

ACCOUNTS AT A GLANCE

2014-2015

GOVERNMENT OF MADHYA PRADESH

PREFACE

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

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

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

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

Place : Gwalior

Date : 13th January 2016

½Rudra Saha½
Principal Accountant General (A&E) I
Madhya Pradesh

Our Vision, Mission and Core Values

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

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

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

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

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

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

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CHAPTER 1

OVERVIEW

1.1 Introduction:

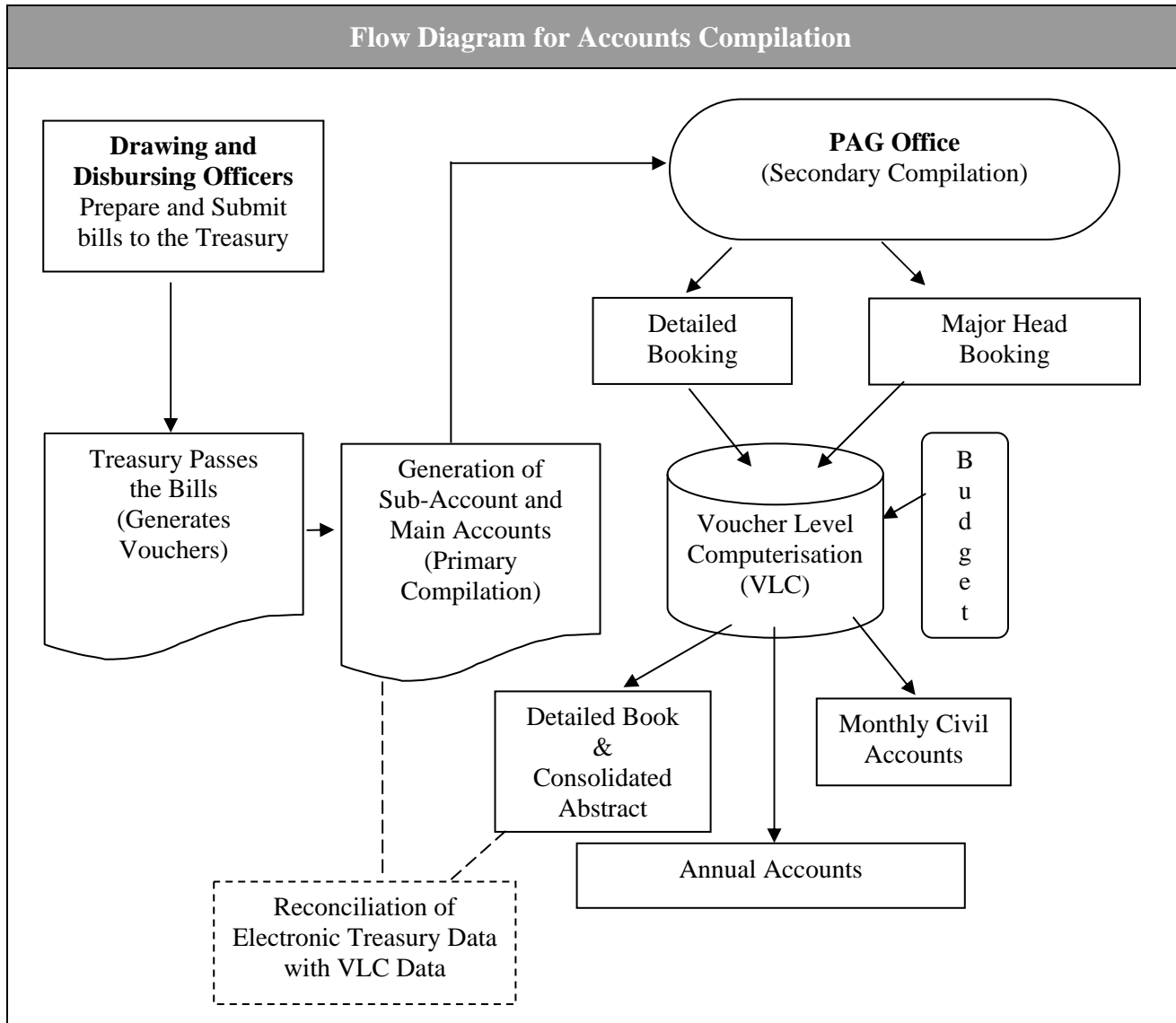
The Principal Accountant General (Accounts and Entitlements)-I, Madhya Pradesh compiles the accounts of receipts and expenditure of the Government of Madhya Pradesh. This compilation is based on the initial accounts rendered by the District Treasuries, Public Works and Forest Divisions and advices of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

1.2 Structure of Accounts

1.2.1 Government Accounts are kept in three parts:

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

1.2.2 Compilation of Accounts



1.3 Finance Accounts and Appropriation Accounts

1.3.1 Finance Accounts

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

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

Receipts and Disbursements of the Government of Madhya Pradesh as depicted in the Finance Accounts 2014-15 are given below.

			(₹ in crore)
Receipts (Total: 10,67,87)	Revenue Total: 8,86,41	Tax Revenue	6,06,74
		Non-Tax Revenue	1,03,75
		Grants-in-Aid	1,75,92
	Capital Total: 1,81,46	Recovery of Loans and Advances	67,65
		Borrowings and Other Liabilities ¹	1,13,52
		Other Receipts ²	29
Disbursements (Total: 10,67,87)	Revenue		8,23,73
	Capital		1,18,78
	Loans and Advances		1,25,35
	Inter-State Settlement		1

The Union Government transfers substantial funds directly to State Implementing Agencies/NGOs for implementation of various schemes and programmes. This year, the Government of India directly released ₹ 10,06³ crore (₹ 94,68⁴ crore last year). Since these funds are not routed through the State Budget, they are not reflected in the accounts of the State Government. These transfers are now exhibited in Appendix VI of Volume II of the Finance Accounts.

1 Borrowing and other Liabilities: Net (Receipts-Disbursements) of Public Debt (₹ 1,01,48 crore) + Net of Contingency Fund (-) one crore) + Net (Receipts - Disbursements) of Public Account (₹ 12,31 crore) + Net of Opening and Closing Cash Balance (₹ (-) 26 crore).

2 Includes capital receipts (₹ 28 crore) on account of refund of investment in share capital by co-operative societies/Banks and Inter-State Settlement (₹ one crore).

3 ₹ 8,55 crore as per Finance Account 2014-15.

4 ₹ 92,80 crore as per Finance Account 2013-14.

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

1.3.2 Appropriation Accounts

The Appropriation Accounts supplement the Finance Accounts. They depict the expenditure of the State Government against amounts 'charged' on the Consolidated Fund or 'voted' by the State Legislature. There are 54 charged Appropriations and 134 voted Grants.

The Appropriation Act, 2014-15 had provided for gross expenditure of ₹ 14,85,04.71 crore and reduction of expenditure (recoveries) of ₹ 27,83.02 crore. Against this, the actual gross expenditure was ₹ 11,30,51.50 crore and reduction of expenditure was ₹ 10,44.90 crore resulting in net savings of ₹ 3,54,53.21 crore (23.87%) and an over-estimation of ₹ 17,38.12 crore (62.45%) on reduction of expenditure. Reduction of expenditure, in Revenue and Capital was less than estimates. The gross expenditure includes ₹ 0.07 crore drawn on 07 Abstract Contingent (AC) Bills, out of which all 07 Detailed Contingent (DC) Bills amounting to ₹ 0.07 crore were adjusted.

During 2014-15, ₹ 10,69.43 crore was transferred from the Consolidated Fund to Personal Deposit (PD) Accounts under the Public Account, which are maintained by designated Administrators for specific purposes. Normally, unspent balances under PD accounts are to be transferred back to the Government at the end of the financial year. However, details of such transfers, if any, and outstanding balances in individual PD accounts are available only with the treasuries, since they are responsible for maintaining such records.

1.4 Sources and Application of Funds

1.4.1 Ways and Means Advances

The Reserve Bank of India (RBI) extends the facility of Ways and Means Advances (WMA) to enable State Government to maintain their liquidity. Overdraft (OD) facilities are provided when there is a shortfall in the agreed minimum cash balance (₹ 1.96 crore) maintained with the RBI. During 2014-15, the Government of Madhya Pradesh did not resort to OD facilities and WMA.

1.4.2 Fund flow statement

The State had a Revenue Surplus of ₹ 62,68 crore and a Fiscal Deficit of ₹ 1,13,52 crore representing 1.23 *per cent* and 2.23 *per cent* of the Gross State Domestic Product (GSDP)⁵ respectively. The Fiscal Deficit Constituted 11 *per cent* of Total expenditure. This deficit was met from Public Debt (₹ 1,01,48 crore), Surplus in Public Account (₹ 12,31 crore) and net of opening and closing cash balance (₹ (-) 26 crore) and net of contingency fund (unrecouped amount (-) one crore). Around 38 *per cent* of the revenue receipts (₹ 8,86,41 crore) of the State Government was spent on committed expenditure like salaries including wages (₹ 1,99,97 crore), interest payments (₹ 70,71 crore) and pensions (₹ 65,97 crore).

⁵

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

Sources and Application of Funds

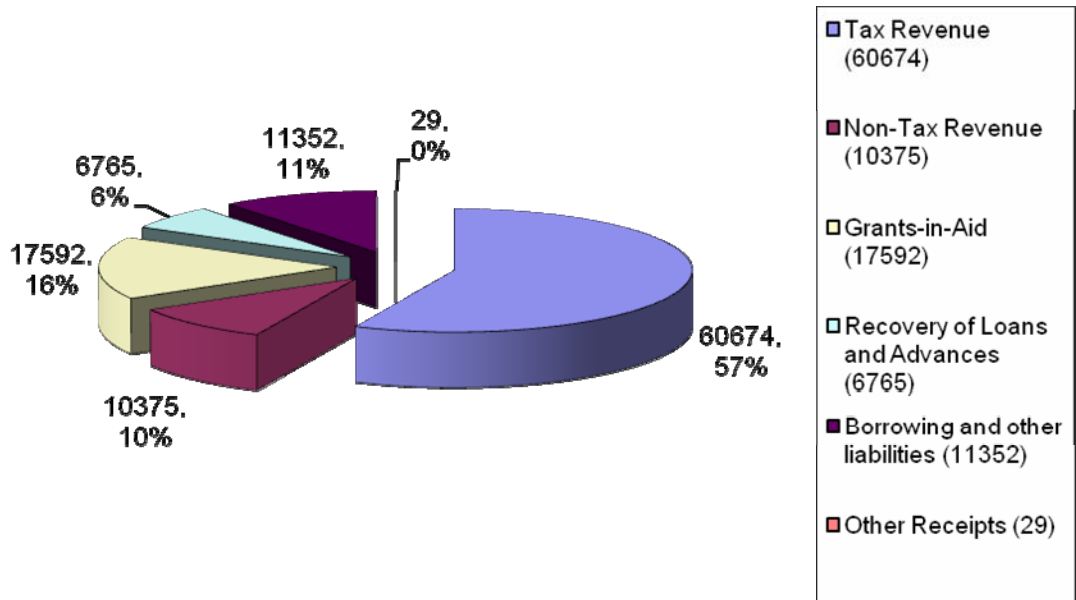
(₹ in crore)

SOURCES	PARTICULARS	AMOUNT
	Opening Cash Balances as on 01 April 2014	1,73
	Revenue Receipts	8,86,41
	Capital Receipts	28
	Recovery of Loans & Advances	67,65
	Public Debt	1,50,69
	Small Savings, Provident Fund & Others	31,44
	Reserves & Sinking Funds	11,72
	Deposits Received	1,61,68
	Civil Advances Repaid	1,80
	Suspense Account	17,06,43
	Remittances	1,35,32
	Inter-State Settlement	1
TOTAL	31,55,16	

APPLICATION	Revenue Expenditure	8,23,73
	Capital Expenditure	1,18,78
	Loans Disbursed	1,25,35
	Repayment of Public Debt	49,21
	Small Savings, Provident Fund & Others	21,81
	Reserves & Sinking Funds	10,31
	Deposits Spent	1,55,57
	Civil Advances Given	1,73
	Suspense Account	17,10,78
	Remittances	1,35,89
	Closing Cash Balance as on 31 March 2015	1,99
	Inter-State Settlement	1
	TOTAL	31,55,16

1.4.3 Where the Rupee came from

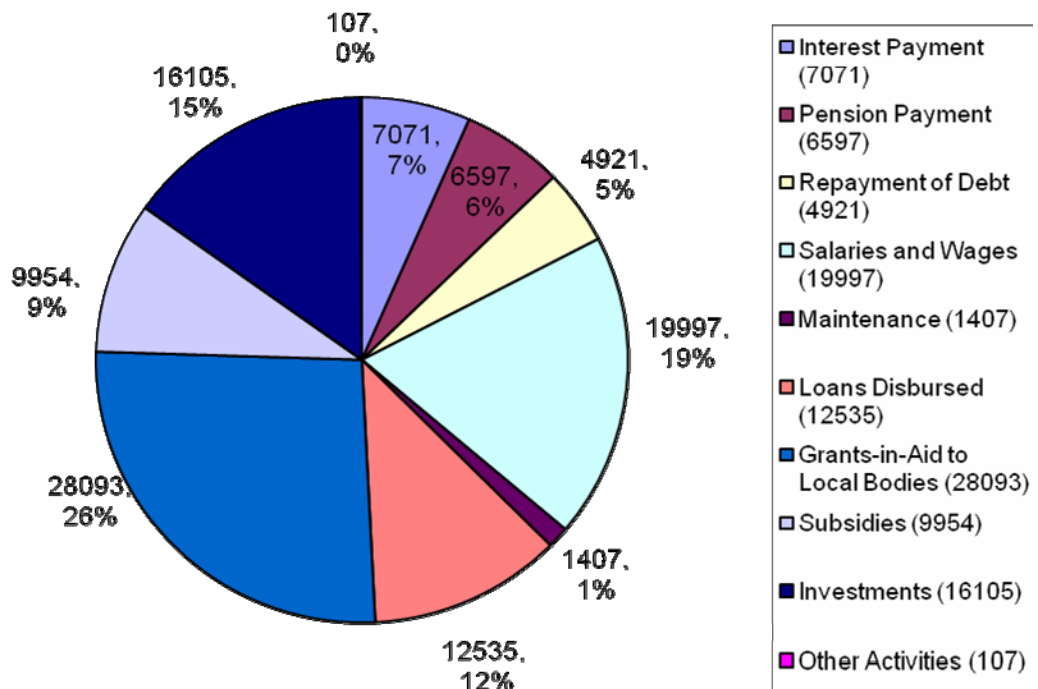
ACTUAL RECEIPTS (₹ in crore)



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

1.4.4 Where the Rupee went

ACTUAL EXPENDITURE (₹ in crore)



1.5 Highlights of Accounts

(₹ in crore)

Items	B.E. 2014-15	Actuals	Percentage of actuals to B.E.	Percentage of actuals to GSDP ⁶
1. Tax Revenue ⁷	6,66,71	6,06,74	91	12
2. Non-Tax Revenue	67,59	1,03,75	153	2
3. Grants-in-Aid & Contributions	3,00,63	1,75,92	59	3
4. Revenue Receipts (1+2+3)	10,34,93	8,86,41	86	17
5. Recovery of Loans and Advances	1,22	67,65	5545	1
6. Other Receipts ⁸	--	29	--	0
7. Borrowings & other Liabilities ⁹	1,29,67	1,13,52	88	2
8. Capital Receipts (5+6+7)	1,30,89	1,81,46	139	4
9. Total Receipts (4+8)	11,65,82	10,67,87	92	21
10. Non-Plan Expenditure ¹⁰	6,27,51	6,65,56	106	13
11. NPE on Revenue Account	6,19,66	5,58,58	90	11
12. NPE on Interest Payments out of 11	69,29	70,71	102	1
13. NPE on Capital Account ¹¹	7,85	1,06,98	1363	2
14. Plan Expenditure	5,42,90	4,02,31	74	8
15. PE on Revenue Account	3,70,48	2,65,15	72	5
16. PE on Capital Account ¹²	1,72,42	1,37,16	80	3
17. Total Expenditure (10+14)	11,70,41	10,67,87	91	21
18. Revenue Expenditure (11+15)	9,90,14	8,23,73	83	16
19. Capital Expenditure (13+16) ¹³	1,80,27	2,44,14	135	5
20. Revenue Surplus (4-18)	44,79	62,68	140	1
21. Fiscal Deficit (4+5+6-17)	1,34,26	1,13,52	85	2

⁶ GSDP figure of ₹ 50,80,06 crore adopted from the Economic Survey published by Planning Department, Government of Madhya Pradesh.

⁷ Includes State's share of Union Taxes of ₹ 2,41,07 crore.

⁸ See footnote 2 at page No.3.

⁹ See footnote 1 at page No.3.

¹⁰ Actual non plan expenditure includes Revenue expenditure (₹ 5,58,58 crore), Capital expenditure (₹ 57 crore), Loans and Advances disbursed (₹ 1,06,40 crore) and Inter-State Settlement (₹ one crore).

¹¹ Includes ₹ 1,06,40 crore Loans and Advances, ₹ one crore Inter-State Settlement and ₹ 57 crore Capital Expenditure.

¹² Includes Plan Capital Expenditure ₹ 1,18,21 crore and Plan Loans and Advances expenditure ₹ 18,95 crore.

¹³ Expenditure on Capital Account includes Capital Expenditure (₹ 1,18,78 crore) and Loans and Advances disbursed (₹ 1,25,35 crore) and Inter-State Settlement (₹ one crore).

1.6 What do the Deficits and Surpluses indicate

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

Deficit indicators, revenue augmentation and expenditure management are major yardsticks for judging the fiscal performance of the Government. The "Twelfth" Finance Commission had recommended that the State achieve revenue surplus by 2008-09 and reduce Fiscal Deficit to Three *per cent* of GSDP by 2009-10. In view of the economic slow-down, Government of India further relaxed the acceptable ceiling for the Fiscal Deficit-GSDP ratio to Four *per cent* in 2009-10, 3.5 *per cent* in 2010-11 and Three *per cent* again from the year 2011-12. Consequently, the Government of Madhya Pradesh enacted the Fiscal Responsibility and Budget Management (FRBM) Act, 2005. As per the recommendations of 13th Finance Commission the fiscal deficit has been Kept within limit of Three *per cent* and estimated 2.98 *per cent* with reference to GSDP during 2014-15¹⁴ by the State Government whereas the actual fiscal deficit for the year 2014-15 is 2.23 *per cent*.

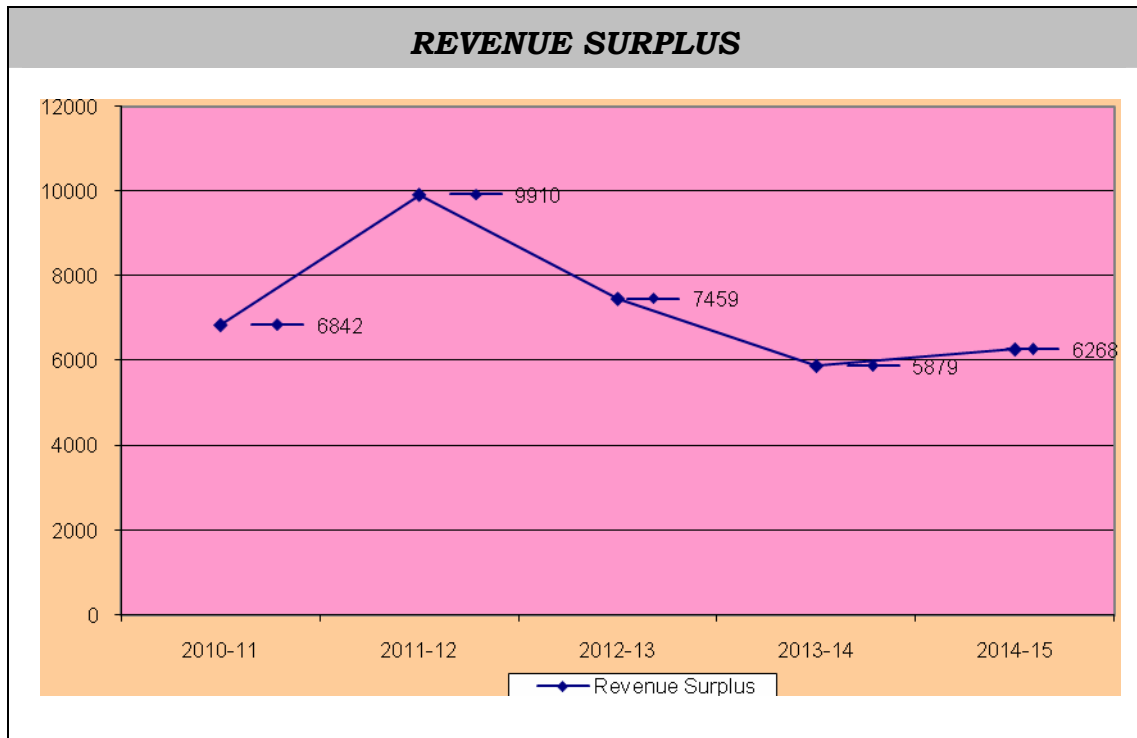
The State Government has been successful in achieving the Revenue Surplus as early as in 2004-05 and maintaining it thereafter¹⁵.

¹⁴ The Fiscal Deficit was ₹ 98,82 crore in 2013-14 and ₹ 1,13,52 crore in 2014-15.

¹⁵ The Revenue Surplus was ₹ 58,79 crore in 2013-14 and ₹ 62,68 crore in 2014-15.

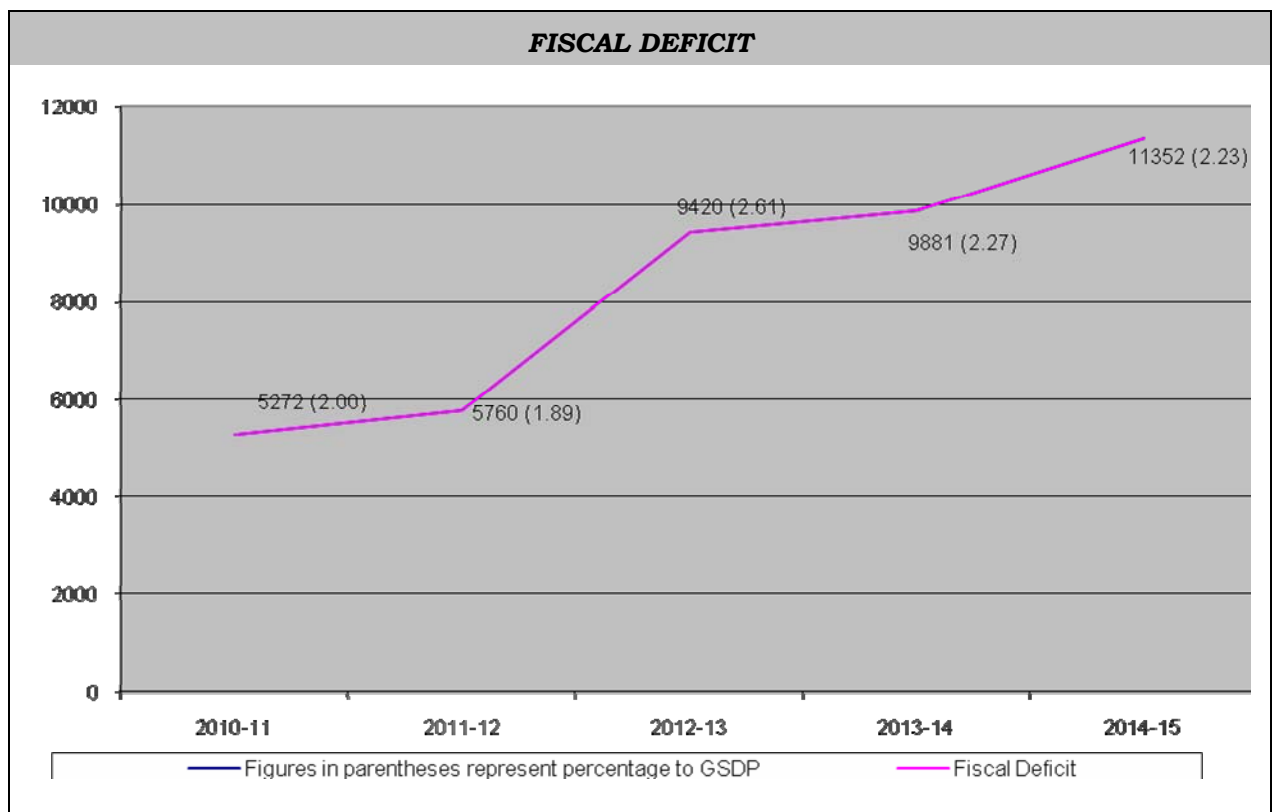
1.6.1 Trend of Revenue Surplus

(₹ in crore)



1.6.2 Trend of Fiscal Deficit

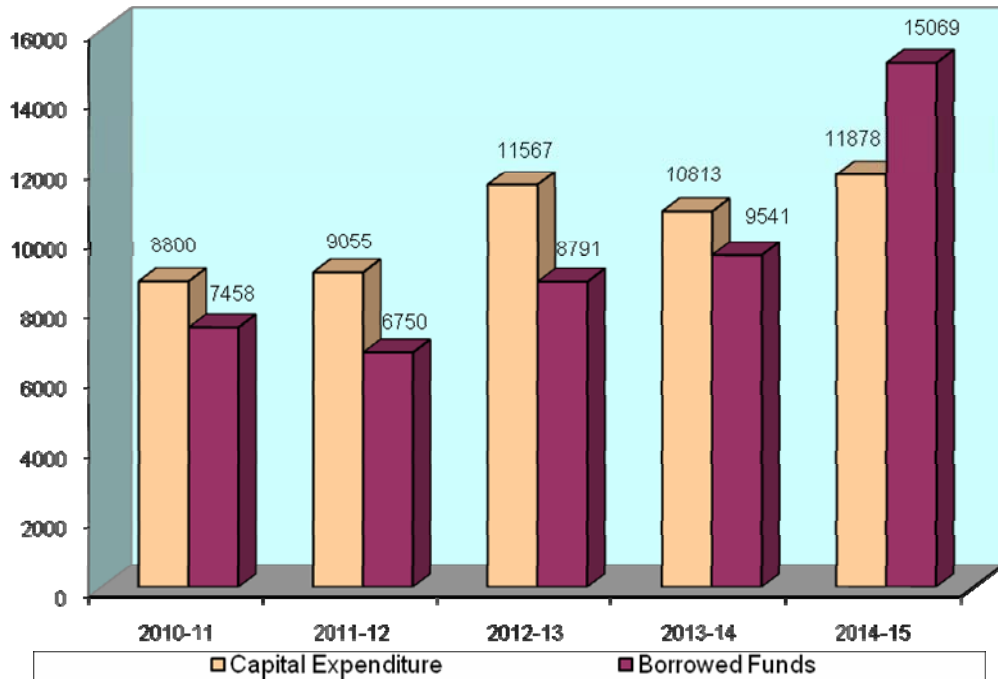
(₹ in crore)



1.6.3 Proportion of borrowed funds spent on Capital expenditure

BORROWED FUNDS SPENT ON CAPITAL EXPENDITURE

(₹ in crore)



It is desirable to fully utilise borrowed funds for the creation of capital assets and to use revenue receipts for the repayment of principal and interest. The State Government, however, received ₹ 1,50,69 crore as borrowings for the current year, out of this, ₹ 49,21 crore was spent on repayment of Public Debt.

C HAPTER 2

RECEIPTS

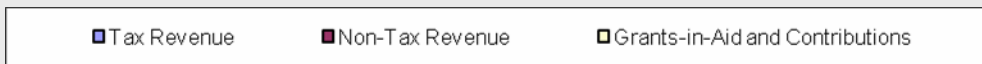
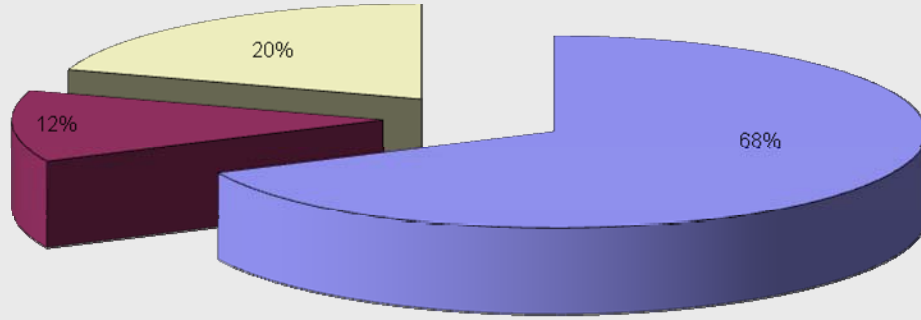
2.1 Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Receipts for 2014-15 were ₹ 10,67,87 crore.

2.2 Revenue Receipts

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

REVENUE RECEIPTS



Revenue Receipts Components

(₹ in crore)

Components	Actuals
A. Tax Revenue	6,06,74
Taxes on Income and Expenditure	1,47,14
Taxes on Property and Capital Transactions	47,93
Taxes on Commodities and Services	4,11,67
B. Non-Tax Revenue	1,03,75
Interest Receipts, Dividends and Profits	13,41
General Services	5,94
Social Services	36,96
Economic Services	47,44
C. Grants-in-Aid & Contributions	1,75,92
Total - Revenue Receipts	8,86,41

2.3 Trend of Receipts

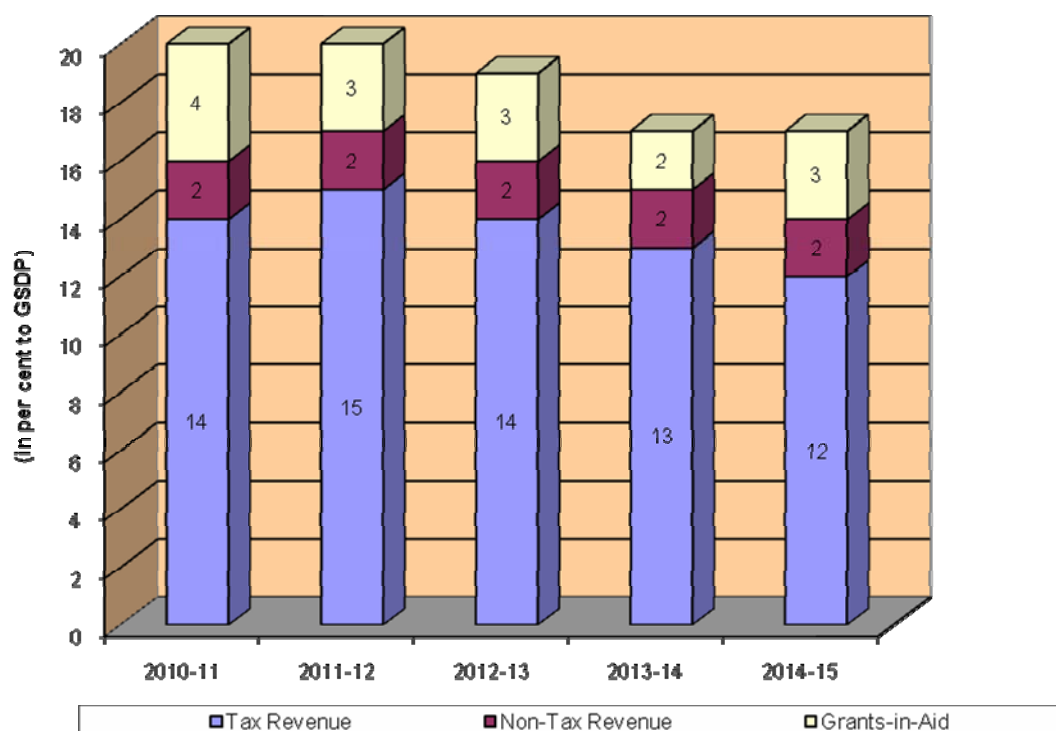
(₹ in crore)

	2010-11	2011-12	2012-13	2013-14	2014-15
Tax Revenue	3,70,58 (14)	4,51,92 (15)	5,13,87 (14)	5,62,67 (13)	6,06,74 (12)
Non-Tax Revenues	57,20 (2)	74,83 (2)	70,00 (2)	77,05 (2)	1,03,75 (2)
Grants-in-Aid	90,76 (4)	99,29 (3)	1,20,40 (3)	1,17,77 (2)	1,75,92 (3)
Total Revenue Receipts	5,18,54 (20)	6,26,04 (20)	7,04,27 (19)	7,57,49 (17)	8,86,41 (17)
GSDP ¹⁶ (A)	26,33,96	30,51,58	36,12,70	43,47,30	50,80,06

Note:- Figures in parentheses represent percentage to GSDP.

Though the growth of GSDP increased by 17 per cent in 2014-15 as compared to 2013-14, growth in revenue collection was only 17 per cent. While tax revenues increased by Eight per cent and non-tax revenues by 35 per cent in 2014-15 as compared to 2013-14.

COMPONENTS UNDER REVENUE RECEIPTS AS PROPORTION TO GSDP



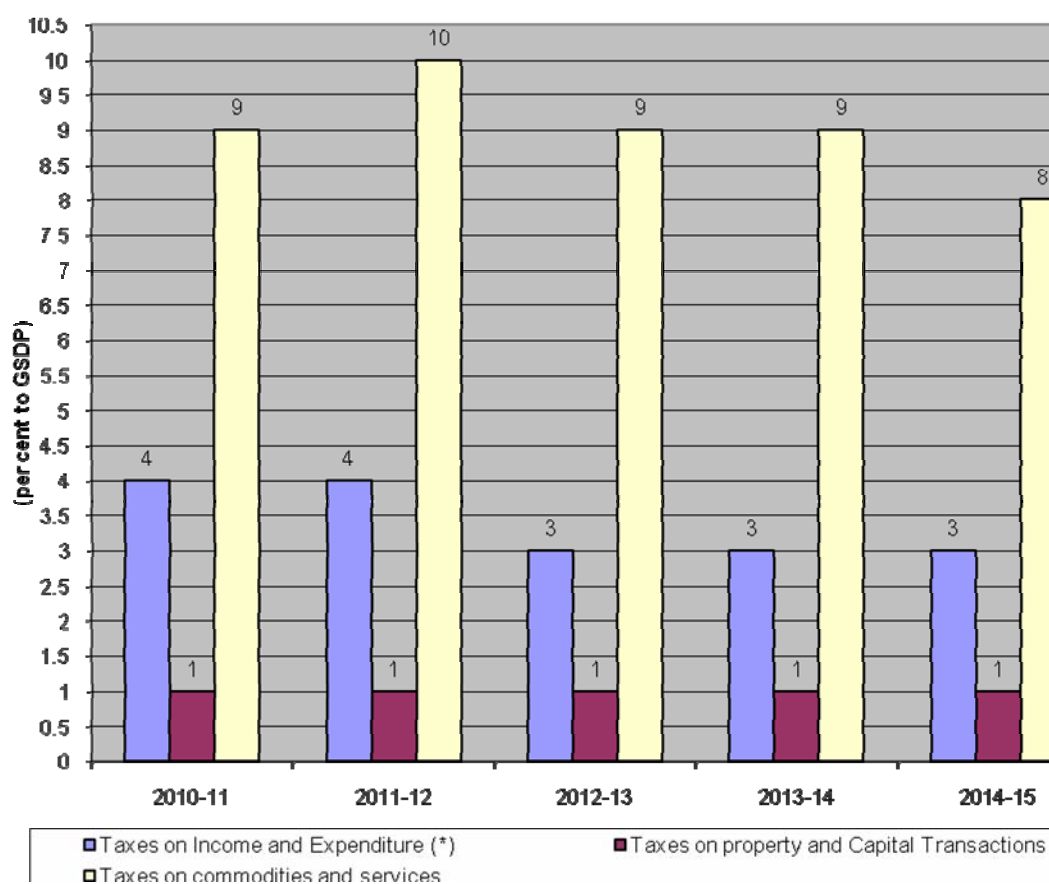
¹⁶ GSDP estimates at current prices are revised hence percentage ratio of various parameters with reference to GSDP indicated in earlier issues have also been revised.

Sector-wise Tax Revenue

(₹ in crore)

Component	2010-11	2011-12	2012-13	2013-14	2014-15
Taxes on Income and Expenditure	95,76	1,10,81	1,22,02	1,29,45	1,47,14
Taxes on Property and Capital Transactions	28,88	46,70	48,13	44,54	47,93
Taxes on Commodities and Services	2,45,94	2,94,41	3,43,72	3,88,68	4,11,67
Total Tax Revenue	3,70,58	4,51,92	5,13,87	5,62,67	6,06,74

TREND OF MAJOR TAXES IN PROPORTION TO GSDP



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

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

(₹ in crore)

Year	Tax Revenue	State share of Union Taxes	State's Own Tax Revenue	
			Rupees	Percentage to GSDP
2010-11	3,70,58	1,56,39	2,14,19	8
2011-12	4,51,92	1,82,19	2,69,73	9
2012-13	5,13,87	2,08,05	3,05,82	8
2013-14	5,62,67	2,27,15	3,35,52	8
2014-15	6,06,74	2,41,07	3,65,67	7

2.5 Efficiency of Tax Collection:-

A. Taxes on property and Capital Transactions:-

(₹ in crore)

	2010-11	2011-12	2012-13	2013-14	2014-15
Revenue Collection	28,88	46,70	48,13	44,54	47,93
Expenditure on Collection	6,32	7,52	7,23	10,39	6,07
Efficiency of Tax Collection (In per cent)	22	16	15	23	13

B. Taxes on Commodities and Services:-

(₹ in crore)

	2010-11	2011-12	2012-13	2013-14	2014-15
Revenue Collection	2,45,94	2,94,41	3,43,72	3,88,68	4,11,67
Expenditure on Collection	15,98	15,16	16,60	15,42	15,26
Efficiency of Tax Collection (In per cent)	6	5	5	4	4

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

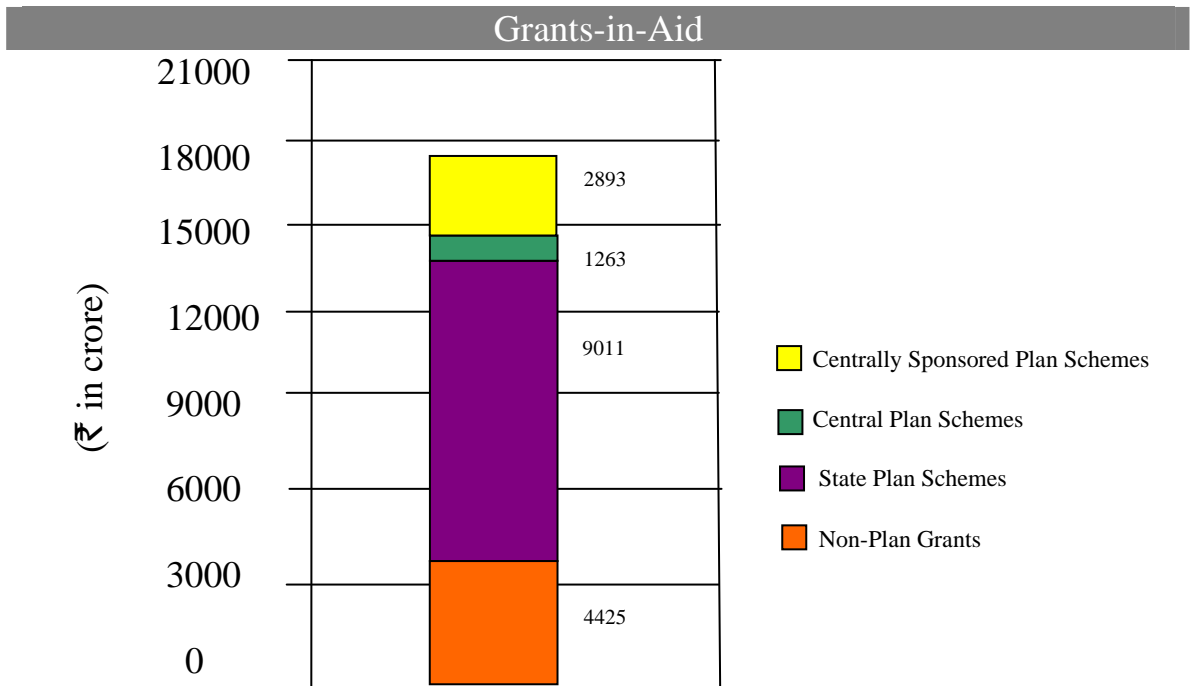
2.6 Trend in State's Share of Union Taxes over the past five years:-

(₹ in crore)

	2010-11	2011-12	2012-13	2013-14	2014-15
Corporation Tax	61,13	71,71	74,73	76,39	84,18
Taxes on Income other than Corporation Tax	32,30	36,43	44,74	50,30	60,11
Taxes on Wealth	13	28	13	21	23
Customs	27,35	31,59	34,57	37,06	38,99
Union Excise Duties	19,89	20,44	23,50	26,18	22,02
Service Tax	15,59	21,74	30,38	37,01	35,54
State's Share of Union Taxes	1,56,39	1,82,19	2,08,05	2,27,15	2,41,07
Total Tax Revenue	3,70,58	4,51,92	5,13,87	5,62,67	6,06,74
Per cent of Union Taxes to Total Tax Revenue	42	40	40	40	40

2.7 Grants-in-Aid:-

Grants-in-Aid represent assistance from the Government of India and comprise, Grants for State Plan Schemes, Central Plan Schemes and Centrally Sponsored Schemes approved by the Planning Commission and State Non-plan Grants recommended by the Finance Commission. Total receipts during 2014-15 under Grants-in-Aid were ₹ 1,75,92 crore as shown below:



As against a budget estimate of ₹ 3,00,63 crore of Union share in Non-Plan and Plan schemes, the State Government has actually received ₹ 1,75,92 crore as Grants-in-Aid (59 per cent of BE).

2.8 Public Debt:-

Trend of Public Debt over the past 5 years

(₹ in crore)

	2010-11	2011-12	2012-13	2013-14	2014-15
Internal Debt	43,52	31,97	42,98	50,86	96,13
Central Loans	5,77	4,03	9,09	4,50	5,35
Total Public Debt	49,29	36,00	52,07	55,36	1,01,48

Note:- Net figure Receipts - Disbursements.

In 2014-15, eleven loans totalling ₹ 1,03,00 crore at interest rates varying from 8.08 per cent to 9.11 per cent and redeemable in the years 2024-25 were raised at par.

C

HAPTER 3

EXPENDITURE

3.1 Introduction

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

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

3.2 Revenue Expenditure

Revenue Expenditure of ₹ 8,23,73 crore for 2014-15 was less than the budget estimates by ₹ 1,66,41 crore due to less disbursement of ₹ 61,08 crore under Non-Plan Expenditure and of ₹ 1,05,33 crore under plan Expenditure. State has maintained a revenue surplus in terms of the Madhya Pradesh FRBM Act, 2005.

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

(₹ in crore)

	2010-11	2011-12	2012-13	2013-14	2014-15
Budget Estimates	4,18,63	5,39,23	6,35,43	7,43,89	9,90,14
Actuals	4,50,12	5,26,94	6,29,68	6,98,70	8,23,73
Gap	(-) 31,49	12,29	5,75	45,19	1,66,41
Per cent of gap over BE	(-) 8	2	1	6	17

The above table indicates that there was decrease (by 17 per cent) of Revenue Expenditure against budget estimates, which was mainly due to decrease in the Non-plan expenditure by ₹ 61,08 crore and in actual Plan Revenue Expenditure by ₹ 1,05,33 crore.

3.2.1 Sectoral distribution of Revenue Expenditure

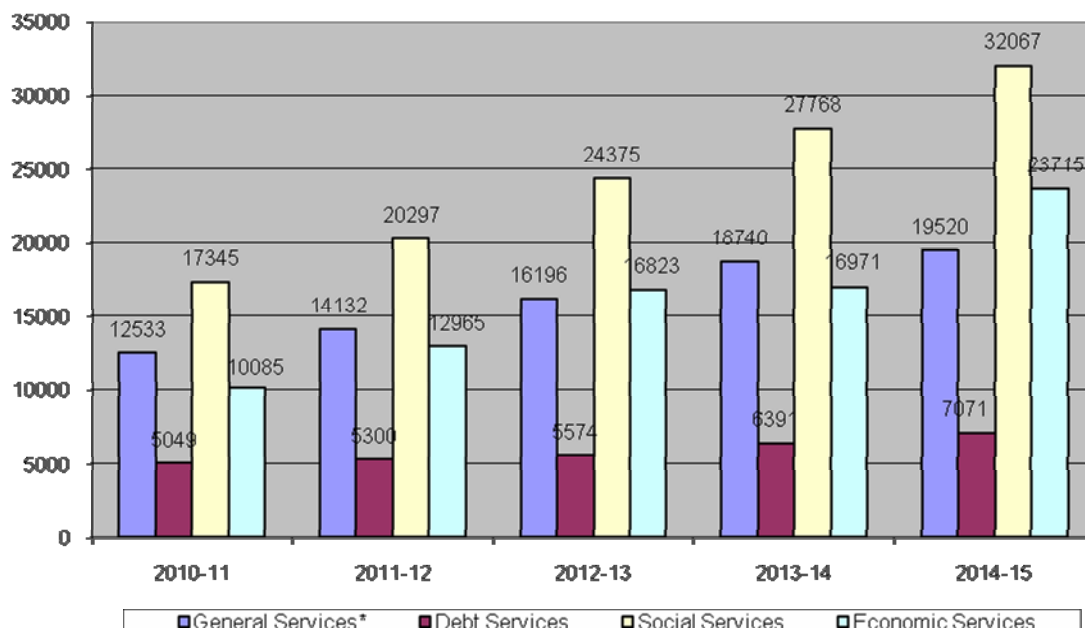
(₹ in crore)

Components	Amount	Percentage to Total Expenditure
A. Fiscal Services	21,35	3
(i) Collection of Taxes on Property and Capital transactions	6,07	1
(ii) Collection of Taxes on Commodities and Services	15,26	2
(iii) Other Fiscal Services	2	--
B. Organs of State	10,61	1
C. Interest Payments and Servicing of debt	70,71	9
D. Administrative Services	52,45	6
E. Pensions and Miscellaneous General Services	68,53	8
F. Social Services	3,20,67	39
G. Economic Services	2,37,15	29
H. Grants-in-aid and Contributions	42,26	5
Total Expenditure (Revenue Account)	8,23,73	100

3.2.2 Major components of Revenue Expenditure (2010-15):-

TREND OF MAJOR COMPONENTS OF REVENUE EXPENDITURE

(₹ in crore)



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

3.3 Capital Expenditure:-

3.3.1 Sectoral distribution of Capital Expenditure

During 2014-15, the Government spent ₹ 40,27 crore on various Projects (₹ 25,62 crore on Major Irrigation, ₹ 5,23 crore on Medium Irrigation, and ₹ 9,42 crore on Minor Irrigation). Apart from above, the Government spent ₹ 63 crore on Construction of Buildings under the Head "Housing" and invested ₹ 8,57 crore in various Statutory Corporations/ Government Companies/Co-operatives.

(₹ in crore)

Sl.No.	Sector	Amount	Percentage
1.	General Services - Police, Land Revenue etc.	2,57	1
2.	Social Services - Education, Health & Family Welfare, Water Supply, Welfare of SC/ST etc.	20,71	9
3.	Economic Services - Agriculture, Rural Development, Irrigation, Co-operation, Energy, Industries, Transport etc.,	95,50	39
4.	Loans and Advances Disbursed	1,25,35	51
5.	Inter-State Settlement	1	--
Total		2,44,14	100

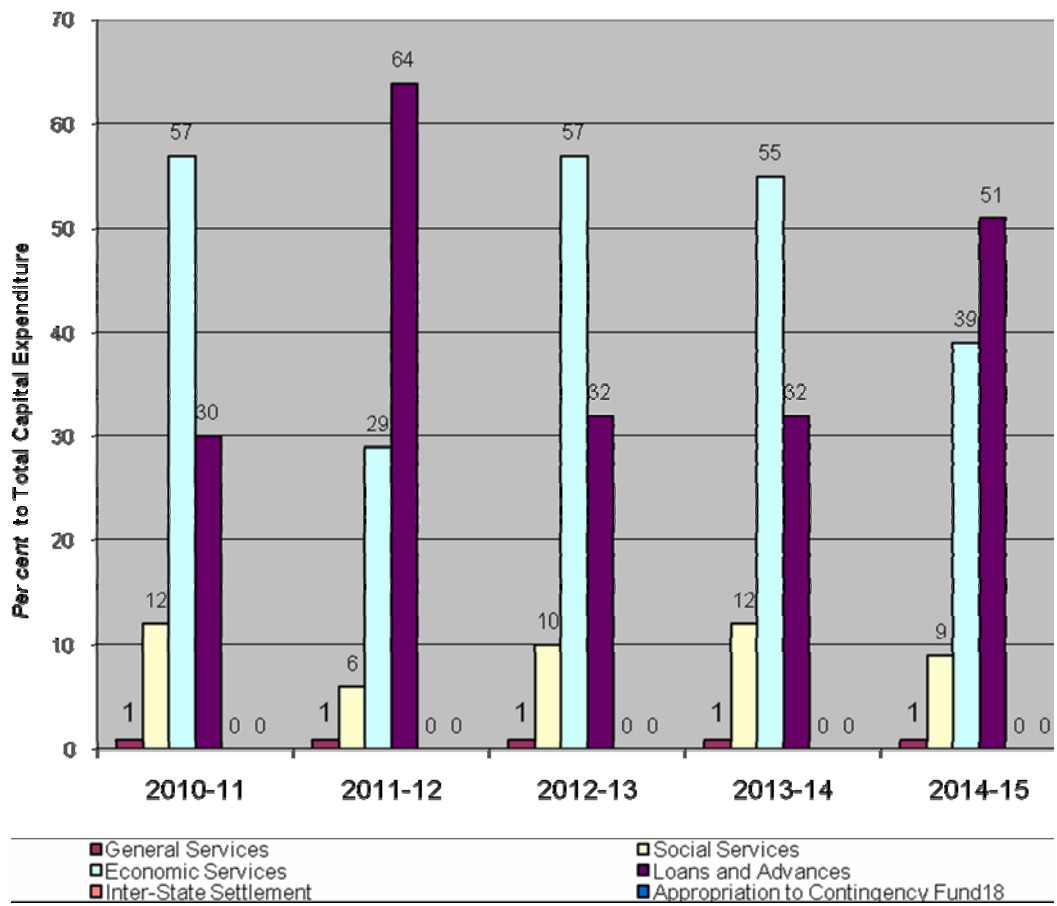
3.3.2 Sectoral distribution of capital expenditure over the past five years

(₹ in crore)

Sl. No.	Sector	2010-11	2011-12	2012-13	2013-14	2014-15
1.	General Services	1,79	1,67	2,05	1,97	2,57
2.	Social Services	15,32	15,99	16,21	18,99	20,71
3.	Economic Services	70,89	72,89	97,41	87,17	95,50
4.	Loans and Advances	37,15	1,57,60	53,78	50,77	1,25,35
5.	Inter-State Settlement	2	4	7	2	1
Total		1,25,17	2,48,19	1,69,52	1,58,92	2,44,14¹⁷

¹⁷ Contingency fund of State Madhya Pradesh upto 2013-14 was ₹ 200 crore. This year it has been enhanced from ₹ 200 crore to ₹ 500 crore through notification in Gazette of the State Government. It is not shown separately as the effect of debit and credit contingency fund is nil. Unrecouped amount of contingency fund ₹ one crore is already shown in Borrowing and liabilities of the Government. Please see page no.3.

TREND OF SECTORAL DISTRIBUTION OF CAPITAL EXPENDITURE



18. Please see footnote 17 on Page No.22.

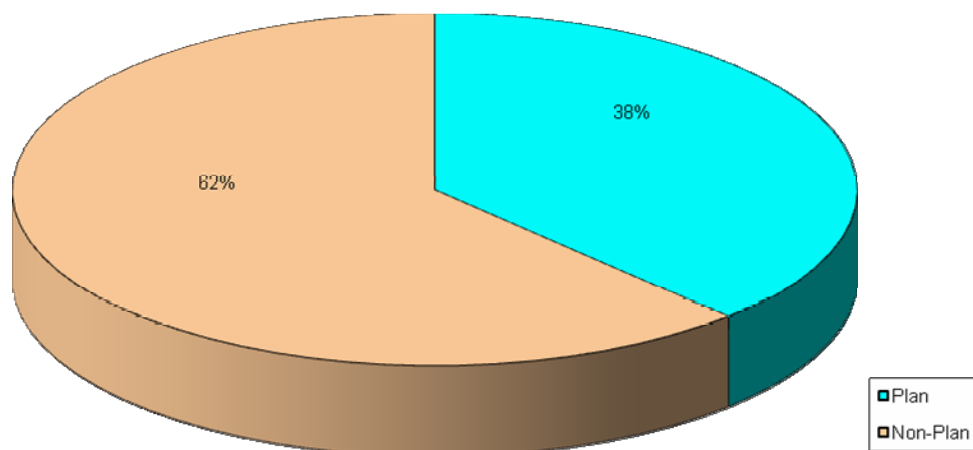
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HAPTER 4

PLAN & NON PLAN EXPENDITURE

4.1 Distribution of Expenditure

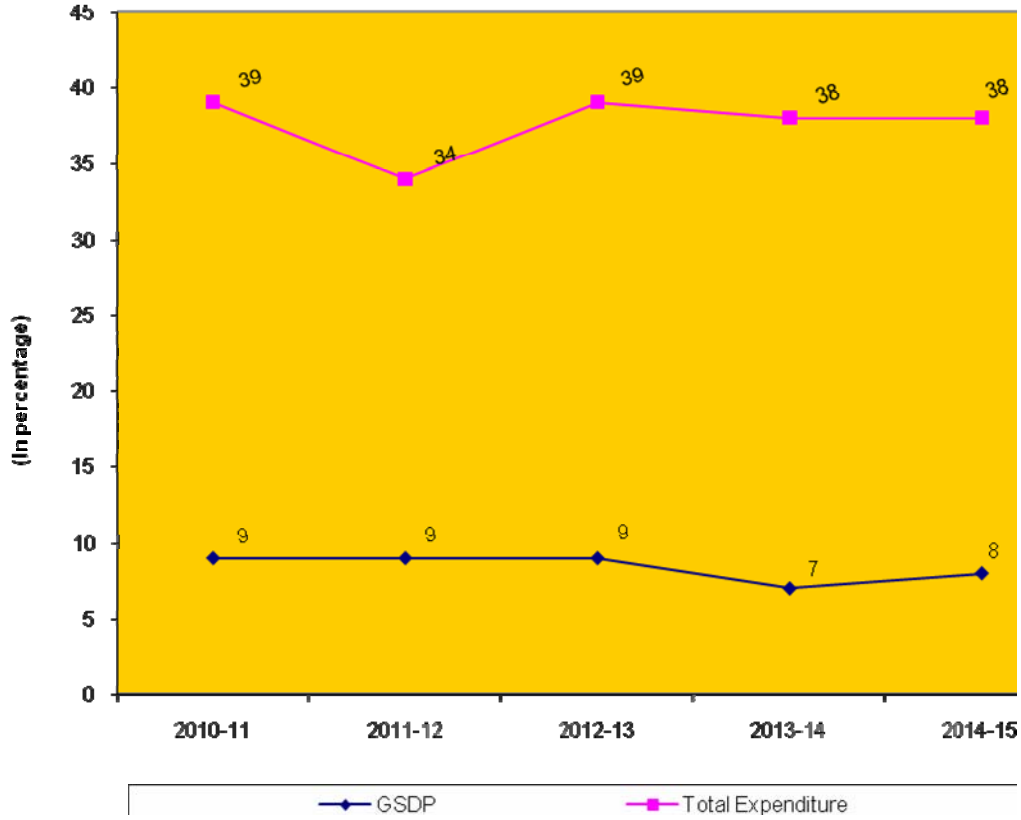
DISTRIBUTION OF EXPENDITURE



4.2 Plan Expenditure

During 2014-15, Plan Expenditure, representing 38 *per cent* of total disbursements, was ₹ 4,02,31 crore (₹ 2,24,57 crore under State Plan, ₹ 1,58,79 crore under Centrally Sponsored/ Central Plan Schemes and ₹ 18,95 crore under Loans and Advances).

PLAN EXPENDITURE AS PROPORTION OF TOTAL EXPENDITURE AND GDP



4.2.1 Plan expenditure under Capital Account

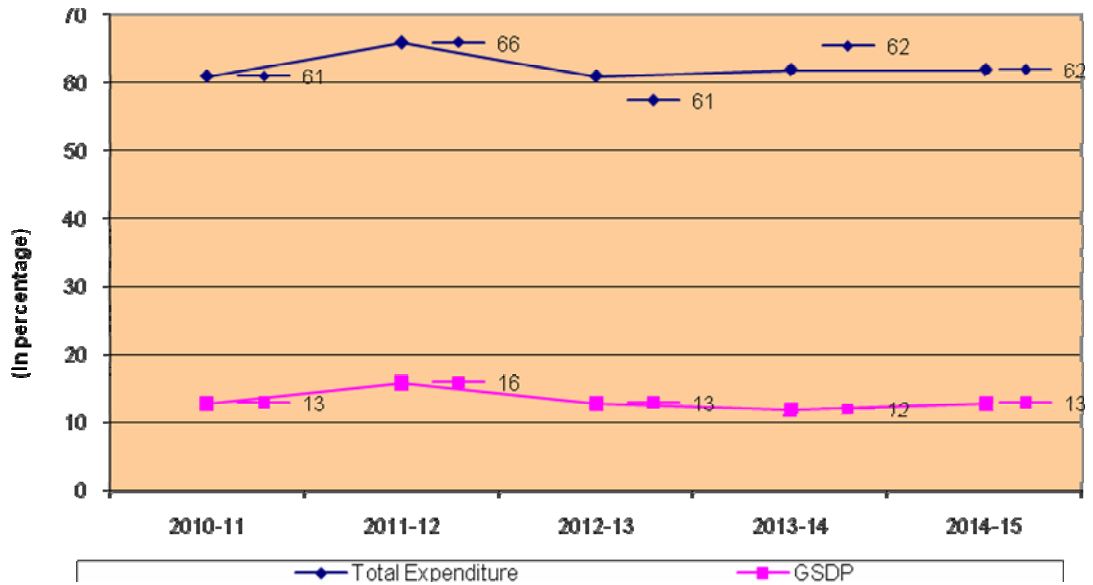
(₹ in crore)

	2010-11	2011-12	2012-13	2013-14	2014-15
Total Capital Expenditure	1,25,17	2,48,19	1,69,52	1,58,92	2,44,14
Capital Expenditure (Plan)	96,17	1,01,02	1,30,79	1,29,41	1,37,16
Per cent of Capital Expenditure (plan) to Total Capital Expenditure	77	41	77	81	56

4.3 Non-Plan Expenditure

Non-Plan Expenditure during 2014-15, representing 62 per cent of total disbursements, was ₹ 6,65,56 crore, (₹ 5,58,58 crore under Revenue and ₹ 1,06,98 crore under Capital).

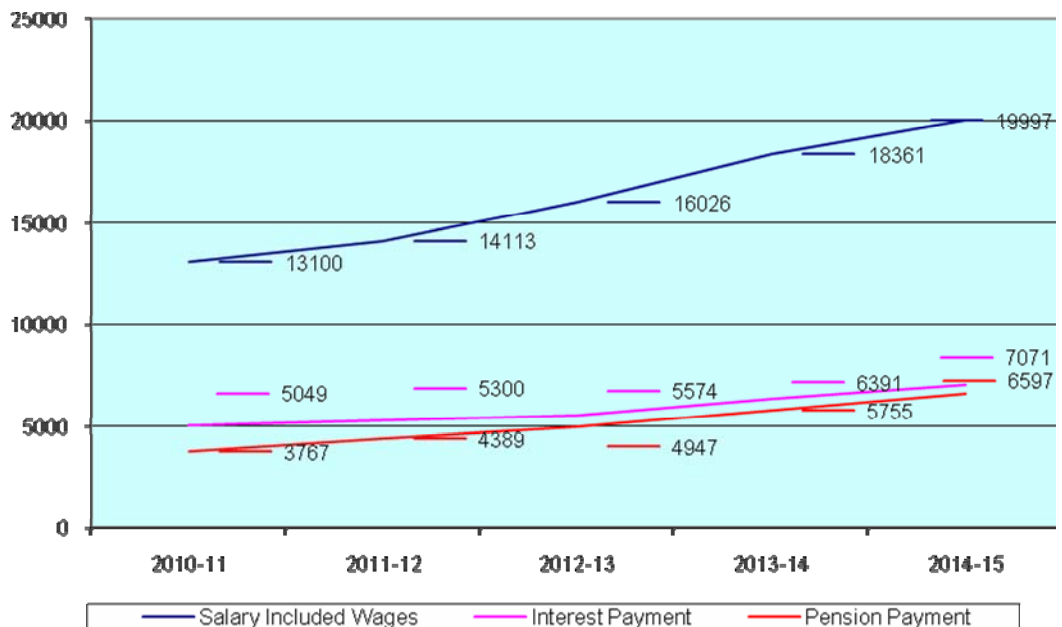
NON PLAN EXPENDITURE AS PROPORTION OF TOTAL EXPENDITURE AND GSDP



4.4 Committed Expenditure

(₹ in crore)

TREND OF COMMITTED EXPENDITURE



Salary including wages increased by Nine *per cent*, interest payment increased by 11 *per cent* and Pension payment increased by 15 *per cent* over the previous year.

(₹ in crore)

Component	2010-11	2011-12	2012-13	2013-14	2014-15
Committed Expenditure	2,19,16	2,38,02	2,65,47	3,05,07	3,36,65
Revenue Expenditure	4,50,12	5,26,94	6,29,68	6,98,70	8,23,73
Revenue Receipts	5,18,54	6,26,04	7,04,27	7,57,49	8,86,41
<i>Per cent</i> of Committed Expenditure to Revenue Receipts	42	38	38	40	38
<i>Per cent</i> of Committed Expenditure to Revenue Expenditure	49	45	42	44	41

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

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CHAPTER 5

APPROPRIATION ACCOUNTS

5.1 Summary of Appropriation Accounts

(₹ in crore)

S. No.	Nature of expenditure	Original grant/ Appropriation	Supplementary grant/ Appropriation	Total	Actual expenditure	Savings(-) Excesses(+)	Surrender
1	Revenue						
	Voted	9,31,42.38	60,85.96	9,92,28.34	7,58,46.86	(-)2,33,81.48	(-)1,23,17.65
	Charged	79,59.82	8,37.46	87,97.28	75,66.10	(-)12,31.18	(-)3,51.61
2	Capital						
	Voted	1,47,89.24	20,44.00	1,68,33.24	1,21,43.05	(-)46,90.19	(-)31,87.63
	Charged	37.75	..	37.75	35.63	(-)2.12	(-)3.75
3	Public Debt						
	Charged	91,77.00	..	91,77.00	49,20.52	(-) 42,56.48	..
4	Loans and Advances						
	Voted	38,94.82	1,05,36.28	1,44,31.10	1,25,39.35	(-)18,91.75	(-)17,36.95
	Charged
	Total	12,90,01.01	1,95,03.70	14,85,04.71	11,30,51.51	(-)3,54,53.20	(-)1,75,97.59

5.2 Trend of Savings/Excess during the past five years

(₹ in crore)

Year	Savings (-)/Excess (+)				Total
	Revenue	Capital	Public Debt	Loans & Advances	
2010-11	(-) 67,91.87	(-) 15,30.92	(-) 33,92.77	(-) 4,93.57	(-) 1,22,09.13
2011-12	(-) 79,87.73	(-) 16,22.63	(-) 36,50.31	(-) 17,92.56	(-) 1,50,53.23
2012-13	(-) 91,98.39	(-) 22,69.64	(-) 39,03.16	(-) 20,90.01	(-) 1,74,61.20
2013-14	(-)1,43,36.99	(-)30,08.87	(-)40,18.05	(-)17,53.62	(-)2,31,17.53
2014-15	(-)2,46,12.66	(-)46,92.31	(-)42,56.48	(-)18,91.75	(-)3,54,53.20

5.3 Significant Savings

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

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

(Saving in Percentage)

Grant	Nomenclature	2010-11	2011-12	2012-13	2013-14	2014-15
REVENUE VOTED SECTION						
01	General Administration & Lok-seva Prabandhan	12.46	15.05	14.87	16.53	32.07
04	Other expenditure pertaining to Home Department	21.02	22.85	15.46	16.27	51.05
13	Farmers Welfare and Agriculture Development	9.67	14.53	17.16	28.43	21.06
25	Mineral Resources	15.15	17.35	15.99	21.89	32.24
29	Law and Legislative Affairs	41.04	20.06	28.05	35.46	44.34
48	Narmada Valley Development	28.99	16.06	19.41	26.27	66.17
64	Scheduled Caste Sub Plan	13.00	15.09	15.13	24.54	37.11
CAPITAL VOTED SECTION						
01	General Administration & Lok seva Prabandhan	19.40	41.82	13.40	13.10	62.06
03	Police	17.19	51.79	27.73	59.84	14.11
23	Water Resources Department	8.04	10.93	13.81	16.43	16.12
41	Tribal Area sub plan	11.71	9.71	19.51	24.50	42.09
45	Minor Irrigation Works	50.90	11.35	11.35	5.59	15.10
58	Expenditure on Relief on account of Natural Calamities and Scarcity	69.64	85.47	76.77	100	100

Grant	Nomenclature	2010-11	2011-12	2012-13	2013-14	2014-15
64	Scheduled Caste Sub-Plan	9.01	19.36	23.48	24.23	33.93
67	Public Works-Building	33.28	38.11	32.98	49.97	40.33

During 2014-15, supplementary grants/Appropriation totalling ₹ 1,95,03.70 crore (17.25 per cent of total expenditure of ₹ 11,30,51.51 crore) proved to be unnecessary in some cases, where there were significant savings at the end of the year against original allocations. A few instances are given below:-

(₹ in crore)

Grant	Nomenclature	Section	Original	Supplementary	Actual Expenditure
01	General Administration & Lok Seva Prabandhan	Revenue Voted Revenue Charged	5,44.18 34.87	58.00 8.94	4,09.03 30.13
03	Police	Revenue Voted	45,07.08	35.36	37,93.99
08	Land Revenue and District Administration	Revenue Voted	12,43.45	9.80	9,01.18
10	Forest	Revenue Voted	21,23.36	26.10	18,73.72
12	Energy	Revenue Charged	1,70.50	1,94.73	68.20
13	Farmers Welfare and Agriculture Development	Revenue Voted	23,77.56	85.63	19,44.53
17	Co-operation	Revenue Voted	4,66.49	4,50.18	2,06.54
25	Mineral Resources	Revenue Charged	4,00.05	2,48.29	Negligible
37	Tourism	Capital Voted	81.00	52.00	60.05
41	Tribal Areas Sub-Plan	Revenue Voted	55,34.86	1,14.58	37,36.60
44	Higher Education	Revenue Voted	12,09.07	35.01	11,02.41
52	Financial Assistance to Tribal Area Sub-Plan-Three Tier Panchayati Raj Institutions	Revenue Voted	31,16.72	1,14.01	24,36.21
55	Women and Child Development	Capital Voted	2,78.30	78.27	74.18
58	Expenditure on Relief on accounts of Natural Calamities and Scarcity	Revenue Voted	35,67.05	5,88.15	30,99.44
64	Scheduled Castes Sub-Plan	Revenue Voted Capital Voted	36,06.45 21,98.12	1,35.74 1,15.93	23,53.45 15,29.00
67	Public Works-Buildings	Revenue Voted	4,64.59	61.59	4,02.76
73	Medical Education Department	Revenue Voted	4,83.41	67.41	4,22.63

Grant	Nomenclature	Section	Original	Supplementary	Actual Expenditure
74	Financial assistance to Three Tier Panchayati Raj Institutions	Revenue Voted	1,26,41.12	10,77.18	94,38.35
75	Financial assistance to Urban Bodies	Revenue Voted	57,24.07	91.55	45,54.97
	Total		5,07,72.30	36,48.45	3,84,37.37

5.4 Rush of Expenditure

Regular flow of expenditure in the year is a primary requirement of budgetary control. Rush of expenditure particularly in the closing month of the financial year is regarded as a breach of financial rules (Para 26.13 of Madhya Pradesh Budget Manual). It was, however, noticed that in nine cases the expenditure incurred during March 2015 ranged between 27 per cent to 62 per cent of the total expenditure during the year indicating the tendency to utilise the budget provision at the fag end of the financial year :-

(₹ in crore)

Sl. No.	Description of Grant	Total Budget provision	Total expenditure (Net)	Expenditure in March	Percentage of expenditure in March to total expenditure
1	17-Co-operation	12,11.67	4,88.85	1,29.85	26.56
2	22-Urban Administration and Development Urban Bodies	3,69.63	3,30.01	99.42	30.13
3	26-Culture	1,90.88	1,47.69	39.60	26.81
4	43-Sports and Youth Welfare	1,02.43	61.28	17.03	27.79
5	60-Exenditure Pertaining to District Plan Schemes	2,37.35	1,85.11	78.34	42.32
6	63-Minority Welfare	68.40	25.12	15.56	61.94
7	66-Welfare of Backward Classes	7,76.30	5,17.21	2,00.24	38.72
8	76-New and Renewable Energy Sources	64.83	9.40	3.50	37.23
9	78-Expenditure pertaining to Shinmhast-2016	3,40.00	2,98.94	99.85	33.40

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HAPTER 6

ASSETS AND LIABILITIES

6.1 Assets

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

Total investments as share capital in statutory corporations, Government Companies, Joint Stock Companies, Banks, Co-operatives and Public Sector Undertakings stood at ₹ 1,61,05¹⁹ crore at the end of 2014-15. However, dividends received during the year were ₹ 80 crore (i.e. 0.50 *per cent*) on investment. During 2014-15, investments increased by ₹ 8,29 crore and dividend income decreased by ₹ 2,98 crore.

Cash Balance with RBI stood at ₹ 1,73 crore on 31st March 2014 and increased to ₹ 1,99 crore at the end of March, 2015. During the year cash balance of the State Govt. increased by ₹ 26 crore.

6.2 Debt and Liabilities

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

¹⁹

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

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

(₹ in crore)

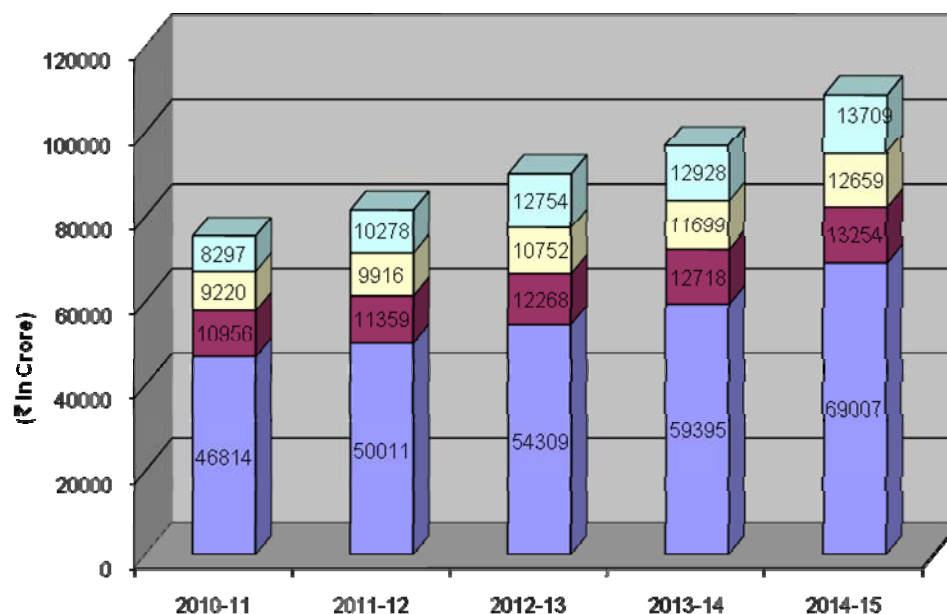
Year	Public Debt	Per cent to GSDP	Public Account* ²⁰	Per cent to GSDP	Total Liabilities* ²⁰	Per cent to GSDP
2010-11	5,77,69	22	1,77,35	7	7,55,04	29
2011-12	6,13,70	20	2,03,87	7	8,17,57	27
2012-13	6,65,77	18	2,35,91	7	9,01,68	25
2013-14	7,21,13	17	2,47,13	6	9,68,26	22
2014-15	8,22,62	16	2,64,26	5	10,86,88	21

* Excludes suspense and remittance balances.

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

There is a net increase of ₹ 1,18,62 crore (12 per cent) in Public Debt and Other liabilities in 2014-15 as compared to 2013-14.

TRENDS IN GOVERNMENT LIABILITIES



■ Internal Debt
 ■ Loans and Advances from Central Government
■ Small Savings and Provident Funds
 ■ Other Obligations (*)

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

²⁰ The amount of ₹ 6,62 crore retained in M.P. pending allocation between M.P. and Chhattisgarh as per reorganisation Act 2000.

6.3 Guarantees

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

(₹ in crore)

At the end of the year	Maximum Amount Guaranteed (Principal only)	Amount outstanding as on 31st March 2015
		Principal and Interest
2010-11	84,39	51,11
2011-12	1,11,08	56,05
2012-13	1,47,52	77,20
2013-14	2,14,72	99,78
2014-15	3,18,85	2,01,24

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

The State Government constituted the Guarantee Redemption Fund in 2006 in terms of the recommendation of the Twelfth Finance Commission. During 2014-15, the State Government contributed ₹ 2.50 crore to the Fund. As on 31 March 2015, the balance in the Fund was ₹ 3,94.58 crore and the entire balance was invested in Central Government dated securities.

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HAPTER 7

OTHER ITEMS

7.1 Loans and Advances by the State Government

Total Loans and Advances made by the State Government at the end of 2014-15 was ₹ 3,78,42²¹ crore. Of this, Loans and Advances to Government Corporations/Companies, non-Government Institutes and Local Bodies amounted to ₹ 3,78,13²² crore. During the year the State Government had disbursed loans and advances amounting to ₹ 1,25,35 crore and recovered outstanding loans amounting to ₹ 67,65 crore. ₹ 10,58 crore as interest was received during the year.

7.2 Financial Assistance to Local Bodies and Others

During the past five years, Grants-in-Aid to local bodies etc., increased from ₹ 1,48,87 crore in 2010-11 to ₹ 2,80,93 crore in 2014-15. Grants to Urban Local Bodies and Panchayati Raj Institutions (₹ 1,66,83 crore) represented 59 *per cent* of total grants given during the year.

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

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

²² Includes ₹ 21,19 crore retained in M.P. yet to be reconciled.

(₹ in crore)

Year	Urban Local Bodies	Panchayati Raj Institutions	Others	Total
2010-11	37,58	--	1,11,29	1,48,87
2011-12	42,42	54,13	64,89	1,61,44
2012-13	51,74	69,00	66,14	1,86,88
2013-14	67,48	67,95	73,62	2,09,05
2014-15	66,70	1,00,13	1,14,10	2,80,93

7.3 Cash Balance and investment of Cash Balance

(₹ in crore)

Component	As on 1st April, 2014	As on 31st March, 2015	Net increase(+)/ decrease (-)
Cash Balances	1,73	1,99	26
Investments from cash balance (GOI Treasury Bills & GOI securities)	38,99	47,91	8,92
Investment from earmarked fund balances	4,01	4,03	2
(a) Sinking Fund	--	--	--
(b) Guarantee Redemption Fund	3,92	3,95	3
(c) Other Funds	9	8	(-) 1
(d) Interest Realised	2,41	1,50	(-) 91

Interest realised on investment of cash balance decreased by 38 *per cent* during the year as compared to 2013-14.

7.4 Reconciliation of accounts

Accuracy and reliability of accounts depend among other things, on timely reconciliation of the figures available with the departments and the figures appearing in the accounts compiled by the Principal Accountant General (Accounts and Entitlements). This exercise is to be conducted by respective Heads of Departments. The reconciliation of accounts of many departments is in arrears. In 2014-15 only 39.19 per cent (₹ 4,18,50.93 crore) of the total expenditure of ₹ 10,67,86.09 crore excluding repayment under Public Debt and Transfer to Contingency Fund of the State Government was reconciled. Similarly, out of total receipts of ₹ 9,54,34.47 crore, only 1.05 per cent (₹ 9,98.84 crore excluding receipt under Public Debt) was reconciled. The status of reconciliation of accounts in respect of the Budget Controlling Officers (BCO) of different department is given below:-

Particulars	Total No. of BCOs	Fully Reconciled	Partially Reconciled	Not Reconciled
Expenditure	117	15	97	05
Receipts	117	--	08	109

7.5 Submission of Accounts by Treasuries

During the year 2014-15 out of 672 monthly accounts, 21 accounts were received after due dates, though these were incorporated in the monthly civil accounts of respective months. Timely submission of accounts may be ensured by the Treasury.

The details are as below:-

Treasury Accounts

Month	No. of due A/cs	No. of A/cs received on due date	No. of A/cs received after due date	No. of A/cs included	No. of A/cs Excluded	On which date civil A/cs render to state Govt.
04/2014	56	54	02	56	--	23.05.2014
05/2014	56	56	--	56	--	25.06.2014
06/2014	56	55	01	56	--	25.07.2014
07/2014	56	55	01	56	--	25.08.2014
08/2014	56	55	01	56	--	24.09.2014
09/2014	56	44	12	56	--	22.10.2014
10/2014	56	56	--	56	--	25.11.2014
11/2014	56	55	01	56	--	24.12.2014
12/2014	56	56	--	56	--	23.01.2015
01/2015	56	55	01	56	--	25.02.2015
02/2015	56	54	02	56	--	24.03.2015
03/2015	56	56	--	56	--	12.05.2015
Total	672	651	21	672	--	--

7.6 Existence of Majorities Abstract Contingent Bills (AC Bills)

When money is required in advance or when the Drawing and Disbursing Officers (DDOs) are not able to calculate the exact amounts required, they are permitted to draw money without supporting documents through AC bills. Such AC bills are required to be supported by presenting Detailed contingency (DC) bills before the 25th of the succeeding month. The State Government has by issuing order dated 2 September 1999 banned drawal of AC bills by all departments, except the department of Sports and Youth Welfare, which is permitted to make such drawals only in respect of expenditure relating to activities in the National Cadet Corps (NCC). At the end of March 2015, 19 DC bills amounting to ₹ 7.59 crore was outstanding.

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

In the case of conditional grants a formal Utilization Certificate (UC) about the proper utilization of the grant from the administrative, technical and financial point of view is to be furnished to the Principal Accountant General (A&E) by the sanctioning authority on or before September 30 of the year following that to which the Grant is related as per rule 182 of Madhya Pradesh Financial Code. At the end of March 2015 3,49,50 UCs amounting to ₹ 2,70,05.73 crore were outstanding. UCs outstanding beyond the specified periods indicate absence of assurance on utilisation of the grants for intended purposes.