Education, Skill Development and Employment	47-2203-00-105-1537-Establishment of coding lab	1.00	0.00

SI.No.	Grant No. and Name of the Department	Head of Account and Name of the New Schemes	Budget Provision	Expenditure
17	47- Technical Education, Skill Development and Employment	47-2203-00-105-1539-Upgradation of Government/Autonomous Polytechnic Colleges	1.00	0.00
18	47- Technical Education, Skill Development and Employment	47-2203-00-105-1540-Implementation of Student Innovation Fund	1.00	0.00
19	47- Technical Education, Skill Development and Employment	47-2230-03-003-1541-Agniveer Training Scheme	1.00	0.00
20	48-Narmada Valley Development	48-4700-80-800-1608-Badnagar Lift Micro Irrigation Project	0.01	0.00
21	55-Women and Child Development	55-2235-02-102-1528-Anganwadi cum crèche scheme	16.20	0.00
22	55-Women and Child Development	55-2235-02-102-1527-Care and Support to Victim under POCSO (Mission Vatsalya)	5.10	0.00
23	55-Women and Child Development	55-2235-02-103-1530-Sakhi Niwas	0.31	0.00
24	56-Cottage and Village Industries	56-2851-00-105-1532-Scheme of Fund for Regeneration of Traditional Clusters (SFURTI)	10.00	0.00
		Total	**739.33**	

Source: Finance Accounts and Appropriation Accounts 2024-25

Appendix 2.12
Policy initiatives with full budget amount withdrawn in revised outlay

(Reference: Paragraph 2.5.7; Page 66)

(₹ in crore)

SI. No.	Grant No. and Name of the Department	Head of Account and Name of the New Scheme	Budget Provision	Reappropriation/ Surrender	Expenditure
1	1-General Administration	01-2052-00-092-1484-Reimbursement of Fees to Staff Selection Board	50.00	-50.00	0.00
2	13-Farmer Welfare and Agricultural Development	13-4401-00-113-1457-Incentivisation of Agricultural Research in MP	5.00	-5.00	0.00
3	13-Farmer Welfare and Agricultural Development	13-4401-00-113-1465-Establishment of M.P. State Chickpea Research Center	1.00	-1.00	0.00
4	13-Farmer Welfare and Agricultural Development	13-4401-00-113-1460-Establishment of M.P State Shree Ann Research Center	1.00	-1.00	0.00
5	13-Farmer Welfare and Agricultural Development	13-4401-00-113-1461--Establishment of M.P. State Mustard Research Center	1.00	-1.00	0.00
6	26-Culture	26-4202-04-800-1617-Tasks of Simhastha-2028	70.00	-70.00	0.00
7	30-Rural development	30-4515-00-103-1598-To complete the remaining works of Pradhan Mantri Gram Sadak Yojana Phase-1 and 2 (State funded)	25.50	-25.50	0.00
8	47-Technical Education, Skill Development and Employment	47-2203-00-104-1538-Establishment of Digital University	1.00	-1.00	0.00
9	47-Technical Education, Skill Development and Employment	47-2203-00-105-1537-Establishment of coding lab	1.00	-1.00	0.00
10	47-Technical Education, Skill Development and Employment	47-2203-00-105-1539-Upgradation of Government/Autonomous Polytechnic Colleges	1.00	-1.00	0.00
11	47-Technical Education, Skill Development and Employment	47-2203-00-105-1540-Implementation of Student Innovation Fund	1.00	-1.00	0.00
12	48-Narmada Valley Development	48-4700-80-800-1608-Badnagar Lift Micro Irrigation Project	0.01	-0.01	0.00
13	55-Women and Child Development	55-2235-02-102-1528-Anganwadi cum crèche scheme	16.20	-16.20	0.00

Sl. No.	Grant No. and Name of the Department	Head of Account and Name of the New Scheme	Budget Provision	Reappropriation/ Surrender	Expenditure
14	55-Women and Child Development	55-2235-02-102-1527-Care and Support to Victim under POCSO (Mission Vatsalya)	5.10	-5.10	0.00
15	55-Women and Child Development	55-2235-02-103-1530-Sakhi Niwas	0.31	-0.31	0.00
		Total	**179.12**	**-179.12**	**0.00**

Source: Finance Accounts and Appropriation Accounts 2024-25

Appendix 2.13

Statement showing Quarter wise expenditure for all Grants/Appropriations during 2024-25

(Reference: Paragraph 2.5.8; Page 67)

(₹ in crore)

Sl. No.	Grant No.	Description	Allocation during 2024-25	Expenditure in 1st Quarter	Expenditure in 2nd Quarter	Expenditure in 3rd Quarter	Expenditure in 4th Quarter	Expenditure in March	Total Expenditure during 2024-25	Expenditure in 4th Quarter as percentage of total expenditure	Expenditure in March 2025 as percentage of total expenditure
1	1	General Administration	1,144.65	168.58	169.86	171.14	250.48	123.83	760.07	32.95	16.29
2	2	Aviation	383.56	7.95	66.25	18.52	100.85	51.29	193.57	52.10	26.50
3	3	Home	11,303.57	2,770.49	2,166.69	2,641.61	2047.88	896.36	9,626.67	21.27	9.31
4	4	Environment	38.71	0.00	1.63	0.00	0.39	0.38	2.02	19.31	18.81
5	5	Jail	742.13	136.50	149.24	134.85	166.06	71.27	586.65	28.31	12.15
6	6	Finance	27,025.96	6,578.21	6,494.66	5,957.64	7779.67	3657.82	26,810.19	29.02	13.64
7	7	Commercial Tax	2,646.33	139.99	178.55	172.34	1956.27	1850.62	2,447.15	79.94	75.62
8	8	Expenditure on Land Revenue, District Administration and Disaster Relief	10,298.21	899.42	969.34	930.77	3749.54	3204.20	6,549.07	57.25	48.93
9	9	New and Renewable Energy	64.01	0.21	0.26	0.30	0.35	0.03	1.12	31.25	2.68
10	10	Forest	4,822.23	581.34	932.29	1,052.95	1509.14	752.27	4,075.72	37.03	18.46
11	11	Industrial Policy and Investment Promotion	3,796.21	718.92	307.21	894.07	1871.45	1710.91	3,791.65	49.36	45.12
12	12	Energy	32,265.47	2,795.97	4,162.16	4,513.79	14960.08	9305.04	26,432.00	56.60	35.20
13	13	Farmers Welfare and Agriculture Development	19,717.77	4,269.90	4,824.70	3,318.22	4820.90	1698.65	17,233.72	27.97	9.86
14	14	Animal Husbandry and Dairy	2,149.92	273.06	265.75	384.51	419.55	282.45	1,342.88	31.24	21.03
15	15	Nomadic and Semi-Nomadic Tribes Department	49.09	2.62	2.31	13.22	15.96	9.87	34.12	46.78	28.93
16	16	Fisherman Welfare and Fisheries Development	354.37	38.09	14.72	58.06	105.57	94.23	216.44	48.78	43.54
17	17	Co-operation	2,053.75	275.21	74.89	153.09	664.94	602.42	1,168.13	56.92	51.57
18	18	Labour	1,801.97	74.71	72.85	329.92	1189.34	731.70	1,666.82	71.35	43.90
19	19	Public Health and Family Welfare	15,798.72	2,358.20	2,849.32	3,095.56	3510.09	2126.77	11,813.18	29.71	18.00

Sl. No.	Grant No.	Description	Allocation during 2024-25	Expenditure in 1st Quarter	Expenditure in 2nd Quarter	Expenditure in 3rd Quarter	Expenditure in 4th Quarter	Expenditure in March	Total Expenditure during 2024-25	Expenditure in 4th Quarter as percentage of total expenditure	Expenditure in March 2025 as percentage of total expenditure
20	20	Public Health Engineering	16,722.88	2,582.94	4,076.19	2,972.10	6192.08	3775.14	15,823.30	39.13	23.86
21	21	Public Services Management	121.67	31.85	10.76	10.10	17.11	8.08	69.81	24.51	11.57
22	22	Urban Development and Housing	17,608.68	2,974.76	3,489.47	3,117.80	4451.62	2136.82	14,033.66	31.72	15.23
23	23	Water Resources	9,841.31	2,138.93	1,673.68	1,870.54	3861.48	2277.26	9,544.63	40.46	23.86
24	24	Public Works	13,258.83	2,757.88	2,316.65	2,167.68	4570.16	2550.77	11,812.37	38.69	21.59
25	25	Mineral Resources	2,346.65	244.24	456.77	306.96	1293.96	1096.38	2,301.93	56.21	47.63
26	26	Culture	1,080.78	48.01	86.27	135.36	207.46	144.96	477.10	43.48	30.38
27	27	School Education	33,532.69	8,201.43	6,932.55	9,598.03	7362.75	3386.06	32,094.75	22.94	10.55
28	28	State Legislature	143.35	27.60	20.86	14.01	28.75	8.65	91.22	31.52	9.48
29	29	Law and Legislative Affairs	4,252.01	721.54	1,057.03	668.36	643.70	228.55	3,090.63	20.83	7.39
30	30	Rural Development	20,712.51	1,689.42	4,771.94	2,951.84	8935.01	3073.37	18,348.20	48.70	16.75
31	31	Planning, Economics and Statistics	988.91	27.53	165.70	208.00	501.02	315.52	902.25	55.53	34.97
32	32	Public Relations	736.08	115.55	197.03	159.65	246.17	115.84	718.40	34.27	16.12
33	33	Tribal Affairs	12,977.66	2,643.44	2,552.78	2,791.70	2729.40	1234.24	10,717.32	25.47	11.52
34	34	Social Justice and Disabled Person Welfare	4,603.88	1,035.89	1,096.80	1,104.24	1168.52	307.73	4,405.45	26.52	6.99
35	35	Micro, Small and Medium Enterprises	2,744.04	93.21	385.49	487.11	1705.34	1187.27	2,671.14	63.84	44.45
36	36	Transport	190.59	16.32	28.41	20.28	57.98	47.36	123.00	47.14	38.50
37	37	Tourism	413.87	63.12	80.46	177.79	83.13	58.01	404.49	20.55	14.34
38	38	Ayush	899.98	150.48	226.45	148.18	202.74	113.99	727.85	27.85	15.66
39	39	Food, Civil Supplies and Consumer Protection	3,525.68	109.20	145.50	567.10	2351.90	2263.27	3,173.70	74.11	71.31
40	40	Panchayat	9,208.15	1,310.36	1,087.97	787.66	3754.51	2556.29	6,940.50	54.10	36.83
41	41	Overseas Indian	19.50	0.00	7.29	7.00	0.00	0.00	14.29	0.00	0.00
42	42	Bhopal Gas Tragedy Relief and Rehabilitation	158.75	27.07	29.30	26.40	30.64	14.97	113.41	27.02	13.20
43	43	Sports and Youth Welfare	676.22	116.22	86.47	71.29	227.23	118.73	501.21	45.34	23.69
44	44	Higher Education	4,011.64	742.34	824.39	690.27	710.58	258.61	2,967.58	23.94	8.71
45	45	Public Assets Management	31.60	0.54	0.00	0.00	19.98	18.79	20.52	97.37	91.57
46	46	Science and Technology	472.34	83.06	99.92	122.00	50.70	36.32	355.68	14.25	10.21

Sl. No.	Grant No.	Description	Allocation during 2024-25	Expenditure in 1st Quarter	Expenditure in 2nd Quarter	Expenditure in 3rd Quarter	Expenditure in 4th Quarter	Expenditure in March	Total Expenditure during 2024-25	Expenditure in 4th Quarter as percentage of total expenditure	Expenditure in March 2025 as percentage of total expenditure
47	47	Technical Education, Skill Development and Employment	2,967.66	338.44	453.80	518.70	813.76	471.38	2,124.70	38.30	22.19
48	48	Narmada Valley Development	11,354.63	1,179.82	2,760.91	1,904.38	5379.27	3306.45	11,224.39	47.92	29.46
49	49	Scheduled Caste Welfare	2,466.86	203.42	403.25	377.62	469.11	163.61	1,453.40	32.28	11.26
50	50	Horticulture and Food Processing	562.98	107.02	45.57	52.90	153.28	80.12	358.76	42.72	22.33
51	51	Religious Trusts and Endowments	115.43	6.69	8.08	25.62	25.93	6.10	66.33	39.09	9.20
52	52	Medical Education	4,930.82	662.04	1,042.82	897.63	1236.40	770.05	3,838.89	32.21	20.06
53	53	Minority Welfare	156.51	2.55	2.90	2.38	2.88	0.72	10.70	26.92	6.73
54	54	Backward Classes Welfare	2,067.90	89.15	211.69	834.36	268.31	122.21	1,403.50	19.12	8.71
55	55	Women and Child Development	27,110.35	5,522.59	6,515.51	7,161.73	6599.49	2883.71	25,799.32	25.58	11.18
56	56	Cottage and Rural Industry	152.60	20.94	30.59	19.19	18.89	6.25	89.61	21.08	6.97
57	57	Happiness	15.00	0.00	0.00	0.00	4.32	0.00	4.32	100.00	0.00
58	CH-I	Charged Appropriation-Public Debt	29,696.85	2,677.18	6,041.03	4,824.59	12885.41	9350.63	26,428.21	48.76	35.38
59	CH-II	Charged Appropriation-Interest Payments and Servicing of Debt	27,399.86	3,775.79	8,096.22	3,858.65	10157.20	5792.87	25,887.86	39.24	22.38
		Total	**4,06,734.33**	**64,627.93**	**81,221.17**	**75,499.79**	**1,34,536.69**	**77,457.21**	**3,55,885.58**	**37.80**	**21.76**

Source: Monthly Appropriation Accounts

Appendix 3.1
Department wise position of pending Utilisation Certificates

(Reference: Paragraph 3.3; Page 98)

(₹ in crore)

Sl. No.	Department	Major Head	Description	No. of UCs	Amount
1.	Parliamentary Affairs	2011	Parliament/State/Union Territory Legislatures	30	1.29
2.	General Administration	2013	Council of Minister	37	0.74
		2014	Administration of Justice	375	1.55
		2052	Secretariat - General Services	95	92.04
		2053	District Administration	14	43.06
		2070	Other Administrative Services	03	2.50
3.	Revenue Department	2029	Land Revenue	94	1.61
4.	Commercial Tax	2045	Other Taxes and Duties on Commodities	01	0.13
5.	Finance	2047	Other Fiscal Services	04	0.01
		2075	Miscellaneous General Services	532	4.95
6.	School Education Department	2202	General Education	31883	1,287.73
7.	Technical Education, Skill Development and Employment	2203	Technical Education	3449	257.80
8.	Sports and Youth Welfare	2204	Sports and Youth Services	96	24.24
9.	Culture	2205	Art and Culture	38	35.04
10.	Public Health and Family Welfare	2210	Medical and Public Health	6126	1,478.50
11.	Public Health Engineering	2215	Water Supply and Sanitation	567	577.67
12.	Urban Development and Housing	2216	Housing	39	2,768.35
		2217	Urban Development	18	108.02
		4217	Capital Outlay on Urban Development	03	176.80
13.	Public Relation (Jansampark)	2220	Information and Publicity	36	1.60
14.	Schedule Caste and Schedule Tribes Welfare	2225	Welfare of Schedule Castes, Schedule Tribes and Other Backward Classes	1399	523.98
15.	Labour	2230	Labour and Employment	1269	44.61
16.	Social Justice and Disabled Person Welfare Department	2235	Social Security and Welfare	1577	20,045.96
17.	Farmer Welfare and Agriculture Development	2401	Crop Husbandry	3220	450.88
		4402	Capital Outlay on Soil and Water Conservation	11	1.25
		2415	Agricultural Research and Education	49	130.16
18.	Animal Husbandry	2403	Animal Husbandry	527	256.79
19.	Fisherman Welfare and Fisheries Development	2405	Fisheries	3594	11.40
20.	Food, Civil Supplies and Consumer Protection	2408	Food, Storage and Warehousing	1441	2,181.08
21.	Co-operation	2425	Co-operation	728	282.69
22.	Rural Development	2501	Special Programmes for Rural Development	31	222.70
		2505	Rural Development	06	189.13
		2515	Other work of Rural Development	165	7,639.66

Sl. No.	Department	Major Head	Description	No. of UCs	Amount
23.	Water Resources	2702	Minor Irrigation	536	14.79
24.	New and Renewable Energy	2810	New and Renewable Energy	34	30.77
25.	Cottage and Rural Industries	2851	Village and Small Industries	737	240.50
26.	Industry Policy and Investment Promotion	2852	Industries	2957	190.45
27.	Mineral Resources	2853	Non-ferrous Mining and Metallurgical Industries	871	234.49
28.	Science and Technology	3425	Other Scientific Research	161	89.70
29.	Environment	3435	Ecology and Environment	03	0.86
30.	Tourism	3452	Tourism	101	13.87
31.	Panchayati Raj Development	3604	Compensation and Assignments to Local Bodies and Panchayati Raj Institutions	18272	20,453.98
		Total		**81129**	**60,113.33**

Source: Information furnished by O/o the AG (A&E) Madhya Pradesh, Gwalior

Appendix 3.2
Details of Inoperative Personal Deposit Accounts as on 31 March 2025
(Reference: Paragraph 3.4.2; Page 102)

(₹ in lakh)

Sl. No.	Name of Treasury	No. of PD Accounts	Amount
1.	Alirajpur	2	0.17
2.	Anuppur	1	0.24
3.	Ashok Nagar	1	-8.30
4.	Betul	10	-126.44
5.	Bhind	1	12.84
6.	Bhopal	4	331.06
7.	Chhatarpur	11	633.20
8.	Datia	3	12.40
9.	Dewas	3	6.04
10.	Dhar	7	303.07
11.	Dindori	2	4.93
12.	Guna	1	0.98
13.	Harda	7	46.03
14.	Indore City	12	1,453.44
15.	Jabalpur city	4	119.88
16.	Jabalpur	8	3,081.34
17.	Jhabua	5	841.82
18.	Khargone	7	2,441.54
19.	Khandwa	3	2,104.50
20.	Mandla	3	1,578.55
21.	Morena	1	10.13
22.	Narsinghpur	9	53.75
23.	Rajgarh	4	-42.61
24.	Ratlam	4	67.83
25.	Rewa	5	64.97
26.	Raisen	18	1,825.60
27.	Sagar	5	-259.74
28.	Sajapur	2	-0.95
29.	Satna	8	21.20
30.	Sehore	2	109.06
31.	Seoni	6	83.94
32.	Shahdol	7	-315.34
33.	Sidhi	4	2.76
34.	Singrauli	3	18.95
35.	Tikamgarh	2	17.12
36.	Ujjain	2	11.52
37.	Umaria	1	35.57
38.	Vallabh bhawan	1	-2,044.66
39.	Vindhyachal	10	8,119.64
	Total	**189**	**20,616.03**

Source: Information furnished by O/o the AG (A&E) Madhya Pradesh, Gwalior

Appendix 3.3
Details of Negative Balance in PD accounts as on 31 March 2025
(Reference: Paragraph 3.4.3; Page 102)

(₹ in lakh)

Sl. No.	Name of Treasury	No. of PD Accounts	Amount
1.	Alirajpur	1	-0.47
2.	Ashok Nagar	1	-8.30
3.	Betul	4	-168.72
4.	Bhind	1	-3.62
5.	Chhatarpur	9	-2,973.23
6.	Chhindwara	1	-50.04
7.	Dewas	4	-257.92
8.	Dhar	3	-7,361.15
9.	Dindori	2	-0.24
10.	Gwalior	1	-4.90
11.	Harda	7	-1,989.28
12.	Indore City	1	-0.14
13.	Jabalpur	2	-26.67
14.	Jhabua	1	-865.82
15.	Khargone	10	-44,187.17
16.	Katni	2	-32.75
17.	Khandwa	2	-447.27
18.	Mandla	2	-325.95
19.	Narsinghpur	4	-24.12
20.	Neemuch	1	-0.09
21.	Panna	1	-0.13
22.	Rajgarh	3	-38,285.89
23.	Ratlam	1	-1.69
24.	Raisen	6	-5,341.59
25.	Sagar	8	-27,828.13
26.	Sajapur	2	-1.86
27.	Satna	3	-16.19
28.	Sehore	2	-505.90
29.	Seoni	3	-12.25
30.	Shahdol	3	-330.23
31.	Shivpuri	1	-48.91
32.	Sidhi	2	-1.02
33.	Singrauli	1	-5.37
34.	Tikamgarh	4	-8,802.57
35.	Ujjain	2	-3.09
36.	Umaria	2	-1,860.26
37.	Vallabh bhawan	1	-2,044.66
38.	Vindhyachal	10	-88,637.90
	Total	**114**	**-2,32,455.49**

Source: Information furnished by O/o the AG (A&E) Madhya Pradesh, Gwalior

https://cag.gov.in/ag2/madhya-pradesh/en