



**State Finances Audit Report of the  
Comptroller and Auditor General of India  
for the year ended 31 March 2020**



**Government of Madhya Pradesh**  
*Report No. 5 of the year 2021*



**STATE FINANCES AUDIT REPORT OF THE  
COMPTROLLER AND AUDITOR GENERAL OF INDIA  
for the year ended 31 March 2020**

**GOVERNMENT OF MADHYA PRADESH**

*Report No. 5 of the year 2021*



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## Preface

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

2. Chapter I of this Report contains the basis and approach to State Finances Audit Report, structure of the Report, structure of Government Accounts, budgetary processes, snapshot of finances, compliance with MPFRBM targets, trends in key fiscal parameters like revenue surplus/ deficit, fiscal surplus/ deficit, *etc.*
3. Chapters II & III of this Report contain audit findings on matters arising from an examination of the Finance Accounts and Appropriation Accounts respectively, of the State Government for the year ended 31 March 2020. Information has been obtained from Government of Madhya Pradesh, wherever necessary.
4. Chapter IV provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the current year.
5. 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.



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# **EXECUTIVE SUMMARY**

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## Executive Summary

### 1 The Report

*Based on the audited accounts of the Government of Madhya Pradesh for the year ending March 2020, this Report provides an analytical review of the finances of the State Government.*

### 2 Audit Findings

#### 2.1 Finances of the State

*Revenue Receipts of the State decreased by ₹1,250 crore (0.84 per cent) and Revenue Expenditure increased by ₹8,295 crore (5.84 per cent) during the year 2019-20 compared to the previous year. The State registered a revenue deficit for the first time in 2019-20 during the last five year-period 2015-20 and the State exceeded the MPFRBM Act targets relating to the other fiscal indicators like fiscal deficit and ratio of total outstanding debt to GSDP during the year.*

*During 2019-20, return (₹475.96 crore) on investment of ₹36,373.52 crore made by the State Government up to 2019-20 in Statutory Corporations, Companies, Co-operative societies, etc. was only 1.31 per cent against the average borrowing cost of 6.69 per cent during the year; the rate of interest received on Loans and Advances (₹43,085 crore) given by the Government was also only 0.30 per cent.*

*The State Government continued to be non-compliant with the Indian Government Accounting Standards as regards the accounting treatment given to expenditure incurred out of Grants-in-aid. Further, it did not honour its commitment/obligation made in its MoU with GoI and the DISCOMs under the UDAY Scheme. There was no contribution to the Guarantee Redemption Fund.*

*(Chapter 2)*

#### 2.2 Budgetary Management

*During 2019-20, as much as 24.18 per cent of savings (amounting to ₹62,131.62 crore) was allowed to lapse at the end of the year or was surrendered on the last day of the financial year.*

*Funds of ₹46.82 crore drawn on 31 March 2020 was transferred from Consolidated Fund of the State to Civil Deposits in Public Account to avoid lapse of funds, which inflated the expenditure of the year under the Consolidated Fund of the State.*

*Out of total 3,946 sub-heads, explanation for variations in expenditure with reference to approved budgetary allocations, were required in 1,266 sub heads but the required explanations were received in only 164 cases (12.95 per cent of 1,266) and explanations regarding 1,102 sub heads were not received at all.*

*Excess expenditure of ₹1,668.32 crore pertaining to 11 Grants and nine Appropriations of previous years requires regularisation under Article 205 of the Constitution.*

**(Chapter 3)**

### **2.3 Quality of Accounts and Financial Reporting Practices**

*Utilisation Certificates had not been submitted by various Departments for an aggregate amount of ₹15,541.32 crore drawn for specific developmental programmes/projects, which was in violation of prescribed financial rules and directives and point to inadequate internal controls.*

*During 2019-20, the closing balance in the PD Accounts increased by 59.17 per cent as compared to 2018-19. Further, 261 PD Accounts had negative balances and 216 PD Accounts involving ₹64.65 crore (including some negative balances) 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.*

*Indiscriminate operation of omnibus Minor Head 800 – ‘Other Receipts’ (₹7,399.14 crore) and ‘Other Expenditure’ (₹34,503.04 crore) affected transparency in financial reporting and obscured proper analysis of allocative priorities and quality of expenditure.*

*The Controlling Officers have reconciled their accounts figures with those booked by the office of the Principal Accountant General (A&E) to the extent of only 11.33 per cent in respect of receipts and 50.70 per cent in respect of expenditure. Non-reconciliation of accounts by the account rendering units/authorities affected the accuracy and completeness of accounts of the State and impacted effective budgetary management.*

**(Chapter 4)**

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# **Chapter 1**

## **Overview**

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## Chapter 1-Overview

### 1.1 Profile of the State

Madhya Pradesh is the second largest State in the country. The State is spread over a geographical area of 3,08,245 sq.km. (9.38 *per cent* of the country's total geographical area) and as per Census 2011 is home to around 7.26 crore persons (six *per cent* of the population of the country) out of which 2.01 crore people reside in urban areas and 5.25 crore in rural areas. At 14.58 *per cent*, the decadal (2010-2020) growth rate of population of the State was more than the all India growth rate of 11.09 *per cent*.

The State has 52 districts, which are grouped into ten administrative divisions. The per capita income of the State at current prices was ₹99,763 in 2019-20, which was lower than the all India average of ₹1,35,050.

General and financial data relating to the State is given in *Appendix 1.1*.

#### 1.1.1 Gross State Domestic Product (GSDP)

Gross State Domestic Product (GSDP) is the value of all the goods and services produced within the State in a given period of time. Growth of GSDP is an important indicator of State's economy, as it denotes the extent of changes in the level of economic development of the State over a period of time.

Trends in annual growth of Madhya Pradesh's GSDP (nominal) *vis-à-vis* that of the country are given in **Table 1.1**:

Particulars	(₹ in crore)				
	2015-16	2016-17	2017-18	2018-19	2019-20
National GDP (2011-12 Series) at current prices	1,37,71,874	1,53,91,669	1,70,98,304	1,89,71,237	2,03,39,849
Growth rate of GDP over previous year ( <i>per cent</i> ) at current prices	10.46	11.76	11.09	10.95	7.21
State's GSDP (2011-12 Series) at current prices	5,41,068	6,49,823	7,24,729 (P.E.)	8,09,592 (Q.E.)	9,06,672 (A.E.)
Growth rate of GSDP over previous year ( <i>per cent</i> ) at current prices	12.74	20.10	11.53	11.71	11.99

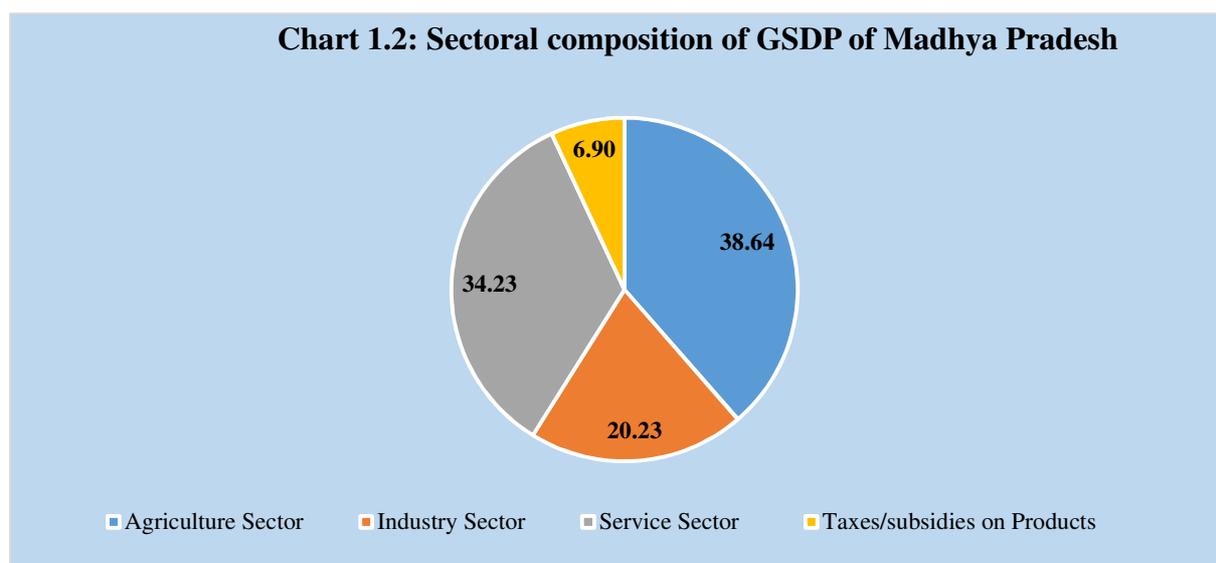
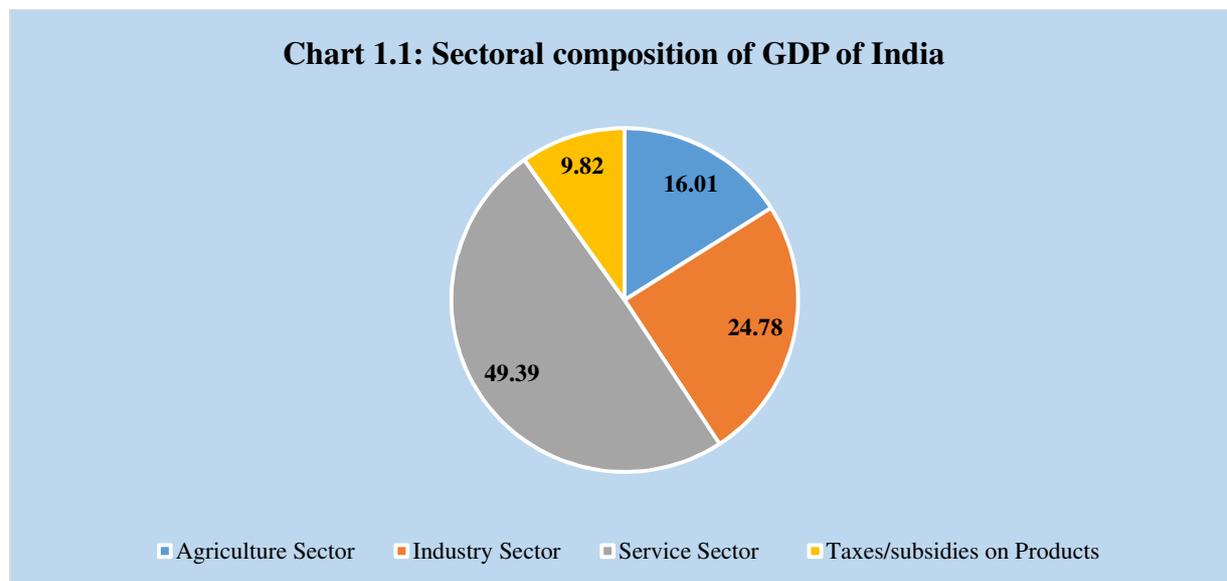
Source: GoI's Economic Survey (2019-20) and Directorate of Economics and Statistics, Madhya Pradesh  
P.E. – Provisional Estimates; Q.E. – Quick Estimates; A.E. – Advance Estimates

As can be seen from the above Table, the GSDP of Madhya Pradesh grew at a higher rate during the period 2015-16 to 2019-20 compared to the national growth rate.

Significant increase in the growth rate in GSDP during 2016-17 was mainly due to growth in Primary sector by 38 *per cent* (especially under crops by 41 *per cent*) due to good rainfall.

The economic activity is generally divided into Primary, Secondary and Tertiary sectors, which correspond to Agriculture, Industry and Service Sectors respectively. Change in sectoral contribution to GSDP is also important to understand the changing structure of economy.

The comparison of the sectoral composition between GDP of India and GSDP of Madhya Pradesh during 2019-20 is shown below in **Charts 1.1** and **1.2**.

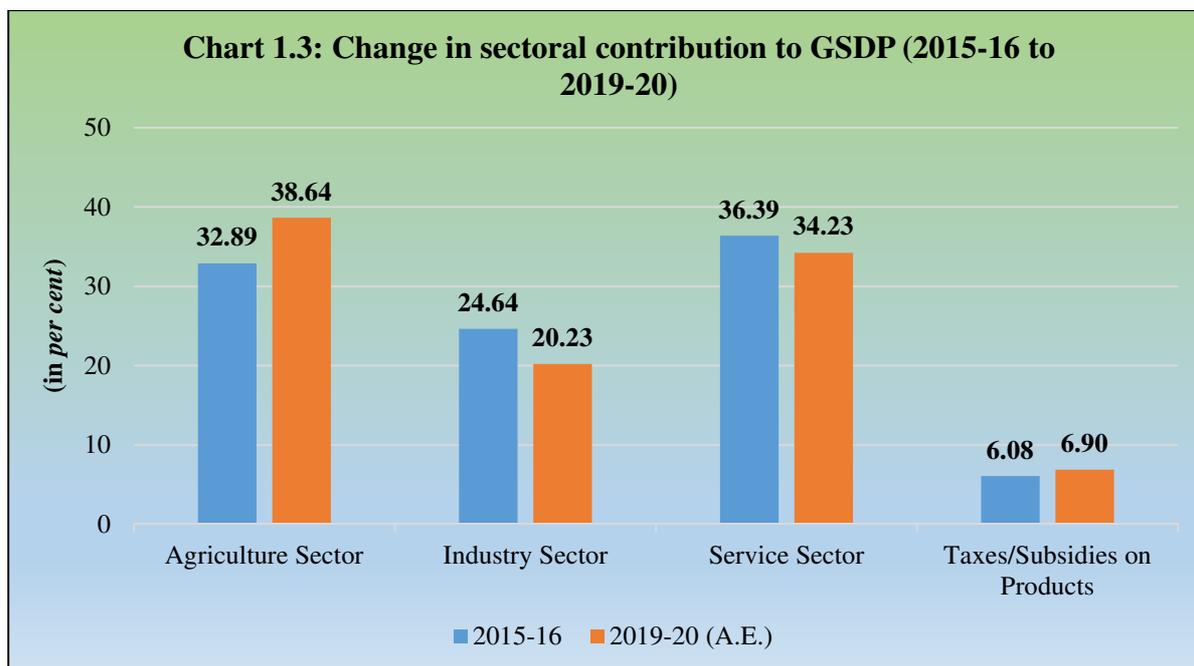


**Source:** Information furnished by Directorate of Economics and Statistics, Madhya Pradesh and Press bulletin of MoSIP, GoI dated 29.05.2020

Madhya Pradesh, with its large area, enjoys diverse climatic and soil conditions suitable for a broad range of agricultural products. Agriculture sector in Madhya Pradesh forms the backbone of its economy. As can be seen from the above Charts, during 2019-20, the contribution of agriculture sector to the GSDP of the State was 38.64 *per cent* which was quite significant and was much higher compared to relative share of agriculture sector (16.01 *per cent*) in the GDP of India.

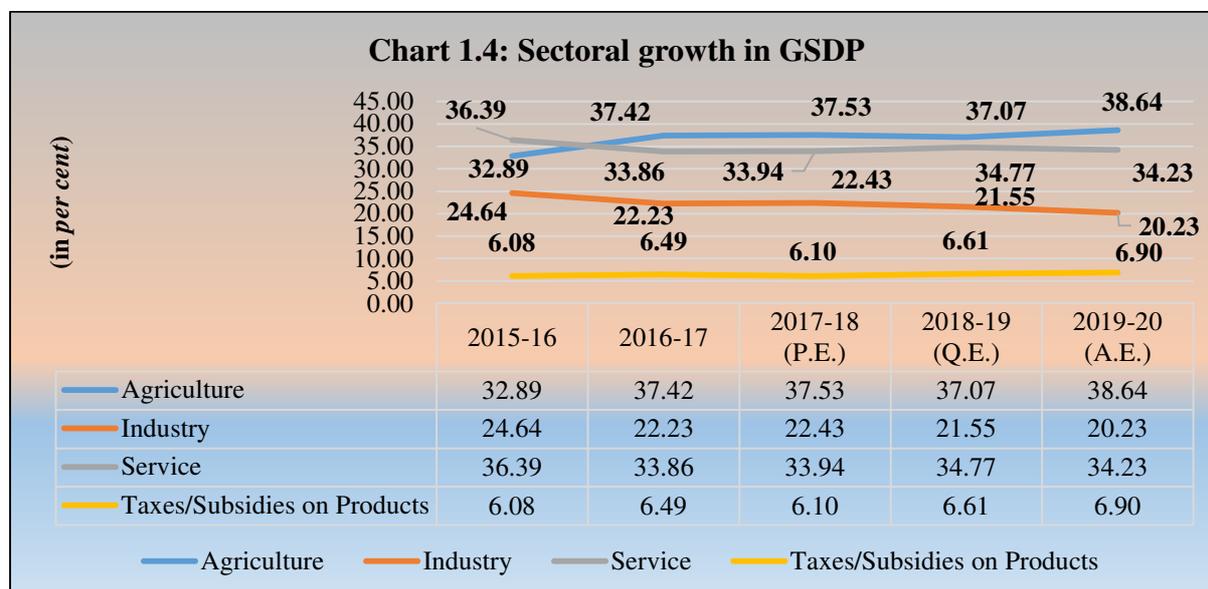
**Chart 1.3** reveals that during the five-year period 2015-16 to 2019-20, there has been an increase in the relative share of Agriculture in GSDP of the State from 32.89 *per cent* in 2015-16 to 38.64 *per cent* in 2019-20. During the same period, there has been a marginal decrease in the share of Industry Sector from 24.64 *per cent* in 2015-16 to 20.23 *per cent* in

2019-20 and Service Sector from 36.39 *per cent* in 2015-16 to 34.23 *per cent* in 2019-20. Also, Taxes and Subsidies on Products increased from 6.08 *per cent* in 2015-16 to 6.90 *per cent* in 2019-20.



Source: Information furnished by Directorate of Economics and Statistics, Madhya Pradesh

The year-on-year change in contribution of various sectors to the GSDP of the State is given below in **Chart 1.4**:



Source: Information furnished by Directorate of Economics and Statistics, Madhya Pradesh

## 1.2 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 State Finances Audit Report (SFAR) of Madhya Pradesh for the year ending 31 March 2020

has been prepared by the CAG for submission to the Governor of Madhya Pradesh under Article 151 (2) of the Constitution of India.

Principal Accountant General (Accounts & Entitlements) prepares the Finance Accounts and Appropriation Accounts of the State annually, from the vouchers, challans and initial and subsidiary accounts rendered by the Treasuries, Offices and Departments responsible for keeping of such accounts functioning under the control of the State Government, and the statements received from the Reserve Bank of India. These accounts are audited independently by the Accountant General (Audit), and certified by the CAG.

Finance Accounts and Appropriation Accounts of the State for the year 2019-20 constitute the core data for this report. Other sources include the following:

- Budget of the State for the year 2019-20 also forms an important source of data – both 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 Principal Accountant General (Audit-I), Madhya Pradesh and Office of the Accountant General (Audit-II), Madhya Pradesh at the State Secretariat as well as at the field level during the year;
- Other data with Departmental Authorities and Treasuries;
- GSDP data and other State related statistics from the Directorate of Planning, Economics and Statistics, Government of Madhya Pradesh; and
- Various audit reports of the CAG of India during 2015-20 have also been used to prepare this analysis/commentary, as appropriate.

The analysis has been carried out in the context of recommendations of the XIV Finance Commission (FC), Madhya Pradesh Fiscal Responsibility and Budget Management (MPFRBM) Act, best practices and guidelines of the Government of India.

### 1.3 Report Structure

The SFAR is structured into the following four Chapters:

<b>Chapter - I</b>	<b>Overview</b> This Chapter describes the basis and approach to the Report and the underlying data, provides an overview of structure of government accounts, budgetary processes, macro-fiscal analysis of key indices and State’s fiscal position including the deficits/ surplus.
<b>Chapter - II</b>	<b>Finances of the State Government</b> This chapter provides a broad perspective of the finances of the State, analyses the critical changes in major fiscal aggregates relative to the previous year, overall trends during the period from 2015-16 to 2019-20, debt profile of the State and key Public Account transactions, based on the Finance Accounts of the State.

<b>Chapter - III</b>	<b>Budgetary Management</b> 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.
<b>Chapter - IV</b>	<b>Quality of Accounts &amp; Financial Reporting Practices</b> 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 departmental officials of the State Government.

## 1.4 Overview of Structure of Government Account

The Accounts of the 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 Account of the State {Article 266(2) of the Constitution}

Apart from the 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. Public Account is not subject to the vote of the Legislature.

There is a constitutional requirement in India (Article 202) to present before the House or Houses of the Legislature of the State, a statement of estimated receipts and expenditure of

the Government in respect of every financial year. This 'Annual Financial Statement' constitutes the main budget document. Further, the budget must distinguish expenditure on the revenue account from other expenditure.

**Revenue receipts** consist of tax revenue, non-tax revenue, state share of Union Taxes/Duties, and grants from Government of India (GoI).

**Revenue expenditure** consists of all the expenditures of the Government which does not result in creation of physical or financial assets. It relates to those expenses incurred for the normal functioning of the government departments and various services, interest payments on debt incurred by the Government, and grants given to various institutions (even though some of the grants may be meant for creation of assets).

**Capital receipts** consist of:

**Debt receipts:** Market loans, bonds, loans from financial institutions, net transactions under Ways and Means Advances, loans and advances from Central Government, *etc.*;

**Non-debt receipts:** Proceeds from disinvestment, recoveries of loans and advances;

**Capital Expenditure** includes expenditure on the acquisition of land, buildings, machinery, equipment, investment in shares, and loans and advances by the Government to PSUs and other parties.

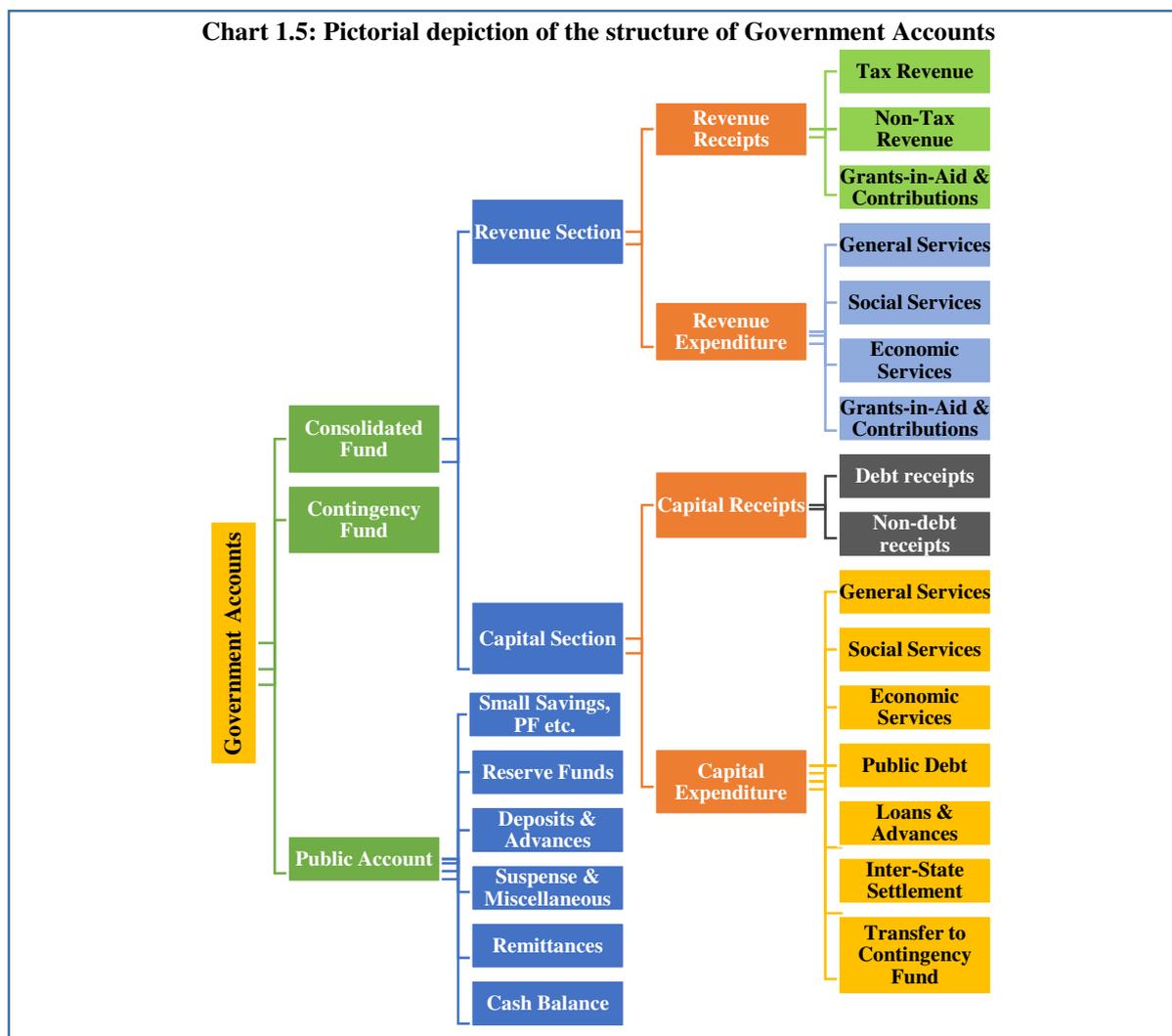
At present, we have an accounting classification system in Government that is both functional and economic as detailed below.

	Attribute of transaction	Classification
Standardised in List of Major Minor Heads of Account by Controller General of Accounts	Function-Education, Health, <i>etc.</i> / Department	Major Head under Grants (4 digits)
	Sub-Function	Sub Major Head (2 digits)
	Programme	Minor Head (3 digits)
Flexibility left for States	Scheme	Sub-Head (2 digits)
	Sub scheme	Detailed Head (2 digits)
	Economic nature/Activity	Object head-salary, minor works, <i>etc.</i> (2 digits)

Functional classification involves arranging the receipts and expenditure by economic categories, distinguishing the Government transactions into Sections like Revenue and Capital (including Public Debt, Loans and Advances), Sectors like Tax Revenue from other revenue and Grants-in-Aid, Sub-sectors like Taxes on Income and Expenditure, fiscal services, *etc.* On the expenditure side also, the transactions are classified into Sectors *viz.*, General Services, Economic Services, Social Services and Grants-in-Aid and contributions and sub-divided into Major Heads of account below these Sectors. Major Heads of account falling within the Consolidated Fund generally correspond to 'Functions' of Government, such as 'Education', while Minor Heads subordinate to them identify the 'Programme' undertaken to achieve the objectives of the function represented by the Major Head. A programme may consist of a number of schemes or activities and these generally, correspond to 'Sub-heads' below the Minor Head. 'Detailed Head' below the Sub-head, is primarily

meant for itemised control over expenditure and indicates the object or nature of expenditure on a scheme or activity in terms of inputs such as 'Salaries', 'Office Expenses', 'Grants-in-Aid', etc.

A pictorial depiction of the structure of Government Accounts is given in **Chart 1.5**:



## 1.5 Budgetary Processes

In terms of Article 202 of the Constitution of India, the Governor of Madhya Pradesh caused to be laid before the State Legislature, a statement of the estimated receipts and expenditure of the State for the year 2019-20, in the form of an **Annual Financial Statement**.

In terms of Article 203, the above was submitted to the State Legislature in the form of 74 Demands for Grants/Appropriations and after approval of these, the Appropriation Bill was passed by the Legislature under Article 204 to provide for appropriation of the required money out of the Consolidated Fund.

As mentioned in **Paragraph 1.2 ante**, Finance Accounts and Appropriation Accounts encompass the core data for preparation of the SFAR. These Accounts are based on actual receipts and expenditure of the State during the year 2019-20, including various inter-governmental and other adjustments carried out by the Reserve Bank of India (RBI).

Considering that these receipts and expenditure are estimated in the budget and the expenditure has been approved by the State Legislature, it is important to study the budget of the State for 2019-20 closely and analyse the actual receipts and expenditure during the year with reference to the projections made in the budget.

The Madhya Pradesh Budget Manual details the process of budget preparation, budget execution and budget monitoring. Further, apart from one consolidated budget the State Government also prepares sub-budgets like Gender Budget and Agriculture Budget.

**Gender Budget:** The gender budget of the State is part of the overall budget and is designed to benefit women. As per the gender budget document, schemes relating to women were bifurcated into two categories- (1) Schemes in which 100 *per cent* budget provision is related to women, and (2) Schemes in which at least 30 *per cent* of budget provision is related to women.

**Agriculture Budget:** This budget includes the development of agriculture sector and the interests of farmers' activities as well as information on expenditure on these activities.

It was also mentioned in the budget manual that an Outcome Budget should be prepared which presents quantifiable deliverables proposed under each scheme linked to the financial outlays that would help in achieving the stated objective of the scheme. However, the outcome budget was not prepared by the State Government from 2015-16 onwards. The reasons for non-preparation of Outcome Budget as stated (January 2021) by the Finance Department was due to the closure of plan and non-plan schemes.

Results of audit scrutiny of budget and implementation of other budgetary initiatives of the State Government are detailed in **Chapter 3** of this Report.

## 1.6 Snapshot of Finances

The following **Table 1.2** provides the details of actual financial results *vis-à-vis* Budget Estimates and Actuals of 2019-20:

**Table 1.2: Actual financial results vis-à-vis budget estimates for 2019-20**

(₹ in crore)						
Sl. No.	Components	2018-19 (Actuals)	2019-20 (Actuals)	2019-20 (Budget Estimates)	Percentage of Actuals to B.E.	Percentage of Actuals to GSDP
1	Tax Revenue	50,882.41	55,823.69	65,273.74	85.52	6.16
2	Non-Tax Revenue	11,898.69	10,349.56	13,968.27	74.09	1.14
3	Share of Union Taxes & Duties	57,487.01	49,517.61	63,750.81	77.67	5.46
4	Grants-in-aid and Contributions	28,624.68	31,952.49	36,360.93	87.88	3.52
5	<b>Revenue Receipts (1+2+3+4)</b>	<b>1,48,892.79</b>	<b>1,47,643.35</b>	<b>1,79,353.75</b>	<b>82.32</b>	<b>16.28</b>
6	Recovery of Loans and Advances	69.88	45.86	2,625.15	1.75	0.01
7	Other Receipts (CR)	13.04	13.66	-	-	-
8	Borrowings and other Liabilities (a)	19,006.19	35,302.35	32,384.44	109.01	3.89
9	<b>Capital Receipts (6+7+8)</b>	<b>19,089.11</b>	<b>35,361.87</b>	<b>35,009.59</b>	<b>101.01</b>	<b>3.90</b>
10	<b>Total Receipts (5+9)</b>	<b>1,67,981.90</b>	<b>1,83,005.22</b>	<b>2,14,363.34</b>	<b>85.37</b>	<b>20.18</b>
11	<b>Revenue Expenditure</b>	<b>1,42,149.21</b>	<b>1,50,444.30</b>	<b>1,78,621.12</b>	<b>84.23</b>	<b>16.59</b>
12	Interest payments	12,695.69	14,216.52	14,432.07	98.51	1.57
13	<b>Capital Outlay</b>	<b>30,513.85</b>	<b>30,228.64</b>	<b>35,463.90</b>	<b>85.24</b>	<b>3.33</b>
14	Capital Expenditure	29,424.19	29,241.48	33,490.15	87.31	3.23
15	Loans and Advances	1,089.66	987.16	1,973.75	50.01	0.11
16	<b>Total Expenditure (11+13)</b>	<b>1,72,663.06</b>	<b>1,80,672.94</b>	<b>2,14,085.02</b>	<b>84.39</b>	<b>19.93</b>
17	<b>Revenue Deficit (-)/ Surplus(+)</b>	<b>6,743.58</b>	<b>(-),2,800.95</b>	<b>732.63</b>	<b>(-),382.31</b>	<b>(-),0.31</b>
18	<b>Fiscal Deficit</b>	<b>23,687.65</b>	<b>32,969.70</b>	<b>32,106.12</b>	<b>102.69</b>	<b>3.64</b>
19	<b>Primary Deficit</b>	<b>10,991.96</b>	<b>18,753.18</b>	<b>17,674.05</b>	<b>106.11</b>	<b>2.07</b>

Source: Finance Accounts and Budget books 2019-20

(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.

## 1.6.1 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. The liabilities consist mainly of internal borrowings, loans and advances from GoI, receipts from Public Account and Reserve Funds. Assets comprise mainly the capital outlay and loans and advances given by the State Government and cash balances.

**Table 1.3: Summarised position of Assets and Liabilities**

(₹ in crore)							
Liabilities				Assets			
	2018-19	2019-20	Per cent increase		2018-19	2019-20	Per cent increase
<b>Consolidated Fund</b>							
Internal Debt	1,40,009.31	1,59,792.74	14.13	Gross Capital Outlay	2,13,157.55	2,42,399.03	13.72
Loans and Advances from GoI	17,388.60	21,035.97	20.98	Loans and advances	42,143.85	43,085.15	2.23
<b>Contingency Fund</b>	<b>500.00</b>	<b>500.00</b>	<b>-</b>				

Public Account							
Small Savings, Provident Funds, etc.	16,577.33	19,033.74	14.82	Advances	3.40	3.48	2.35
Deposits	14,260.20	18,809.47	31.90	Remittance	--	--	--
Reserve Funds	6,490.37	12,316.00	89.76	Suspense and Miscellaneous	--	--	--
Suspense and Miscellaneous balances	650.90	-898.43 <sup>1</sup>	-238.03				
Remittances	2,229.91	2,161.37	-3.07	Cash balance (including investment in Earmarked Funds)	5,389.02	7,060.93	31.02
				<b>Total</b>	<b>2,60,693.82</b>	<b>2,92,548.59</b>	<b>12.22</b>
				<b>Deficit on Government Account</b>	<b>-62,587.20</b>	<b>-59,797.73</b>	<b>4.46</b>
<b>Total</b>	<b>1,98,106.62</b>	<b>2,32,750.86</b>	<b>17.49</b>	<b>Total</b>	<b>1,98,106.62</b>	<b>2,32,750.86</b>	<b>17.49</b>

Source: Finance Accounts of respective years

## 1.7 Fiscal Balance: Achievement of deficit and total debt targets

Government of Madhya Pradesh passed Fiscal Responsibility and Budget Management Act (FRBM) with the objective of ensuring prudence in fiscal management by eliminating revenue deficit, reducing fiscal deficit and overall/outstanding debt to acceptable level, establishing improved debt management and improving transparency in a medium term framework. In this context, the Act provides quantitative targets to be adhered to by the State with regard to deficit measures and debt level.

### 1.7.1 MPFRBM Targets on Key Fiscal Parameters and Achievements thereon

As per the MPFRBM Act, the State Government was to eliminate revenue deficit by 31 March 2009 and maintain revenue surplus thereafter; reduce fiscal deficit to three *per cent* of the estimated GSDP by 31 March 2009 and maintain the same level thereafter. Further, the Act also envisaged that the State Government would limit the total outstanding debt to GSDP to 40 *per cent* as on 31 March 2015.

The amendment to the MPFRBM Act in January 2016 incorporated the recommendations of the XIV FC relating to limit of fiscal deficit recommended for the States during its award period (2015-16 to 2019-20). The Act provided that the fiscal deficit be anchored to an annual limit of 3.50 *per cent* of GSDP in any financial year.

Revised targets relating to key fiscal parameters envisaged in the amended MPFRBM Act and their achievement during the five year period from 2015-16 to 2019-20 are given in **Table 1.4:**

<sup>1</sup> The figure of Suspense and Miscellaneous Balances includes balances of Major Head 8658-Suspense Account ₹1,391.42 crore (Dr.), Major Head 8679-Accounts with the Governments of other countries ₹0.15 crore (Dr.) and Major Head 8670 Cheques and Bills ₹493.14 crore (Cr.).

Table 1.4: Compliance with provisions of MPFRBM Act						
Fiscal Parameters	Fiscal targets set in the Act	Achievement (₹ in crore)				
		2015-16	2016-17	2017-18	2018-19	2019-20
Revenue Deficit (-)/ Surplus (+)	Revenue Surplus	5,740	7,781 <sup>2</sup>	4,629	6,744	(-)2,801
		✓	✓	✓	✓	✗
Fiscal Deficit (-)/ Surplus (+) (as percentage of GSDP)	Given in brackets under individual years	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)
		✓	✓	✓	✓	✗
Ratio of total Outstanding Debt to GSDP (in per cent)		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)
		✓	✓	✓	✓	✗

Source: Finance Accounts of respective years

The State achieved Revenue Surplus during the period 2015-16 to 2018-19 but could not maintain during 2019-20. Revenue Deficit during 2019-20 was ₹2,801 crore due to increase in revenue expenditure by 5.84 per cent (₹1,50,444 crore in 2019-20 vis-à-vis ₹1,42,149 crore in 2018-19) and decrease in revenue receipts by 0.84 per cent (₹1,47,643 crore in 2019-20 vis-à-vis ₹1,48,893 crore in 2018-19). Collection in respect of most of the constituents of tax revenue was lower than the projections made in Budget Estimates, especially in the case of State Goods and Services Tax (SGST) (by ₹3,652 crore) and Stamps and registration fees (by ₹ 931 crore).

Revenue expenditure increased by ₹8,295 crore as compared to 2018-19 due to increase under Social Services (by ₹5,517 crore) mainly due to increase in expenditure on “Hospital and Dispensaries” under “Urban Health Services – Allopathy” and expenditure on “Government Primary School” under “Elementary Education” and “Secondary Education”, “Government Colleges and Institutes” under “University and Higher Education”, and Economic Services (by ₹2,835 crore) because of increase in expenditure on “Other Expenditure” under “Rural Electrification”.

The State Government failed to contain the Fiscal Deficit within the target as per the MPFRBM Act during 2019-20, though the targets regarding Fiscal Deficit as per MPFRBM Act were achieved during 2015-16 to 2018-19.

Similarly, the State could not achieve the target for Outstanding Debt as per MPFRBM Act during 2019-20, while it was successful in achieving the same during 2015-16 to 2018-19.

<sup>2</sup> Excludes impact of UDAY, on including impact of UDAY, Revenue Surplus would be ₹3,770 crore.

## 1.7.2 Medium Term Fiscal Policy Statement

As per the MPFRBM Act, the State Government shall in each financial year, lay before the State Legislature the Medium Term Fiscal Policy Statement (MTFPS), which contains the fiscal objectives of the State Government and five-year rolling targets, along with the Budget.

**Table 1.5** indicates the variations between the projections made for 2019-20 in MTFPS presented to the State Legislature along with the Annual Budget for 2019-20 and actuals of the year.

<b>Table 1.5: Actuals vis-à-vis projection in MTFPS for 2019-20</b>			
<b>(₹ in crore)</b>			
<b>Fiscal Variables</b>	<b>Projection as per MTFPS</b>	<b>Actuals (2019-20)</b>	<b>Variation (in per cent)</b>
Own Tax Revenue	65,273.74	55,823.69	-14.48
Non-Tax Revenue	13,968.27	10,349.56	-25.91
Share of Central Taxes	63,750.81	49,517.61	-22.33
Grants-in-Aid from GoI	36,360.93	31,952.49	-12.12
Revenue Receipts	1,79,353.75	1,47,643.35	-17.68
Revenue Expenditure	1,78,621.12	1,50,444.30	-15.77
Revenue Deficit (-)/ Surplus (+) as a percentage of GSDP	0.08	(-)0.31	-487.50
Fiscal Deficit as a percentage of GSDP	3.54	3.64	2.82
Debt-GSDP ratio ( <i>per cent</i> )	21.88	25.43	16.22
GSDP growth rate at current prices	14.23	11.99	-18.49

Source: Finance Accounts and Budget documents 2019-20

## 1.7.3 Deficit and Surplus

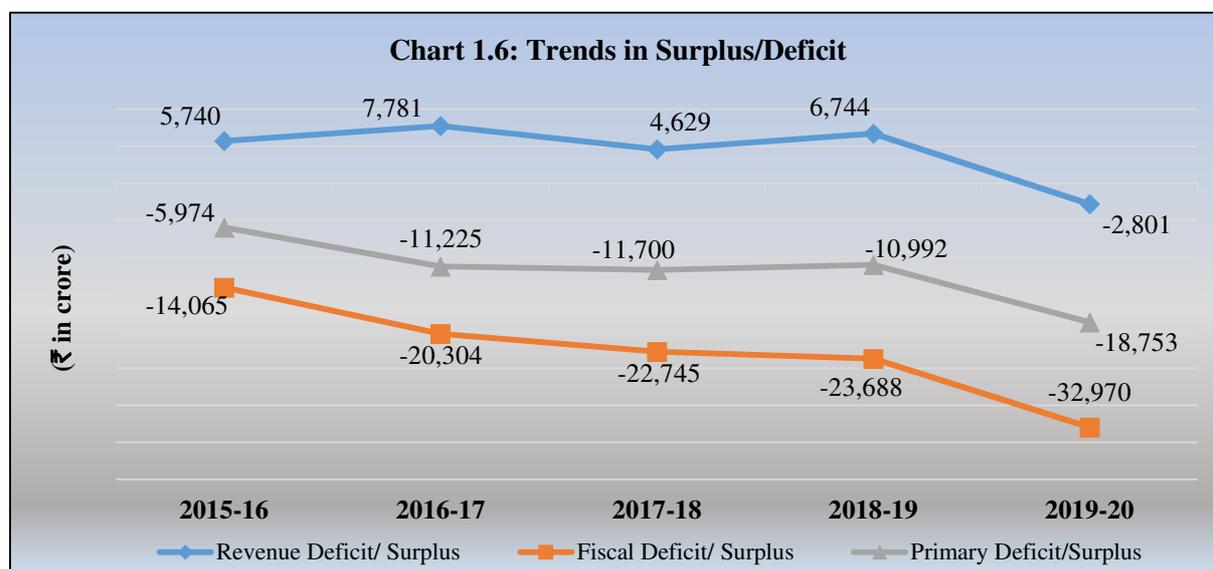
When a Government spends more than it collects by way of revenue, it incurs a deficit. There are various measures that capture Government deficit.

<p><b>Revenue Deficit/ Surplus</b> (Revenue Expenditure – Revenue Receipts)</p>	<p><i>Refers to the difference between revenue expenditure and revenue receipts.</i></p> <ul style="list-style-type: none"> <li>When the government incurs a revenue deficit, it implies that the Government is dissaving and is using up the savings of the other sectors of the economy to finance a part of its consumption expenditure.</li> <li>Existence of revenue deficit is a cause of concern as revenue receipts were not able to meet even revenue expenditure. Moreover, part of capital receipts was utilized to meet revenue expenditure, reducing availability of capital resources to that extent for creation of capital assets.</li> <li>This situation means that the Government will have to borrow not only to finance its investment but also its consumption requirements. This leads to a build-up of stock of debt and interest liabilities and forces the government, eventually, to cut expenditure.</li> <li>If major part of revenue expenditure is committed expenditure (interest liabilities, salaries, pensions), the government reduces productive expenditure or welfare expenditure. This would mean lower growth and adverse welfare implications.</li> </ul>
<p><b>Fiscal Deficit/ Surplus</b> (Total expenditure – (Revenue receipts + Non-debt creating capital receipts))</p>	<p><i>It is the difference between the Revenue Receipts plus Non-debt Capital Receipts (NDCR) and the total expenditure. Fiscal Deficit is reflective of the total borrowing requirements of Government.</i></p> <ul style="list-style-type: none"> <li>Fiscal deficit is the difference between the government's total expenditure and its total receipts excluding borrowing.</li> <li>Non-debt creating capital receipts are those receipts, which are not borrowings, and, therefore, do not give rise to debt. Examples are recovery of loans and the proceeds from the sale of PSUs.</li> <li>The fiscal deficit will have to be financed through borrowing. Thus, it indicates the total borrowing requirements of the government from all sources.</li> </ul>

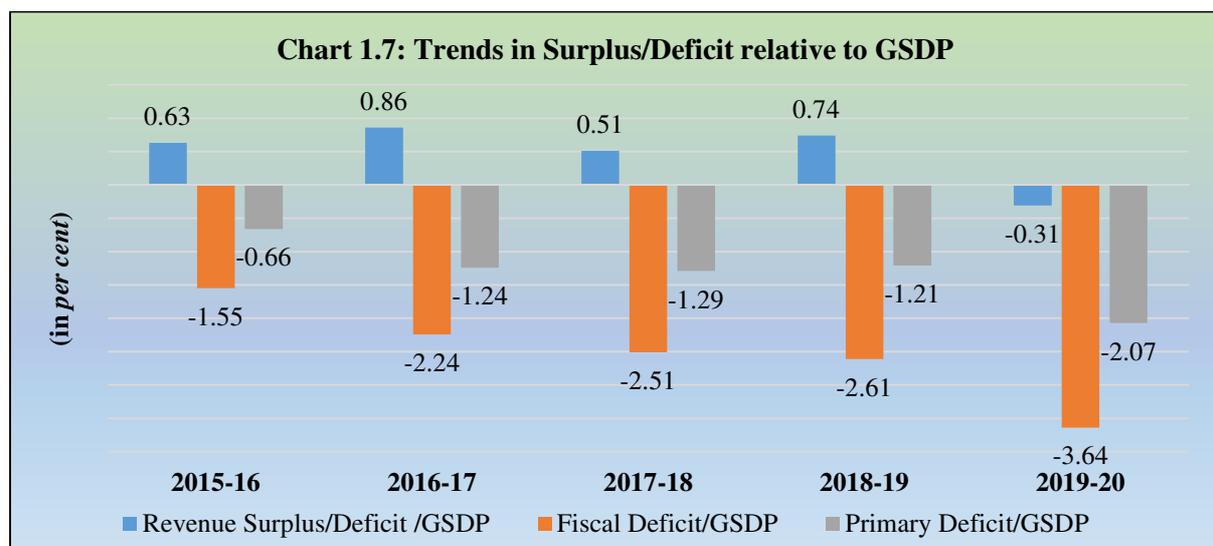
Governments usually run fiscal deficits and borrow funds for capital/ assets formation or for creation of economic and social infrastructure, so that assets created through borrowings could pay for themselves by generating an income stream. Thus it is desirable to fully utilize borrowed funds for the creation of capital assets and to use revenue receipts for the repayment of principal and interest.

#### 1.7.4 Trends of Deficit/Surplus

The State was well within the targets specified by the XIV FC during 2019-20 with regard to the key fiscal parameters, compared to the previous year. It had a fiscal deficit of ₹32,970 crore during the year 2019-20, representing 3.64 per cent of the GSDP and constituted 18.25 per cent of Total Expenditure. The Primary Deficit of ₹10,992 crore during 2018-19 increased to ₹18,753 crore during the current year and the Revenue Surplus of ₹6,744 crore in 2018-19 turned to a deficit of ₹2,801 crore during 2019-20. The trend of surplus and deficit over the five-year period from 2015-16 to 2019-20 is depicted in **Chart 1.6** and trend in surplus or deficit relative to GSDP is given in **Chart 1.7** below:



Source: Finance Accounts of respective years



Source: Finance Accounts of respective years

## 1.8 Deficits after examination in Audit

Excessive focus on short-term objectives for overcoming budget deficit may encourage one-off deficit-reducing measures. **Table 1.6** below assesses actual surplus/ deficit after taking into account short/non-contribution to funds and incorrect classification/ booking by the State Government during 2019-20.

Table 1.6: Actual Revenue and Fiscal Deficit		
(₹ in crore)		
Particulars	Impact on Revenue Deficit (Understated)	Impact on Fiscal Deficit (Understated)
Misclassification of Revenue Expenditure as Capital Expenditure (Para no. 1(v) of the Notes to Accounts, Finance Accounts Volume-I)	1,210.60	--
Short transfer of contribution to NSDL/Trustee Bank (Para no. 3(i) of the Notes to Accounts, Finance Accounts Volume-I)	51.60	51.60
Non-payment of interest on Reserve Funds and Deposits bearing interest (Para no. 3(viii) of the Notes to Accounts, Finance Accounts Volume-I)	1.24	1.24
Short transfer of Energy Development Cess into Electricity Development Fund (Para no. 3(viii) (b) of the Notes to Accounts, Finance Accounts Volume-I)	434.32	434.32
<b>Total</b>	<b>1,697.76</b>	<b>487.16</b>

Source: Finance Accounts 2019-20

As can be seen from the above Table, there was an understatement of Revenue Deficit and Fiscal Deficit by ₹1,697.76 crore and ₹487.16 crore respectively during the year. As per Finance Accounts, the Revenue Deficit and Fiscal Deficit were ₹2,800.95 crore and ₹32,969.70 crore respectively, which would actually be ₹4,498.71 crore and ₹33,456.86 crore respectively.

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**Chapter 2**

**FINANCES OF THE STATE  
GOVERNMENT**

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## Chapter 2-Finances of the State Government

### 2.1 Introduction

This chapter provides a broad perspective of the finances of the State, analyses the critical changes in major fiscal aggregates relative to the previous year, overall trends during the five-year period 2015-16 to 2019-20, debt sustainability of the State and key Public Account transactions, based on the Finance Accounts of the State.

### 2.2 Major changes in Key Fiscal Aggregates during 2019-20 *vis-à-vis* 2018-19

**Table 2.1** gives a bird's eye view of the major changes in key fiscal aggregates of the State during 2019-20, compared to the previous year.

<b>Table 2.1: Changes in key fiscal aggregates in 2019-20 compared to 2018-19</b>	
<b>Revenue Receipts</b>	<ul style="list-style-type: none"><li>➤ Revenue Receipts of the State decreased by 0.84 <i>per cent</i></li><li>➤ Own Tax Receipts of the State increased by 9.71 <i>per cent</i></li><li>➤ Own Non-Tax Receipts decreased by 13.02 <i>per cent</i></li><li>➤ State's Share of Union Taxes and Duties decreased by 13.86 <i>per cent</i></li><li>➤ Grants-in-Aid from Government of India increased by 11.62 <i>per cent</i></li></ul>
<b>Revenue Expenditure</b>	<ul style="list-style-type: none"><li>➤ Revenue Expenditure increased by 5.84 <i>per cent</i></li><li>➤ Revenue Expenditure on General Services increased by 4.50 <i>per cent</i></li><li>➤ Revenue Expenditure on Social Services increased by 9.40 <i>per cent</i></li><li>➤ Revenue Expenditure on Economic Services increased by 7.53 <i>per cent</i></li><li>➤ Expenditure on Grants-in-Aid decreased by 23.10 <i>per cent</i></li></ul>
<b>Capital Expenditure</b>	<ul style="list-style-type: none"><li>➤ Capital Expenditure decreased by 0.62 <i>per cent</i></li><li>➤ Capital Expenditure on General Services increased by 35.82 <i>per cent</i></li><li>➤ Capital Expenditure on Social Services increased by 21.04 <i>per cent</i></li><li>➤ Capital Expenditure on Economic Services decreased by 7.16 <i>per cent</i></li></ul>
<b>Loans and Advances</b>	<ul style="list-style-type: none"><li>➤ Disbursement of Loans and Advances decreased by 9.45 <i>per cent</i></li><li>➤ Recoveries of Loans and Advances decreased by 34.37 <i>per cent</i></li></ul>
<b>Public Debt</b>	<ul style="list-style-type: none"><li>➤ Public Debt Receipts increased by 5.75 <i>per cent</i></li><li>➤ Repayment of Public Debt decreased by 19.15 <i>per cent</i></li></ul>
<b>Public Account</b>	<ul style="list-style-type: none"><li>➤ Public Account Receipts increased by 7.66 <i>per cent</i></li><li>➤ Disbursement of Public Account increased by 3.28 <i>per cent</i></li></ul>
<b>Cash Balances</b>	<ul style="list-style-type: none"><li>➤ Cash balance increased by ₹1,671.91 crore (31.02 <i>per cent</i>)</li></ul>

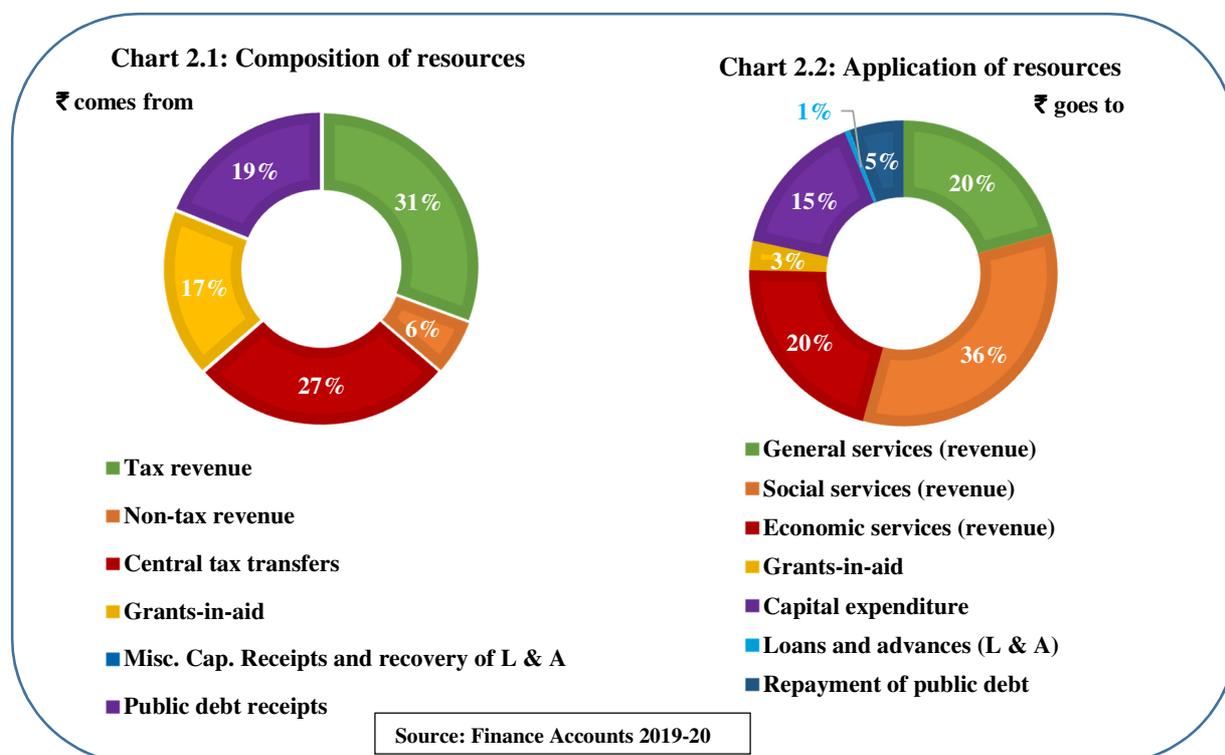
Each of the above indicators is analysed in the succeeding paragraphs.

### 2.3 Sources and Application of funds

**Table 2.2** compares the sources and application of funds of the State during 2019-20 with 2018-19 in figures, while **Charts 2.1** and **2.2** give the details of receipts into and expenditure from the Consolidated Fund during 2019-20 in terms of percentages.

	Particulars	₹ in crore		Increase (+)/ Decrease (-) (%)
		2018-19	2019-20	
<b>Composition of resources</b>	Opening Cash Balance with RBI	7,135.56	5,389.02	(-) 24.48
	Revenue Receipts	1,48,892.79	1,47,643.35	(-) 0.84
	Capital Receipts	13.04	13.66	4.75
	Recoveries of Loans & Advances	69.88	45.86	(-) 34.37
	Public Debt Receipts (Net)	18,973.70	23,430.79	23.49
	Public Account Receipts (Net)	2,967.41	11,210.82	277.79
	Inter-State Settlement	0.75	(-) 0.25	(-) 133.33
<b>Total</b>	<b>1,78,053.13</b>	<b>1,87,733.25</b>	<b>5.44</b>	
<b>Application of resources</b>	Revenue Expenditure	1,42,149.21	1,50,444.30	5.84
	Capital Expenditure	29,424.19	29,241.48	(-) 0.62
	Disbursement of Loans & Advances	1,089.66	987.16	(-) 9.41
	Inter-State Settlement	1.05	(-) 0.62	(-) 159.05
	Closing Cash Balance with RBI	5,389.02	7,060.93	31.02
<b>Total</b>	<b>1,78,053.13</b>	<b>1,87,733.25</b>	<b>5.44</b>	

Source: Finance Accounts of the respective years



Note: Miscellaneous Capital Receipt and Recovery of Loans and Advances is ₹60 crore (0.03 per cent).

## 2.4 Resources of the State

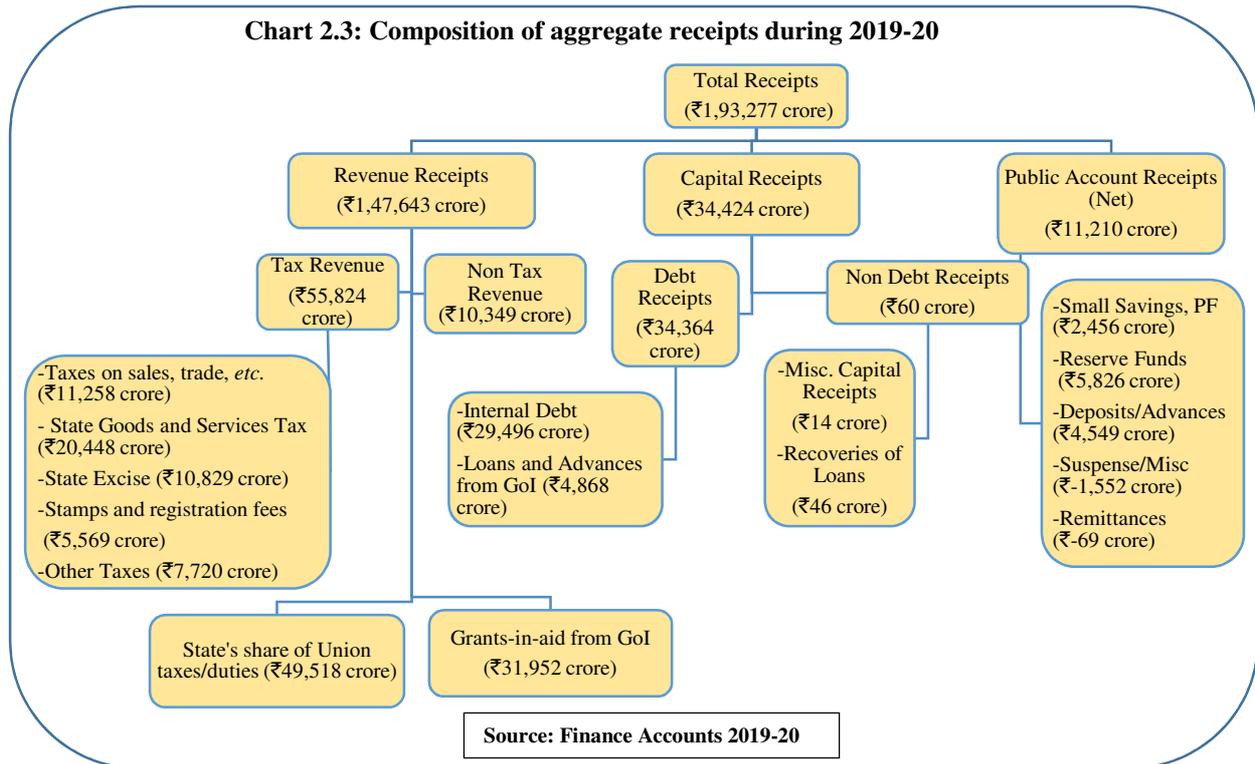
The resources of the State are described below:

- 1. Revenue receipts** consist of tax revenue, non-tax revenue, State's share of Union taxes and duties and Grants-in-Aid from the Government of India (GoI).
- 2. 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. Both revenue and capital receipts form part of the Consolidated Fund of the State.

**3. Net Public Account receipts:** There are receipts and disbursements in respect of certain transactions such as small savings, provident fund, reserve funds, deposits, suspense, remittances, *etc.* which do not form part of the Consolidated Fund. These 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. Here, the Government acts as a banker. The balance after disbursements is the fund available with the Government for use.

## 2.5 Receipts of the State

**Chart 2.3** provides the composition of the overall receipts during 2019-20.



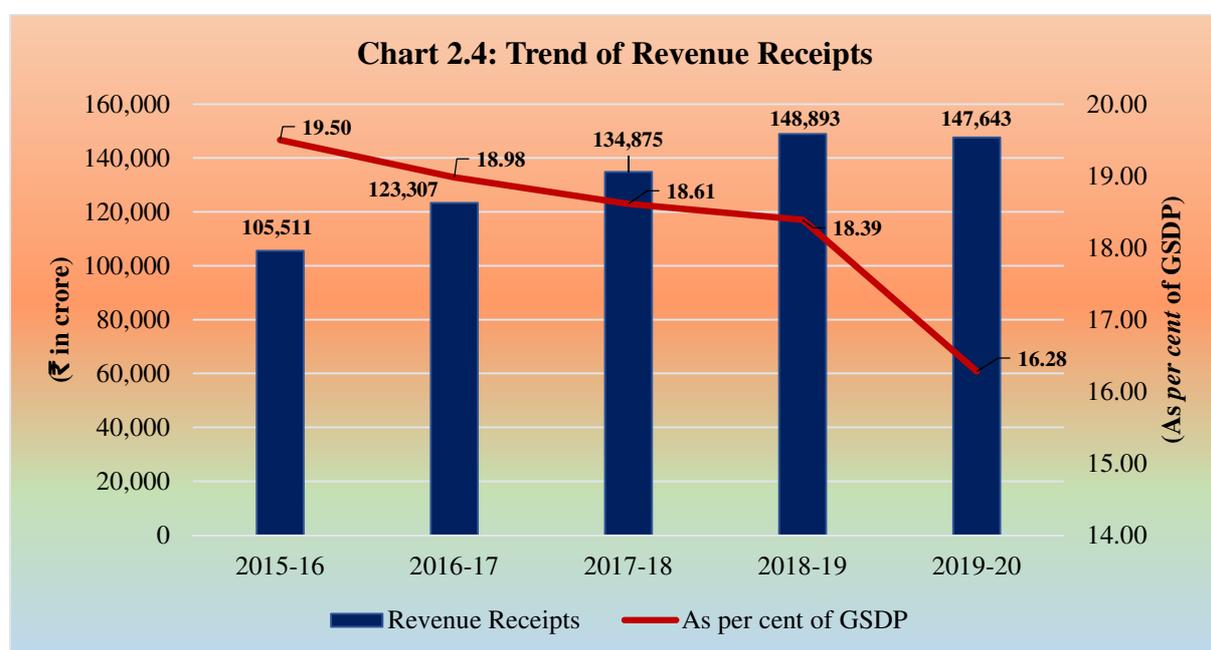
## 2.6 Revenue Receipts

### 2.6.1 Trends and Growth of Revenue Receipts

**Table 2.3** provides the trends and growth of Revenue Receipts as well as revenue buoyancy with respect to GSDP over the five-year period 2015-20. Further, trends in Revenue Receipts relative to GSDP and composition of Revenue Receipts are given in **Charts 2.4 and 2.5** respectively.

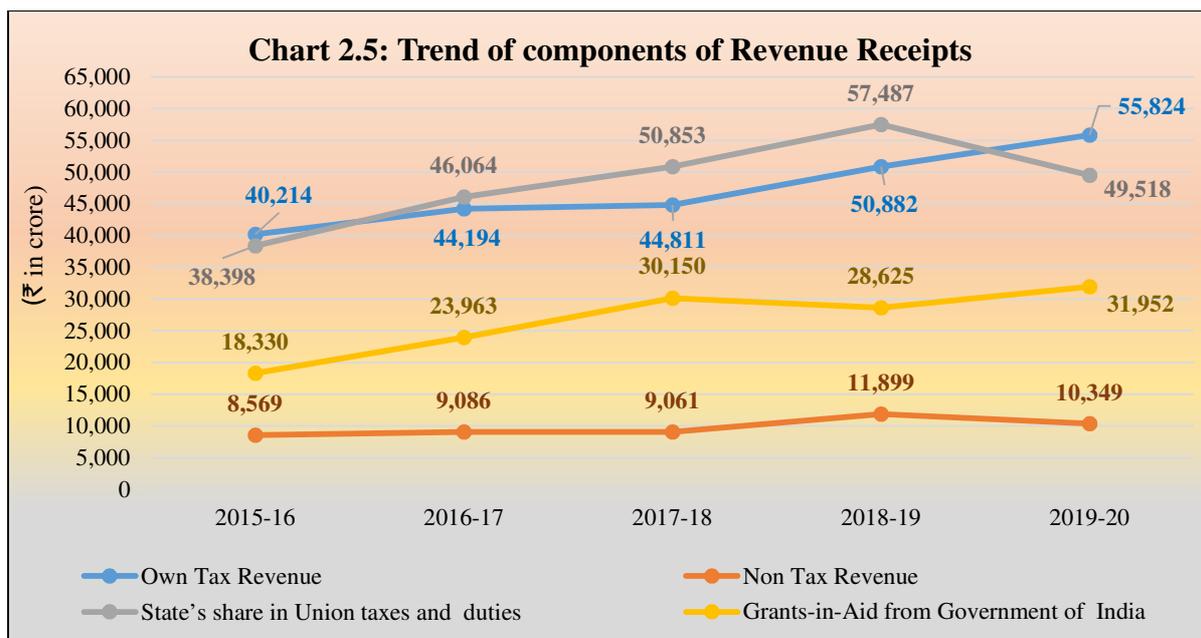
Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
Revenue Receipts (RR) (₹ in crore)	1,05,511	1,23,307	1,34,875	1,48,893	1,47,643
Rate of growth of RR ( <i>per cent</i> )	19.03	16.87	9.38	10.39	- 0.84
Own Tax Revenue (₹ in crore)	40,214	44,194	44,811	50,882	55,824
Own Non-Tax Revenue (₹ in crore)	8,569	9,086	9,061	11,899	10,349
Rate of growth of Own Revenue (Own Tax and Non-tax Revenue) ( <i>per cent</i> )	3.92	9.22	1.11	16.54	5.40
Gross State Domestic Product (₹ in crore)	5,41,068	6,49,823	7,24,729	8,09,592	9,06,672
Rate of growth of GSDP ( <i>per cent</i> )	12.74	20.10	11.53	11.71	11.99
RR/GSDP ( <i>per cent</i> )	19.50	18.98	18.61	18.39	16.28
<b>Buoyancy Ratios<sup>1</sup></b>					
Revenue Buoyancy w.r.t GSDP	1.49	0.84	0.81	0.89	-0.07
State's Own Revenue Buoyancy w.r.t GSDP	0.31	0.46	0.10	1.41	0.45

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



Source: Finance Accounts of the respective years and Information furnished by Directorate of Economic and Statistics, GoMP

<sup>1</sup> Buoyancy ratio indicates the elasticity or 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 1.85 implies that Revenue Receipts tend to increase by 1.85 percentage points, if the GSDP increases by one *per cent*.



Source: Finance Accounts of the respective years

General trends relating to Revenue Receipts of the State are as follows:

- Revenue Receipts increased by 39.93 per cent from ₹1,05,511 crore in 2015-16 to ₹1,47,643 crore in 2019-20 at an annual average growth rate of 10.97 per cent. During 2019-20, Revenue Receipts decreased by ₹1,250 crore (0.84 per cent) over the previous year mainly due to decrease in receipts of State's share of Union taxes and duties from GoI by ₹7,969 crore (13.86 per cent).
- During 2015-16, about 46 per cent of the Revenue Receipts came from the State's Own Resources, while Central Tax Transfers and Grants-in-Aid together contributed 54 per cent. In the year 2019-20, about 45 per cent of the Revenue Receipts came from the State's own resources, and Central Tax Transfers and Grants-in-Aid together contributed 55 per cent.
- There was a significant decrease in the revenue buoyancy of the State as compared to 2015-16 due to higher growth rate in GSDP and implementation of GST (in 2017-18) impacted the actual receipts in different components of revenue.

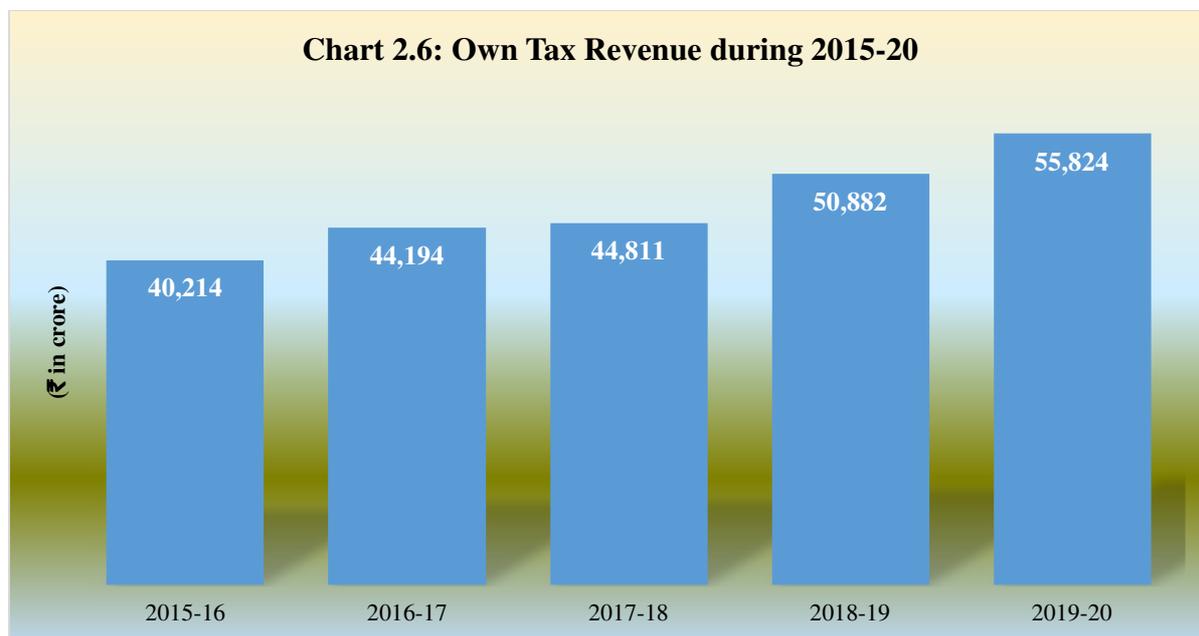
## 2.6.2 State's Own Resources

State's share in Central taxes is determined on the basis of recommendations of the Finance Commission. Grants-in-Aid from Central Government is determined by the quantum of collection of Central tax receipts and anticipated Central assistance for schemes. State's performance in mobilisation of additional resources should be assessed in terms of its own resources comprising revenue from its own Tax and Non-Tax sources.

The gross collections in respect of major Tax and Non-Tax Revenue and their relative share in GSDP during 2015-20 are given in **Appendix 2.1**.

### 2.6.2.1 Own Tax Revenue

Own Tax Revenue of the State Government during the five-year period 2015-20 is given in **Chart 2.6**:



Source: Finance Accounts of the respective years

The component-wise details of Own Tax Revenue collected during the years 2015-20 are given in **Table 2.4**:

<b>Table 2.4: Component-wise Own Tax Revenue during 2015-20</b>					
	(₹ in crore)				
Revenue Head	2015-16	2016-17	2017-18	2018-19	2019-20
Taxes on sales, trades, etc.	19,806	22,561	14,984	9,903	11,258
State Goods and Services Tax	-	-	8,696	18,508	20,448
State Excise	7,923	7,533	8,245	9,542	10,829
Taxes on vehicles	1,933	2,252	2,692	3,008	3,251
Stamps and registration fees	3,868	3,925	4,789	5,278	5,569
Land Revenue	277	407	491	384	562
Taxes on goods and passengers	3,085	3,805	1,159	118	145
Taxes and duties on electricity	2,258	2,621	2,590	2,616	2,268
Other taxes <sup>2</sup>	1,064	1,090	1,165	1,525	1,494
<b>Total</b>	<b>40,214</b>	<b>44,194</b>	<b>44,811</b>	<b>50,882</b>	<b>55,824</b>
GSDP at current prices	<b>5,41,068</b>	<b>6,49,823</b>	<b>7,24,729</b>	<b>8,09,592</b>	<b>9,06,672</b>
Tax revenue as percentage of GSDP (in per cent)	<b>7.43</b>	<b>6.80</b>	<b>6.18</b>	<b>6.28</b>	<b>6.16</b>

Source: Finance Accounts of the respective years

Own Tax Revenue of the State increased by ₹15,610 crore from ₹40,214 crore in 2015-16 to ₹55,824 crore in 2019-20 at an annual average rate of 8.90 per cent. During the current year, major contributors of Tax Revenue were State Goods and Services Tax (36.63 per cent), Taxes on Sales, Trades, etc. (20.17 per cent) and State Excise (19.40 per cent).

<sup>2</sup> Other taxes include Taxes on Immovable Property other than Agricultural Land, Other Taxes on Income and Expenditure and Duties on Commodities and Services.

### 2.6.2.2 State Goods and Services Tax (SGST)

Goods and Services Tax (GST) was implemented w.e.f. 1 July 2017. According to GST (Compensation to the States) Act 2017, Central Government will compensate the States for loss of revenue arising on account of implementation of GST for a period of five years. As per the provisions of the Act, the projected revenue for Madhya Pradesh was calculated at ₹25,890 crore for the year 2019-20 by applying the projected growth at the rate of 14 per cent per annum over the base year (2015-16) revenue of ₹15,329 crore.

During 2019-20, the State Government received ₹20,448 crore as revenue under Major Head '0006 State Goods and Services Tax'. Further, GoI released ₹4,531 crore during the year as compensation for the loss of revenue arising out of implementation of GST. Thus the compensation received by the State from GoI for projected loss of revenue was short by ₹911 crore.

Government of India's decision to provide access to Pan-India data relating to GST receipts to the CAG at GSTN premises was conveyed on 22 June, 2020. However, administrative action to implement this decision is pending at State Government level. Therefore, the accounts for the year 2019-20 have been certified on the basis of test audit, as was being done when records were being maintained manually.

### 2.6.2.3 Evasion of tax

The cases of evasion of tax detected by the Excise & Taxation Department, cases finalised and the demands for additional tax raised are important indicators of revenue collection efforts of the State Government. Promptness in disposal of refund cases is an indicator of performance of the Department. High pendency of refund cases may indicate red tape, vested interests, prevalence of speed money, etc.

The details of cases of evasion of tax detected, cases finalised and the demands for additional tax raised as on 31 March 2020 as reported by the Mining Department, Department of Registration and Stamps and Commercial Tax Department are given in **Table 2.5** below:

Table 2.5: Evasion of Tax Detected						
Nature of Revenue	No. of cases pending as on 31.03.2019	No. of cases detected during 2019-20	Total no. of cases	No. of cases in which investigation completed and additional demand including penalty raised		No. of pending cases as on 31.03.2020
				No. of cases	Amount (₹ in crore)	
Mining	4,831	16,223	21,054	13,901	55.88	7,153
Stamps and Registration fees	13,937	8,764	22,701	9,865	65.01	12,836
Commercial Tax	201	172	373	206	79.23	167
<b>Total</b>	<b>18,969</b>	<b>25,159</b>	<b>44,128</b>	<b>23,972</b>	<b>200.12</b>	<b>20,156</b>

Source: Information furnished by Departments concerned

**Table 2.6** shows details of refund cases of Commercial Tax and Stamps and Registration fees.

S.No.	Particulars	Commercial Tax		Stamps and Registration fees	
		No. of cases	Amount (₹ in crore)	No. of cases	Amount (₹ in crore)
1	Claims outstanding at the beginning of the year 2019-20	962	24.69	2,305	7.81
2	Claims received during the year	5,593	329.29	7,287	28.46
3	Refunds made during the year	5,509	291.37	7,196	26.53
4	Refunds rejected during the year	-	-	-	-
5	Balance outstanding at the end of the year 2019-20	1,046	62.61	2,396	8.45

Source: Information furnished by Department concerned

### 2.6.2.4 Non-Tax Revenue

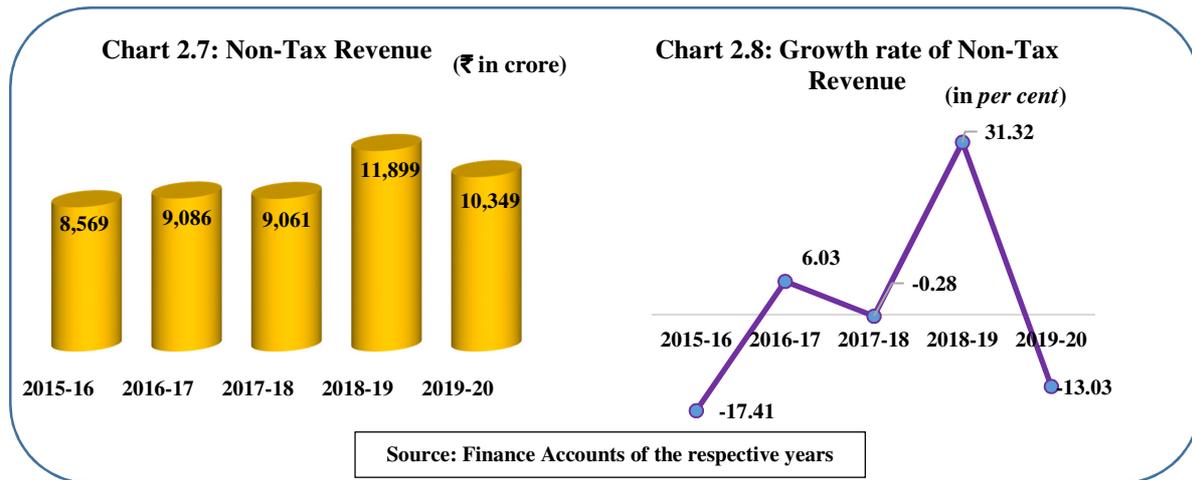
The component-wise details of Non-Tax Revenue collected during the years 2015-20 are given in **Table 2.7**:

Revenue Head	(₹ in crore)				
	2015-16	2016-17	2017-18	2018-19	2019-20
Non-Ferrous Mining and Metallurgical Industries	3,060	3,168	3,641	3,934	4,320
Education, Sports, Art and Culture	1,292	1,824	1,310	2,366	2,060
Forestry and Wildlife	1,002	918	1,112	1,043	833
Interest receipts	429	582	639	880	443
Dividends and Profits	130	231	622	347	476
Other non-tax receipts	2,656	2,363	1,737	3,329	2,217 <sup>3</sup>
<b>Total</b>	<b>8,569</b>	<b>9,086</b>	<b>9,061</b>	<b>11,899</b>	<b>10,349</b>
<b>Revenue Receipts</b>	<b>1,05,511</b>	<b>1,23,307</b>	<b>1,34,875</b>	<b>1,48,893</b>	<b>1,47,643</b>
Percentage to Revenue Receipts	8.12	7.37	6.72	7.99	7.01

Source: Finance Accounts of the respective years

Non-Tax Revenue, which ranged between seven and eight *per cent* of Total Revenue Receipts of the State during the five-year period 2015-16 to 2019-20 with inter year fluctuation, increased by ₹3,330 crore from 2015-16 to 2018-19 but decreased by ₹1,550 crore (13.03 *per cent*) during 2019-20 over the previous year. The decrease was mainly under Interest receipts (by ₹437 crore) and Education, Sports, Art and Culture (by ₹306 crore).

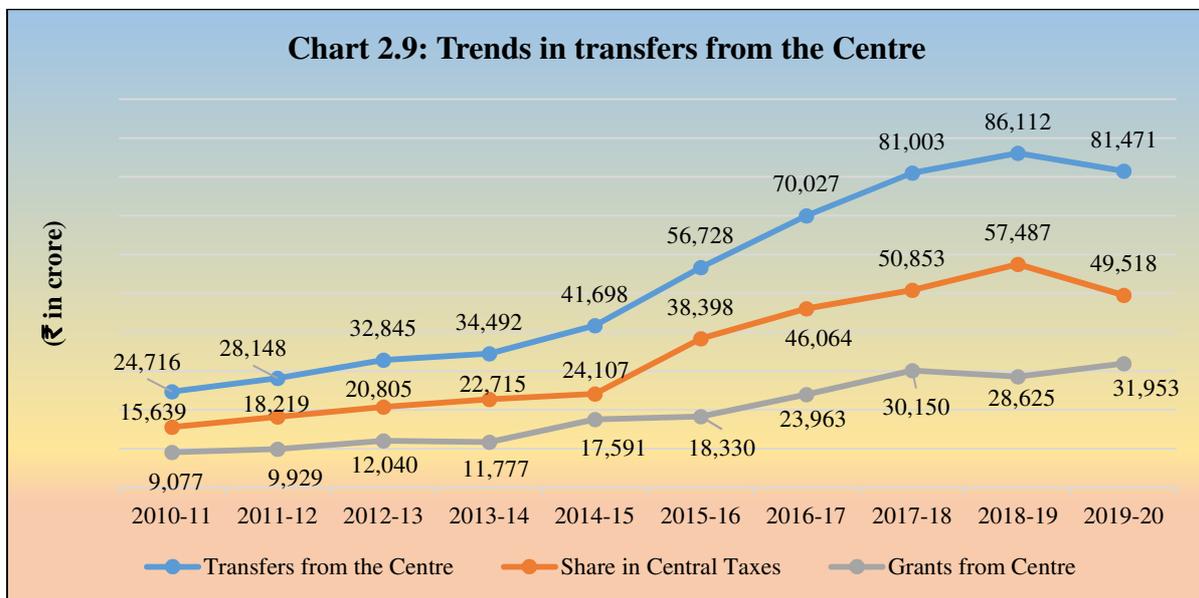
<sup>3</sup> Includes receipts under Miscellaneous General Services (₹337.75 crore), Minor Irrigation (₹234.98 crore), Other Administrative Services (₹326.95 crore), Medium Irrigation (₹113.47 crore), Contribution and Recoveries towards Pension and other Retirement Benefits (₹129.62 crore), Medical and Public Health (₹176.34 crore), Power (₹54.56 crore), Public Works (₹117.91 crore), Police (₹124.39 crore), Other Social Services (₹213.47 crore) Village and Small Industries (₹28.43 crore), Crop Husbandry (₹46.92 crore), Major Irrigation (₹58.15 crore) and Other Receipts (₹254 crore).



During 2018-19, increase in non-tax revenue was mainly under Education, Sports, Art and Culture (by ₹1,056 crore). This was primarily due to misclassification of receipts under Samagra Shiksha Abhiyan. Rajya Shiksha Kendra had misclassified the amount and credited the entire amount of ₹1,697 crore (₹1,018 crore + ₹679 crore) to Major Head 0202 instead of to Major Head 2202, resulting in increase of non-tax revenue and revenue expenditure of the State by ₹ 1,697 crore.

### 2.6.2.5 Transfer of funds from the Centre

Transfer of funds from Central Government are dependent on recommendations of Finance Commission. The trends in this regard during the 10 year period 2010-20 are given in **Chart 2.9**:



Source: Finance Accounts of the respective years

As per recommendation of XIV Finance Commission, State's share of Central Taxes would be 42 per cent from 2015-16 onwards, instead of 32 per cent received earlier as per recommendation of XIII Finance Commission. Therefore, transfer of funds from the Centre have increased from 2015-16 onwards, as shown in **Chart 2.9**.

Transfers from the Centre increased by ₹56,755 crore from ₹24,716 crore in 2010-11 to ₹81,471 crore in 2019-20. However, it decreased by ₹4,641 crore from ₹86,112 crore in 2018-19 to ₹81,471 crore in 2019-20.

### Central Tax transfers

Details of GoI transfers to the State Government during 2015-20 are given in **Table 2.8:**

Particulars	(₹ in crore)				
	2015-16	2016-17	2017-18	2018-19	2019-20
Central Goods and Services Tax	-	-	716	14,188	14,052
Integrated Goods and Services Tax	-	-	5,132	1,132	-
Corporation Tax	12,078	14,752	15,569	19,990	16,884
Taxes on income other than Corporation tax	8,400	10,252	13,147	14,722	13,229
Customs	6,134	6,346	5,131	4,075	3,139
Union Excise Duties	5,100	7,246	5,363	2,708	2,182
Service Tax	6,656	7,434	5,795	531	-
Taxes on wealth	3	34	0	7	1
Other taxes and duties on commodities and services	27	0	0	30	31
Other Taxes on Income and Expenditure	0	0	0	104	-
<b>Total Central Tax transfers</b>	<b>38,398</b>	<b>46,064</b>	<b>50,853</b>	<b>57,487</b>	<b>49,518</b>
Percentage of increase over previous year	59.28	19.96	10.40	13.05	-13.86
Percentage of Central tax transfers to Revenue Receipts	36.39	37.36	37.70	38.61	33.54

Source: Finance Accounts of the respective years

Central Tax transfers increased from ₹38,398 crore in 2015-16 to ₹57,487 crore in 2018-19. The decrease of Central Tax transfers by ₹7,969 crore in 2019-20 over the previous year was mainly under Corporation Tax (by ₹3,106 crore), Taxes on income other than Corporation Tax (by ₹1,493 crore) and Integrated Goods and Services Tax (by ₹1,132 crore).

### Grants-in-Aid from GoI

The State Government receives Grants-in-Aid and share of Union Taxes and Duties, based on the recommendations of the Finance Commission. Details of GoI grants to the State are given below in **Table 2.9:**

Table 2.9: Grants-in-Aid from GoI					
(₹ in crore)					
Particulars <sup>4</sup>	2015-16	2016-17	2017-18	2018-19	2019-20
Non-Plan grants	3,990	5,473	4,408	4,921	-
Grants for State Plan schemes	13,371	17,702	23,164	20,821	-
Grants for Central Plan schemes	359	257	67	17	-
Grants for Centrally Sponsored Schemes	610	531	-	-	-
Centrally Sponsored Schemes	-	-	-	-	19,548
Other grants to States (Compensation for loss of revenue arising out of implementation of GST)	-	-	2,511	2,866	6,327
Finance Commission Grants	-	-	-	-	6,078
<b>Total</b>	<b>18,330</b>	<b>23,963</b>	<b>30,150</b>	<b>28,625</b>	<b>31,953</b>
Percentage of increase(+)/decrease(-) over previous year	4.19	30.73	25.82	(-)5.06	11.63
Revenue receipts	1,05,511	1,23,307	1,34,875	1,48,893	1,47,643
Total grants as a percentage of revenue receipts	17.37	19.43	22.35	19.23	21.64

Source: Finance Accounts of the respective years

The Grants-in-aid from GoI increased continuously from ₹18,330 crore in 2015-16 to ₹31,953 crore in 2019-20 except for a decrease in 2018-19 which can be attributed to the decrease in Grants for State Plan Schemes. The plan and non-plan classification in annual accounts was abolished with effect from the financial year 2019-20 and the Grants-in-Aid from GoI were given in the form of funds for Centrally Sponsored Schemes, Finance Commission grants and other grants. The Grants-in-aid from GoI in 2019-20 increased by ₹3,328 crore (11.63 per cent) over the previous year primarily due to increase in GST compensation by ₹1,665 crore.

## 2.7 Fourteenth Finance Commission Grants

As per Fourteenth FC Grants are provided to the States for local bodies and State Disaster Response Fund (SDRF). Grants for local bodies are first transferred to State Government from GoI and the same is then transferred to local bodies by State Government. Details of grants provided by the GoI in this regard are given in **Table 2.10**:

Table 2.10: Recommended amount, actual release and transfers of Grants-in-aid									
(₹ in crore)									
Transfers	Recommendations of the XIV FC			Actual release by GoI			Release by State Government		
	2015-19	2019-20	Total	2015-19	2019-20	Total	2015-19	2019-20	Total
<b>(i) Grants to PRIs</b>	<b>9,448.88</b>	<b>4,107.48</b>	<b>13,556.36</b>	<b>8,806.42</b>	<b>3,956.83</b>	<b>12,763.25</b>	<b>8,806.42</b>	<b>3,956.83</b>	<b>12,763.25</b>
(a) General Basic Grant	8,540.58	3,660.14	12,200.72	8,540.58	3,660.19	12,200.77	8,540.58	3,660.19	12,200.77
(b) General Performance Grants	908.30	447.34	1,355.64	265.84	296.64	562.48	265.84	296.64	562.48
<b>(ii) Grants to ULBs</b>	<b>3,592.60</b>	<b>1,584.00</b>	<b>5,176.60</b>	<b>3,101.94</b>	<b>1,472.11</b>	<b>4,574.05</b>	<b>3,101.94</b>	<b>1,472.11</b>	<b>4,574.05</b>
(a) General Basic Grant	2,898.92	1,242.36	4,141.28	2,898.92	1,242.36	4,141.28	2,898.44	1,242.36	4,141.28
(b) General Performance Grants	693.68	341.64	1,035.32	203.02	229.75	432.77	203.02	229.75	432.77

<sup>4</sup> The Controller General of Accounts has revised classification of Grants-in-Aid with effect from 1 April 2017. However, in the accounts of Madhya Pradesh has been revised with effect from 1 April 2019.

<b>Total for Local Bodies</b>	13,041.48	5,691.48	18,732.96	11,908.36	5,428.94	17,337.30	11,908.36	5,428.94	17,337.30
<b>State Disaster Response Fund*</b>	3,404.00	960.00	4,364.00	2,988.15	647.10	3,635.25	-	-	-

\* Including State share of 25 per cent of total grant.

Source: Information furnished by Finance Department, GoMP

As can be seen from the Table above, against the XIV FC recommended grant of ₹18,732.96 crore to local bodies (for PRIs ₹13,556.36 crore and for ULBs ₹5,176.60 crore) for the period 2015-20, GoI short released ₹1,395.66 crore to GoMP. Further, XIV FC recommended ₹4,364 crore under SDRF for the period 2015-20. However, GoI short released ₹727.75 crore to the State.

## 2.8 Capital Receipts

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.

Details of Capital Receipts of the GoMP during the five year period 2015-20 are given below in **Table 2.11**:

<b>(₹ in crore)</b>						
Sl. No.	Sources of State's Receipts	2015-16	2016-17	2017-18	2018-19	2019-20
1	Miscellaneous Capital Receipts	26	24	19	13	14
2	Inter-State settlement	2	-	-	-	-
3	Recovery of loans and advances	162	772 <sup>5</sup>	5,070 <sup>6</sup>	70	46
4	<b>Non-debt Capital Receipts (1+2+3)</b>	<b>190</b>	<b>796</b>	<b>5,089</b>	<b>83</b>	<b>60</b>
5	Rate of growth of non-debt capital receipts ( <i>per cent</i> )	(-97.20)	318.95	539.32	(-98.37)	(-27.71)
6	Internal Debt	18,659	28,581	19,975	28,701	29,496
7	Growth rate of Internal Debt	36.23	53.18	(-30.11)	43.68	2.77
8	Loans and Advances from the Central Government	1,326	1,267	1,917	3,796	4,868
9	Growth rate of Loans and Advances from the Central Government	-3.35	-4.45	51.42	98.02	28.24
10	<b>Public Debt Receipts (6+8)</b>	<b>19,985</b>	<b>29,847</b>	<b>21,892</b>	<b>32,497</b>	<b>34,364</b>
11	<b>Capital Receipts (4+10)</b>	<b>20,175</b>	<b>30,643</b>	<b>26,981</b>	<b>32,580</b>	<b>34,424</b>
12	Rate of growth of Public Debt Receipts ( <i>per cent</i> )	32.62	49.35	(-) 26.65	48.44	5.75
13	Rate of growth of GSDP ( <i>per cent</i> )	12.74	20.10	11.53	11.71	11.99
14	Rate of growth of receipts under Capital Section ( <i>per cent</i> )	(-)7.72	51.89	(-)11.95	20.75	5.66

Source: Finance Accounts of the respective years

Capital Receipts of the State Government increased by 70.63 per cent from ₹20,175 crore in 2015-16 to ₹34,424 crore in 2019-20 primarily due to increase in Internal Debt from ₹18,659 crore in 2015-16 to ₹29,496 crore in 2019-20. As of 1 April 2019, the total amount of loan from GoI was ₹17,389 crore (out of the total public debt of ₹1,57,398 crore). State

<sup>5</sup> Of this, ₹507 crore pertains to recovery of loans to agriculture and allied activities.

<sup>6</sup> Of this, ₹4,622 crore pertains to recovery of 'loans for power projects'.

Government obtained ₹4,868 crore as loan from GoI during 2019-20 as block loan (back-to-back basis loan). Government paid ₹325.67 crore as interest on its loan to GoI during the year at an average interest rate of 6.69 per cent.

## 2.9 State's performance in mobilization of resources

State's performance in mobilization of resources is assessed in terms of its own resources comprising own Tax and Non-Tax sources for the year 2019-20.

(₹ in crore)					
Particulars	XIV FC projections	Budget Estimates	Actual	Percentage variation of actual over	
				XIV FC projections	Budget Estimates
Own Tax revenue	85,867	65,274	55,824	34.99	14.48
Non-Tax revenue	21,093	13,968	10,349	50.93	25.90
<b>Total</b>	<b>1,06,960</b>	<b>79,242</b>	<b>66,173</b>	<b>38.13</b>	<b>16.49</b>

Source: Finance Accounts 2019-20, XIV FC report and Budget estimates

From **Table 2.12**, it can be seen that State Government was short by 16.49 per cent in mobilizing resources against the targets set in Budget Estimates, of which, the major shortfall was of ₹9,450 crore in own Tax Revenue.

## 2.10 Application of Resources

The State Government is vested with the responsibility of incurring expenditure within the framework of fiscal responsibility legislations, while at the same time ensuring that the ongoing fiscal correction and consolidation process of the State is not at the cost of expenditure directed towards development of capital infrastructure and social sector. This paragraph along with sub paragraphs gives an analysis of allocation of expenditure in the State.

### 2.10.1 Growth and composition of expenditure

The total expenditure, its composition and relative share in GSDP during the years 2015-16 to 2019-20 are presented in **Table 2.13**:

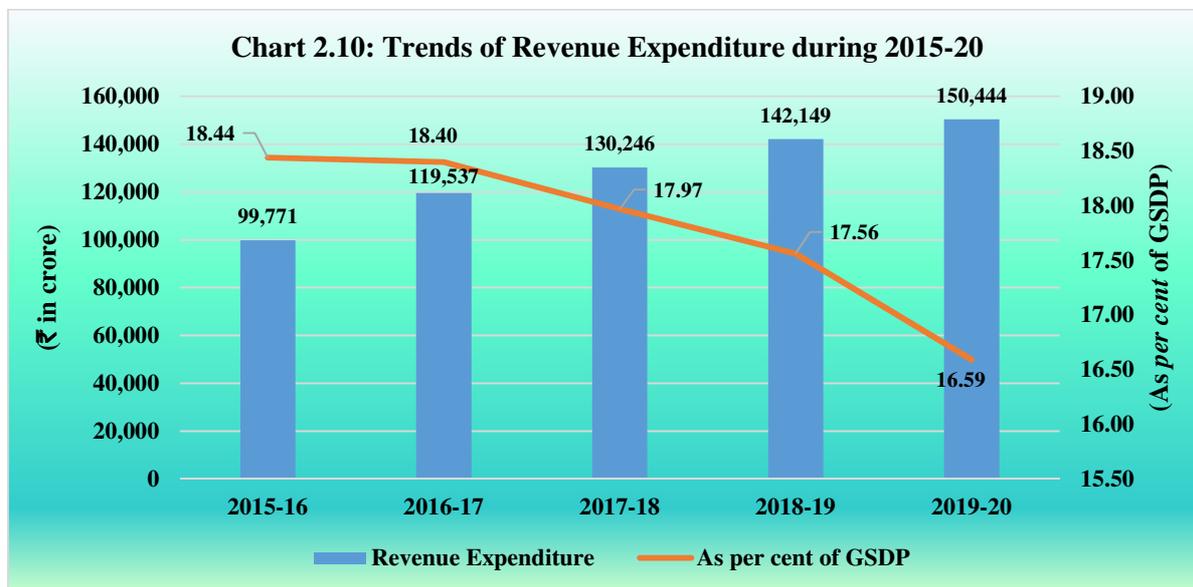
(₹ in crore)					
Parameters	2015-16	2016-17	2017-18	2018-19	2019-20
<b>Total Expenditure (TE)</b>	<b>1,19,764</b>	<b>1,51,766</b>	<b>1,62,709</b>	<b>1,72,663</b>	<b>1,80,672</b>
Revenue Expenditure (RE)	99,771	1,19,537	1,30,246	1,42,149	1,50,444
Capital Expenditure (CE)	16,835	27,288	30,913	29,424	29,241
Loans and Advances	3,158	4,941	1,550	1,090	987
<b>GSDP</b>	<b>5,41,068</b>	<b>6,49,823</b>	<b>7,24,729</b>	<b>8,09,592</b>	<b>9,06,672</b>
<b>As a percentage of GSDP</b>					
<b>TE/GSDP</b>	22.13	23.35	22.45	21.33	19.93
<b>RE/GSDP</b>	18.44	18.40	17.97	17.56	16.59
<b>CE/GSDP</b>	3.11	4.20	4.27	3.63	3.23
<b>Loans and Advances/GSDP</b>	0.58	0.76	0.21	0.13	0.11

Source: Finance Accounts of the respective years

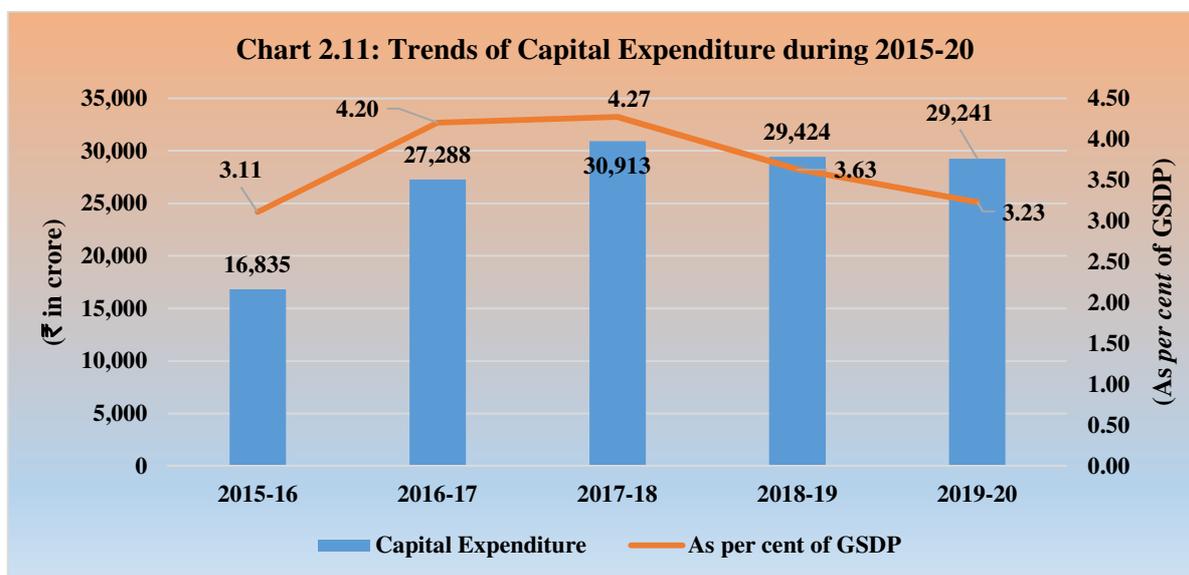
The above Table shows that Total Expenditure of the State increased by 51 per cent from ₹1,19,764 crore in 2015-16 to ₹1,80,672 crore in 2019-20. During 2019-20, it increased by

five per cent over the previous year. As a percentage of GSDP, the Total Expenditure decreased from 22.13 per cent to 19.93 per cent during 2015-20 with inter year fluctuations.

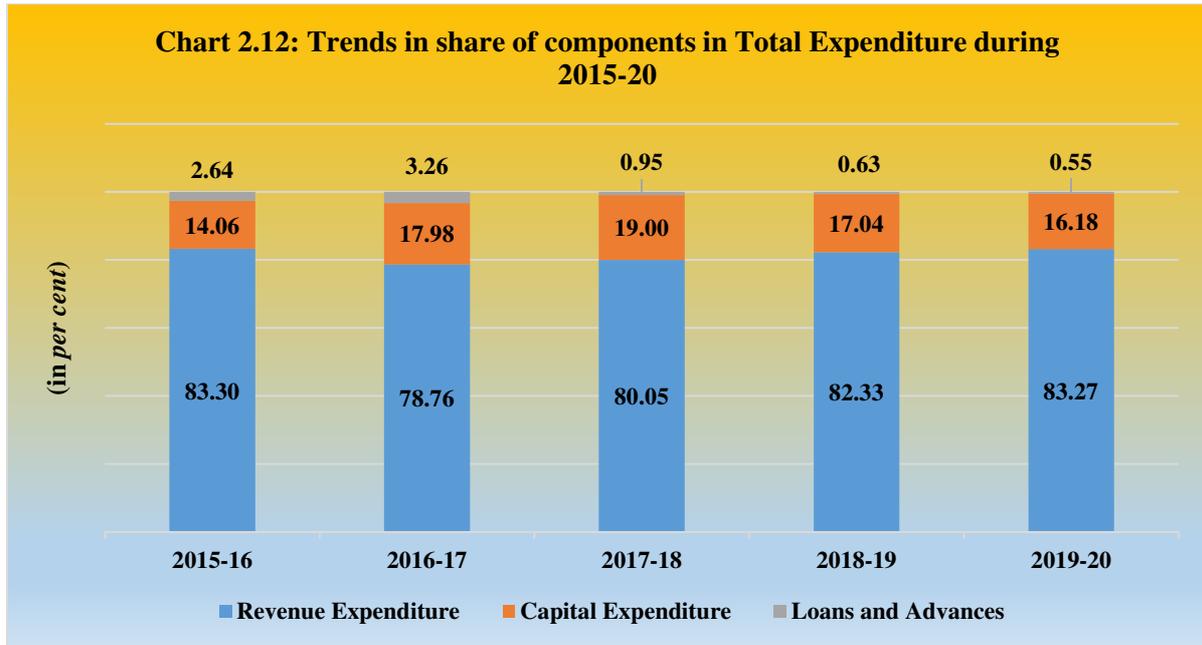
**Charts 2.10** and **2.11** present the trends in Revenue Expenditure and Capital Expenditure over the period 2015-20 whereas **Chart 2.12** depicts the trend of the share of the components in Total Expenditure.



Source: Finance Accounts of the respective years and Information furnished by Directorate of Economic and Statistics, GoMP



Source: Finance Accounts of the respective years and Information furnished by Directorate of Economic and Statistics, GoMP



Source: Finance Accounts of the respective years

It is evident from the above Charts that Capital Expenditure has generally displayed an increasing trend with inter year fluctuations in the last five years, with its share as a percentage of GSDP increasing from 3.11 in 2015-16 to 3.23 *per cent* in 2019-20. However, this increase has to be viewed in the light of the fact that Grants-in-Aid of ₹257.04 crore was booked under Capital section instead of under Revenue section in 2019-20 (further discussed in **Para 3.10** *supra*).

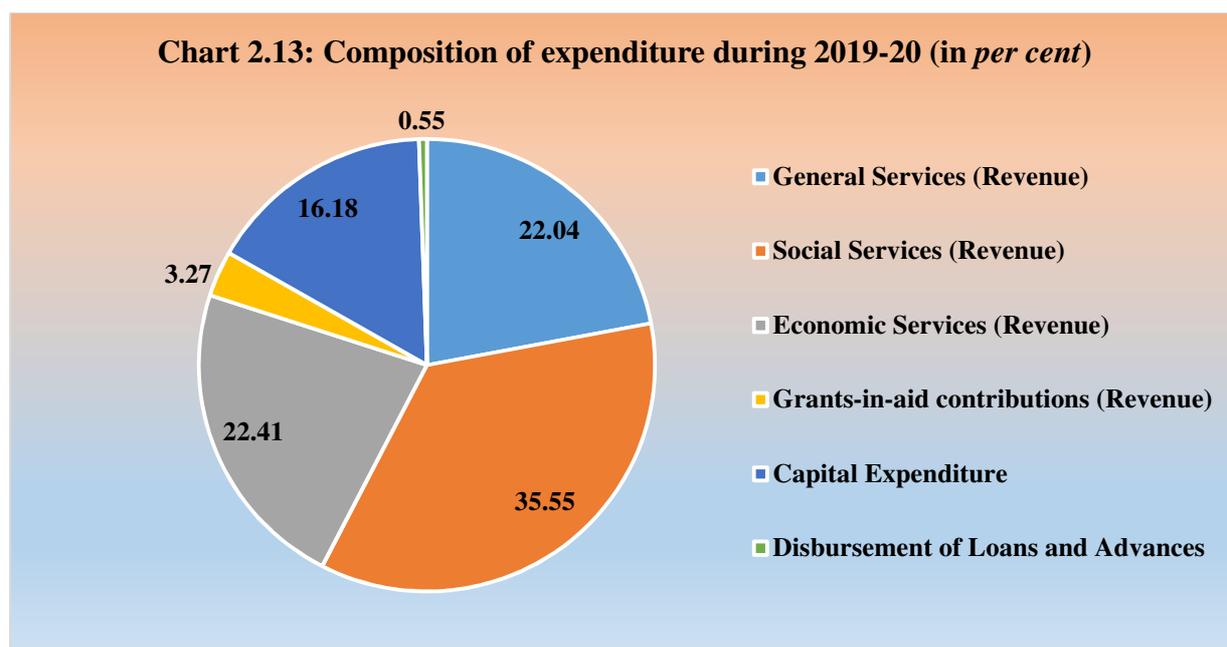
In terms of activities, Total Expenditure is composed of expenditure on General Services, including Interest Payments, Social Services, Economic Services and others. Relative share of these components in the Total Expenditure of ₹1,80,672 crore (refer **Appendix 2.1**) during 2019-20 is given in **Table 2.14**:

Table 2.14: Relative Share of various sectors in expenditure					
(in per cent)					
Parameters	2015-16	2016-17	2017-18	2018-19	2019-20
General Services	21.92	18.85	20.19	22.49	22.59
Social Services	38.14	33.75	39.15	37.31	39.38
Economic Services	32.39	39.66	35.37	35.12	34.22
Others (Grants to Local Bodies and Loans and Advances)	7.55	7.74	5.29	5.08	3.81

Source: Finance Accounts of the respective years

The relative shares of the above components of expenditure indicate that the share of General Services and Social Services in the Total Expenditure increased by 0.10 *per cent* and 2.07 *per cent* respectively, during 2019-20 over the previous year. These increases were, however, offset by decrease in the respective share of Economic Services and others (due to less disbursement of Loans and Advances).

**Chart 2.13** depicts the composition of expenditure during 2019-20.



Source: Finance Accounts 2019-20

## 2.10.2 Revenue Expenditure

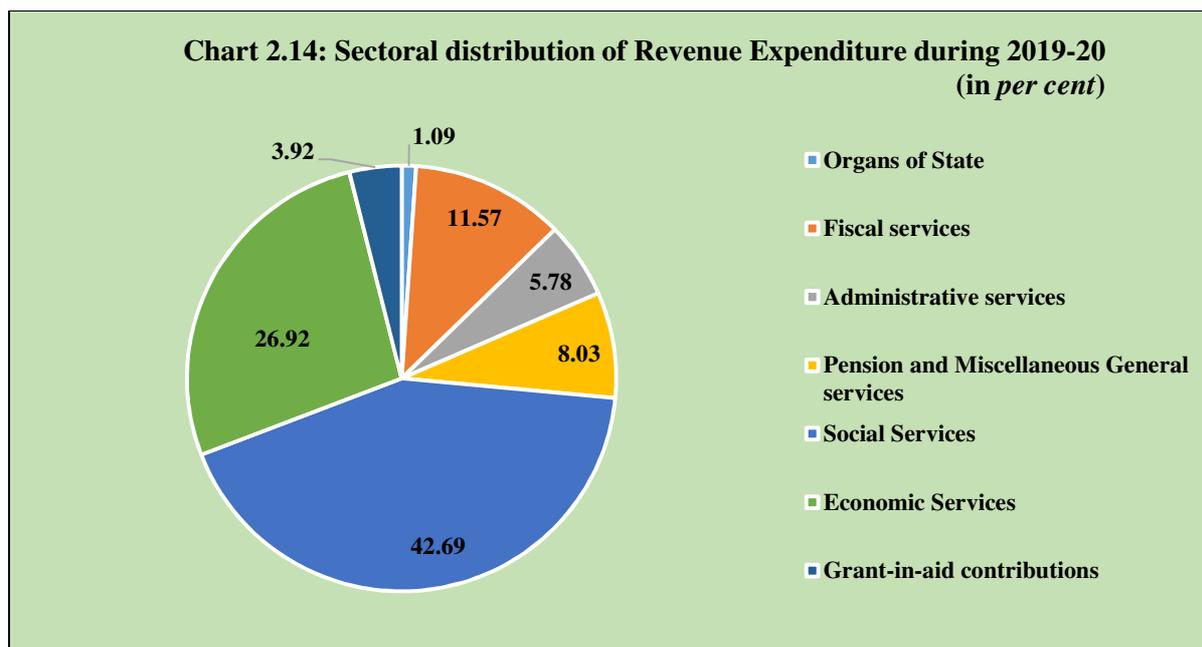
Revenue Expenditure is incurred to maintain the current level of services and for payment of past obligations. As such, it does not result in any addition to the State's infrastructure and service network.

Rate of growth of Revenue Expenditure has displayed a wide fluctuation during the five-year period 2015-20. The overall Revenue Expenditure, its rate of growth, its ratio to Total Expenditure and buoyancy *vis-à-vis* GSDP and Revenue Receipts are indicated in **Table 2.15** and the sectoral distribution of Revenue Expenditure pertaining to 2019-20 is given in **Chart 2.14**:

Table 2.15: Revenue Expenditure – basic parameters					
(₹ in crore)					
Parameters	2015-16	2016-17	2017-18	2018-19	2019-20
<b>Total Expenditure (TE)</b>	<b>1,19,766</b>	<b>1,51,767</b>	<b>1,62,709</b>	<b>1,72,664</b>	<b>1,80,672</b>
Revenue Expenditure (RE)	99,771	1,19,537	1,30,246	1,42,149	1,50,444
Rate of Growth of RE ( <i>per cent</i> )	21.12	19.81	8.96	9.14	5.84
Revenue Expenditure as percentage of TE	83.30	78.76	80.05	82.33	83.27
GSDP	5,41,068	6,49,823	7,24,729	8,09,592	9,06,672
RE/GSDP ( <i>per cent</i> )	18.44	18.40	17.97	17.56	16.59
Revenue Receipts (RR)	1,05,511	1,23,307	1,34,875	1,48,893	1,47,643
RE as percentage of RR	94.56	96.94	96.57	95.47	101.90
<b>Buoyancy of Revenue Expenditure with</b>					
GSDP (ratio)	1.66	0.99	0.78	0.78	0.49
Revenue Receipts (ratio)	0.68	1.17	0.96	0.88	-6.95

Source: Finance Accounts of the respective years

It can be seen from the above Table that Buoyancy of Revenue Expenditure with Revenue Receipts (ratio) decreased by 7.83 during 2019-20 over the previous year.



Source: Finance Accounts 2019-20

During 2019-20, Revenue Expenditure as a percentage of GSDP has decreased by 0.97 per cent, although it witnessed an increase of ₹8,295 crore (5.84 per cent) over the previous year. Further, as compared to the assessment made in Medium Term Fiscal Plan (MTFP) (₹1,78,621 crore) Revenue Expenditure was lower by ₹28,177 crore.

During the exit conference (March 2021), Finance Department stated that the current year's payments on revenue account were incurred in the next financial year (2020-21) due to Covid-19.

### 2.10.2.1 Major changes in Revenue Expenditure

**Table 2.16** details significant variations under various Heads of Account with regard to Revenue Expenditure of the State during 2019-20 compared to 2018-19.

<b>Table 2.16: Variation in Revenue Expenditure during 2019-20 compared to 2018-19</b>			
Major Heads of Account	(₹ in crore)		
	2018-19	2019-20	Variation (percentage)
2049-Interest Payments	12,695.69	14,216.52	1,520.83(11.98)
2202-General Education	25,333.50	28,015.38	2,681.88(10.59)
2210-Medical and Public Health	6,031.01	7,952.92	1,921.91(31.87)
2235-Social Security and Welfare	4,664.15	5,997.16	1,333.01(28.58)
2245-Relief on account of Natural Calamities	1,434.00	2,838.02	1,404.02(97.91)
2801-Power	9,812.72	13,968.16	4,155.44(42.35)
2217-Urban Development	5,873.21	4,757.80	-1,115.41(18.99)
2401-Crop Husbandry	11,064.14	9,164.91	-1,899.23(17.17)
3604-Compensations and Assignments to Local Bodies and Panchayati Raj Institutions	7,671.66	5,900.24	-1,771.42(23.09)

Source: Finance Accounts of the respective years

Revenue Expenditure under Major Head 2801-Power increased significantly during the year, primarily due to the increase in expenditure on rural electrification. Further, increase in expenditure under the Head 2245-Relief on account of Natural Calamities during 2019-20 as

compared to the previous year was due to increase in expenditure on gratuitous relief provided for floods, cyclones, etc.

### 2.10.2.2 Committed Expenditure

The committed expenditure of the State Government on revenue account consists of interest payments; expenditure on salaries and wages; and pensions. Upward trend on committed expenditure leaves the Government with lesser flexibility for development sector.

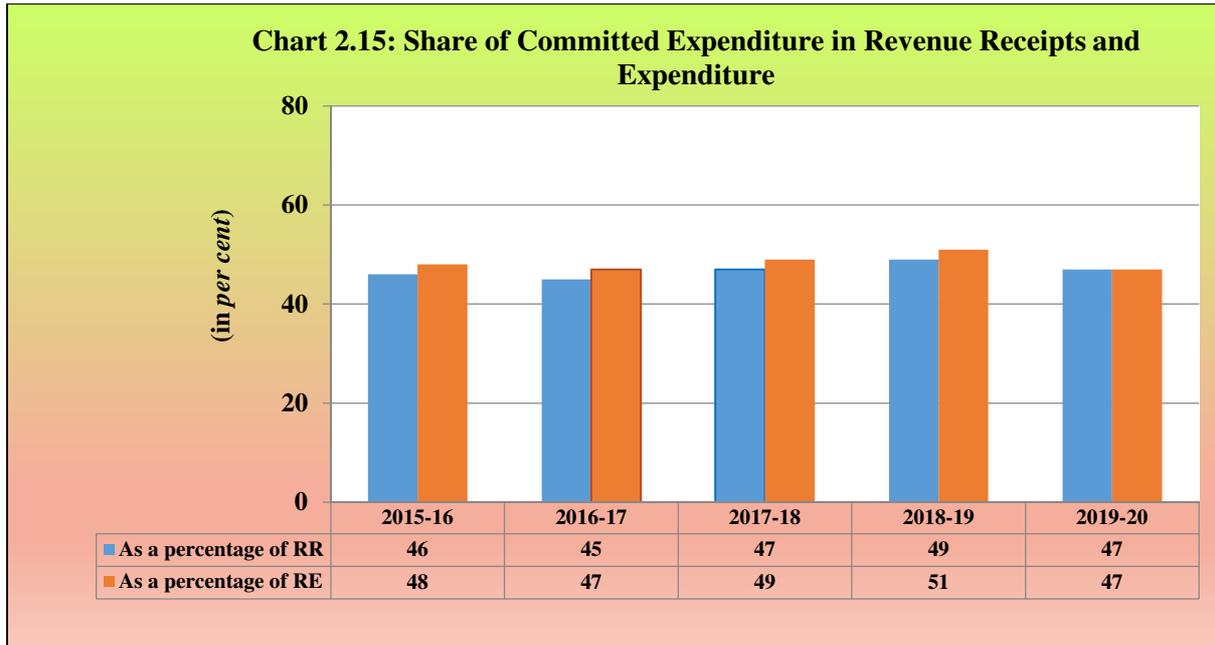
**Table 2.17** presents the trends in the components of Committed Expenditure during 2015-20.

<b>Table 2.17: Components of Committed Expenditure</b>					
(₹ in crore)					
<b>Components of Committed Expenditure</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>
Salaries & Wages	20,554	21,577	24,026	27,256	31,160
Expenditure on Pensions	7,819	8,793	9,290	11,984	12,053
Interest Payments	8,091	9,079	11,045	12,696	14,217
Subsidies	11,725	16,512	19,381	21,222	12,642
<b>Total</b>	<b>48,189</b>	<b>55,961</b>	<b>63,742</b>	<b>73,158</b>	<b>70,072</b>
<b>As a percentage of Revenue Receipts (RR)</b>					
Salaries & Wages	19.48	17.50	17.81	18.31	21.10
Expenditure on Pensions	7.41	7.13	6.89	8.05	8.16
Interest Payments	7.67	7.36	8.19	8.53	9.63
Subsidies	11.11	13.39	14.37	14.25	8.56
<b>Total</b>	<b>45.67</b>	<b>45.38</b>	<b>47.26</b>	<b>49.13</b>	<b>47.46</b>
<b>As a percentage of Revenue Expenditure (RE)</b>					
Salaries & Wages	20.60	18.05	18.45	19.17	20.71
Expenditure on Pensions	7.84	7.36	7.13	8.43	8.01
Interest Payments	8.11	7.60	8.48	8.93	9.45
Subsidies	11.75	13.81	14.88	14.93	8.40
<b>Total</b>	<b>48.30</b>	<b>46.81</b>	<b>48.94</b>	<b>51.47</b>	<b>46.58</b>

Source: Finance Accounts of respective years

Committed Expenditure has grown from ₹48,189 crore (48.30 per cent of RE) in 2015-16 to ₹70,072 crore (46.58 per cent of RE) in 2019-20. However, as compared to 2018-19, Committed Expenditure decreased by ₹3,086 crore in 2019-20 mainly on account of decrease (₹8,580 crore) in expenditure towards subsidies which was offset by a cumulative increase (₹5,494 crore) under other heads of Committed Expenditure in 2019-20.

Percentage of Committed Expenditure to Revenue Receipts and Revenue Expenditure during 2015-20 is given in **Chart 2.15**:



Source: Finance Accounts of the respective years

As can be seen from the details tabulated above, the committed expenditure (₹70,072 crore) accounted for 46.58 *per cent* of the total expenditure (₹1,50,444 crore) during 2019-20.

### 2.10.2.3 Undischarged liabilities in National Pension System payments

During 2019-20, expenditure on pension payments was ₹12,053.49 crore, out of which ₹916.71 crore was incurred towards National Pension System (NPS) applicable to employees recruited on or after 1 January 2005.

#### *National Pension System (NPS)*

New Pension Scheme was initially designed for Government employees with effect from 1 January 2005. It was further redesigned as National Pension System (NPS) in 2009. In terms of the scheme, the employee contributes 10 *per cent* of basic pay and dearness allowance, which is matched by the State Government and the entire amount is transferred to the designated Fund Manager through the National Securities Depository Limited (NSDL).

With effect from 1 October 2009 onwards, GoMP, in accordance with instructions issued by Ministry of Finance, GoI (September 2008), started classifying employees contribution under the Head 0071-01-500-‘Receipts Awaiting Transfer to other Minor Heads’, debiting Government contributions to the Head 2071-01-117-Government Contribution for Defined Contributory Pension Scheme and subsequently transferring the Government contribution to the Head 0071-01-500-‘Receipts Awaiting Transfer to other Minor Heads’.

#### *Analysis of NPS based on Finance Accounts*

Analysis of NPS based on Finance Accounts pertaining to the period 2012-13 to 2019-20 is given in **Table 2.18**:

(₹ in crore)						
Year	Details of contribution received from				Fund transferred to NSDL	Short transferred to NSDL
	Employees	GoMP	Excess contribution by GoMP (3-2)	Total (2+3)		
1	2	3	4	5	6	7
2012-13	113.86	122.72	8.86	236.58	228.78	7.80
2013-14	158.66	176.78	18.12	335.44	323.10	12.34
2014-15	216.73	239.40	22.67	456.13	438.47	17.66
2015-16	264.29	284.92	20.63	549.21	530.39	18.82
2016-17	313.40	336.94	23.54	650.34	628.48	21.86
2017-18	392.64	428.81	36.17	821.45	801.63	19.82
2018-19	424.82	728.88	304.06	1,153.70	1,040.60	113.10
2019-20	817.17	916.71	99.54	1,733.88	1,682.28	51.60
<b>Total</b>	<b>2,701.57</b>	<b>3,235.16</b>	<b>533.59</b>	<b>5,936.73</b>	<b>5,673.73</b>	<b>263.00</b>

Source: Finance Accounts of the respective years

As can be seen from **Table 2.18** above, out of the total collected contribution of ₹5,936.73 crore (employees' contribution and Government contribution) during the period 2012-20, the State Government transferred only ₹5,673.73 crore to the designated authority through NSDL, resulting in a short transfer of ₹263 crore to NSDL for further investment as per the provision of the scheme. Thus, the current liability of the State Government stands deferred to future years. Further, the State Government has created avoidable interest liability on the amount not transferred to NSDL. The information regarding short contribution to NSDL and excess contribution by GoMP had been sought, which is still awaited.

### *Non-deduction of NPS*

Out of the total 102<sup>7</sup> offices of Superintendents of Police/Commandants, Special Armed Force/Hawk Force in Madhya Pradesh, 39<sup>8</sup> offices (38 per cent) were audited during 2019-20. During the audit of these offices, non-deduction of NPS in three offices was observed where the employer had neither deducted NPS contribution amounting to ₹17.21 lakh of 1,668 employees from arrears of Seventh Pay Commission and dearness allowance, nor matched it with equal share. The details are given in **Part (A) of Table 2.19**.

Similarly, 76 offices (out of 322 offices) of Block Education Officer (BEO) and 68 offices (out of 313 offices) of Janpad Panchayat (JP), were audited in 2019-20. During the audit of these offices, non-deduction of NPS was observed in three offices (two BEOs and one JP) where the employer had neither deducted NPS contribution amounting to ₹183.80 lakh of 104 employees from salaries nor matched it with equal share. The details are given in **Part (B) of Table 2.19**.

<sup>7</sup> Includes 77 offices of Superintendent of Police, 24 offices of Commandant, Special Armed Force and one office of Commandant, Hawk Force

<sup>8</sup> Includes 35 offices of Superintendent of Police, 3 offices of Commandant, Special Armed Force and one office of Commandant, Hawk Force

Table 2.19: Unit-wise details of non-deduction of NPS from arrears of 7 <sup>th</sup> Pay Commission/ salaries							
(₹ in lakh)							
Sl. No.	Name of the office	Year of Audit	Number of employees	Period during which amount was not deducted	Employees' contribution not deducted	Matching share of employer	Amount not transferred to NSDL
<b>A. Cases of non-deduction of NPS from arrears of 7<sup>th</sup> CPC</b>							
1	Commandant, Hawk Force, Bhopal	2019-20	787	July to Oct. 2017	6.17	6.17	12.34
2	Superintendent of Police, Khandawa	2019-20	474	July to Nov. 2017	5.97 <sup>9</sup>	5.97	11.94
3	Superintendent of Police, Burhanpur	2019-20	407	July to Oct. 2017	5.07	5.07	10.14
<b>Total (A)</b>			<b>1,668</b>		<b>17.21</b>	<b>17.21</b>	<b>34.42</b>
<b>B. Cases of non-deduction of NPS from salaries</b>							
1	Block Education Officer, Patharia, District-Damoh	2019-20	14	Apr 2017, Jun 2017 and Aug 2017	0.92	0.92	1.84
2	Block Education Officer, Malthon, District- Sagar	2019-20	30	Aug 2018	0.75	0.75	1.50
3	Janpad Panchayat, Gotegaon	2019-20	60	Aug 2013 to Feb 2020	182.13	182.13	364.26
<b>Total B</b>			<b>104</b>		<b>183.80</b>	<b>183.80</b>	<b>367.60</b>
<b>Grand Total (A&amp;B)</b>			<b>1,772</b>		<b>201.01</b>	<b>201.01</b>	<b>402.02</b>

Source: Information furnished by concerned Departments

It can be seen from **Table 2.19** that employers had neither deducted the contribution of 1,772 State Government employees to NPS amounting to ₹201.01 lakh from salaries and arrears of Seventh Pay Commission, nor contributed the share of the Government, which resulted in short transfer of ₹402.02 lakh to NSDL/Trustee bank. This deprived the Government employees of the benefit of NPS.

On this being pointed out, Superintendents of Police and Commandant replied that deduction could not be made due to non-availability of provision for deducting NPS subscription from arrears in the Integrated Financial Management Information System (IFMIS) software and BEOs replied that contribution could not be deducted due to non-receipt of Permanent Retirement Account Number (PRAN).

The replies are not acceptable, as Principal Secretary, Finance Department had instructed (September 2017) heads of all the Departments to draw arrears of NPS subscribers as per previous pattern, till the necessary change is made in the IFMIS software. Further, Secretary, Finance Department vide its order (January 2016) has stipulated the time limit of 20 days for generating PRAN from the date of appointment of the employee.

#### 2.10.2.4 Subsidies

Subsidies as a percentage of Revenue Receipts decreased from 14.25 *per cent* in 2018-19 to 8.56 *per cent* in 2019-20 and as a percentage of revenue expenditure decreased from 14.93 *per cent* in 2018-19 to 8.40 *per cent* in 2019-20. In absolute terms, expenditure on payment of subsidies decreased from ₹21,222 crore in 2018-19 to ₹12,642 crore in 2019-20 which can be seen from the details given in **Table 2.20**.

<sup>9</sup> Inclusive of ₹0.62 lakh pertaining to arrears of dearness allowance

(₹ in crore)					
Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
Subsidies	11,725	16,512	19,381	21,222	12,642
Subsidies as a percentage of Revenue Receipts	11.11	13.39	14.37	14.25	8.56
Subsidies as a percentage of Revenue Expenditure	11.75	13.81	14.88	14.93	8.40
Revenue Surplus(+)/Deficit(-)	5,740	7,781	4,629	6,744	(-)2,801
Subsidies as a percentage of Revenue Surplus(+)/Deficit(-)	204	212	419	315	(-)451

Source: Finance Accounts of the respective years

During 2019-20, subsidies decreased by ₹8,580 crore over the previous year due to less subsidies given in Power sector by ₹5,506 crore under Energy Department, in Crop Husbandry by ₹812 crore under Horticulture and Food Processing Department and in Other Social Services by ₹136 crore under Adhyatam Department.

### 2.10.2.5 Financial assistance by the State Government to Local Bodies and Other Institutions

The quantum of assistance provided by way of Grants and Loans to Local Bodies and other institutions during the period 2015-16 to 2019-20 is presented in **Table 2.21**:

(₹ in crore)					
Financial assistance to Institutions	2015-16	2016-17	2017-18	2018-19	2019-20
<b>(A) Local Bodies</b>					
Panchayati Raj Institutions	14,316.52	16,807.89	27,638.46	26,301.03	18,828.94
Urban Local Bodies	7,578.89	8,194.05	11,002.14	11,408.89	6,204.28
<b>Total (A)</b>	<b>21,895.41</b>	<b>25,001.94</b>	<b>38,640.60</b>	<b>37,709.92</b>	<b>25,033.22</b>
<b>(B) Others</b>					
Public Sector Undertakings	72.60	91.50	979.15	661.03	93.50
Autonomous Bodies	3,722.45	10,241.06	1,567.26	2,245.30	3,099.07
Co-operative Societies and Co-operative Institutions	0.00	0.00	146.35	80.28	0.00
Non-Government Organisations	2,154.78	2498.40	3,097.42	1,280.38	689.03
Others	8,687.61	10,912.97	7,766.145	11,368.55	35,292.46
Other Schemes having expenditure less than ₹10 crore	1,112.80	1,234.28	1,258.064	1,082.58	1,051.05
<b>Total (B)</b>	<b>15,750.24</b>	<b>24,978.21</b>	<b>14,814.39</b>	<b>16,718.12</b>	<b>40,225.11</b>
<b>Grand Total (A+B)</b>	<b>37,645.65</b>	<b>49,980.15</b>	<b>53,454.99</b>	<b>54,428.04</b>	<b>65,258.33</b>
Revenue Expenditure	99,770.70	1,19,537.37	1,30,246.09	1,42,149.21	1,50,444.30
<b>Financial assistance as a percentage to Revenue Expenditure</b>	<b>37.73</b>	<b>41.81</b>	<b>41.04</b>	<b>38.29</b>	<b>43.38</b>

Source: Finance Accounts of the respective years

Financial assistance to Local Bodies and other Institutions increased by ₹27,612.68 crore from ₹37,645.65 crore in 2015-16 to ₹65,258.33 crore in 2019-20. Financial assistance to Local Bodies decreased by ₹12,676.70 crore over the previous year mainly due to less assistance provided to Panchayati Raj Institutions and Urban Local Bodies. The main components wherein decrease occurred were- High School and Higher Secondary School by ₹260.94 crore, Indira Housing Scheme by ₹795.06 crore, Primary Schools by ₹766.79 crore, Middle Schools by ₹428.45 crore, Grant for salary of Adhyapak Samvarg by ₹5,187.55 crore,

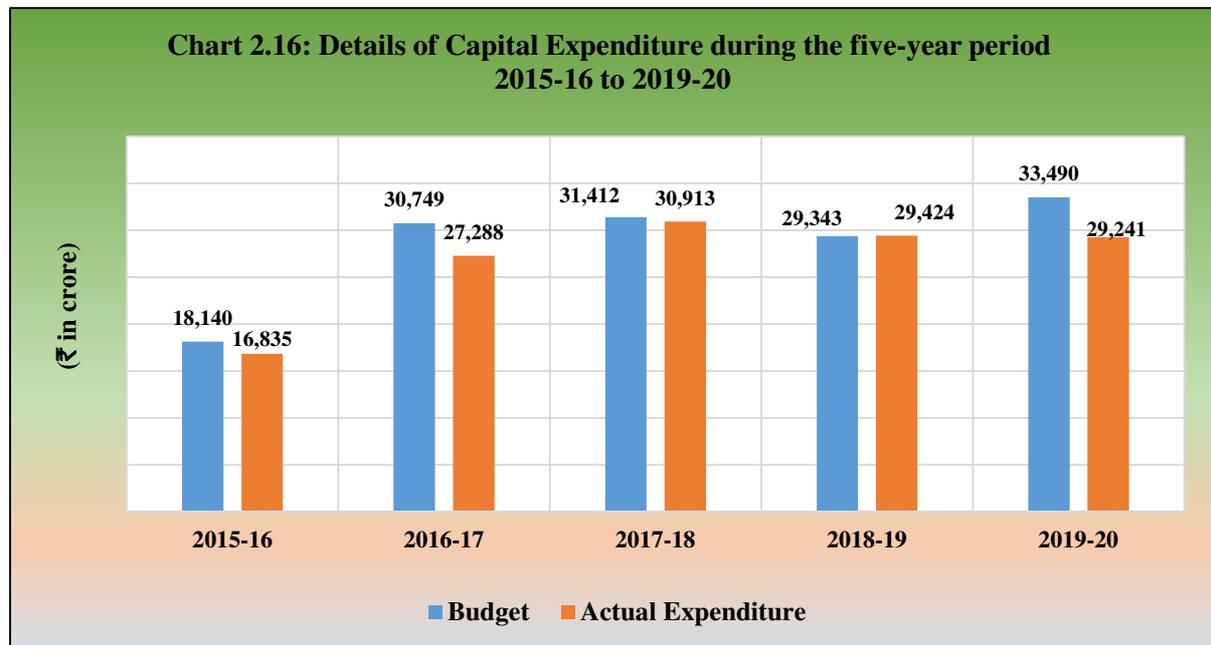
Housing for all by ₹3,444.60 crore, Atal Mission for Rejuvenation and Urban Transformation by ₹957.75 crore.

Financial assistance to Others increased by ₹23,506.99 crore during 2019-20 over previous year, mainly due to expenditure incurred in Indira Kisan Jyoti Yojana (₹6,814.00 crore), establishment of government primary schools, middle schools and high schools (₹6,727.52 crore) and Samagra Shiksha Abhiyaan (₹4,035.97 crore).

Financial assistance as a percentage of Revenue Expenditure increased from 37.73 per cent in 2015-16 to 43.38 per cent in 2019-20.

### 2.10.3 Capital Expenditure

Capital Expenditure includes primarily the expenditure on creation of fixed infrastructure assets, such as buildings, roads, bridges, etc. Details of Capital Expenditure *vis-à-vis* budget during the five year period 2015-20 are given in **Chart 2.16**:



Source: Finance Accounts of the respective years and Budget books

Capital Expenditure of the State increased during the last five years from ₹16,835 crore in 2015-16 to ₹29,241 crore in 2019-20 with inter year fluctuation. However, the State could not expend the budgetary allocation on creation of assets from 2015-16 to 2019-20 except in 2018-19.

#### 2.10.3.1 Major changes in Capital Expenditure

**Table 2.22** highlights the cases of significant increase or decrease in various Heads of Account in Capital Expenditure during 2019-20 *vis-à-vis* the previous year.

(₹ in crore)			
Major Heads of Account	2018-19	2019-20	Variation (percentage)
4055-Capital Outlay on Police	369.87	553.85	183.98(49.74)
4202-Capital Outlay on Education, Sports, Art and Culture	942.35	1,490.26	547.91(58.14)
4225-Capital Outlay on Welfare of Scheduled Castes Scheduled Tribes and other Backward Classes	738.17	982.48	244.31(33.10)
4235-Capital Outlay on Social Security and Welfare	29.37	70.22	40.85(139.09)
4406-Capital Outlay on Forestry and Wild Life	836.86	537.55	-299.31(35.77)
4425-Capital Outlay on Co-operation	1,032.20	4.73	-1,027.47(99.54)
4515-Capital Outlay on Other Rural Development Programmes	3,218.49	4,452.28	1,233.79(38.33)
4702-Capital Outlay on Minor Irrigation	932.07	480.70	-451.37(48.43)
4705-Capital Outlay on Command Area Development	100.24	55.97	-44.27(44.16)
4801-Capital Outlay on Power Projects	2,272.48	562.29	-1,710.19(75.26)
4851-Capital Outlay on Village and Small Industries	68.79	255.15	186.36(270.91)
4875-Capital Outlay on Other Industries	202.50	309.14	106.64(52.66)
5054-Capital Outlay on Roads and Bridges	6,888.56	6,145.82	-742.74(10.78)
<b>Total</b>	<b>17,631.95</b>	<b>15,900.44</b>	<b>-1,731.51(9.82)</b>
<b>Capital expenditure during the year</b>	<b>29,424.19</b>	<b>29,241.48</b>	<b>-182.71(0.62)</b>

Source: Finance Accounts of the respective years

The above Table reveals that 21 *per cent* of total Capital Expenditure was incurred on Roads and Bridges although it has decreased by ₹742.74 crore in 2019-20 as compared to the previous year. Also, 15 *per cent* of total Capital Expenditure was incurred on Other Rural Development Programmes like Pradhan Mantri Gram Sadak Yojana ((₹2,487 crore), Chief Minister Gram Sadak Yojana (₹1,125 crore), Madhya Pradesh Assembly Constituency Development Scheme (₹364 crore), *etc.*

### 2.10.3.2 Quality of Capital Expenditure

If the State Government keeps on making investments in loss making Government companies whose net worth is completely eroded, there are no chances of return on investment. Similarly, experience has shown the inevitability of write off of the loans given to loss making corporations and to other bodies, such as sugar mills, financial corporations, *etc.* Requisite steps have to be taken to infuse transparency in such financial operations. This section presents an analysis of investments and other capital expenditure undertaken by the Government during the current year.

#### Quality of investment in the Companies, Corporations and other Bodies

Capital Expenditure in the Companies, Corporations and other bodies, which are loss making or where net worth is completely eroded, is not sustainable.

Investments made and loans given to companies (e.g. DISCOMs), Corporations (e.g. SC & ST Financial Corporation), and co-operatives (e.g. sugar mills), which are loss making and those whose net worth is completely eroded, affect the quality of capital expenditure. Return

on investment in share capital invested in PSUs and history of repayment of loans given to various bodies are important determinants of quality of capital expenditure.

### Investment and Returns

As per the Finance Accounts 2019-20, the Government of Madhya Pradesh had invested ₹36,373.52 crore in 35 Statutory Corporations, 41 Government Companies, 24 Joint Stock Companies and Partnership, one Bank and 130 Co-operatives in the State as of 31 March 2020. The State Government earned a return of ₹475.96 crore on these investments during 2019-20. Year-wise details of investment by the Government of Madhya Pradesh over the five year period 2015-16 to 2019-20 are as follows:

<b>Table 2.23 Details of Investment and return on Investment as of 31 March 2020</b>					
(₹ in crore)					
Entities	2015-16	2016-17	2017-18	2018-19	2019-20
Statutory Corporations (No. of entities)	9,636.96 (26)	10,316.45 (26)	8,760.96 (33)	9,259.66 (34)	10,038.35 (35)
Government Companies (No. of entities)	5,686.40 (35)	9,423.12 (35)	20,521.26 (43)	24,349.56 (41)	24,713.23 (41)
Joint Stock Companies and Partnerships (No. of entities)	0.11 (23)	0.11 (23)	0.11 (23)	1.31 (24)	1.31 (24)
Banks <sup>10</sup> (No. of entities)	Negligible (01)	Negligible (01)	Negligible (01)	Negligible (01)	Negligible (01)
Co-operatives (No. of entities)	200.06 (130)	2,087.30 (133)	254.93 (130)	1,629.57 (130)	1,620.63 (130)
<b>Total Investment</b>	<b>15,523.53</b>	<b>21,826.98</b>	<b>29,537.26</b>	<b>35,240.10</b>	<b>36,373.52</b>
Return on investment	129.64	231.50	622.36	347.26	475.96
Return on investment ( <i>per cent</i> )	0.83	1.06	2.11	0.99	1.31
Average rate of interest on Government borrowings ( <i>per cent</i> )	6.86	6.42	6.73	6.92	6.69
Difference between interest on Government borrowings and return on investment ( <i>per cent</i> )	6.03	5.36	4.62	5.93	5.38

Source: Finance Accounts of the respective years

The average rate of return on investment was 1.26 *per cent* during the five-year period 2015-16 to 2019-20, while the average rate of interest paid by the State Government during the period was 6.72 *per cent*.

During the exit conference (March 2021), Finance Department replied that the purpose of investment is to provide infrastructure to the public and not to earn handsome returns.

There is a variation in the details relating to the State Public Sector Undertakings (PSUs) as given above in **Table 2.23** (as per Finance Accounts) and the CAG's Audit Report on the State PSUs. These differences have arisen primarily due to the investment transactions being booked in Government Accounts based on the vouchers received in the Office of the Principal Accountant General (A&E) and the details given in the Audit Reports being obtained from the individual PSUs.

The State Government has been requested several times during 2019-20 and in earlier years to reconcile the differences in the numbers of PSUs as well as investments made by the State Government in these PSUs and confirm the correct figures to the Office of the Principal

<sup>10</sup> It includes the Rural Bank and Urban and Industrial Co-operative Bank.

Accountant General (A&E) to enable depiction of the correct status in this regard. The State Government is yet to act on this issue.

**Table 2.24** depicts the investment made in Companies, whose net worth has been completely eroded:

Sl. No.	Company/ Corporation	Net worth as on 31.03.2020	Investment made during the year	Cumulative investment
1	Madhya Pradesh Police Housing and Infrastructure Development Corporation, Bhopal	₹6,130.89 lakh as on 31.03.2017	Nil	₹457.50 lakh as on 31.03.2017
2	MP Public Health Services Corporation Limited	₹2,837.88 lakh as on 31.03.2019	Nil	₹1,000.00 lakh as on 31.03.2019
3	MP Adivassi Vitta Evam Vikas Nigam	₹2,087.07 lakh as on 31.03.2004	Nil	₹1,836.00 lakh as on 31.03.2004
4	MP Pichhda Varg Tatha Alpsankyak Vitta Vikas Nigam	₹979.13 lakh as on 31.03.2011	Nil	₹854.85 lakh as on 31.03.2011
5	MP State Civil Supplies Corporation Ltd.	₹5,056.35 lakh as on 31.03.2018	Nil	₹847.44 lakh as on 31.03.2018
6	MP Warehousing & Logistics Corporation	₹98,985.35 lakh as on 31.03.2019	Nil	₹806.16 lakh as on 31.03.2019
7	Narmada Basin Projects Company Ltd.	₹599.17 lakh as on 31.03.2020	Nil	₹500.00 lakh as on 31.03.2020

Source: Information furnished by the Departments

### Loans and Advances by State Government

In addition to investments in Co-operative societies, Corporations and Companies, State Government has also provided Loans and Advances to many institutions/ organisations. **Table 2.25** presents the outstanding Loans and Advances as on 31 March 2020, along with interest receipts *vis-à-vis* interest payments during the five-year period 2015-16 to 2019-20.

Quantum of loans/interest receipts/ cost of Borrowings	₹ in crore				
	2015-16	2016-17	2017-18	2018-19	2019-20
<b>Opening Balance of Loans and Advances (1)</b>	<b>37,842</b>	<b>40,827<sup>11</sup></b>	<b>44,989<sup>12</sup></b>	<b>41,124<sup>13</sup></b>	<b>42,144</b>
Amount disbursed during the year (2)	3,158	4,941	1,550	1,090	987
Amount recovered during the year (3)	162	772	5,070	70	46
<b>Closing Balance of Loans and Advances (4)</b>	<b>40,838</b>	<b>44,996</b>	<b>41,469</b>	<b>42,144</b>	<b>43,085</b>
Net addition of Loans and Advances (5)=(2-3)	2,996	4,169	(-)3,520	1,020	941
Interest received (6)	139	62	97	235	130
Interest receipts as percentage of outstanding loans and advances (7)	0.34	0.14	0.23	0.56	0.30
Average rate of interest on Government borrowings ( <i>per cent</i> ) (8)	6.86	6.42	6.73	6.92	6.69
Difference between interest rate on market borrowings and interest received on loans ( <i>per cent</i> ) (9)	6.52	6.28	6.50	6.36	6.39

Source: Finance Accounts of the respective years

<sup>11</sup> Opening balance decreased by ₹10.21 crore due to proforma transfer to Chhattisgarh.

<sup>12</sup> Opening balance decreased by ₹6.74 crore due to proforma transfer to Chhattisgarh.

<sup>13</sup> Opening balance decreased by ₹345.35 crore due to proforma transfer to Chhattisgarh.

The total amount of outstanding Loans and Advances as on 31 March 2020 was ₹43,085 crore. Economic sector (₹38,881 crore) has huge outstanding Loans and Advances which increased by ₹620.36 crore over the previous year. The amount of Loans disbursed during the year decreased by 9.45 per cent from ₹1,090 crore to ₹987 crore in current year.

Average rate of interest paid on borrowings was 6.69 per cent during 2019-20, while the rate of interest received was only 0.30 per cent on Loans and Advances given by the Government.

#### 2.10.4 Capital blocked in incomplete projects

An assessment of trends in capital blocked in incomplete capital works would also indicate quality of capital expenditure. The State Government has not made available the details of the projects which were running behind schedule, where the estimated cost and the timelines were revised. In the absence of this information, the details of incomplete projects given below is based on a sample check of a few projects (projects taken up at an estimated cost of ₹100 crore and above) in selected Water Resources Divisions across the State.

As per Finance Accounts of the State for the year 2019-20, there were 81 incomplete/ongoing projects in Water Resources Department as on 31 March 2020. Age profile of incomplete projects based on the year of sanction/year of start of these projects as on 31 March 2020 is as follows:

(₹ in crore)			
Year	No. of incomplete projects	Estimated Cost	Expenditure (as on 31 March 2020)
2011-12	03	656.82	268.98
2012-13	05	3,349.29	3,031.86
2013-14	07	1,968.28	1,798.19
2014-15	02	3,558.15	2,403.36
2015-16	07	7,086.08	5,981.11
2016-17	16	8,066.87	4,637.41
2017-18	16	14,587.28	8,604.08
2018-19	25	23,813.05	2,880.73
<b>Total</b>	<b>81</b>	<b>63,085.82</b>	<b>29,605.72</b>

Source: Finance Accounts 2019-20

Blocking of funds on incomplete projects/works impinges negatively on the quality of expenditure and deprives the State of the intended benefits for prolonged periods. Further, the funds borrowed for implementation of these projects during the respective years proved futile and the State had to share the extra burden in terms of servicing of debt and interest liabilities. Effective steps need to be taken to complete all these above projects without further delay to avoid cost overrun due to time overrun.

#### 2.10.5 Implementation of Ujwal Discom Assurance Yojana (UDAY)

UDAY was launched by the GoI in November 2015 for operational and financial turnaround of the State owned Power Distribution Companies (DISCOMs). The Scheme aimed at reducing interest burden, cost of power, and power losses in distribution sector and improve operational efficiency of DISCOMs.

GoMP entered into a tripartite MoU with MP DISCOMs<sup>14</sup> and Ministry of Power (GoI) in August 2016 whereunder, the State would take over the debt amounting to ₹26,055 crore (75 per cent of the total debt of MP DISCOMs of ₹34,739 crore) as on 30 September 2015 in five<sup>15</sup> years. GoMP was required to take over debt of ₹4,622 crore during 2018-19 and 2019-20 and transfer the same amount to MP DISCOMs in the form of grant. This was not done. However, as committed in the MoU, GoMP took over five per cent of the losses of MP DISCOMs for the year 2017-18 amounting to ₹253.21 crore and 10 per cent losses for the year 2018-19 amounting to ₹729.95 crore in 2019-20. Details may be seen in **Table 2.27** below:

<b>Table 2.27: Financial support to DISCOMs under UDAY</b>					
(₹ in crore)					
Year	For debts taking over			For losses taking over	Total
	Equity	Loan	Grant	Grant	
2015-16	-	-	-	-	-
2016-17	3,557.00	-	4,011.00	-	7,568.00
2017-18	4,011.00	-	611.00	-	4,622.00
2018-19	-	-	500.00 <sup>16</sup>	253.21	253.21
2019-20	-	-	-	729.95	729.95
<b>Total</b>	<b>7,568.00</b>	<b>-</b>	<b>4,622.00</b>	<b>983.16</b>	<b>13,173.16</b>

Source: Finance Accounts of the respective years and information furnished by Energy Department, GoMP

Government stated (December 2019 and March 2021) that certain parameters were stipulated in the MoU to make DISCOMs eligible for transfer of amount and the DISCOMs could not fulfill the parameters as envisaged. Further, keeping in view other priorities (like debt waiver to farmers, decrease in electricity charges, paying suitable price for crops to farmers, etc.) and requirements to comply with various financial and fiscal targets set under FRBM Act, no amount was transferred to DISCOMs as per MoU under UDAY.

### 2.10.6 Availability of resources for Public Private Partnership Projects

Public Private Partnership (PPP) is an arrangement between the Government or statutory entity and a private sector entity, to provide a framework that enables them to work together to meet the rising demand of the public for infrastructure development.

Audit observed that out of 201 PPP projects (costing ₹21,320.07 crore) initiated as of March 2020, 113 projects (56.22 per cent) were completed at a cost of ₹11,802.98 crore, while 33 projects (16.42 per cent) costing ₹4,796.92 crore were in progress and 55 projects (27.36 per cent) costing ₹4,720.17 crore were in the pipeline or under bidding. Details are given in **Table 2.28** below:

<sup>14</sup> MP DISCOMs comprise Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited (MPPKVVCL), Madhya Pradesh Madhya Kshetra Vidyut Vitaran Company Limited (MPMKVVCL) and Madhya Pradesh Poorv Kshetra Vidyut Vitaran Company Limited (MPPKVVCL).

<sup>15</sup> During 2016-17, ₹7,568 crore, during 2017-18 ₹4,622 crore, during 2018-19 ₹4,622 crore, during 2019-20 ₹4,622 crore, during 2020-21 ₹4,621 crore.

<sup>16</sup> Due to delayed receipt of sanction from the Energy Department, GoMP, repayment of ₹500 crore could not be incorporated in the accounts for the year 2018-19. Correction of error for the same would be done in the Finance Accounts for the year 2020-21. Therefore, ₹500 crore is not accounted in the table.

<b>(₹ in crore)</b>											
Sl. No.	Department	Total Projects		Under Planning /Pipeline		Under bidding		Under implementation/ construction		Projects completed	
		No.	Cost	No.	Cost	No.	Cost	No.	Cost	No.	Cost
1	Animal Husbandry	2	93.14	2	93.14	0	0.00	0	0.00	0	0.00
2	Commerce, Industries & Employment	7	1,082.18	4	786.08	1	78.52	2	217.58	0	0.00
3	Energy	3	382.70	0	0.00	0	0.00	0	0.00	3	382.70
4	Farmers Welfare and Agriculture Development	1	138.50	0	0.00	0	0.00	1	138.50	0	0.00
5	Food, Civil Supplies & Consumer Protection	2	374.92	0	0.00	1	125.00	0	0.00	1	249.92
6	Forest	4	196.68	1	130.00	1	50.00	1	15.68	1	1.00
7	Horticulture	3	334.69	1	223.19	2	111.50	0	0.00	0	0.00
8	Housing & Environment	3	47.00	1	45.00	0	0.00	0	0.00	2	2.00
9	Medical Education	1	164.01	1	164.01	0	0.00	0	0.00	0	0.00
10	Public Health & Family Welfare	1	67.00	0	0.00	0	0.00	0	0.00	1	67.00
11	Public Works	133	13,164.43	12	214.85	1	16.67	20	2,115.33	100	10,817.58
12	Sports & Youth Welfare	1	900.00	0	0.00	0	0.00	1	900.00	0	0.00
13	Technical Education & Skill Development	3	331.30	1	176.30	0	0.00	2	155.00	0	0.00
14	Tourism	3	35.00	0	0.00	2	20.00	1	15.00	0	0.00
15	Transport	1	1,094.00	0	0.00	0	0.00	1	1,094.00	0	0.00
16	Tribal Welfare	1	52.02	1	52.02	0	0.00	0	0.00	0	0.00
17	Urban Development & Housing	32	2,862.50	22	2,419.95	1	13.94	4	145.83	5	282.78
<b>Total</b>		<b>201</b>	<b>21,320.07</b>	<b>46</b>	<b>4,304.54</b>	<b>9</b>	<b>415.63</b>	<b>33</b>	<b>4,796.92</b>	<b>113</b>	<b>11,802.98</b>

Source: Information provided by Directorate of Institutional Finance, M.P., Bhopal

### 2.10.7 Expenditure priorities

Enhancing human development levels requires the State to step up its expenditure on key social services like education, health, *etc.* Low fiscal priority (ratio of expenditure under a category to aggregate expenditure) is attached to a particular sector, if the allocation is below the respective national average. The higher the ratio of these components to total expenditure, the quality of expenditure is considered to be better.

The fiscal priorities of the State Government with regard to development expenditure, social services expenditure and capital expenditure during 2015-16 to 2019-20 are analysed in **Table 2.29** below:

(in per cent)							
Fiscal Priority (percentage to GSDP)	AE/GSDP	DE#/AE	SSE/AE	ESE/AE	CE/AE	Education/AE	Health/AE
General Category States Average (Ratio) 2015-16	16.97	70.29	36.09	34.19	14.81	18.32	5.95
Madhya Pradesh's (Ratio) 2015-16	22.13	73.15	38.17	34.99	14.06	14.07	4.08
General Category States Average (Ratio) 2019-20	15.15	65.42	36.73	28.69	12.97	17.42	6.19
Madhya Pradesh's (Ratio) 2019-20	19.93	57.96	35.55	22.41	16.19	15.77	4.40

AE: Aggregate Expenditure; DE: Development Expenditure; SSE: Social Services Expenditure; ESE: Economic Services Expenditure; CE: Capital Expenditure.  
# Development expenditure includes Development Revenue Expenditure, Development Capital Expenditure and Loans and Advances disbursed.

Allocation to health and education has been lower in Madhya Pradesh both during 2015-16 as well as the current year 2019-20 compared to the average allocation to these sectors by the General Category States during these years. In fact, while the ratio of allocation to development expenditure of the State exceeded the average quantum allocated by the General Category States during 2015-16, it lagged behind the latter during 2019-20.

### 2.10.8 Object Head wise expenditure

Finance Accounts depict transactions only up to the Minor Head level. Therefore, a drill down view of budgetary allocation and extent of expenditure (above ₹1,000 crore) incurred on the actual items at the Object Head Level is given in **Table 2.30** below:

(₹ in crore)			
Head	Budget	Expenditure	Utilisation percentage
11-Salaries	32,136.66	29,635.66	92.22
12-Wages	1,777.78	1,524.03	85.73
13-Pension and Pensionary benefits	13,345.14	11,162.89	83.65
19-Salary of works charged contingent employee	1,484.73	1,262.14	85.01
31-Payment for Professional Services	3,144.73	2,649.68	84.26
32-Minor Works	1,675.02	1,368.28	81.69
33-Maintenance	1,966.37	1,369.12	69.63
34-Material and Supplies	5,437.99	4,199.37	77.22
41-Stipend and Scholarship	2,701.82	2,393.68	88.60
42-Grants-in-aid	89,083.54	64,444.15	72.34
44-Subsidies	18,329.19	12,641.50	68.97
51-Other Charges	1,886.49	1,135.26	60.18
52-Payment of Interest/Dividend	14,484.09	14,250.48	98.39
64-Major Works	29,359.49	23,604.58	80.40
65-Investment	2,976.78	1,088.39	36.56
73-Inter Account Transfer	10,947.49	3,813.28	34.83
<b>Total</b>	<b>2,30,737.31</b>	<b>1,76,542.49</b>	<b>76.51</b>

Source: Finance Accounts and VLC data 2019-20

As can be seen from the above Table, out of a total budgetary allocation of ₹2,30,737 crore on the above Object Heads, the actual expenditure on various Object Heads during 2019-20 was only ₹1,76,542 crore (76.51 per cent). Out of the 16 Objects Heads mentioned above, two Object Heads utilised lower than 50 per cent of their allocation.

## 2.11 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 Government acts as a banker in respect of these. The balance after disbursements during the year is the fund available with the Government for use for various purposes.

### 2.11.1 Net Public Account Balances

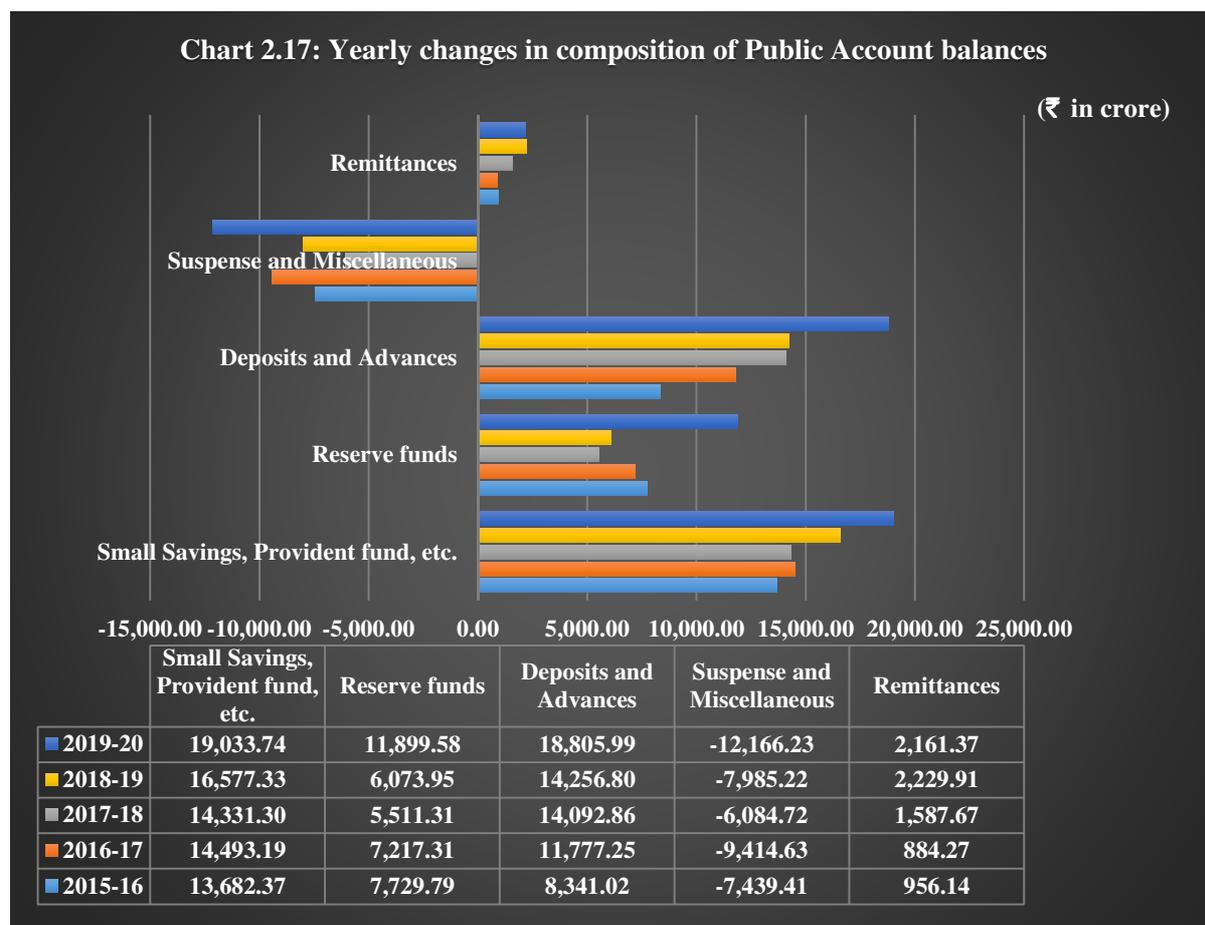
Component-wise net balances in the Public Account of the State as of end of March 2020 are given in **Table 2.31** below:

Table 2.31: Component-wise net balances in Public Account as of 31 March of the year						
(₹ in crore)						
Sector	Sub Sector	2015-16	2016-17	2017-18	2018-19	2019-20
<b>I. Small Savings, Provident Fund, etc.</b>	National Small Savings Fund, State Provident Funds and Other Accounts	13,682.37	14,493.19	14,331.30	16,577.33	19,033.74
<b>J. Reserve Funds</b>	(a) Reserve Funds bearing Interest	770.46	770.46	102.46	75.43	5,199.92
	(b) Reserve Funds not bearing Interest	6,959.33	6,446.85	5,408.85	5,998.52	6,699.66
<b>K. Deposits and Advances</b>	(a) Deposits bearing Interest	32.46	2.93	-16.63	-31.54	-44.45
	(b) Deposits not bearing Interest	8,313.36	11,778.25	14,112.89	14,291.74	18,853.92
	(c) Advances	-4.80	-3.93	-3.40	-3.40	-3.48
<b>L. Suspense and Miscellaneous</b>	(b) Suspense	-28.24	-178.36	-679.42	-222.35	-1,391.42
	(c) Other Accounts	-7,411.02	-9,236.12	-5,405.15	-7,762.72	-10,774.66
	(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	0.00
<b>M. Remittances</b>	(a) Money Orders and other Remittances	1,140.84	1,424.99	2,167.14	2,885.48	2,855.74
	(b) Inter-Governmental Adjustment Account	-184.70	-540.72	-579.47	-655.57	-694.37
<b>Total</b>		<b>23,269.91</b>	<b>24,957.39</b>	<b>29,438.42</b>	<b>31,152.77</b>	<b>39,734.45</b>

Source: Finance Accounts of respective years

Component-wise net balances in Public Account as of 31 March of the respective year increased from ₹23,269.91 crore in 2015-16 to ₹39,734.45 crore in 2019-20. The net balances in Public Account increased by ₹8,581.68 crore in 2019-20 over the previous year, mainly due to increase in Small Savings, Provident Fund, *etc.* by ₹2,456.41 crore, Reserve Funds bearing interest by ₹5,124.49 crore and Deposits not bearing interest by ₹4,562.18 crore, which was counter-balanced by decrease in other accounts by ₹3,011.94 crore.

The yearly changes in composition of balances in Public Account over the five-year period 2015-20 are given in **Chart 2.17**:



Source: Finance Accounts of respective years

## 2.11.2 Reserve Funds

Reserve Funds are created for specific and well defined purposes under the Public Account of the State Government. These funds are met from contributions or grants from the Consolidated Fund of India or the State or from outside agencies. The transactions under Reserve Funds during 2015-16 to 2019-20 are summarised in **Table 2.32**.

Table 2.32: Position of Reserve Funds during 2015-20							
(₹ in crore)							
Sl. No.	Heads of Account	Number of Reserve Funds		Opening balance as on 1 April 2015	Receipts during 2015-20	Disbursements during 2015-20	Closing balance as on 31 March 2020
		Operative	Inoperative				
<b>Reserve Funds bearing interest</b>							
1	8121-General and other Reserve Funds	02	00	102.46	14,443.67	9,346.22	5,199.91
<b>Reserve Funds not bearing interest</b>							
1	8223-Famine Relief Fund	01	00	5.92	0.01	Nil	5.93
2	8226-Depreciation/ Renewal Reserve Funds	00	01	4.64	NIL	NIL	4.64
3	8228- Revenue Reserve Funds	01	00	31.63	0.07	NIL	31.70

4	8229-Development and Welfare Funds	03	04	5,859.72	4,769.91	3,964.63	6,665.00
5	8235-General and Other Reserve Funds	01	01	394.61	14.21	NIL	408.82
<b>Total</b>		<b>08</b>	<b>06</b>	<b>6,398.98</b>	<b>19,227.87</b>	<b>13,310.85</b>	<b>12,316.00</b>

Source: Finance Accounts of respective years

Out of the total outstanding balance of ₹12,316 crore available in various Reserve Funds as on 31 March 2020, the GoMP invested ₹416.42 crore which was mainly under Guarantee Redemption Fund (₹409 crore).

Analysis of certain major Reserve Funds having a bearing on the liability position of the Government, its funding and expenditure are detailed in succeeding paragraphs.

### 2.11.2.1 State Disaster Response Fund

The State commenced operation of the “State Disaster Response Fund” in 2010-11 as recommended by the XIII Finance Commission. In terms of the guidelines and as per recommendation of XIV Finance Commission, the Central and State Governments are required to contribute to the State Disaster Response Fund in the proportion of 75:25. The contribution is to be transferred to Public Account under Major Head 8121 and the expenditure during the year is incurred by operating Major Head 2245. In terms of guidelines, in case of severe calamities, where requirement falls short of the balance in the SDRF, the Central Government may provide immediate relief from the National Disaster Relief Fund (NDRF).

The State Government had issued sanction for ₹1,066 crore (₹799.50 crore Central Share and ₹266.50 crore State Share) under SDRF during the year 2019-20. However, GoI released only ₹647.10 crore under SDRF during 2019-20. During the year 2018-19, Government of India released an additional assistance of ₹334 crore to the State Government, which was transferred by the State Government under SDRF during the year 2019-20 instead of the year 2018-19. An additional assistance of ₹1,712.14 crore released from the GoI was also transferred under SDRF by State Government during the year 2019-20. Thus, the total amount transferred by the State Government under SDRF during the year 2019-20 was ₹3,112.14 crore. There was a balance of ₹75.19 crore in the fund as on 31st March 2019. The entire amount of ₹3,187.33 crore was utilized for relief on account of natural calamities. Details of expenditure charged to SDRF is given below in **Table 2.33**:

(₹ in crore)			
Major Head of Account	Sub-Major Head of Account	Minor Head of Account	Amount
2245-Relief on Account of Natural Calamities	02-Floods, Cyclones, etc.	101-Gratuitous Relief	2,423.11
	05-State Disaster Response Fund	101-Transfer to Reserve Funds and Deposit Accounts- State Disaster Response Fund	1,066.00
		901- Deduct- Account met from State Disaster Response Fund	-1,141.18

	80-General	001-Direction and Administration	1.64
		102-Management to Natural Disaster, Contingency Plans in disaster prone areas	93.99
		103-Assistance to State from National Disaster Response Fund	2,046.14 <sup>17</sup> -2,046.14 <sup>18</sup>
		800-Other Expenditure	308.38
	<b>Total</b>		<b>2,751.94</b>

Source: Finance Accounts 2019-20

### 2.11.2.2 Guarantee Redemption Fund

The State Government constituted the Guarantee Redemption Fund (GRF) in 2005-06 pursuant to the recommendation of XII Finance Commission. As per the guidelines of GRF, the Fund is required to be credited by State Government with guarantee fees realised in the preceding year and a matching contribution by the State Government. This is however not in accordance with the guidelines of RBI, based on the Report of Committee of State Finance Secretaries, wherein the creation of the GRF is to be preceded by risk weighting of guarantees. Further, the State Government is required to contribute a minimum of one *per cent* of outstanding guarantees at the time of the creation of the fund and thereafter contribute a minimum of 0.50 *per cent* every year to achieve a minimum level of three *per cent* in the next five years. The right size of the Fund may be a minimum of three *per cent* of the outstanding guarantees of previous year.

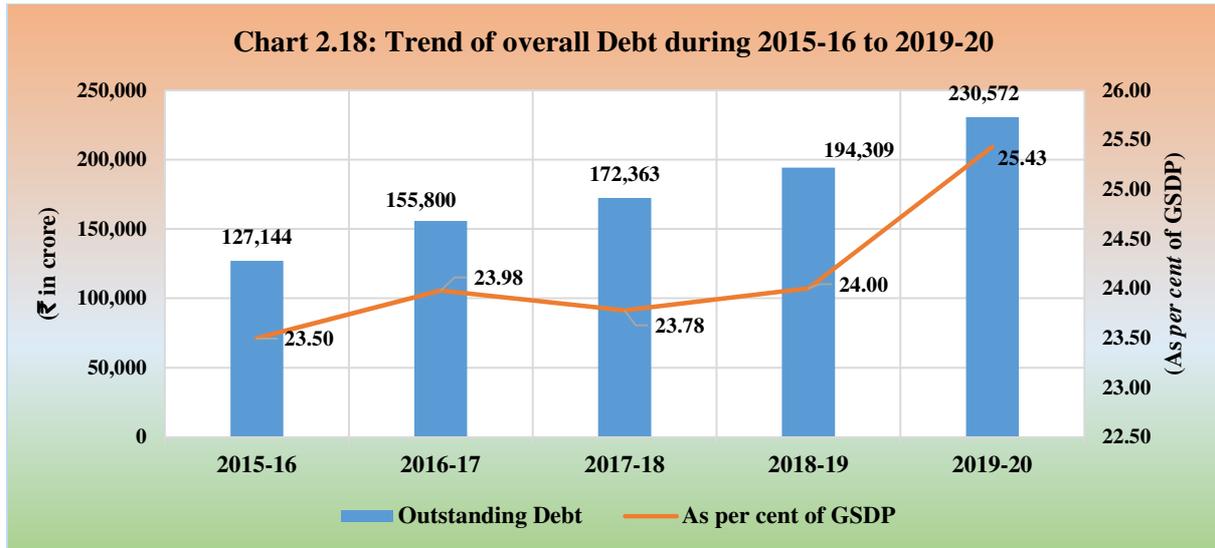
Guarantee fees of ₹14.73 crore was realised by the State Government in 2018-19. As per the guidelines, ₹29.46 crore was to be contributed by the State to the Fund in the year 2019-20. However, no amount was contributed by the State Government to the Fund. GoMP has contributed ₹408.79 crore to the GRF as on 31 March 2020, which was invested in Central Government Dated Securities. As per Guidelines of GRF, an amount of minimum ₹922.90 crore (three *per cent* of ₹30,763.38 crore outstanding guarantee as on 31 March 2019) should have been available in GRF as on 31 March 2020. Thus, there was a short contribution of ₹514.11 crore as on 31 March 2020 in the GRF.

## 2.12 Debt Management

Debt management is the process of establishing and executing a strategy for managing the Government's debt in order to raise the required amount of funding, achieve its risk and cost objectives, and meet any other sovereign debt management goals that the Government may have set through enactment or any other annual budget announcements. The trend of overall Debt between 2015-16 and 2019-20 may be seen in **Chart 2.18** below:

<sup>17</sup> Transferred to Major Head 8121-122-State Disaster Response Fund.

<sup>18</sup> Recouped from Major Head 8121-122-State Disaster Response Fund.



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

### 2.12.1 Debt Profile: Components

As per MPFRBM act, Public Debt comprises internal debt of the State Government and Loans and Advances from Central Government. Internal debt consists of Market Loans, Ways and Means advances from RBI, Compensation and other Bonds, Loans from Financial Institutions and Special Securities issued to National Small Savings Fund of Central Government.

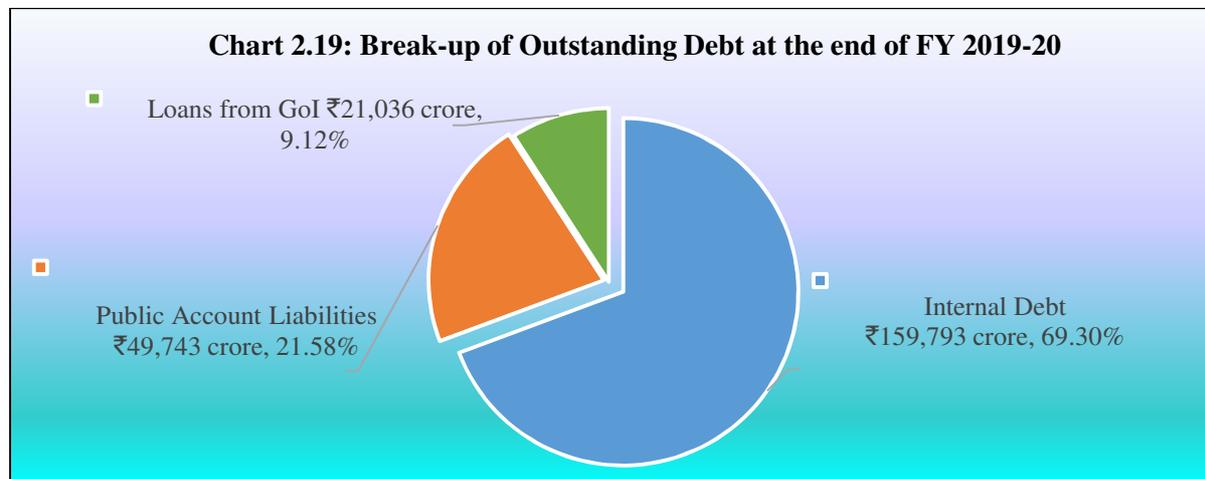
The details relating to total debt received, repayment of debt, ratio of debt to GSDP and the actual quantum of debt available to the State during the five-year period 2015-20 are given in **Table 2.34:**

<b>Table 2.34: Trend of Debt</b>					
(₹ in crore)					
	2015-16	2016-17	2017-18	2018-19	2019-20
Outstanding Debt	1,27,144	1,55,800	1,72,363	1,94,309	2,30,572
Public Debt					
Internal Debt	83,718	1,08,391	1,23,683	1,40,009	1,59,793
Loans from GoI	13,668	13,917	14,741	17,389	21,036
Liabilities on Public Account <sup>19</sup>	29,758	33,492	33,939	36,911	49,743
Rate of growth of Overall outstanding debt (percentage)	16.98	22.54	10.63	12.73	18.66
Gross State Domestic Product (GSDP)	5,41,068	6,49,823	7,24,729	8,09,592	9,06,672
Debt/GSDP (per cent)	23.50	23.98	23.78	24.00	25.43
Total Debt Receipts	49,524	64,106	52,579	71,063	85,613
Total Debt Repayments	31,067	35,448	34,506	49,087	49,351
Total Debt Available	18,457	28,658	18,073	21,976	36,262
Debt Repayments/Debt Receipts (percentage)	62.73	55.30	65.63	69.08	57.64
Target under XIV Finance Commission (Debt-GSDP (in per cent))	24.87	25.34	25.49	25.63	25.75

Source: Finance Accounts of respective years and Recommendation of XIV FC

<sup>19</sup> Liabilities on Public Account includes Small Savings Provident Funds, etc., Reserve Funds bearing interest, Reserve Funds not bearing interest and Deposit bearing interest and Deposit not bearing interest.

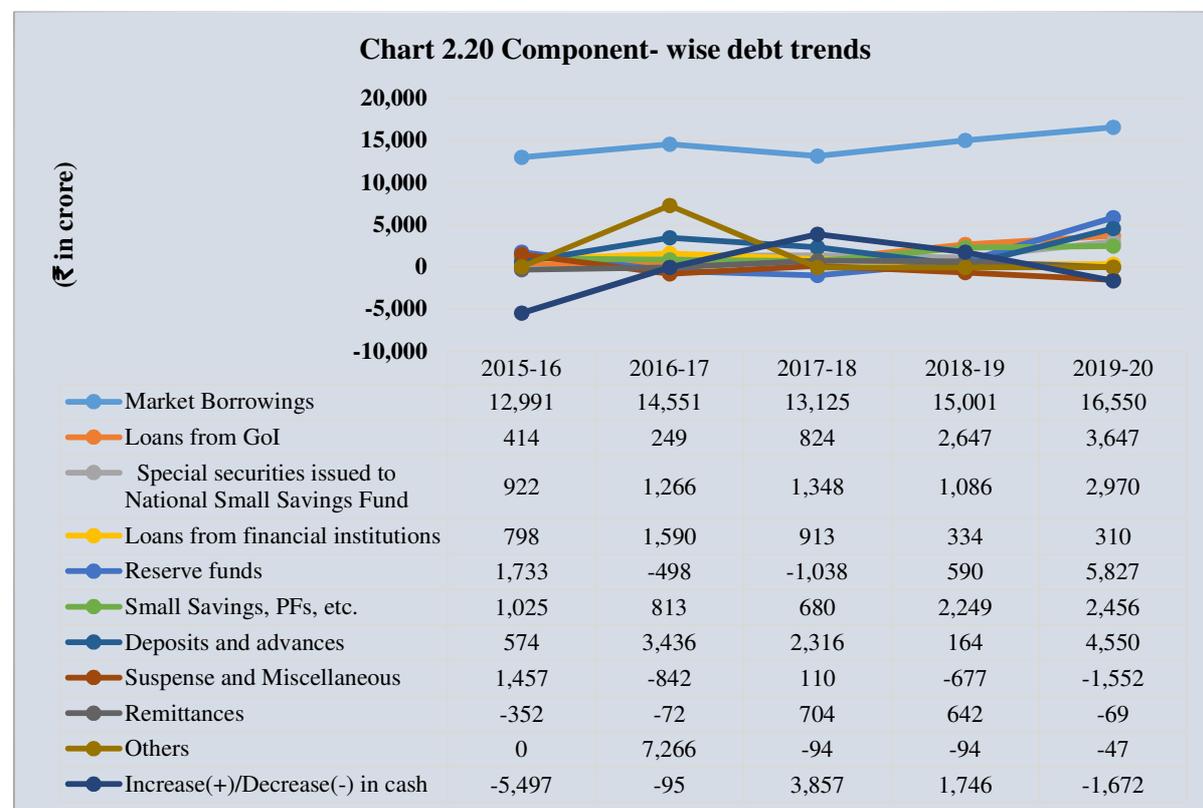
As can be seen from **Table 2.34**, debt repayment increased marginally in 2019-20 as compared to 2018-19 and total debt receipts also increased by ₹14,550 crore (20.48 per cent) when compared to 2018-19. The total outstanding debt of the State Government at the end of 2019-20 was ₹2,30,572 crore. Component-wise break-up of debt is shown below in **Chart 2.19**:



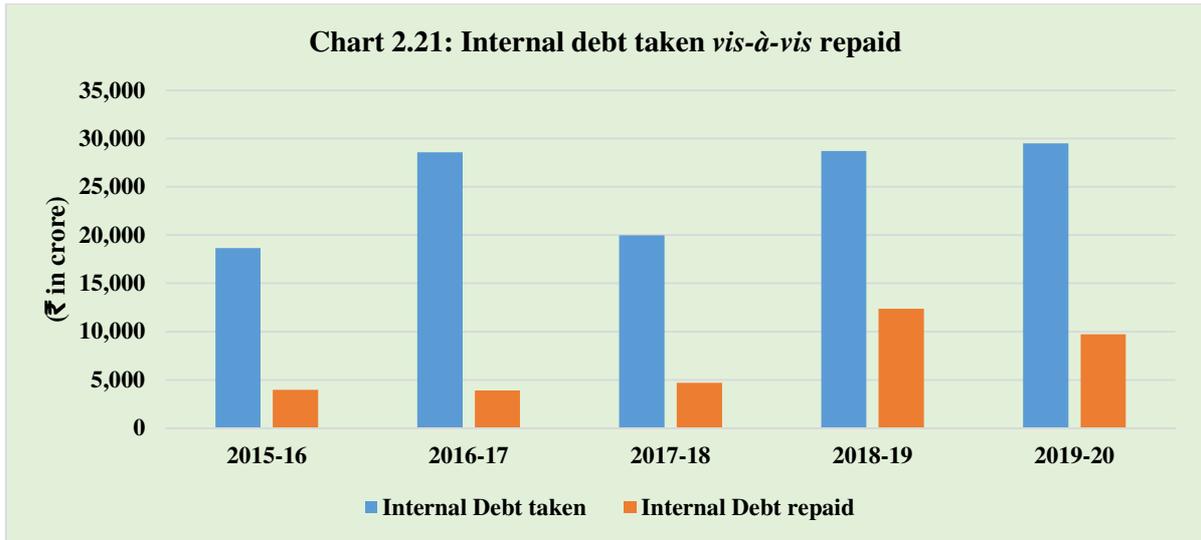
Source: Finance Accounts 2019-20

Internal debt, which is primarily market borrowings through issue of State Development Loans (SDLs), accounts for 69 per cent of the total outstanding debt.

**Chart 2.20** below shows financing pattern of Fiscal Deficit during the last five years while **Chart 2.21** depicts Internal Debt taken by the State Government and repayment for the same period.



Source: Finance Accounts of respective years



Source: Finance Accounts of respective years

### 2.12.1.1 Components of Fiscal Deficit and its Financing Pattern

Fiscal Deficit represents the total financing that the State requires (predominantly by drawing on its cash and investment balances with the RBI and by borrowing) to meet the excess of the Revenue and Capital Expenditure (including loans and advances) over Revenue and Non-debt Receipts. The financing pattern of Fiscal Deficit is reflected in **Table 2.35**:

		(₹ in crore)				
Particulars	2015-16	2016-17	2017-18	2018-19	2019-20	
<b>Fiscal Deficit (-)/Surplus (+) (FD/GSDP)</b>	<b>-14,065</b> (2.60)	<b>-27,664</b> (4.26)	<b>-22,745</b> (3.12)	<b>-23,688</b> (2.93)	<b>-32,970</b> (3.64)	
<b>Composition of Fiscal Deficit/Surplus</b>						
1 Revenue Deficit (-) /Surplus(+)	5,740	3,770	4,629	6,744	-2,801	
2 Net Capital Expenditure	-16,809	-27,265	-30,894	-29,411	-29,228	
3 Net Loans & Advances	-2,996	-4,169	3,520	-1,021	-941	
<b>Financing Pattern of Fiscal Deficit</b>						
1 Market Borrowings	12,991	14,551	13,125	15,001	16,550	
2 Loans from GoI	414	249	824	2,647	3,647	
3 Special Securities issued to NSSF	922	1,266	1,348	1,086	2,970	
4 Loans from Financial Institutions	798	1,590	913	334	310	
5 Reserve Funds	1,733	-498	-1,038	590	5,827	
6 Small Savings, PF, etc.	1,025	813	680	2,249	2,456	
7 Deposits and Advances	574	3,436	2,316	164	4,550	
8 Suspense and Miscellaneous	1,457	-842	110	-677	-1,552	
9 Remittances	-352	-72	704	642	-69	
10 Others <sup>20</sup>	0	7,266	-94	-94	-47	
11 Increase (+)/Decrease (-) in cash	-5,497	-95	3,857	1,746	-1,672	
12 <b>Gross Fiscal Deficit</b>	<b>14,065</b>	<b>27,664</b>	<b>22,745</b>	<b>23,688</b>	<b>32,970</b>	

Source: Finance Accounts of respective years

Receipts and Disbursements under different components financing the Fiscal Deficit are shown in **Table 2.36**:

<sup>20</sup> Transactions under Contingency Fund and Investment and Bonds.

(₹ in crore)				
Sl. No.	Particulars	Receipts	Disbursements	Net
1	Market Borrowings	22,371	5,821	16,550
2	Loans from GoI	4,868	1,221	3,647
3	Special Securities Issued to NSSF	5,147	2,177	2,970
4	Loans from Financial Institutions	1,978	1,668	310
5	Small Savings, PF, etc.	5,085	2,629	2,456
6	Deposits and Advances	37,151	32,601	4,550
7	Suspense and miscellaneous	1,32,007	1,33,559	-1,552
8	Remittances	17,356	17,425	-69
9	Reserve Funds	9,013	3,186	5,827
10	Others	0	47	-47
11	Increase (+)/Decrease (-) in cash	5,389	7,061	-1,672
12	<b>Gross Fiscal Deficit</b>	--	--	<b>32,970</b>

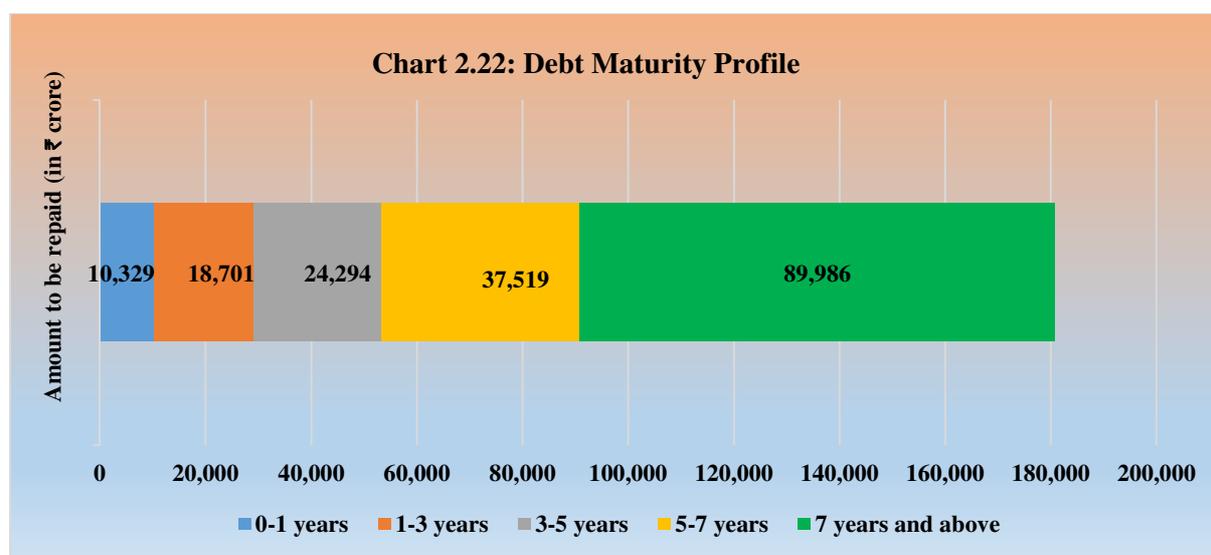
Source: Finance Accounts 2019-20

## 2.12.2 Debt Profile: Maturity and Repayment

The details of public debt and its maturity profile are given in **Table 2.37** and **Chart 2.22** below:

(₹ in crore)					
Year of Maturity	Maturity Profile	Amount			Per cent of total Public Debt
		Internal Debt	Loans & Advances from GoI	Total	
By 2020-21	0-1 year	9,703.00	625.68	10,328.68	5.72
Between 2021-22 & 2022-23	2-3 years	17,430.44	1,270.46	18,700.90	10.34
Between 2023-24 & 2024-25	4-5 years	23,366.44	927.75	24,294.19	13.43
Between 2025-26 & 2026-27	6-7 years	37,181.70	337.37	37,519.07	20.75
2027-28 onwards	Above 7 years	72,111.16	17,874.71	89,985.87	49.76
<b>Total</b>		<b>1,59,792.74</b>	<b>21,035.97</b>	<b>1,80,828.71</b>	<b>-</b>

Source: Finance Accounts 2019-20



Source: Finance Accounts 2019-20

The maturity profile of outstanding stock of public debt as on 31 March 2020 indicates that out of the outstanding public debt of ₹1,80,828.71 crore, 50.24 per cent (₹90,842.84 crore) is payable within the next seven years while the remaining 49.76 per cent (₹89,985.87 crore) is in the maturity bracket of more than seven years. Of the total outstanding public debt, internal debt consisting of market borrowings, loans from NABARD and special securities issued to National Small Savings Fund of Central Government constituted 88.37 per cent (₹1,59,792.74 crore).

The details of actual pay-out *vis-à-vis* that indicated in the SFARs during 2018-19 and 2019-20 are tabulated below in **Table 2.38**:

(₹ in crore)			
Year	Outstanding Debt as on 31 March	Indicated payment	Actual repayment
2018-19	1,57,397.92	6,991.71	13,523.72
2019-20	1,80,828.71	8,720.67	10,933.62

Source: Finance Accounts of respective years

As seen from the above, the State has a satisfactory track record of debt servicing.

### 2.13 Debt Sustainability Analysis (DSA)

Debt is considered sustainable if the borrower (in this case the State), is in a position to service its debt now, and in future. Debt Sustainability Indicators accordingly seek to assess the credit worthiness and the liquidity position of the borrower by examining their ability to service the debt through timely interest payments and repay debt out of current and regular sources of revenue.

This section assesses the sustainability of debt of the State Government in terms of debt/GSDP ratio, Fiscal Deficit, burden of interest payments (measured by ratio of interest payments to Revenue Receipts) and maturity profile of the State Government debt.

**Table 2.39** shows the debt sustainability of the State according to these indicators for the period 2015-16 to 2019-20.

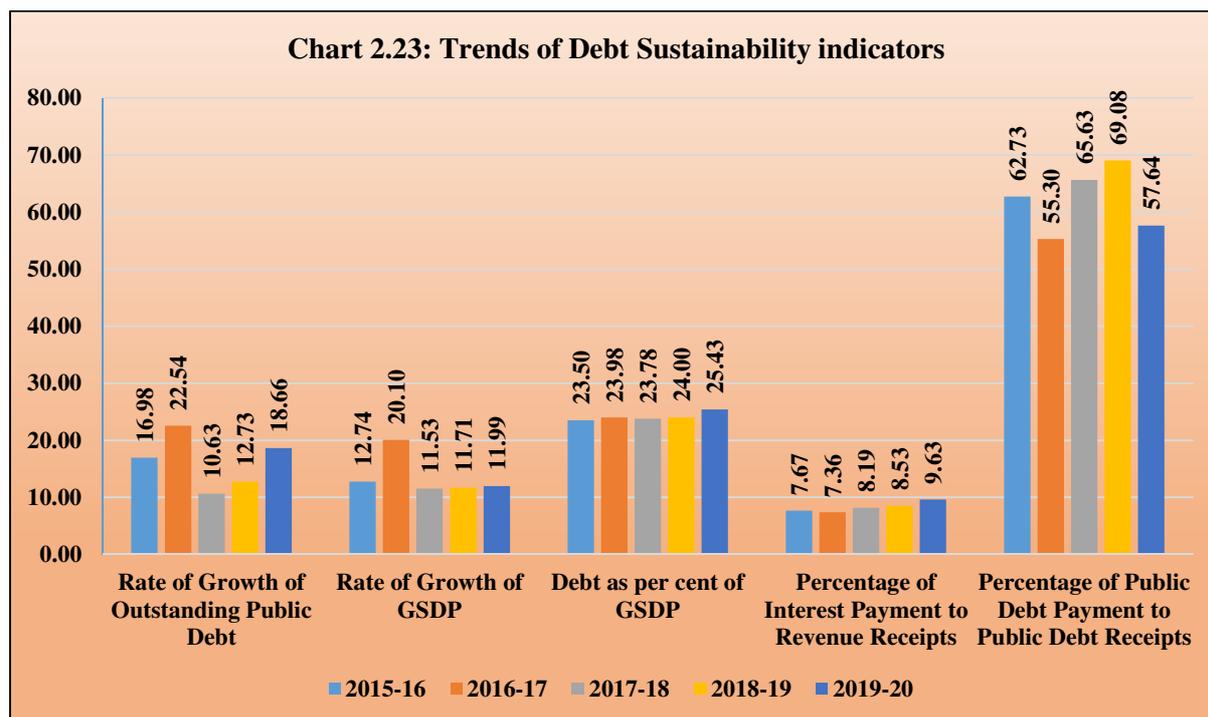
(₹ in crore)					
Debt Sustainability indicators	2015-16	2016-17	2017-18	2018-19	2019-20
Outstanding Public Debt and other obligations	1,27,144	1,55,800	1,72,363	1,94,309	2,30,572
Rate of growth of outstanding Public Debt (percentage)	16.98	22.54	10.63	12.73	18.66
Gross State Domestic Product (GSDP)	5,41,068	6,49,823	7,24,729	8,09,592	9,06,672
Rate of growth of GSDP (percentage)	12.74	20.10	11.53	11.71	11.99
Debt/GSDP (per cent)	23.50	23.98	23.78	24.00	25.43
Receipts under Public Debt and other liabilities	49,524	64,106	52,579	71,063	85,613
Debt Maturity profile of repayment of State debt- including default history, if any	31,067	35,448	34,506	49,087	49,351
Interest Payment	8,091	9,079	11,045	12,696	14,217
Average interest rate on outstanding Debt (per cent)	6.86	6.42	6.73	6.92	6.69

Interest Payments/Revenue Receipts Ratio	7.67	7.36	8.19	8.53	9.63
Percentage of Debt repayment to Debt receipt	62.73	55.30	65.63	69.08	57.64
Net Debt available to the State <sup>#</sup>	10,366	19,579	7,028	9,280	22,045
Net Debt available as <i>per cent</i> to Debt Receipts <sup>#</sup>	20.93	30.54	13.37	13.06	25.75

Source: Finance Accounts of the respective years

<sup>#</sup>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.

Chart 2.23 below depicts the sustainability of debt of the State Government in terms of debt/GSDP ratio.



Source: Finance Accounts of the respective years

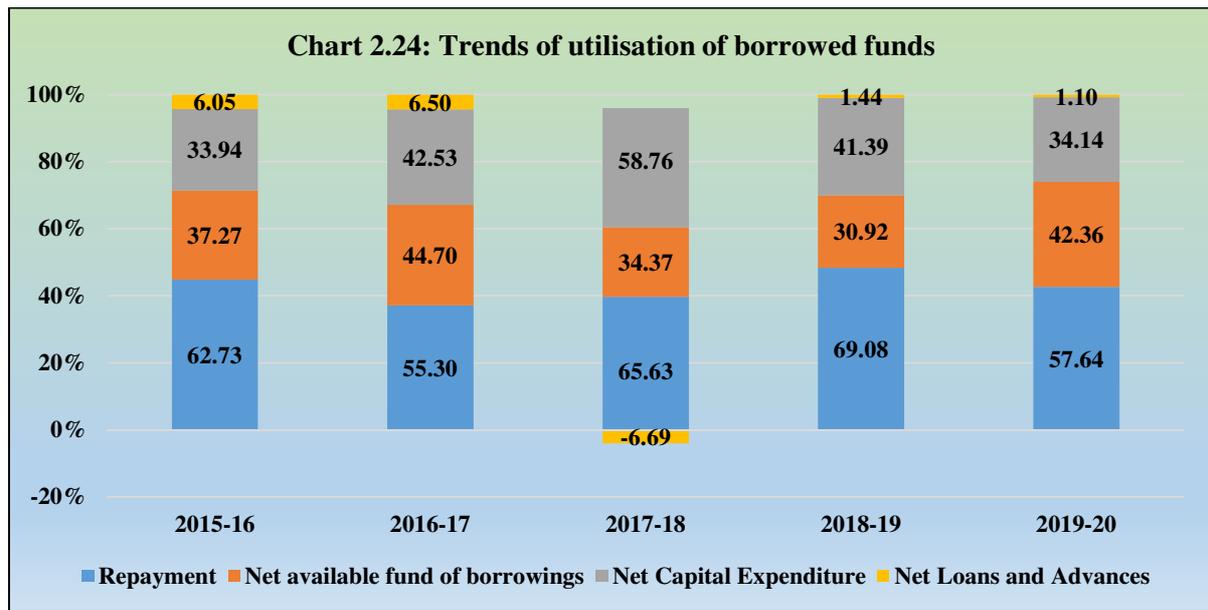
The outstanding fiscal liabilities steadily increased over the years from ₹1,27,144 crore in 2015-16 to ₹2,30,572 crore at the end of 2019-20. These liabilities increased by 18.66 *per cent* during 2019-20 as against 12.73 *per cent* in 2018-19. The increase in Fiscal Liabilities during 2019-20 over the previous year was mainly under Market Loans (by ₹16,550 crore). Fiscal Liabilities constituted 25.43 *per cent* of GSDP at the end of 2019-20 and were within the limit prescribed by XIV Finance Commission, although these were beyond the limit set by FRBM (not exceeding 24.43 *per cent* of GSDP). The growing volume of debt has also resulted in increasing liability for servicing the debt.

### 2.13.1 Utilisation of borrowed funds

Borrowed funds should ideally be used to fund capital creation and development activities. Using borrowed funds for meeting current consumption and repayment of interest on outstanding loans is not sustainable. Details and trends of utilisation of borrowed funds during 2015-16 to 2019-20 are given in **Table 2.40** and **Chart 2.24**:

Particular	₹ in crore				
	2015-16	2016-17	2017-18	2018-19	2019-20
Total Borrowings (Public Debt and other obligations)	49,524.35	64,105.57	52,578.89	71,062.85	85,612.99
Repayment of earlier borrowings (Principal)	31,066.63	35,448.03	34,505.58	49,086.80	49,350.88
Net available fund of borrowings	18,457.72	28,657.54	18,073.31	21,976.05	36,262.11
Net Capital Expenditure	16,809.00	27,261.84	30,893.87	29,411.17	29,227.82
Net Loans and Advances	2,995.59	4,168.22	(-)3,519.33	1,019.78	941.30
Portion of Revenue Expenditure met out of net available borrowings	NIL	NIL	NIL	NIL	6,092.99

Source: Finance Accounts of the respective years



Source: Finance Accounts of the respective years

As can be seen from the above Chart, the percentage of net available fund of borrowings after repaying the debt ranged between 30.92 per cent to 44.70 per cent during the period from 2015-16 to 2019-20, leaving limited funds for development activities.

### 2.13.2 Status of Guarantees - Contingent Liabilities

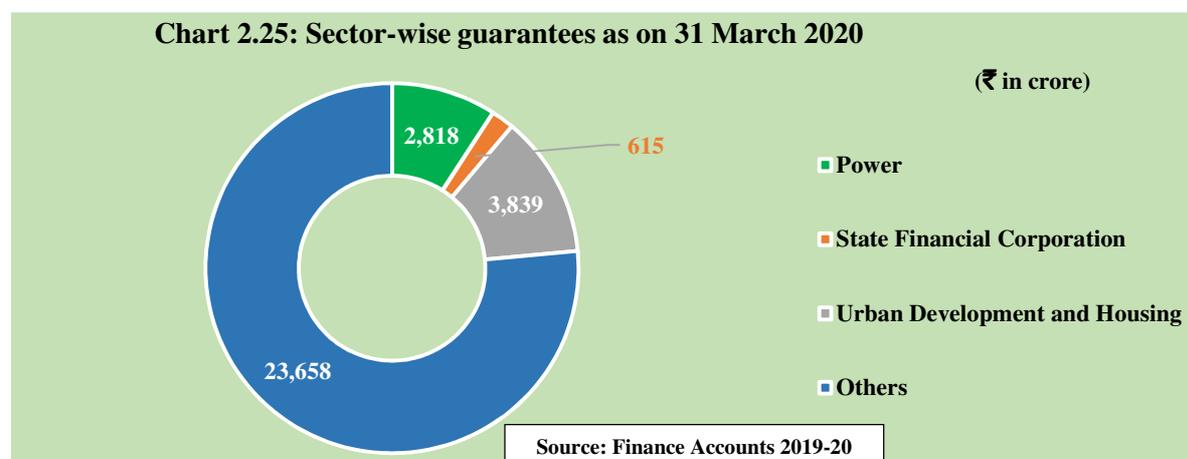
Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee has been extended. The total outstanding guarantees of the State Government were within the ceilings fixed under the FRBM Act<sup>21</sup>. Guarantees given by the State Government during 2015-20 are shown in **Table 2.41** below:

Guarantees	₹ in crore				
	2015-16	2016-17	2017-18	2018-19	2019-20
Ceiling applicable to the outstanding amount of guarantees, including interest (Criteria)	70,913	84,409	98,646	1,07,900	1,19,114
Outstanding amount of guarantees including interest	27,530	33,397	14,003	30,763	30,930

Source: Finance Accounts of the respective years

<sup>21</sup> Total guarantees should not exceed 80 per cent of the total revenue receipts in the preceding year

The details of outstanding guarantees given by GoMP and maximum guaranteed amount are given in **Appendix 2.1**. Sector-wise composition of guarantees outstanding as on 31 March 2020 is shown in **Chart 2.25**.



GoMP did not pay any amount towards guarantees on account of default by the borrowers during 2019-20. The composition of the maximum amount guaranteed was towards six<sup>22</sup> entities of Power sector (₹5,496 crore), six<sup>23</sup> institutions of Urban Development and Housing (₹7,011 crore), five<sup>24</sup> institutions of Other Sectors (₹29,310 crore) and State Financial Corporation (₹1,200 crore).

Guarantee fee is charged from the principal debtors unless exempted specifically. During 2019-20, GoMP received ₹2.03 crore as guarantee fees out of the total receivable of ₹64.72 crore.

During the exit conference (March 2021), Finance Department replied that the matter would be forwarded to the concerned administrative departments and instructions would be issued to take necessary action.

### 2.13.3 Management of Cash Balances

As per an agreement with the Reserve Bank of India, State Government have to maintain a minimum daily cash balance with the Bank. If the balance falls below the agreed minimum on any day, the deficiency is made good by taking ordinary Ways and Means Advances (WMA)/Special Ways and Means Advance (SWMA)/Overdrafts (OD) from time to time. The limits for ordinary WMA to the State Governments are revised by the RBI from time to time.

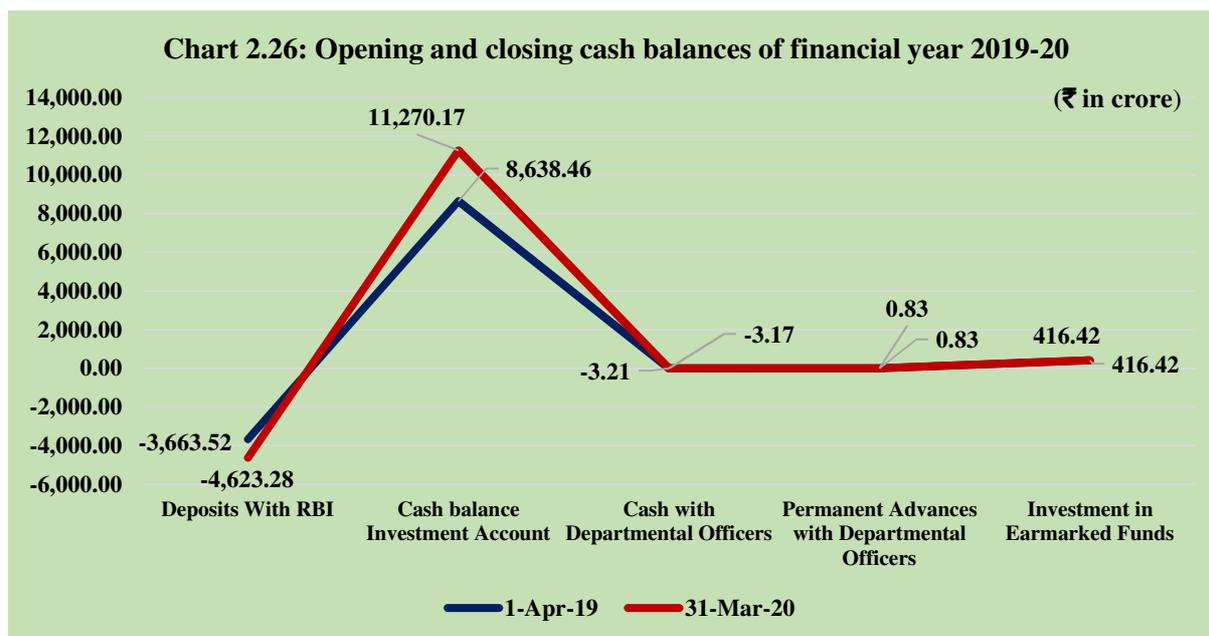
#### 2.13.3.1 Cash Balances

The details of cash balances with the Government of Madhya Pradesh as of 1 April 2019 and 31 March 2020 are shown in **Chart 2.26** below:

<sup>22</sup> M.P. Power Generating Company Ltd., Jabalpur, M.P. Power Transmission Company Ltd., Jabalpur, M.P. Poorv Kshetra Power Distribution Company Ltd., Jabalpur, M.P. Madhya Kshetra Power Distribution Company Ltd., Bhopal, M.P. Paschim Kshetra Power Distribution Company Ltd., Indore, M.P. Power Management Co. Ltd., Jabalpur

<sup>23</sup> Nagar Nigam, Nagar Palika, State Development agency, M.P. Urban Development Company Ltd, Nagar Parishad, M.P. Police Housing Corporation Ltd.

<sup>24</sup> M.P. Industrial Policy and Investment Promotional Department, M.P. Khadi Gramoudyog Board, M.P. Food, Civil Supplies and Consumer Protection Department, Public Works Department, Higher Education



Source: Finance Accounts 2019-20

As per an agreement with the Reserve Bank of India, State Government has to maintain a minimum daily cash balance of ₹1.96 crore with the Bank. If the balance falls below the agreed minimum on any day, the deficiency is made good by taking ordinary and special ways and means advances/overdraft from time to time. The limit for ordinary WMA to the State Government was ₹1,600 crore with effect from 1 February 2016 and the limit of SWMA is revised by the bank from time to time.

The State Government maintained the minimum daily cash balance with the RBI during 2019-20 and no ordinary and special ways and means of advances/overdraft was availed during the year.

### 2.13.3.2 Investment of Cash Balances

Table 2.42 depicts the cash balances and investments made out of these by the State Government during the year.

Table 2.42: Cash balances and their investment		
(₹ in crore)		
Particulars	Opening balance as on 1 April 2019	Closing balance as on 31 March 2020
<b>(a) General Cash Balance</b>		
Cash in Treasuries	--	--
Deposits with Reserve Bank of India	(-)3,663.52 <sup>25</sup>	(-)4,623.28 <sup>26</sup>
Remittances in transit - local	--	--
<b>Total</b>	<b>(-)3,663.52</b>	<b>(-)4,623.28</b>
<b>Investments held in Cash Balance Investment account</b>	<b>8,638.46</b>	<b>11,270.17</b>
<b>Total (a)</b>	<b>4,974.94</b>	<b>6,646.89</b>

<sup>25</sup> At the close of March 2019, there was a net difference of ₹1,360.71 crore (Credit) between the figures reflected in Accounts of Principal Accountant General ₹3,663.52 crore (Credit) and those intimated by RBI ₹2,302.81 crore (Debit) – under "Deposits with Reserve Bank". The difference under Deposits with Reserve Bank is due to misreporting of transactions by Agency Banks to RBI and Treasury Officers in the accounts.

<sup>26</sup> At the close of March 2020, there was a net difference of ₹34.04 crore (Credit) between the figures reflected in Accounts of Principal Accountant General ₹4,623.28 crore (Credit) and those intimated by RBI ₹4,589.24 crore (Debit) – under "Deposits with Reserve Bank". The difference under Deposits with Reserve Bank is due to misreporting of transactions by Agency Banks to RBI and Treasury Officers in the accounts.

<b>(b) Other Cash Balances and Investments</b>		
Departmental cash balances	(-)3.17	(-)3.21
Permanent imprest	0.83	0.83
Investment out of earmarked funds	416.42	416.42
<b>Total (b)</b>	<b>414.08</b>	<b>414.04</b>
<b>Grand Total (a)+(b)</b>	<b>5,389.02</b>	<b>7,060.93</b>
<b>Interest realised</b>	<b>146.45</b>	<b>145.29</b>

Source: Finance Accounts 2019-20

Cash Balances of the State Government at the end of the current year increased significantly by ₹1,672 crore, from ₹5,389 crore in 2018-19 to ₹7,061 crore in 2019-20. This was mainly due to increase in investment in Treasury Bills by ₹2,632 crore from ₹8,638 crore in 2018-19 to ₹11,270 crore in 2019-20.

During exit conference (March 2021), Finance Department replied that the Government kept approximately ₹six to seven thousand crore for salaries, wages, pension, etc. which were in pipeline and essential to pay on time. It was further stated that since the Government does not take short term borrowings, it keeps substantial balances in cash balance investment.

State Government invests its surplus cash balance in short and long-term GoI Securities and Treasury Bills. The profits derived from such investments are credited as receipts under the head '0049-Interest Receipts'. The State Government has earned an interest of ₹145 crore during 2019-20 from the investments made in GoI Securities and Treasury Bills. Out of the investment of ₹416.42 crore in earmarked funds, ₹408.79 crore was invested in the Guarantee Redemption Fund at the end of the year.

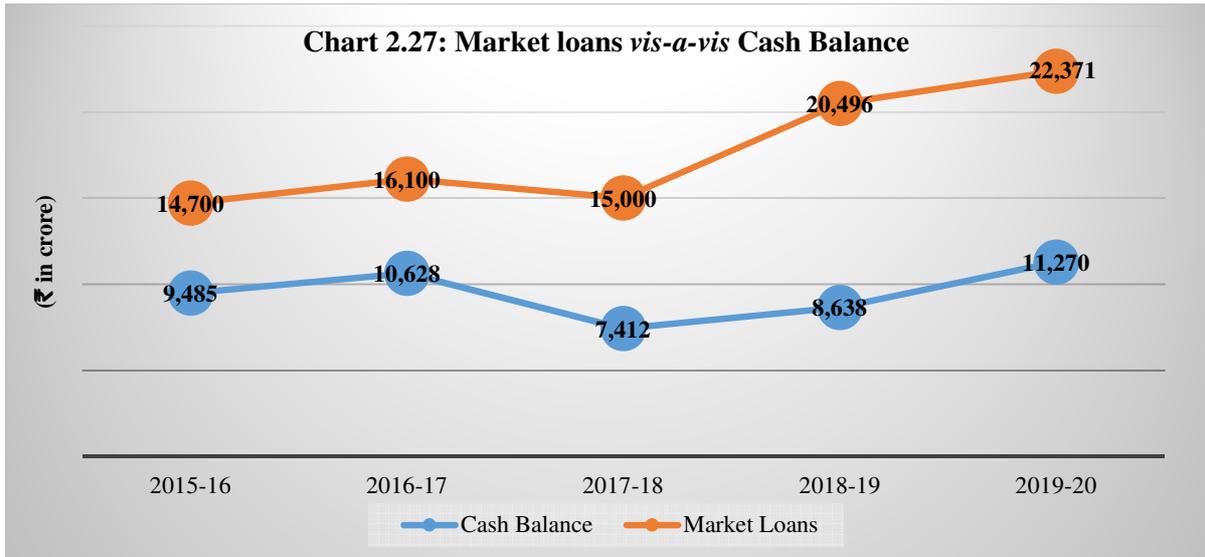
The interest earned for the entire period from 2015-16 to 2019-20 is given in **Table 2.43**:

<b>Table 2.43: Cash Balance Investment Account (Major Head-8673)</b>				
<b>(₹ in crore)</b>				
<b>Year</b>	<b>Opening Balance</b>	<b>Closing Balance</b>	<b>Increase (+)/ decrease(-)</b>	<b>Interest earned</b>
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

Source: Finance Accounts of respective years

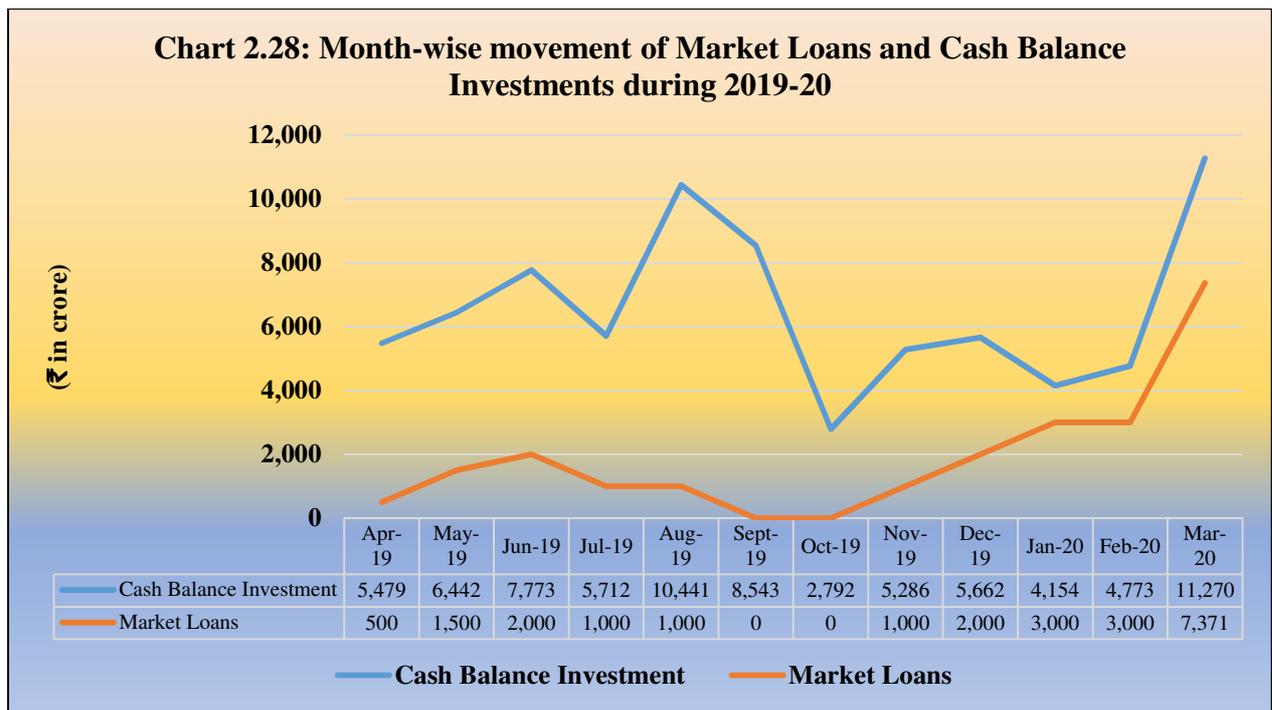
The trend analysis of the closing balance of cash balance investment of the State Government during 2015-20 show an increase by ₹1,784.93 crore with inter year fluctuation from ₹9,485.24 crore as on 31 March 2016 to ₹11,270.17 crore as on 31 March 2020.

**Chart 2.27** below compares the balances available in the Cash Balance Investment Account and the Market Loans taken by the State during the period 2015-20. Market Loans were taken at higher interest rates whereas investment in Treasury Bills yielded interest at lower rates.



Source: Finance Accounts of respective years

Chart 2.28 below depicts month-wise Market Loans and Cash Balances investment during 2019-20.



Source: Monthly Civil Accounts 2019-20

Month-wise cash balance investment by State Government ranged between ₹2,792 crore to ₹11,270 crore while Market Loans ranged up to ₹7,371 crore from April 2019 to March 2020. Further, in 2019-20 the interest payment on borrowings by the State Government was ₹14,217 crore whereas, interest received on cash balance investment was ₹145.29 crore.

The State Government should adopt the policy of need based borrowing and maintain minimum cash balance. The high level of investment held in 'Cash Balance Investment

Account' at the end of these financial years indicates that there is need for better cash management.

## 2.14 Conclusion

*Revenue Receipts of the State decreased by ₹1,250 crore (0.84 per cent) and Revenue Expenditure increased by ₹8,295 crore (5.84 per cent) during the year 2019-20 compared to the previous year. The State registered a revenue deficit for the first time in 2019-20 during the last five year-period 2015-20 and the State exceeded the MPFRBM Act targets relating to the other fiscal indicators like fiscal deficit and ratio of total outstanding debt to GSDP during the year.*

*During 2019-20, return (₹475.96 crore) on investment of ₹36,373.52 crore made by the State Government up to 2019-20 in Statutory Corporations, Companies, Co-operative societies, etc. was only 1.31 per cent against the average borrowing cost of 6.69 per cent during the year; the rate of interest received on Loans and Advances (₹43,085 crore) given by the Government was also only 0.30 per cent.*

*The State Government continued to be non-compliant with the Indian Government Accounting Standards as regards the accounting treatment given to expenditure incurred out of Grants-in-aid. Further, it did not honour its commitment/obligation made in its MoU with GoI and the DISCOMs under the UDAY Scheme. There was no contribution to the Guarantee Redemption Fund.*

## 2.15 Recommendations

- i) State Government may review the reasons for shortfall in realisation of revenue *vis-à-vis* budget estimates and explore mobilizing additional resources through tax and non-tax sources by ensuring better tax compliance. .
- ii) State Government needs to review classification of the expenditure met out of Grants-in-aid and take necessary action to comply with the Indian Government Accounting Standards scrupulously.
- iii) State Government should rationalise its investments and loans advanced to various entities such that the return on investment and loans at least matches the Government borrowing costs.
- iv) State Government needs to honour its commitment/obligation made in the tripartite MoU with the GoI and the DISCOMs with regard to the debt of the latter.

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## **Chapter 3**

# **BUDGETARY MANAGEMENT**

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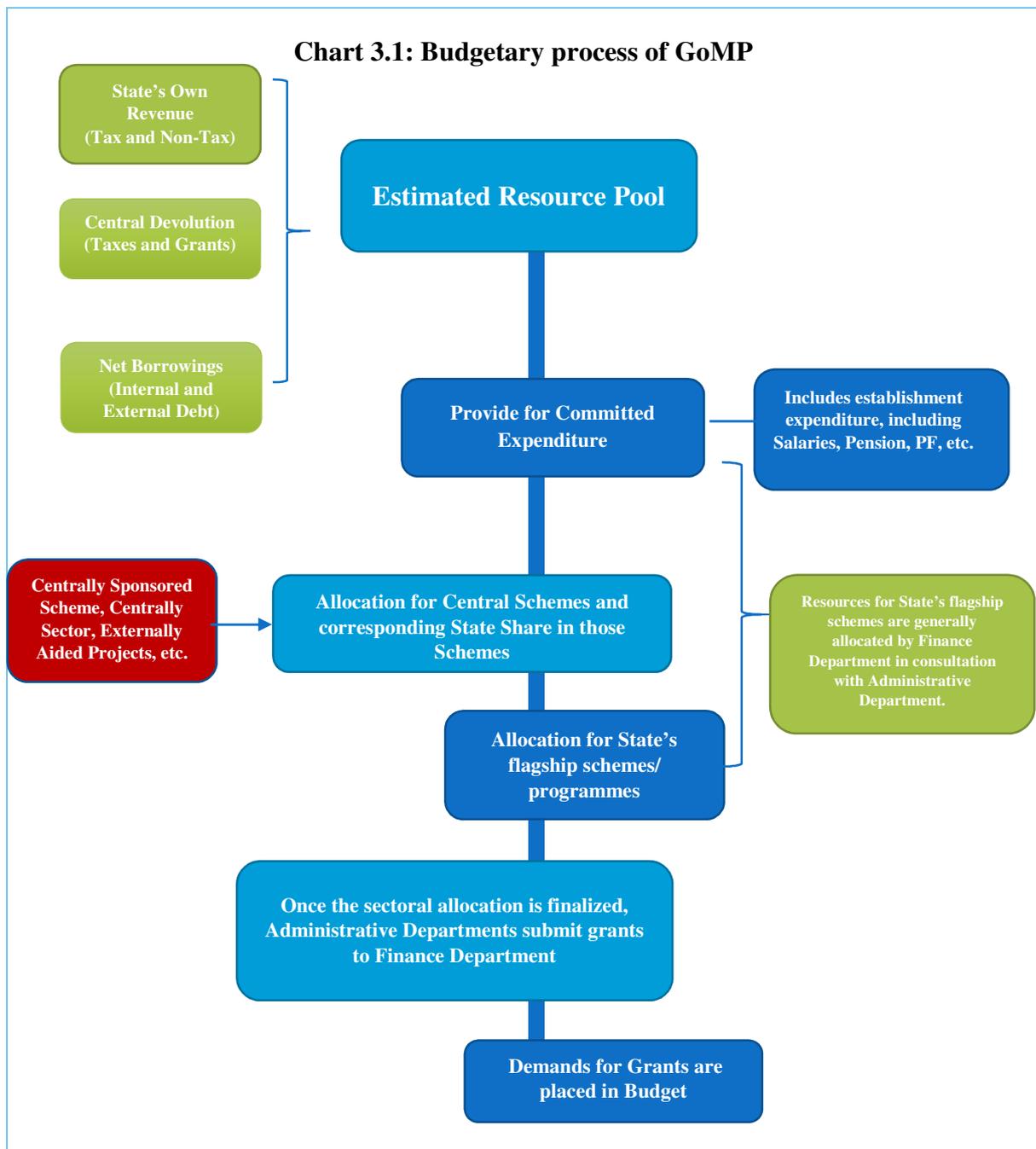
## Chapter 3-Budgetary Management

### 3.1 Introduction

Effective financial management ensures that decisions taken at the policy level are implemented successfully at the administrative level without wastage or diversion of funds. This Chapter reviews the allocative priorities of the State Government and comments on the transparency of budget formulation and effectiveness of its implementation.

#### 3.1.1 Budget Preparation Process

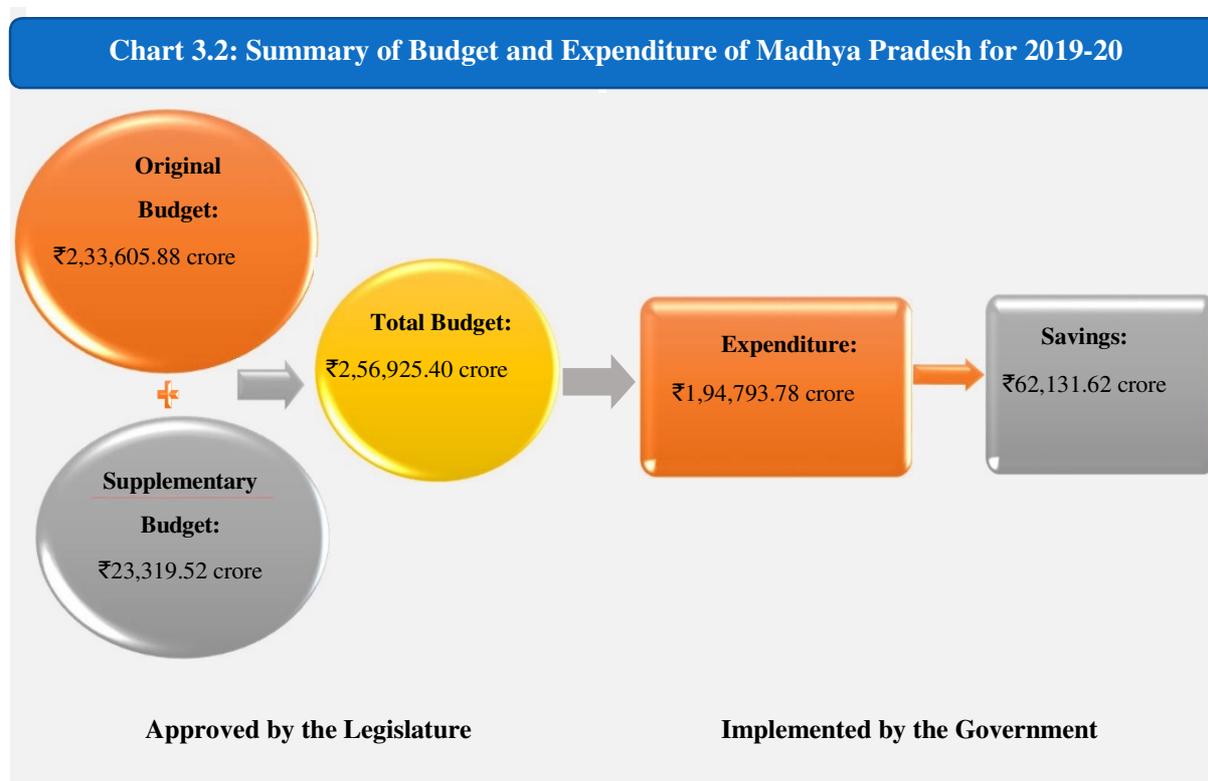
The process followed by Government of Madhya Pradesh in budget preparation is broadly as follows:



State Government secures legislative approval for expenditure out of the Consolidated Fund of the State by presenting its annual Budget and 74 Demands for Grants/Appropriations. Normally every Department has one Demand for Grant, to ensure that the Head of the Department takes responsibility for the policy decisions and expending public funds for the intended purposes.

Supplementary or additional Grant/Appropriation is provided during the course of the financial year for meeting expenditure in excess of the originally budgeted amount. Further, the State Government also re-appropriates/re-allocates funds from various Units of Appropriation where savings are anticipated within the same section (Revenue-Voted, Revenue-Charged, Capital-Voted, Capital-Charged) to Units where additional expenditure is envisaged (within the Grant/Appropriation) during the year by the competent authority.

The total amount approved by the State Legislature, including the original and supplementary budgets, expenditure and savings during the year 2019-20 is given in **Chart 3.2** below:



Source: Appropriation Accounts 2019-20

During exit conference (March 2021) Finance Department replied that overall control was exercised by them to meet the FRMB target and requirements. Further, it was also stated that supplementary budget was prepared for meeting the requirement of emergent expenditure.

### 3.1.2 Gender Budget

Gender budget of the State discloses the expenditure proposed to be incurred within the overall budget on schemes which are designed to benefit women fully or partially. Gender budgeting was introduced in Madhya Pradesh during 2007-08. Schemes relating to gender budget were bifurcated in two categories (i) Schemes in which 100 per cent budget provisions were related to women and (ii) Schemes in which at least 30 per cent of budget provisions were related to women. Gender budget was incorporated in the State budget as a significant statement

highlighting the need to segregate budgetary allocations on the basis of gender under the demands for grants.

**Table 3.1** shows details of budgetary provision under Gender Budget during 2015-20:

<b>Table 3.1: Provision under Gender Budget during 2015-20</b>					
(₹ in crore)					
	2015-16	2016-17	2017-18	2018-19	2019-20
Gender Budget	39,097	43,208	47,009	52,344	58,309
Total Budget	1,66,611	2,01,519	2,06,470	2,38,303	2,56,925

**Source: Budget Books and Appropriation Accounts of respective years**

Budget allocation under Gender Budget increased by ₹5,965 crore from ₹52,344 crore in 2018-19 to ₹58,309 crore in 2019-20. Year-wise allocation and expenditure in respect of categories 1 and 2 for the period 2015-20 are given in **Table 3.2**:

<b>Table 3.2: Gender Budgetary allocations during 2015-20</b>						
(₹ in crore)						
Year	Category 1			Category 2		
	Outlay	Expenditure	Percentage of expenditure to outlay	Outlay	Expenditure	Percentage of expenditure to outlay
2015-16	2,582.59	2,441.72	94.55	36,514.60	30,543.77	83.65
2016-17	2,359.33	1,422.27	60.28	40,848.26	36,327.84	88.93
2017-18	2,617.70	2,411.88	92.14	44,391.09	45,689.86	102.93
2018-19	3,396.34	3,396.34	100.00	48,948.00	36,574.24	74.72
2019-20	2,695.08	NA*	-	55,614.20	NA*	-

\*NA-Not provided by Finance Department

**Source: Information provided by Finance Department, GoMP**

The State Government has not been reported on the performance of Gender Budget during 2019-20 to gauge the effectiveness of the schemes targeted to benefit women. The Finance Department should insist that the respective Departments submit performance reports along with the proposal for Gender Budget of current year to bring about transparency in public spending for the socio-economic empowerment of women in the State through various schemes.

### 3.1.3 Agriculture Budget

Agriculture Budget of the State discloses the expenditure proposed to be incurred within the overall budget on schemes, which are targeted to benefit farmers. The Agriculture Budget was introduced in Madhya Pradesh during 2012-13. This budget includes the development of agriculture sector and interests of farmers' activities to benefit the farmers. Agriculture Budget was incorporated in the State budget as a significant statement highlighting the need to segregate budgetary allocations based on agriculture sector under the demands for grants.

**Table 3.3** shows details of provision under Farmer Welfare and Agriculture Development made by the State during 2015-20.

<b>Table 3.3: Budgetary allocation of Agriculture Budget vis-à-vis Farmers Welfare and Agriculture Development</b>					
(₹ in crore)					
	2015-16	2016-17	2017-18	2018-19	2019-20
Farmers Welfare and Agriculture Development (Grant No. 13)	3,529	4,161	8,383	16,865	22,609
Agriculture Budget	19,675	26,050	33,564	37,499	46,560

Source: Budget Books and Appropriation Accounts of respective years

Budgetary allocation increased by ₹9,061 crore from ₹37,499 crore in 2018-19 to ₹46,560 crore in 2019-20. Year-wise allocation and expenditure in Farmers Welfare and Agriculture Development (Grant No. 13) during 2015-20 are given in **Table 3.4**:

<b>Table 3.4 : Budget Allocation and Expenditure under Farmers Welfare and Agriculture Development</b>			
(₹ in crore)			
Year	Budget Allocation	Expenditure	Saving (Per cent)
2015-16	3,529	1,293	2,236 (63.36)
2016-17	4,161	3,047	1,114 (26.77)
2017-18	8,383	5,183	3,200 (38.17)
2018-19	16,865	9,746	7,119 (42.21)
2019-20	22,609	15,021	7,588 (33.56)

Source: Appropriation Accounts of respective years

As can be seen from the above **Tables**, Government prepares a separate Agriculture Budget, whereas there was substantial saving ranging from 26.77 per cent to 63.36 per cent under Grant No. 13 Farmers Welfare and Agriculture Development, which indicates that Budget allotted for Farmers Welfare and Agriculture Development could not achieve the envisaged targets which deprived the beneficiaries of the benefits and ultimately resulted in non-attainment of the goal of the Government.

### 3.1.4 Summary of total provisions, actual disbursements and savings during financial year

Appropriation Accounts are accounts of the expenditure, Voted and Charged, of the Government for each financial year, compared with the amounts of voted Grants and charged Appropriations for different purposes, as specified in the Schedules appended to the Appropriation Acts.

A summarised position of total budget provision, disbursement and saving/excess during 2015-20, with its further bifurcation into Voted/Charged, is given in **Table 3.5** below:

<b>Table 3.5: Total disbursement into Charged and Voted</b>						
(₹ in crore)						
Year	Total Budget Provision		Disbursements		Saving(-)/Excess(+)	
	Voted	Charged	Voted	Charged	(Per cent)	
					Voted	Charged
2015-16	1,47,746.06	18,864.46	1,11,288.54	14,525.71	(-36,457.52 (24.67)	(-4,338.75 (23.00)
2016-17	1,80,559.19	20,959.33	1,45,627.37	15,465.52	(-34,931.82 (19.35)	(-5,493.81 (26.21)

Year	Charged	Voted	Total	Excess (+) /Savings (-)	Excess (+) /Savings (-)	
2017-18	1,83,449.30	23,020.25	1,54,183.67	17,948.74	(-)29,265.63 (15.95)	(-)5,071.51 (22.03)
2018-19	2,10,639.84	27,662.83	1,59,729.03	28,101.14	(-)50,910.81 (24.17)	(+)438.31 (1.58)
2019-20	2,24,923.47	32,001.93	1,68,171.91	26,621.87	(-)56,751.56 (25.23)	(-)5,380.06 (16.81)

Source: Appropriation Accounts of respective years

It can be seen from the above **Table 3.5**, that the savings in Voted budget were more than 15 per cent during 2015-20. Similarly, the savings in Charged budget were more than 15 per cent for the same period except in 2018-19.

## 3.2 Appropriation Accounts

Appropriation Accounts are accounts of the expenditure of the Government for each financial year, compared with the amounts of voted Grants and charged Appropriations for various purposes specified in the schedules appended to the Appropriation Act by the Legislature passed under Article 204 and 205 of the Constitution of India. These Accounts list the original budget provision, supplementary grants, surrenders and re-appropriations distinctly. They also indicate actual capital and revenue expenditure on various specified services, *vis-à-vis* those authorized by the Appropriation Act in respect of both Charged and Voted items of budget. Thus, the Appropriation Accounts facilitate an understanding of utilisation of funds, the management of finances and monitoring of budgetary provisions, and are, therefore, complementary to the Finance Accounts.

### 3.2.1 Audit of Appropriations

Audit of Appropriations by the Comptroller and Auditor General of India seeks to ascertain whether the expenditure actually incurred under various Grants is within the authorisation given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution is so charged. It also ascertains whether the expenditure so incurred is in conformity with the law, relevant rules, regulations and instructions.

### 3.2.2 Summary of Appropriation Accounts

The summarised position of budget including supplementary budget, actual expenditure, and excess/savings during 2019-20 against 74 Grants/Appropriations is given in **Table 3.6**:

(₹ in crore)							
Voted/ Charged	Nature of Expen- diture	Budget (Original)	Budget (Supp.)	Total Budget (O+S)	Expenditure	Excess (+) /Savings (-) (per cent)	Surrendered Amount
Voted	Revenue	1,63,759.08	20,587.31	1,84,346.39	1,37,944.52	(-) 46,401.87 (25.17)	13,023.95 (28.07)
	Capital Outlay	35,887.20	2,708.13	38,595.33	29,240.85	(-) 9,354.48 (24.24)	3,102.55 (33.17)
	Loans and Advanc- es	1,973.75	8.00	1,981.75	986.54	(-) 995.21 (50.22)	17.29 (1.74)
	<b>Total Voted</b>	<b>2,01,620.03</b>	<b>23,303.44</b>	<b>2,24,923.47</b>	<b>1,68,171.91</b>	<b>(-) 56,751.56 (25.23)</b>	<b>16,143.79 (28.45)</b>

Charged	Revenue Expenditure	16,845.97	13.16	16,859.13	15,687.62	(-) 1,171.51 (6.95)	66.51 (5.68)
	Capital	336.55	2.92	339.47	0.63	(-) 338.84 (99.81)	0.19 (0.06)
	Public Debt	14,803.33	Nil	14,803.33	10,933.62	(-) 3,869.71 (26.14)	1.96 (0.05)
	<b>Total Charged</b>	<b>31,985.85</b>	<b>16.08</b>	<b>32,001.93</b>	<b>26,621.87</b>	<b>(-) 5,380.06 (16.81)</b>	<b>68.66 (1.28)</b>
<b>Grand Total</b>		<b>2,33,605.88</b>	<b>23,319.52</b>	<b>2,56,925.40</b>	<b>1,94,793.78</b>	<b>(-) 62,131.62 (24.18)</b>	<b>16,212.45 (26.09)</b>

Source: Appropriation Accounts 2019-20

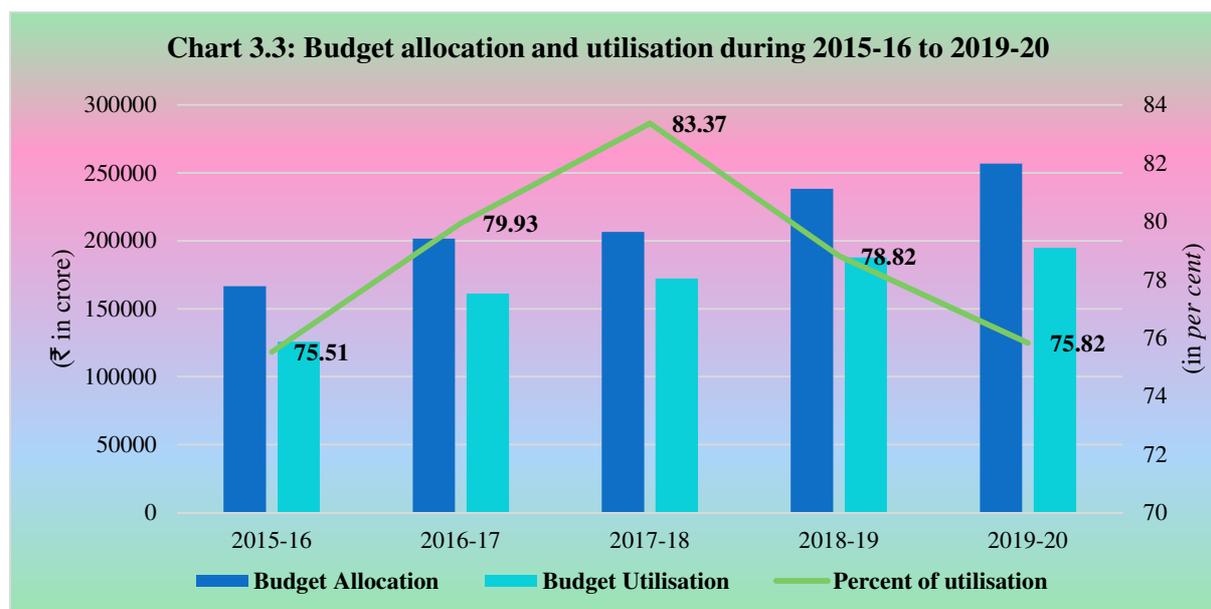
Note: Figures in bracket indicate percentage of Savings and Surrenders

As can be seen from **Table 3.6** above, the overall saving of ₹62,131.62 crore was on account of saving of ₹47,573.37 crore in 70 Grants and 44 Appropriations under Revenue section, and a saving of ₹14,558.25 crore in 60 Grants and six Appropriations under Capital section. This resulted in overall savings of 24.18 per cent of total Grants and Appropriations, which was 2.66 times of the size of supplementary budget of ₹23,319.52 crore obtained during the year. It raises questions about the budget formulation process. Departments surrendered only 26.09 per cent (₹16,212 crore) of the savings during the year, out of which ₹8,972 crore (55.34 per cent of total surrendered amount of ₹16,212 crore) was surrendered only on the last day of the financial year.

The fact that 73.91 per cent (₹45,919.17 crore) of the savings was allowed to lapse at the end of the financial year indicates that the State Government prepared an inflated budget or its Departments have not done the ground work to utilise the allocated funds within the envisaged time frame.

### 3.2.3 Sub-optimal utilisation of Budgeted Funds

Utilisation of budgeted funds by the State has been sub-optimal during the past few years. The extent of utilisation of budget during the five-year period from 2015-16 to 2019-20 is given in **Chart 3.3** below:



Source: Appropriation Accounts of the respective years

As can be seen from the Chart above, utilisation of budget has been fluctuating between 76 to 83 *per cent* during last five years and in 2019-20, budget utilisation was 75.82 *per cent*.

Large amount of savings in allocated funds indicate both inaccurate assessment of requirement as well as inadequate capacity to utilise the budget for intended purposes.

### 3.3 Comments on integrity of budgetary and accounting process

#### 3.3.1 Transfers of funds not mandated by the Appropriation Act and parking in Civil Deposits

As per the provisions of the Madhya Pradesh Treasury Code (MPTC) Part I Subsidiary Rule 284, no money should be drawn from the Treasury unless it is required for immediate disbursement.

During 2019-20, a sum of ₹46.82 crore was drawn on 31 March 2020 and transferred to 8443-Civil Deposits-800-Other Deposits by showing the amounts as final expenditure under the relevant Central Schemes in the accounts, as shown in **Table 3.7** below. Thus, the revenue expenditure was overstated by ₹46.82 crore. The funds were drawn in advance of requirement to avoid lapse of Central funds, which was contrary to the codal provision.

Table 3.7: Transfer of funds to 8443-Civil Deposit-800-Other Deposit					
(₹ in crore)					
Sl. No.	Grant Number and Name	Head of account up to detailed head and name of Scheme	Total budget provision (Original + Supplementary)	Expenditure incurred	Amount transferred to 8443-Civil Deposits-800-Other Deposits
1	55- Women and Child Development	2235-02-102-0701-0658- Anganwadi Services	725.17	698.02	24.87
2	55- Women and Child Development	2235-02-102-0702-0658 Anganwadi Services	280.66	266.82	16.87
3	55- Women and Child Development	2235-02-102-0703-0658- Anganwadi Services	122.30	119.95	5.08
<b>Total</b>			<b>1,128.13</b>	<b>1,084.79</b>	<b>46.82</b>

Source: Appropriation Accounts 2019-20

In the exit conference (March 2021), Finance Department accepted the facts and assured that action would be taken in this regard.

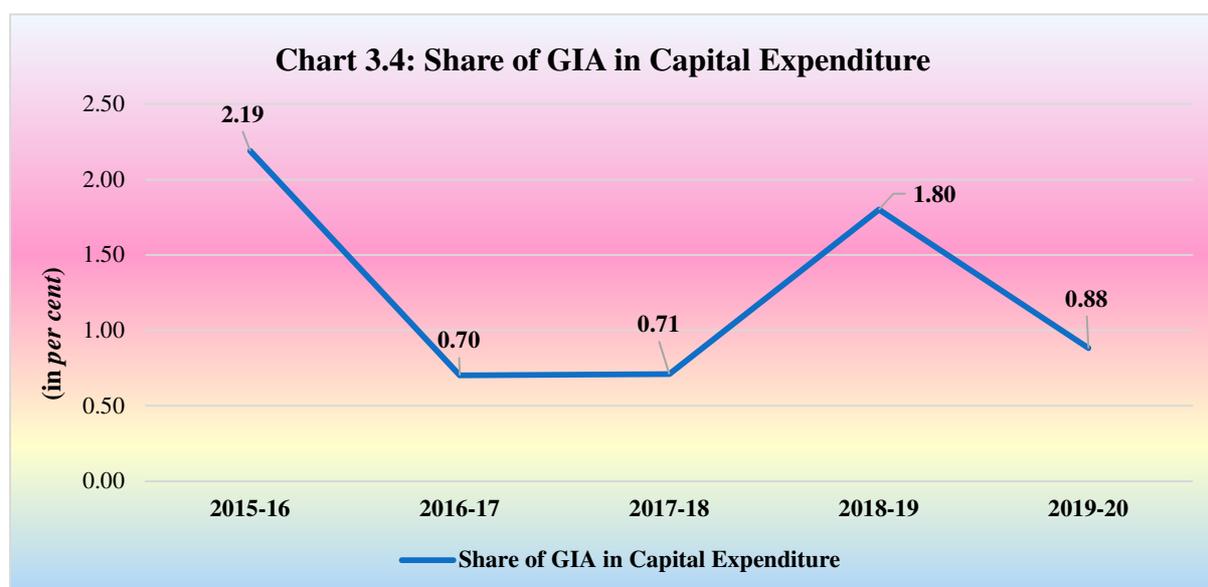
#### 3.3.2 Misclassification of Expenditure

As per Indian Government Accounting Standard-2 (IGAS-2), Grants-in-aid (GIA) are payments in the nature of assistance, donations or contributions made by one Government to another Government, body, institutions or individual. 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.

Details of the extent of classification of GIA as Capital Expenditure instead of Revenue Expenditure by the State Government during 2015-20 as well as the impact of non-compliance with the provisions of IGAS-2 by the State Govt in absolute terms during the same period are given in **Table 3.8**, whereas **Chart 3.4** highlights the share of Grants-in-Aid in Capital Expenditure.

	(₹ in crore)				
	2015-16	2016-17	2017-18	2018-19	2019-20
GIA booked as Capital Expenditure	371	201	233	541	257
Total Capital Expenditure	16,945	28,662	32,588	29,999	29,241
Share of GIA in Capital Expenditure (In per cent)	2.19	0.70	0.71	1.80	0.88
Revenue Deficit (-)/Revenue Surplus (+)	5,740	7,781	4,629	6,744	(-),2,801
Impact on Revenue Deficit(-)/Revenue Surplus (+), if expenditure from GIA is treated as Revenue Expenditure	5,369	7,580	4,396	6,203	(-),3,058

Source: Finance Accounts of respective years



Source: Finance Accounts of respective years

The Indian Government Accounting Standard-2 (IGAS-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 IGAS-2, expenditure on Grants-in-Aid is to be recorded as Revenue Expenditure in the books of the grantor and as Revenue Receipts in the books of the recipient. Capital Expenditure is defined as expenditure incurred with the objective of increasing concrete assets of a material or permanent character, or for reducing recurrent liabilities.

However, during 2019-20, an amount of ₹1,248.42 crore was misclassified by the State Government as Capital Expenditure instead of accounting for it under Revenue Expenditure. Out of this, ₹257.05 crore pertains to Grants-in-Aid and ₹991.37 crore pertains to other expenditure. Due to this, Revenue Expenditure was understated by ₹1,248.42 crore, and Capital expenditure was overstated by ₹1,248.42 crore. Details are given in **Appendix 3.1**.

Similarly, an amount of ₹37.82 crore was incorrectly budgeted and expended (for ‘Machinery’ ‘Major Works’ and ‘Purchase of Land and Building’) as Revenue Expenditure instead of Capital Expenditure by the State Government, due to which Revenue Expenditure was overstated by ₹37.82 crore and Capital Expenditure was understated by ₹37.82 crore. Details are given *Appendix 3.2*.

During the exit conference (March 2021), Finance Department replied that corrections were made in some heads and further rectification would be made in the next financial year

### 3.3.3 Incorrect budgeting for payment of decretal amount

As per Article 112-3(f) of the Constitution of India, any sums required to satisfy any judgement, decree or award of any court or arbitral tribunal should be classified under Charged Expenditure.

Audit observed that during 2019-20, against the budget provision of ₹1.04 crore in six schemes under three Grants, a sum of ₹0.11 crore pertaining to “Payment of decretal amount” (Detail Head 53) was expended as Voted instead of as Charged Expenditure. Details are given in **Table 3.9** below:

(₹ in crore)				
Sl. No.	Grant No. and Name	Head of Account up to Detail Head and Name of Scheme	Total Budget Provision (Original+ Supplementary)	Expenditure Incurred
1	8-Land Revenue and District Administration	2029-103-1472-District Charges-53 (Voted)	0.02	0.05
		2053-093-1509-District Establishment-53 (Voted)	0.75	0.03
		2053-094-6924-Chief Revenue Commissioner (Establishment)-53 (Voted)	0.20	0.00
		2058-001-2286-Office of Controller, Government Printing Stationery Materials-53 (Voted)	0.01	0.00
2	16-Fisherman Welfare and Fisheries Development	2405-101-0162-District Level Staff Inland Fisheries-53 (Voted)	0.02	0.02
3	47-Technical Education, Skill Development and Employment	2230-03-003-0101-6477-Strengthening and Extension of Vocation Training-53 (Voted)	0.04	0.01
<b>Total</b>			<b>1.04</b>	<b>0.11</b>

Source: Finance Accounts 2019-20

In the exit conference (March 2021), Finance Department accepted the facts and instructed Director, Treasury and Accounts to take necessary action.

## 3.4 Unnecessary/Excessive/Inadequate supplementary provision

The Madhya Pradesh Budget Manual, 2012 permits obtaining 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 supplementary budget in January 2020 of ₹23,319.52 crore in 42 Grants/Appropriations for the year 2019-20. Audit analysis of utilisation of these supplementary provisions showed that a provision of only ₹5,367.90 crore was required in 11 Grants/Appropriations where the final expenditure exceeded the original budget provisions as detailed in **Appendix 3.3**. Supplementary provisions amounting to ₹17,951.58 crore proved unnecessary as the final expenditure was not even up to the level of the original provision, as detailed in **Appendix 3.4**. For 24 Grants/Appropriations there were significant savings of ₹100 crore and above out of original budget provision, and yet supplementary provision was obtained. Details are given below in **Table 3.10**:

<b>Table 3.10: Cases where supplementary provision was obtained even though savings were ₹100 crore and above out of original budget provision</b>					
(₹ in crore)					
<b>Grant No.</b>	<b>Number and name of the Grant/Appropriation</b>	<b>Original Provision</b>	<b>Actual Expenditure</b>	<b>Savings out of Original Provision</b>	<b>Supplementary Provision</b>
<b>A-Revenue (Voted)</b>					
1	General Administration	584.40	438.32	146.08	80.00
3	Police	6,828.34	6,660.61	167.73	95.00
6	Finance	14,432.23	12,265.83	2,166.40	0.70
7	Commercial Tax	3,456.95	2,134.71	1,322.24	24.00
8	Land Revenue and District Administration	1,907.04	1,652.92	254.12	4.00
10	Forest	1,833.37	1,456.02	377.35	104.69
13	Farmer welfare and Agriculture development	22,567.39	15,020.99	7,546.40	41.06
14	Animal Husbandry	1,155.29	983.57	171.72	10.17
19	Public Health and Family Welfare	7,261.99	6,577.73	684.26	100.88
22	Urban Development and Housing	6,995.97	3,550.08	3,445.89	30.54
29	Law and Legislative Affairs	1,760.21	1,324.56	435.65	10.00
34	Social Justice and Disabled Person Welfare	863.19	749.06	114.13	74.72
39	Food Civil Supplies and Consumer Protection	1,538.45	958.42	580.03	10.00
47	Technical Education Skill Development and Employment	1,291.99	781.89	510.10	4.26
49	Scheduled Caste Welfare	1,221.50	988.18	233.32	5.00
50	Horticulture and Food Processing	991.31	617.20	374.11	35.89
55	Women and Child Development	5,162.03	4,589.34	572.69	95.01
64	Financial Assistance to Urban Bodies	7,476.12	6,392.98	1,083.14	383.56
	<b>Total</b>	<b>87,327.77</b>	<b>67,142.41</b>	<b>20,185.36</b>	<b>1,109.48</b>
<b>B-Capital (Voted)</b>					
3	Police	711.18	555.35	155.83	13.00
10	Forest	944.41	537.55	406.86	62.52
11	Industrial Policy and Investment Promotion	644.74	496.64	148.10	36.89
22	Urban Development and Housing	1,315.77	1,058.25	257.52	233.00

24	Public Works -Roads and Bridges	6,929.69	6,151.08	778.61	450.00
52	Medical Education	1,010.40	897.60	112.80	175.44
	<b>Total</b>	<b>11,556.19</b>	<b>9,696.47</b>	<b>1,859.72</b>	<b>970.85</b>

Source: Appropriation Accounts 2019-20

### 3.5 Excessive/Unnecessary 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 need for additional funds is identified. Finance Department has the power to sanction/authorise any re-appropriation within a Grant, which does not involve the undertaking of a recurring liability. As per paragraph 26.6 of the Madhya Pradesh Budget Manual (MPBM), 2012, powers to sanction re-appropriations are regulated by rules framed by the Finance Department.

During 2019-20, re-appropriation was done in a total of 57 Sub-heads pertaining to 16 Grants as detailed in *Appendix 3.5*. In 15 Sub-heads pertaining to four Grants<sup>1</sup>, even after re-appropriation of ₹351.68 crore, excess expenditure of ₹662.10 crore was incurred. In the remaining 42 Sub-heads pertaining to 14 Grants<sup>2</sup>, where ₹2,241.68 crore were re-appropriated, the final savings in the same Sub-heads were ₹6,182.13 crore. In one Sub-head alone, pertaining to “Expenditure on Relief on Account of Natural Calamities and Scarcity”, an amount of ₹1,265 crore was re-appropriated and the final savings were ₹4,734.32 crore. It shows that re-appropriations were made without adequate assessment and planning by the Administration.

#### 3.5.1 Substantial surrenders

During 2019-20, substantial surrenders, *i.e.* 50 *per cent* or more, amounting to ₹7,085.69 crore (83.51 *per cent* of Original budget provision of ₹8,484.57 crore) were made in 107 Sub-heads pertaining to 14 Grants, which included 100 *per cent* surrender in 38 Sub-heads (₹862.09 crore) pertaining to 10 Grants as detailed in *Appendix 3.6*.

In Grants pertaining to Farmers Welfare and Agriculture Development, Co-operation and Public Health Engineering, there were substantial surrenders exceeding ₹500 crore in each of the Grants, mainly due to non-receipt of funds from GoI, non-release of deduction amount, fixation of expenditure limit by Finance Department, and limiting budget due to austerity measures.

#### 3.5.2 Anticipated savings not surrendered

During 2019-20, total savings against budget estimates were ₹62,131.62 crore. There were 131 cases in which savings were ₹ one crore and above in each case, with the total amounting to ₹62,122.61 crore. Out of this, an amount of ₹45,911.08 crore was not surrendered (*Appendix 3.7*). This amounted to 73.90 *per cent* of the savings of above 131 cases (*i.e.* ₹62,122.61 crore) and 73.89 *per cent* of the total savings (*i.e.* ₹62,131.62 crore).

<sup>1</sup> Grant Nos. 23, 44, 47 and 48

<sup>2</sup> Grant Nos. 7, 10, 20, 23, 26, 27, 33, 37, 40, 48, 52, 58, 66 and 69

Further, though savings of ₹15,636.31 crore occurred in 77 out of the 131 cases, no part of the savings was surrendered by the respective Departments. Details are given in **Appendix 3.8**.

In the case of Grant No. 55 Women and Child Development, it was observed that an amount of ₹5.90 crore was released at the fag end of the financial year (31 March 2020) as supplementary provision under 2235-02-103-0701-6103 - Integrated Child Protection Scheme, resulting in excess savings due to non-utilisation of budget provision. Release of funds at the fag end of the financial year violated Para 26.9 of MPBM.

Audit further found that under Grant No. 55 Women and Child Development, as on 31 March 2020, the Department surrendered ₹718.22 crore although the savings were ₹667.70 crore. This is very unrealistic and happened due to non-reconciliation of Departmental figures with the figures of the office of the Principal Accountant General (A&E).

### 3.5.3 Surrender/Re-appropriation orders not accepted by Principal Accountant General (PAG)

As per instructions (February 2012) of the State Government, all sanctions for re-appropriations/ surrenders should be issued before the end of the financial year and should be received in the office of the PAG (A&E) well on time for incorporation in the accounts. Proper details of schemes should be furnished and the total of sanctions should be correct. Provisions should be available in Heads concerned from which surrenders/re-appropriations were sanctioned.

Audit noticed that 29 sanctions for surrender amounting to ₹5,340.79 crore and seven sanctions for re-appropriation amounting to ₹21.57 crore, pertaining to a total of 26 Grants/Appropriations, were in violation of the State Government's instructions mentioned above, and were not accepted by the PAG (A&E) for inclusion in the accounts. Details are given in **Appendices 3.9 (A)** and **3.9 (B)**.

## 3.6 Savings

Anticipated savings in expenditure are required to be submitted by the Budget Controlling Officers (BCOs) to Finance Department by 15<sup>th</sup> January (para 26.9 of MPBM), so that they could be utilised where additional funds are required. Summary of cases pertaining to Grants/Appropriations with savings of ₹10 crore and above and more than 20 *per cent* of budget provision is given in **Table 3.11** below and detailed in **Appendix 3.10**.

Table 3.11: Cases pertaining to Grants/Appropriations with savings of ₹10 crore and above and more than 20 per cent of total provisions							
(₹ in crore)							
Sl. No.	Savings range	Sub-heads	Total Number of Grants	Total Budget provision	Actual Expenditure	Savings	Percentage of savings w.r.t. Total Grant
1	10 crore to < 100 crore	30	24	2,766.17	1,654.65	1,111.52	40.18
2	100 crore to < 500 crore	24	21	15,918.03	10,139.27	5,778.76	36.30
3	Above 500 crore	15	11	1,12,882.10	70,908.32	41,973.78	37.18
<b>Total</b>		<b>69</b>	<b>56</b>	<b>1,31,566.30</b>	<b>82,702.24</b>	<b>48,864.06</b>	<b>37.14</b>

Source: Appropriation Accounts 2019-20

The above included savings of ₹48,864.06 crore including Public Debt where savings exceeded ₹10 crore and more than 20 per cent of total provisions in each case. Out of the total savings of ₹48,864.06 crore, only ₹14,633.81 crore was surrendered during the financial year.

**Appendix 3.10** provides detailed Grant wise analysis of savings ranging from ₹10 crore to ₹9,743 crore in 69 cases. In 24 cases, pertaining to 10 Grants and one Appropriation under Revenue section and 12 Grants and one Appropriation under Capital section, savings ranged between ₹100 crore and ₹500 crore. Similarly, in 15 cases, pertaining to nine Grants and one Appropriation under Revenue section and four Grants and one Appropriation in Capital section, there were savings of ₹500 crore and above.

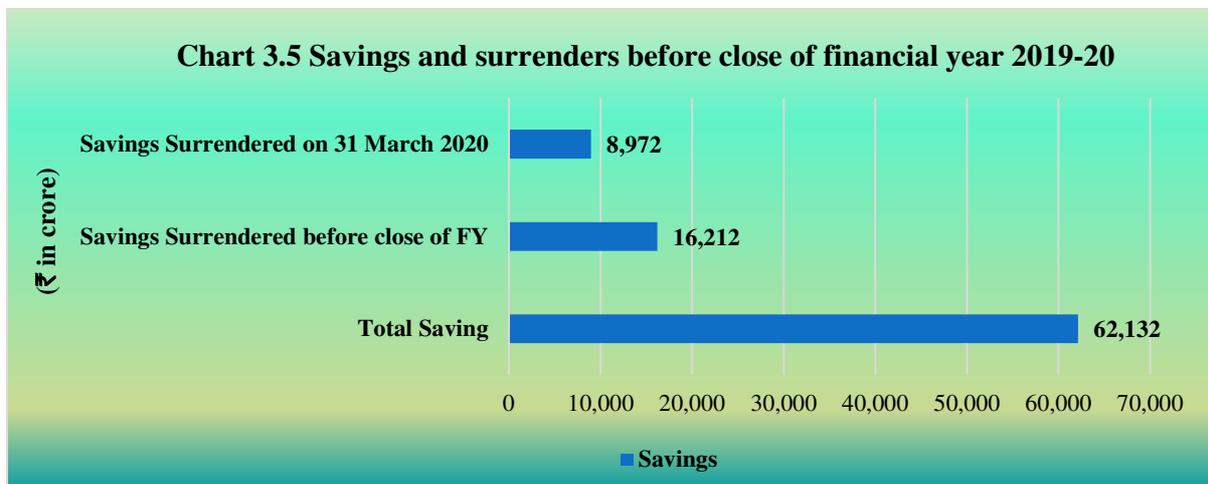
Out of the Grants mentioned in **Appendix 3.10**, savings of ₹500 crore and above had occurred in seven Grants during 2018-19 also as detailed in **Table 3.12** below:

Grant No.	Name of the Grant	Savings (exceeding ₹500 crore)	
		₹ in crore)	
		2018-19	2019-20
7	Commercial Tax (Revenue Voted)	788.29 (28.01)	1,346.24 (38.87)
12	Energy (Revenue Voted)	6,515.48 (39.91)	1,905.58 (20.11)
12	Energy (Capital Voted)	1,527.71 (39.92)	1,162.30 (65.67)
13	Farmers Welfare and Agriculture Development (Revenue Voted)	7,118.31 (42.21)	7,587.46 (33.56)
17	Co-operation (Revenue Voted)	885.41 (63.64)	978.99 (71.84)
22	Urban Development and Housing (Revenue Voted)	3,153.90 (38.96)	3,476.43 (49.47)
53	Financial Assistance to three tier Panchayati Raj Institutions (Revenue Voted)	7,589.70 (21.96)	7,442.64 (27.62)

Source: Appropriation Accounts of respective years

Note: Figures in parenthesis indicate percentage of savings out of total provision

Huge savings under these Grants indicated incorrect estimation of the anticipated expenditure during the period and lack of control over expenditure. Details of savings and surrendered before close of financial year is given in **Chart 3.5** below:



Source: Appropriation Accounts 2019-20

### 3.6.1 Missing/Incomplete Explanation for variation from Budget

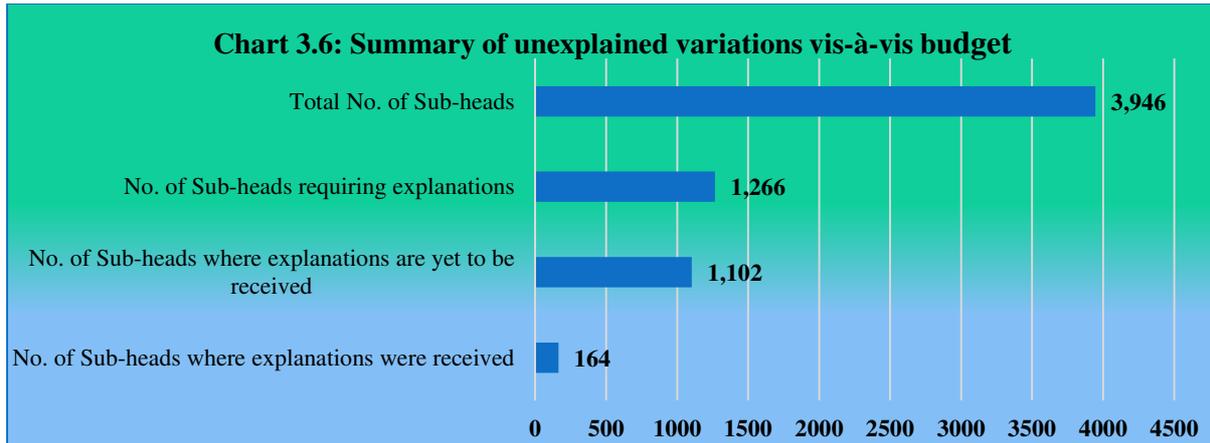
Apart from showing the expenditure against the approved budget, Appropriation Accounts also provide explanation for cases where the expenditure varies significantly from the budgeted provision (Original *plus* Supplementary). The limit beyond which such variation at the Sub-Head/Sub-Sub-Head level (unit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

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

<b>Savings</b>	<ul style="list-style-type: none"> <li>• Comments are to be made if total savings under the Grant is five per cent or more of the total provision.</li> <li>• 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:               <ul style="list-style-type: none"> <li>(a) Not less than ₹40 lakh in case the total provision exceeds ₹30 crore,</li> <li>(b) Not less than ₹20 lakh in case the total provision is between ₹10 crore and ₹30 crore, or</li> <li>(c) Not less than ₹10 lakh in case the total provision is less than ₹10 crore.</li> </ul> </li> <li>• Comments are to be made if total savings under Charged Expenditure of the Grant is not less than ₹10 lakh.</li> </ul>
<b>Excess</b>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• 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:               <ul style="list-style-type: none"> <li>(a) Excess in each Sub-head is more than ₹40 lakh where total provision exceeds ₹30 crore,</li> <li>(b) Excess in each Sub-head is more than ₹20 lakh where total provision is between ₹10 crore and ₹30 crore, or</li> <li>(c) Excess in each Sub-head is more than ₹10 lakh where total provision is less than ₹10 crore.</li> </ul> </li> </ul>

Source: Appropriation Accounts 2019-20

Audit of Appropriation Accounts for the year 2019-20 and an analysis of the underlying accounting data revealed that in all 74 Grants/Appropriations, reasons for variation from budget were required. However, in respect of 49 Grants/Appropriations, reasons were not furnished by the Controlling Officers of Government Departments. Partial response was received in respect of the remaining 25 Grants/Appropriations. In terms of the Sub-heads involved, out of total 3,946 Sub-heads, receipt or otherwise of explanation for variations is depicted in **Chart 3.6** below. Details in this regard are given in **Appendix 3.11**.



Source: Appropriation Accounts 2019-20

Absence of explanation for variation between the budgeted allocation and its utilisation limits legislative control over budget as a means of ensuring financial accountability of the Government.

During the exit conference (March 2021), Finance Department replied that the matter would be taken up with all the departments.

### 3.7 Grants/Appropriations where utilisation of budget was less than 50 per cent

During 2019-20, out of 74 Grants/Appropriations, savings were noticed in three Grants/Appropriations where utilisation of budget was less than 50 per cent and provisions were ₹200 crore or more. Utilisation of budgetary allocation in these three Grants/Appropriations for the period 2015-20 is shown in **Table 3.13** below:

<b>Table 3.13: Grants/Appropriations where utilisation of budget was less than 50 per cent against budget provisions were ₹200 crore or more</b>									
(₹ in crore)									
Sl. No.	Grant	2015-16 (in per cent)	2016-17 (in per cent)	2017-18 (in per cent)	2018-19 (in per cent)	2019-20 (in per cent)	No. of Years	Budget 2019-20	Total Budget (five Years)
1	17-Co-operation	54.25	77.14	86.68	63.56	19.97	1	2,511.47	11,705.30
2	46-Science and Technology	93.24	94.01	90.19	57.12	28.76	1	246.72	1,244.88
3	58-Expenditure on Relief on account of Natural Calamities and Scarcity	97.64	91.02	74.24	96.36	38.21	1	15,769.78	32,236.55

Source: Information received from O/o PAG (A&E)-I, M.P., Gwalior

The low utilisation of budget during 2019-20 in Grant No. 58 was attributed to lack of demand for transportation of drinking water in rural areas, no drought and no harm to the crop in the current financial year, etc. In case of Grant No. 46, low utilisation was attributed to the restrictions imposed on expenditure by the Government from time to time. Similarly, in case of Grant No. 17 low utilisation of Budget was due to lack of withdrawal exemption from the Finance Department and budget being limited due austerity measures.

### 3.8 Excess expenditure requiring regularisation

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get excess expenditure over a Grant/Appropriation regularized by the State Legislature. It was observed however, that the State Government did not regularise the excess expenditure amounting to ₹1,668.32 crore covering 11 Grants and nine Appropriations pertaining to the period 2011-19. Details are given in *Appendix 3.12*.

Though no excess expenditure was observed in Grants and Appropriation during 2019-20, the same during previous years requires regularisation, in terms of Article 205 of the Constitution. Further, it is in violation of Article 204 of the Constitution, which provides that no money shall be withdrawn from the Consolidated Fund except under Appropriation made by law by the State Legislature in accordance with the provisions of this Article. This vitiates the system of budgetary and financial control and encourages financial indiscipline in management of public resources.

During exit conference (March 2021), Finance Department replied that the matter would be taken up with Public Accounts Committee (PAC) and regularisation process was being done for other cases as per recommendations of PAC.

### 3.9 Lump sum Budgetary Provisions

Lump sum provisions are those provisions where Detailed Object Heads are not defined. However, in some cases, where the lump sum provision may become unavoidable and barring the cases where expenditure from lump sum allotments is regulated by standing sanctions, instructions or rules, detailed explanations justifying proposed provision shall be given in the Budget Note accompanying the lump sum estimates.

During 2019-20, in 32 cases under seven Grants (where surrender was more than ₹15 crore and also more than 50 per cent of budget provision), lump sum provision of ₹8,186.52 crore was made in the estimates. Out of this, a sum of ₹6,771.45 crore (82.71 per cent) remained unutilised and was surrendered at the fag end of the year. Significant cases involving a lump sum provision of over ₹100 crore are tabulated below while complete details are given in *Appendix 3.13*.

(₹ in crore)					
Grant No.	Name of the Grant	Heads of account	Provision O: Original S: Supplementary	Amount Surrendered	Surrender in per cent
13	Farmer Welfare and Agriculture Development	2401-800-0103-2343-Farmers Prosperity Scheme	(O)250.00	248.98	99.59
		2401-800-0103-5321-Bhawantar/Flat Rate Scheme	(O)280.00	280.00	100.00
		2401-800-0102-2343-Farmers Prosperity Scheme	(O)350.00	346.84	99.10

		2401-800-0102-5319- Chief Minister Crop Loan Remission Scheme	(O)1,840.00	1,006.83	54.72
		2401-800-0102-5321- Bhawantar/Flat Rate Scheme	(O)157.00	157.00	100.00
		2401-800-0101-2343- Farmers Prosperity Scheme	(O)1,000.00	999.17	99.92
		2801-80-101-0101-5855- Payment of subsidy to MPEB for reimbursement of expenditure in connection with free supply of electricity to one point connection and 5HP Agriculture pumps thresher	(O)819.23	669.23	81.69
17	Co-operation	2425-107-0103-9254- Interest Grant to Farmers on Short Term Loans Through Co-operative Banks	(O)111.92	87.29	77.99
		2425-107-0102-9254- Interest Grant to Farmers on Short Term Loans Through Co-operative Banks	(O)160.88	156.18	97.08
		2425-107-0101-9254- Interest Grant to Farmers on Short Term Loans Through Co-operative Banks	(O)426.69	392.97	92.10
		4425-107-0102-5318- Share Capital of Co- operative Banks	(O)115.00	115.00	100.00
		4425-107-0101-5318- Share Capital of Co- operative Banks	(O)800.00	789.23	98.65
20	Public Health Engineering	4215-01-102-0102-5468- Peyajal ka Adhikaar	(O)240.00	210.00	87.50
		4215-01-102-0101-5468- Peyajal ka Adhikaar	(O)520.00	418.80	80.54
55	Women and Child Development	2235-02-102-1201-1291- Strengthening of I.C.D.S. and Nutrition Level Improvement Project (E-SNIP)/N.N.M.	(O)185.95 (S)89.08	166.33	60.48

Source: Appropriation Accounts 2019-20

Major Grants where lump sum provision were made during the year were Farmers Welfare and Agriculture Development, Co-operation and Public Health Engineering involving 27 Cases out of the total 32 cases and constituted 95 per cent of the total amount of lump sum provisions. The amount unutilised was ₹6,489.19 crore (96 per cent) for these three Departments.

### 3.10 Unutilised provisions under schemes

During 2019-20, in 104 cases, the entire provision made under various schemes (₹10 crore or more in each case) aggregating ₹11,849.10 crore remained unutilised as detailed in **Appendix 3.14**. Significant cases out of these, where the unutilised budget provision was ₹100 crore or more, are detailed in **Table 3.15** below. The major Grants where provisions remained unutilised to the extent of ₹7,132.31 crore were Energy, Commercial Tax, Forest, Water Resources and Public Works-Roads and Bridges. These were linked to electricity distribution companies under UDAY Yojana, Solution (Samadhan) Scheme, Transfer of Energy Development Cess to Energy Development Fund Levied under M.P Upkar Adhiniyam 1982, Transfer of Receipts received from Stamp Duty and Registration Surcharge to Fund under Municipal Act, M.P. Compensatory Forest Planning Fund Management, Dam and Appurtenant and M.P. Road Development Programme (A.D.B.) etc.

(₹ in crore)						
Sl. No.	Grant No.	Name of the Grant/ Appropriation	Name of Scheme	Total Provision (O + S)	Expenditure	Saving
1	CH-II	Public Debt	6003-101-0716-Miscellaneous Loans Payment	100.00	0.00	100.00
2	CH-II	Public Debt	6003-110-0779-Advances for Recoupment of Shortfall	2,000.00	0.00	2,000.00
3	CH-II	Public Debt	6003-110-0637-Ways and Means Advances	2,000.00	0.00	2,000.00
4	CH-I	Interest Payments and Servicing of Debt	2049-60-701-6971 Government Employees Group Insurance Scheme 2003 (Interest Saving on Fund)	135.15	0.00	135.15
5	CH-I	Interest Payments and Servicing of Debt	2049-60-701-6972 Government Employees Group Insurance Scheme 1985 (Interest Saving on Fund)	176.24	0.00	176.24
6	6	Finance	2054-095-5329 Payment of Pending Duties	150.00	0.00	150.00
7	7	Commercial Tax	2030-02-797-0570-0817-Transfer of receipts received from Stamp Duty and Registration Surcharge to Fund under Municipal Act	570.66	0.00	570.66
8	10	Forest	4406-01-800-5399-M.P Compensatory Forest Planning Fund Management	312.52	0.00	312.52
9	12	Energy	2045-103-3218-Transfer of Energy Development Cess to Energy Development Fund Levied under M.P Upkar Adhiniyam 1982	520.13	0.00	520.13

10	12	Energy	2801-80-101-2361- Solution (Samadhan) Scheme	200.00	0.00	200.00
11	12	Energy	2801-80-101-0101-0688-Grant to Electricity Distribution Companies under Uday Yojna	500.00	0.00	500.00
12	12	Energy	4801-05-190-0101-0663- Chief Minister Permanent Agriculture Pump Connection Scheme	100.25	0.00	100.25
13	12	Energy	4801-05-190-0410-7900- Strengthening of Sub Transmission and Distribution System	192.58	0.00	192.58
14	23	Water Resources Department	4700-C4-800-0101-2897 Dam and Appurtenant	805.00	0.00	805.00
15	24	Public Works- Roads and Bridges	5054-03-337-1201-5337- M.P Road Development Programme (A.D.B.)	224.00	0.00	224.00
16	24	Public Works- Roads and Bridges	5054-80-800-0101-3115- Compensation for Land Acquisition	192.00	0.00	192.00
17	25	Mineral Resources	4853-01-800-1701-5453- Infrastructure Work from District Mining Fund (District Level)	180.00	0.00	180.00
18	53	Financial Assistance to three Tier Panchayati Raj Institutions	3604-789-198-0101-4610-Grant Against Collection of Additional Stamp Duty	161.88	0.00	161.88
19	64	Financial Assistance to Urban Bodies	2217-05-789-191-1325-General Compliance Grant as per Recommendation of XIV Finance Commission	169.25	0.00	169.25
20	64	Financial Assistance to Urban Bodies	2217-05-789-191-0801-1325- General Compliance Grant as per Recommendation of XIV Finance Commission	177.48	0.00	177.48
21	64	Financial Assistance to Urban Bodies	2217-05-789-192-0801-1325- General Compliance Grant as per Recommendation of XIV Finance Commission	109.81	0.00	109.81
<b>Total</b>				<b>8,976.95</b>	<b>0.00</b>	<b>8,976.95</b>

Source: Appropriation Accounts 2019-20

Major reasons for non-utilisation of the entire provision, as conveyed by the respective departments, were restrictions imposed on expenditure by the Government, non-approval of the expenditure from the Government, non-operation of the schemes, non-issuance of the fund from GoI and non-receipt of sanctions from Finance Department.

In the exit conference (March 2021), Finance Department accepted the facts and said that they would review the budget in next financial year regarding the same.

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

According to Para 30.1 and 30.2 of MPBM, a Department should carry out budget monitoring by reviewing expenditure incurred by it during a financial year. The primary objective of such monitoring is to ensure that State budget presented and approved by the Legislature 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 make a comparison and analysis for the last three years.

It was observed that during financial year 2019-20, there were savings of ₹10 crore and above in 12 new schemes initiated during 2019-20, as shown in **Table 3.16**:

(₹ in crore)						
Sl. No.	Grant No.	Name of the Grant/Appropriation	Name of Scheme	Total Provision (Original)	Expenditure	Saving
1	10	Forest	2406-01-004-0101-2330-Digitalisation of Forest Map	50.00	0.17	49.83
2	10	Forest	4406-01-800-5399-Madhya Pradesh Compensatory Forest Planning Fund Management	250.0	Nil	250.00
3	14	Animal Husbandry	2403-102-5418-Sorted sex semen project	12.42	Nil	12.42
4	19	Public Health and Family Welfare	2210-03-103-5507-Chief Minister Sushen Sanjeevani Scheme	10.00	Nil	10.00
5	19	Public Health and Family Welfare	4210-02-103-5507-Chief Minister Sushen Sanjeevani Scheme	10.00	Nil	10.00
6	22	Urban Development and Housing	4217-60-800-5468-Right to Drinking Water	10.00	Nil	10.00
7	25	Mineral Resources	4853-01-800-5453-Infrastructural Work for district Mining Fund	300.00	Nil	300.00
8	37	Tourism	5452-80-800-5395-Assistance for value Augmentation of Hotels	12.00	Nil	12.00
9	47	Technical Education and Employment	4202-02-105-5400-All India Council for Technical Education	11.00	0.06	10.94
10	50	Horticulture and Food Processing	2401-119-5403-Operation Green	50.00	Nil	50.00
11	50	Horticulture and Food Processing	2401-119-5408-Chief Minister Incentive Scheme for Onion Farmers	145.00	101.61	43.39
12	50	Horticulture and Food Processing	4401-119-5474-Chief Minister Horticulture and Food Processing	100.00	Nil	100.00
<b>Total</b>				<b>960.42</b>	<b>101.84</b>	<b>858.58</b>

Source: Finance Accounts 2019-20

As can be seen from the above **Table**, despite announcing new initiatives during the year 2019-20 and allocating funds for these Government could not ensure that the funds were utilised for the intended purposes. The substantial savings in the new schemes were mainly under three Grants, *i.e.* Grant No. 10-Forest, Major Head 2406 (Forestry and Wild Life), 4406 (Capital Outlay on Forestry and Wild Life), Grant No. 25-Mineral Resources, Major Head 4853 (Capital Outlay on Mineral Resources) and Grant No. 50-Horticulture and Food Processing, Major Head 2401 (Crop Husbandry), 4401 (Capital Outlay on Crop Husbandry).

### 3.12 Rush of Expenditure

According to Para 26.13 of the MPBM, rush of expenditure, particularly in the closing months of the financial year, will ordinarily be regarded as a financial irregularity. It was observed that in 12 cases<sup>3</sup> of nine Grants/Appropriations amounting to ₹2,929.45 crore, 100 per cent expenditure was incurred during March 2020. Details are given in **Table 3.17**.

Table 3.17: Quantum of Expenditure in March						
(₹ in crore)						
Sl. No.	Grant number and name	Scheme No.	Expenditure incurred during Jan-March 2020	Expenditure incurred in March 2020	Total expenditure	Percentage of total expenditure incurred during March 2020
1	CH-II, Public Debt	6237	1,148.00	1,148.00	1,148.00	100
2	CH-I, Interest Payments and Servicing of Debt	5436	21.39	21.39	21.39	100
3	CH-I, Interest Payments and Servicing of Debt	5437	39.49	39.49	39.49	100
4	CH-I, Interest Payments and Servicing of Debt	9320	59.22	59.22	59.22	100
5	11-Industrial Policy and Investment	5396	30.60	30.60	30.60	100
6	12-Energy	2034	21.22	21.22	21.22	100
7	12-Energy	5309	729.95	729.95	729.95	100
8	25-Mineral Resources	6606	701.14	701.14	701.14	100
9	33-Tribal Affairs	9484	30.03	30.03	30.03	100
10	40-Other Expenditure pertaining to School Education Department (Excluding Primary Education)	2267	102.74	102.74	102.74	100
11	53-Financial Assistance to Three Tier Panchayati Raj Institutions	6093	32.00	32.00	32.00	100
12	64-Financial Assistance to Urban Bodies	5728	13.67	13.67	13.67	100
<b>Total</b>			<b>2,929.45</b>	<b>2,929.45</b>	<b>2,929.45</b>	

Source: Information furnished by O/o PAG (A&E)-I, M.P., Gwalior

<sup>3</sup> Where expenditure during last quarter exceeded ₹10 crore.

As can be seen from **Table 3.18** below, during the financial year 2019-20, there was one case where more than 50 per cent of the total expenditure was incurred in March 2020 alone under Grant No. 25-Mineral Resources, which was ₹702.93 crore (94.91 per cent) of the total expenditure.

Table 3.18: Grants with more than 50 per cent of expenditure in March alone									
(₹ in crore)									
Sl. No.	Grant No.	Description	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total	Expenditure in March	Expenditure in March as percentage of total expenditure (in per cent)
1	25	Minerals Resources	10.43	9.31	11.87	709.04	740.65	702.93	94.91

Source: Information furnished by O/o PAG (A&E)-I, M.P., Gwalior

Thus, contrary to the spirit of financial regulation, substantial expenditure was incurred by the Government at the fag end of the year, indicating inadequate control over the expenditure and poor budgetary management.

### 3.13 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 2019-20, two Grants, i.e. Grant No. 13 Farmers Welfare and Agriculture Development and Grant No. 22 Urban Development and Housing, were selected for detailed scrutiny in audit to review compliance with prescribed budgetary procedures, monitoring of funds, control mechanisms and implementation of schemes within these grants. Outcome of the audit is discussed in the succeeding paragraphs.

#### 3.13.1 Grant No. 13 Farmers Welfare and Agriculture Development

Audit reviewed (October 2020) the budgetary procedure and control over expenditure pertaining to Grant No. 13 Farmers Welfare & Agriculture Development at the Directorate of Farmers Welfare & Agriculture Development Department, Bhopal. The Director, Farmers Welfare & Agriculture Development Department, Bhopal and the Director, Agriculture Engineering Department, Bhopal were the Budget Controlling Officers (BCOs) of Grant No. 13.

##### 3.13.1.1 Summarised position of Budget and Expenditure

The details of amount budgeted for and the expenditure incurred under Grant No. 13 during 2019-20 is summarised below in **Table 3.19**:

<b>(₹ in crore)</b>								
Section	Original Budget	Supplementary Budget	Total Grant	Budget released to BCOs	Expenditure		Savings	
					As per Appropriation Accounts	As per BCOs	As per Appropriation Accounts	As per BCOs
Revenue (Voted)	22,567.39	41.06	22,608.45	20,256.99	15,020.99	15,025.12	7,587.46	5,231.87
Revenue (Charged)	0.40	0.00	0.40	0.40	0.03	0.03	0.37	0.37
<b>Total</b>	<b>22,567.79</b>	<b>41.06</b>	<b>22,608.85</b>	<b>20,257.39</b>	<b>15,021.02</b>	<b>15,025.15</b>	<b>7,587.83</b>	<b>5,232.24</b>

Source: Appropriation Accounts 2019-20 and information furnished by the BCOs

As can be seen from **Table 3.19** above, under section Revenue (Voted), the original budget as approved by the Legislature was ₹22,608.45 crore and actual budget released to Budget Controlling Officers (BCOs) under section Revenue (Voted) by Finance Department (FD) was ₹20,256.99 crore (90 per cent). Thus, there was a short release of ₹2,351.46 crore (10 per cent) under Revenue (Voted) to the BCOs from the actual budget approved by the Legislature.

During exit conference (March 2021), Finance Department replied that the budget is regulated through Legislature and that funds as required had to be provided to the departments concerned as per availability.

As per Appropriation Accounts 2019-20, against the provision of ₹22,608.85 crore, an expenditure of ₹15,021.02 crore was incurred resulting in unspent provision of ₹7,587.83 crore (33.56 per cent). Further, as per the records of BCOs, against the total budget of ₹20,257.39 crore released, an expenditure of ₹15,025.15 crore was incurred resulting in an unspent amount of ₹5,232.24 crore (25.83 per cent). Out of the total savings amounting to ₹5,232.24 crore at BCO level, an amount of ₹4,721.17 crore, which was 90 per cent of the total savings, was released only during February-March 2020.

Delayed release of funds by BCOs resulted in huge savings. Such margin of savings, indicates that the BCOs had not given due care during estimation and also not complied with the applicable provisions of the MP Budget Manual at the time of preparation of the Budget Estimates.

### 3.13.1.2 Persistent savings

Audit observed that in violation of paras 30.1 and 30.2 of Madhya Pradesh Budget Manual, during the last five years from 2015-16 to 2019-20, there were persistent savings of more than ₹ one crore in 11 schemes ranging between 6.11 per cent and 100 per cent of the total budget allotment under the relevant appropriation as shown in **Appendix 3.15** and **Table 3.20** below:

<b>(₹ in crore)</b>						
Sl. No.	Scheme Name	Amount of Savings (Per cent to total budget allotment in the scheme)				
		2015-16	2016-17	2017-18	2018-19	2019-20
1	7493-National E-Governance Plan	4.93 (98.40)	5.00 (100)	5.21 (95.25)	5.29 (96.71)	2.35 (100.00)
2	7494- Sub-Mission on Seed and Planning Material	19.16 (100)	31.95 (72.81)	23.17 (38.91)	78.71 (71.30)	87.56 (79.60)

3	7497- Sub-Mission Rainfed Area Development	22.30 (71.77)	34.18 (84.40)	25.79 (80.27)	12.22 (90.79)	13.05 (95.96)
4	7499- Sub-Mission Soil Health Management	15.00 (100)	41.48 (81.33)	50.96 (99.26)	48.32 (77.52)	57.09 (89.06)
5	7500-National Oil Seed and Oil Palm Mission under National Food Security Mission	50.26 (66.99)	33.33 (53.59)	60.03 (71.53)	81.94 (85.96)	70.57 (77.89)
6	7501-National Food Security Mission	177.44 (57.24)	112.91 (52.22)	113.22 (40.07)	92.76 (25.21)	190.17 (46.70)
7	4204-State Machine Tractor Station Scheme	6.39 (35.72)	1.53 (11.79)	2.61 (17.05)	2.72 (15.81)	1.75 (10.13)
8	5626-National Agriculture Development Scheme	72.55 (26.68)	37.29 (14.73)	101.39 (27.47)	105.62 (27.44)	241.59 (63.63)
9	6482-Agriculture Power Scheme	1.23 (17.57)	1.32 (20.15)	2.18 (24.49)	2.16 (25.47)	2.94 (43.11)
10	6674-Promotion to Agricultural Mechanisation	3.44 (11.78)	4.47 (13.24)	6.55 (16.17)	23.68 (60.33)	4.89 (48.90)
11	7450-Grant on Tractor and Agriculture Cess (S.M.A.M.)	22.23 (67.57)	5.98 (18.30)	11.24 (23.15)	4.00 (6.11)	38.96 (27.92)

Source: Information furnished by BCOs

Persistent savings are indicative of unrealistic budgetary allocation, sub-optimal utilisation of budgeted funds and monitoring or resource utilisation. This also showed that budget allocations were made without considering the previous years' trends in expenditure which resulted in persistent savings.

### 3.13.1.3 Substantial Savings

The main objective of the schemes under Grant No. 13 is to increase agricultural production and productivity and enhance farm income. Other objectives of these schemes were to expand tree plantation, ensure availability of quality planting material, promote soil testing, make agriculture more productive, enhance the physical availability of water on the farm and expand cultivable area under assured irrigation (Har Khet Ko Paani), etc.

Audit observed that during 2019-20, there were substantial savings of ₹5,122.07 crore in 25 schemes, where savings were ₹ five crore or more, ranging between 4.53 per cent and 100 per cent of the total budget allotment. The details are shown in **Appendix 3.16**.

The Department, in its surrender order dated 30 March 2020, attributed the savings to non-release of deducted funds by Finance Department, setting expenditure limit by Finance Department, not receiving decision of Finance Department on incurring expenditure in Central Government schemes to the extent of available funds and imposition of lockdown due to Covid-19.

The reason cited by the Department regarding the lockdown is not acceptable as the lockdown due to Covid-19 was imposed on 25 March 2020 and savings of ₹7,119 crore (42.20 per cent) and ₹3,200 crore (38.17 per cent) had also occurred during 2018-19 and 2017-18 respectively. These indicate that trends in previous years were not analysed while preparing the budget

estimates. Substantial savings in these schemes had defeated the main objectives of the schemes and deprived the beneficiaries of the envisaged benefits of the schemes.

#### 3.13.1.4 Non-utilisation of entire provision

During 2019-20, in 14 cases where provision was ₹ one crore or more, the entire provision of the schemes aggregated to ₹521.85 crore remained unutilised. Out of this, funds amounting to ₹433.47 crore (83 per cent) were released by Finance Department. However, no expenditure was incurred by the Department from the funds released as detailed in **Table 3.21** below:

Table 3.21: Non-utilisation of entire provision					
(₹ in crore)					
Sl. No.	Scheme head	Total provision	Funds released to BCOs	Expenditure	Savings
1	2401-102-0701-7243 Agriculture Forestry Sub Mission	4.47	4.47	0.00	4.47
2	2401-102-0702-7243 Agriculture Forestry Sub Mission	1.21	1.21	0.00	1.21
3	2401-102-0703-7243 Agriculture Forestry Sub Mission	1.63	1.63	0.00	1.63
4	2401-109-0701-7493 National E-Governance Plan	2.35	2.35	0.00	2.35
5	2401-102-0701-7717 Prime Minister Agriculture Irrigation Scheme	35.00	35.00	0.00	35.00
6	2401-102-0702-7717 Prime Minister Agriculture Irrigation Scheme	12.65	12.65	0.00	12.65
7	2401-102-0703-7717 Prime Minister Agriculture Irrigation Scheme	9.73	9.73	0.00	9.73
8	2401-102-1201-0733 Green Krishi	2.55	2.08	0.00	2.08
9	2401-800-0801-5311 Small Irrigation and water body calculation	7.86	7.86	0.00	7.86
10	2401-800-0102-5321 Bhavantar/ Flat rate scheme	157.00	125.60	0.00	125.60
11	2401-800-0103-5321 Bhavantar/ Flat rate scheme	280.00	224.00	0.00	224.00
12	2401-109-0101-7670 Krishi Mahotsav	3.73	3.36	0.00	3.36
13	2401-109-0102-7670 Krishi Mahotsav	1.94	1.86	0.00	1.86
14	2401-109-0103-7670 Krishi Mahotsav	1.73	1.67	0.00	1.67
<b>Total</b>		<b>521.85</b>	<b>433.47</b>	<b>0.00</b>	<b>433.47</b>

Source: Information furnished by BCOs

The Department, in its surrender order (March 2020), had cited the main reasons for savings as non-receipt of approval of proposed components under Agriculture Forestry Sub Mission Scheme from GoI and non-receipt of amount as per the budget provision from GoI.

### 3.13.1.5 Unnecessary supplementary provision/re-appropriation

According to paras 28.8 and 28.9 of Madhya Pradesh Budget Manual Vol-1, the primary responsibility of preparing and justifying supplementary grants rests with BCOs. Proposals for supplementary grants or appropriation should be submitted by the Controlling Officer to the administrative Department concerned, who should then examine the proposals carefully and recommend to the Finance Department only those that are considered to be fully justified.

Audit observed that during the year 2019-20, supplementary provision/re-appropriation amounting to ₹99.47 crore proved unnecessary in four schemes, as the expenditure was not even upto the level of original provision, as detailed in **Table 3.22** below:

<b>Table 3.22: Details of unnecessary supplementary provision/re-appropriation of provision</b>						
(₹ in crore)						
Schemes	Original provision	Supplementary provision	Re-appropriation	Total	Expenditure	Savings
2401-109-7492 Sub-Mission on Agriculture Extension (Aatma)	64.63	8.00	0.00	72.63	61.29	11.34
2401-109-9474 Farmers Brothers	0.00	1.87	0.00	1.87	0.00	1.87
2401-113-7501- National Food Safety Mission	32.00	16.20	0.00	48.20	23.18	25.02
2401-800-0101-5321 Bhawantar/ Flat rate scheme	683.00	0.00	73.40	756.40	422.84	333.56
<b>Total</b>	<b>779.63</b>	<b>26.07</b>	<b>73.40</b>	<b>879.10</b>	<b>507.31</b>	<b>371.79</b>

Source: Information furnished by BCOs

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

### 3.13.1.6 Surrender of funds by DDOs

Scrutiny of records made available by the BCO (Director, Agriculture Engineering Department) revealed that in six cases, more than 50 per cent of budget allocated to DDOs during 2019-20 remained unutilised. Details are shown in **Table 3.23** below:

Table 3.23: Statement showing significant non-utilisation of funds by DDOs					
(₹ in lakh)					
Sl. No.	Name of Scheme	Budget Allotment to DDOs 2019-20	Utilised by DDOs	Surrendered by DDOs	Percentage non-utilisation of funds by DDOs
1	5907-Post Harvest Technology and Management	6.04	0.00	6.04	100.00
2	6697- Testing of New Upgraded Agriculture Equipment in Farmers Fields	5.03	0.00	5.03	100.00
3	7500- National Oil Seeds and Oil Palm Mission under National Food Security Mission	500.00	0.90	499.10	99.82
4	7452- Agriculture Mechanised Activity and Village Development (S.M.A.M)	556.17	177.94	378.23	68.01
5	7451- Grant on establishment of Custom Hiring Centre (S.M.A.M)	2,166.31	704.35	1,461.96	67.49
6	7501- National Food Security Mission	4,820.31	2,318.18	2,502.13	51.91
<b>Total</b>		<b>8,053.86</b>	<b>3,201.37</b>	<b>4,852.49</b>	<b>60.25</b>

Source: Information furnished by BCO

As can be seen from **Table 3.23** above, the budget distributed to DDOs were not fully utilised. It also shows that the BCO had prepared the budget estimates on *ad hoc* basis without assessing the actual requirement and obtaining proposals from DDOs.

### 3.13.1.7 Non-surrender of savings within prescribed time

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 15<sup>th</sup> January for each financial year so that resources can be allocated by the Finance Department to other Demands for Grants.

During 2019-20, in 48 schemes, savings aggregating ₹7,232.94 crore (52.02 *per cent*) out of total provision of ₹13,903.49 crore were surrendered in the month of March 2020 (11.03.2020, 30.03.2020 and 31.03.2020). In 12 out of these 48 schemes, there was 100 *per cent* surrender of ₹78.22 crore, leaving little scope for utilising the funds for other development programmes. Details are given in **Appendix 3.17**.

### 3.13.2 Grant No. 22 Urban Development and Housing

Audit reviewed (October and November 2020) the budgetary procedure and control over expenditure pertaining to Grant No. 22 Urban Development and Housing. The Secretary, Urban Development and Environment, the Director, Urban Administration and Development, the Directorate of Town and Country Planning, the Superintendent Engineer, Capital Project Administration and the Director General of Police are the Budget Controlling Officers (BCOs) of Grant No. 22.

### 3.13.2.1 Summarised position of Budget and Expenditure

The details of amount budgeted for and the expenditure incurred under Grant No. 22 during 2019-20 is summarised in **Table 3.24** below:

Table 3.24: Summarised position of Budget and Expenditure 2019-20						
(₹ in crore)						
As per Appropriation A/cs		As per BCOs	Expenditure		Savings	
Section	Total Budget	Actual Allocation to BCOs	As per BCOs	As per Appropriation Accounts	As per BCOs	As per Appropriation Accounts
Revenue (Voted)	7,026.51	6,911.49	3,550.29	3,550.08	3,361.20	3,476.43
Revenue (Charged)	0.50	0.40	0.00	0.00	0.40	0.50
Capital (Voted)	1,548.77	1,547.77	1,058.25	1,058.25	489.52	490.52
Capital (Charged)	15.00	15.00	0.00	0.00	15.00	15.00
<b>Total</b>	<b>8,590.78</b>	<b>8,474.66</b>	<b>4,608.54</b>	<b>4,608.33</b>	<b>3,866.12</b>	<b>3,982.45</b>

Source: Appropriation Accounts 2019-20 and information furnished by the BCOs

As per Appropriation Accounts 2019-20, against the provision of ₹7,026.51 crore under section Revenue (Voted), expenditure of ₹3,550.08 crore was incurred, resulting in unspent provision of ₹3,476.43 crore (49.48 *per cent*). Similarly, against the provision of ₹1,548.77 crore under section Capital (Voted), expenditure of ₹1,058.25 crore was incurred resulting in unspent provision of ₹490.52 crore (31.67 *per cent*). Also total provision of ₹0.50 crore and ₹15.00 crore under section Revenue (Charged) and Capital (Charged) respectively remained unspent. Such significant savings indicate that the BCOs had not reviewed the expenditure and also not complied with the Para 26.9 of Budget Manual Volume-I, which provides that anticipated savings are required to be surrendered by 15 January for each financial year.

### 3.13.2.2 Inflated provisions under original and supplementary grants

As per the BCOs, there was a saving of ₹3,866.12 crore (45.62 *per cent*) against total budget received amounting to ₹8,474.66 crore during 2019-20 but as per the Appropriation Accounts, there was savings of ₹3,982.45 crore against the total budget of ₹8,590.78 crore.

In 21 Heads of Account under the Grant, where savings were ₹10 crore and above and more than 20 *per cent* of total budget received, significant savings of ₹3,436.94 crore (88.90 *per cent* of total savings) occurred, which indicates improper budget estimation. Details are given in **Appendix 3.18**.

### 3.13.2.3 Persistent and Substantial Savings:

#### (a) Persistent Savings

According to paras 30.1 and 30.2 of the Madhya Pradesh Budget Manual, the Department should carry out budget monitoring by reviewing expenditure incurred by the Department during a financial year. Audit observed that during the period from 2017-18 to 2019-20, there were persistent savings of more than ₹ one crore in seven schemes (except scheme code 6989 in 2017-18) ranging between 12 *per cent* and 100 *per cent* of the total budget provision under the relevant appropriation, as shown in **Table 3.25** below:

Table 3.25: List of appropriations indicating persistent savings during 2017-20				
(₹ in crore)				
Sl. No.	Scheme Name	2017-18	2018-19	2019-20
1	4216-01-700-6989-Repairs of State Legislative Building and MLA Rest House	0.42 (12.00)	3.11 (88.86)	3.50 (100.00)
2	4217-03-190-0701-7705-Smart City	496.00 (70.86)	355.00 (50.71)	57.00 (19.00)
3	4217-60-800-1201-7711-M.P. Urban Development Project (World Bank)	29.00 (58.00)	20.00 (50.00)	17.76 (50.74)
4	4217-60-800-0103-7711-M.P. Urban Development Project (World Bank)	40.00 (100.00)	30.00 (50.00)	35.74 (64.98)
5	6217-60-800-1201-7336-M.P. Urban Services Improvement Programme (A.D.B) (World Bank)	211.71 (78.41)	32.55 (38.75)	41.87 (23.79)
6	6217-60-800-1201-7711-M.P. Urban Development Project (World Bank)	21.00 (30.00)	50.00 (50.00)	92.50 (61.67)
7	4217-01-050-0101-3115- Payment of Land Acquisition	10.00 (100.00)	15.00 (100.00)	15.00 (100.00)

Source: Appropriation Accounts of respective years

Persistent savings are indicative of inadequate budgetary monitoring or shortfall in performance, or both. This also showed that budget allocations were made without considering the previous years' trends in expenditure.

#### (b) Substantial Savings

Out of the total 77 schemes, in 12 schemes, where savings were for ₹ five crore or more, there were substantial savings of ₹3,821.05 crore. This saving ranged from 12.84 to 100 *per cent* of the total budget received by BCOs under such schemes of the Grant during 2019-20. The details are given in **Appendix 3.19**.

### 3.13.2.4 Unutilised provisions in various schemes

Para 26.9 of the Budget Manual provides that anticipated savings should be surrendered before 15<sup>th</sup> January.

Audit observed that in 27 cases out of 234 cases in various schemes under three BCOs where allotment was ₹ one lakh or more, the entire budget allotment of ₹129.20 crore remained unutilised, as given in **Appendix 3.20**.

### 3.13.2.5 Unnecessary augmentation by re-appropriation

Audit observed that during the year 2019-20, re-appropriation amounting to ₹10.04 crore proved unnecessary in four schemes as the expenditure was not even upto the level of the original budget provision. Details are given in **Table 3.26** below:

Table 3.26: Details of unutilised amount of re-appropriation							
(₹ in crore)							
Sl. No.	Name of BCO	Scheme Heads	Total budget	Re-appropriation	Total	Expenditure	Savings
1	The Director, Urban Administration, Bhopal (BCO Code-1802)	22-6217-60-800-1201-5374-V-67-001	5.00	5.00	10.00	5.00	5.00
		22-4217-60-800-1201-5374-V-64-002	5.00	5.00	10.00	5.00	5.00
2	The Superintendent, Engineer Capital Project Administration (BCO Code 1807)	22-2059-80-001-1899-21-001	0.00	0.02	0.02	0.00	0.02
		22-2059-80-001-4002-12	0.40	0.02	0.42	0.38	0.04
<b>Total</b>			<b>10.40</b>	<b>10.04</b>	<b>20.44</b>	<b>10.38</b>	<b>10.06</b>

Source: figures received from BCOs and Detailed Appropriation Accounts

### 3.13.2.6 Unnecessary augmentation by Supplementary Grants

Audit observed in four cases pertaining to Director, Urban Administration, Bhopal that, ₹18.17 crore was provided by way of Supplementary Grant but was unutilised during the year. In three cases (Directorate of Urban Local Bodies, Mukhya Mantri Adhoshanrachana Vikas Phase-2 and Ujjain Smart City Loan Assistance from Central Government), no expenditure was incurred which indicates that the actual budget requirement was not assessed realistically.

On this being pointed out, the BCO concerned stated (November 2020) that the supplementary amount was received in March 2020 and withdrawal could not be made due to restrictions on withdrawal and implementation of lock-down. Further, Finance Department instructed that the demand letter would be issued after utilisation of fund.

This delayed release of funds and associated instructions thus led to needless allocation and savings of this amount of ₹18.18 crore.

## 3.14 Conclusion

*During 2019-20, as much as 24.18 per cent of savings (amounting to ₹62,131.62 crore) was allowed to lapse at the end of the year or was surrendered on the last day of the financial year.*

*Funds of ₹46.82 crore drawn on 31 March 2020 was transferred from Consolidated Fund of the State to Civil Deposits in Public Account to avoid lapse of funds, which inflated the expenditure of the year under the Consolidated Fund of the State.*

*Out of total 3,946 sub-heads, explanation for variations in expenditure with reference to approved budgetary allocations, were required in 1,266 sub heads but the required explanations were received in only 164 cases (12.95 per cent of 1,266) and explanations regarding 1,102 sub heads were not received at all.*

*Excess expenditure of ₹1,668.32 crore pertaining to 11 Grants and nine Appropriations of previous years requires regularisation under Article 205 of the Constitution.*

### **3.15 Recommendations**

- i) State Government needs to formulate a realistic budget based on reliable assumptions of the needs of the Departments and their capacity to utilise the allocated resources.
- ii) An appropriate control mechanism needs to be instituted by the State Government to enforce proper implementation and monitoring of budget to ensure that savings are curtailed, large savings within the Grant/Appropriation are controlled and anticipated savings are identified and surrendered within the specified time frame.
- iii) 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.



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## **Chapter 4**

# **QUALITY OF ACCOUNTS AND FINANCIAL REPORTING PRACTICES**

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## Chapter 4-Quality of Accounts and Financial Reporting Practices

### 4.1 Introduction

A sound internal financial reporting system with relevant and reliable information significantly contributes to efficient and effective governance by the State Government. Compliance with financial rules, procedures and directives as well as the timeliness and quality of reporting on the status of such compliance is, thus, one of the attributes of good governance. Reports on compliance and controls, if effective and operational, assist the Government in meeting its basic stewardship responsibilities, including strategic planning and decision-making. This Chapter provides an overview of the quality of accounts and compliance of the State Government in its financial reporting practices, with prescribed financial rules, procedures and directives with regard to completeness, transparency, measurement and disclosure.

### 4.2 Building and Other Construction Workers Welfare Cess

In terms of the Building and Other Construction Workers (BOCW) Welfare Cess Act, 1996, the GoMP constituted (April 2003) the Madhya Pradesh Building and Other Construction Workers Welfare Board (Board). The Board was assigned with duty to regulate the employment and conditions of service of Building and Other Construction Workers and to provide for their safety, health and welfare measures and for other matters connected therewith or incidental there to. It exercises the power conferred on, and performs the assigned functions to it under the Building and Other Construction Workers (Regulation of Employment and Condition of Service) Act 1996. The Board collects cess at the rate of one *per cent* of cost of construction from the employers and utilises it for the implementation of its schemes. Further, Cess is to be remitted to the Board within one month of collection/deduction.

#### 4.2.1 Accounting of Cess

There is no uniformity in the accounting procedure followed by Government departments with regard to labour cess. For example, divisions of the Public Works department deduct Building and Other Construction Workers' Welfare Cess from the running bills of the contractors and the amount is credited to Major Head 8443-108-Public Works Deposits. However, Rural Engineering Service Divisions book Building and Other Construction Workers' Welfare Cess under Major Head 0230-Labour and Employment Minor Head 101-Receipts from Labour Laws. There is no specific Sub-Head either under Major Head 8443-108 or Major Head 0230-101 for accounting of Building and Other Construction Workers' Welfare Cess. Hence, the amount of cess actually collected and subsequently transferred to M.P. Building and Other Construction Workers' Welfare Board cannot be ascertained.

Section 27(1) of BOCW Act requires the Board to maintain proper accounts and other relevant records and prepare an annual statement of accounts, Audit noticed that the Board had not prepared its accounts since 2013-14. Despite drawing attention of the State Government to this issue year after year in the Audit Reports of the CAG, there has been no improvement.

Details of receipts and expenditure of labour cess during 2015-20 are given in **Table 4.1**.

Table 4.1: Details of receipts and expenditure of Cess during 2015-20								
(₹ in crore)								
Year	Opening Balance	Amount of cess collected	Registration charges	Interest on deposits	Total funds available	Expenditure	Closing Balance	Percentage of utilisation of available funds
2015-16	1,111.83	286.44	0.001	65.20	1,463.47	120.18	1,343.29	8.21
2016-17	1,343.29	346.99	0.00008	56.93	1,747.21	261.17	1,486.04	14.95
2017-18	1,486.04	281.95	0.0003	67.84	1,835.83	260.16	1,575.67	14.17
2018-19	1,575.67	351.90	0.0006	50.58	1,978.15	349.52	1,628.63	17.67
2019-20	1,628.63	311.15	0.0001	129.57	2,069.35	569.67	1,499.68	27.53

Source: Information provided by M.P. Building and Other Construction Workers Welfare Board, Bhopal

As per the information furnished by the Board, a sum of ₹1,499.68 crore was available as on 31 March 2020. However, an amount of ₹2,485.39 crore was parked in bank accounts. The difference of ₹985.71 crore was pending reconciliation.

#### 4.2.2 Utilisation of Labour Cess

The State Government notified various schemes/activities viz., maternity benefits, pension, advance for purchase/construction of houses, funeral assistance, medical assistance, cash awards for meritorious students, financial assistance for education/marriage of children of beneficiaries, etc., for benefit from the BOCW Welfare Fund. Details of expenditure in this regard during 2015-20 are given in **Table 4.2**:

Table 4.2: Expenditure on schemes against available funds							
(₹ in crore)							
Year	Available funds	Budget allotment for schemes		Scheme operated		Registered workers	Workers covered
		No. of schemes	Allotment	No. of schemes	Actual Expenditure		
2015-16	1,463.47	20	125.80	17	101.24	24,81,926	5,16,958
2016-17	1,747.21	26	151.60	24	240.06	25,28,255	4,25,448
2017-18	1,835.83	24	233.10	21	287.98	25,87,175	4,98,182
2018-19	1,978.15	24	76.01	24	316.83	12,19,230	3,63,289
2019-20	2,300.81	24	304.84	24	350.16	13,12,673	1,75,702

Source: Information provided by M.P. Building and other Construction Workers Welfare Board, Bhopal

As is evident from the above **Table**, the Board could utilise only 13.44 *per cent* of the available funds and only 13.39 *per cent* of the registered workers were benefited under various schemes viz. education scholarship, accommodation, medical aid, etc. during 2019-20. Thus, due to non-utilisation of funds amounting to ₹2,255.49 crore of available funds, about 86 *per cent* registered workers were deprived of getting benefit under various schemes.

Most of the schemes which the BOCW Board is operating for the welfare of construction workers are also being operated by State Government in normal course. Hence, BOCW Board may consider concentrating on those welfare activities which are not implemented by the State Government in their existing schemes. Further, Government should consider instituting a Governing Board for managing the huge accumulated balances in the fund for the welfare of registered construction workers.

### 4.2.3 Non-transfer of Labour Cess to Board

As per information provided by Madhya Pradesh Building and Other Construction Workers Welfare Board, the State Government collected the cess amounting to ₹2,630.10 crore during 2010-11 to 2019-20, and transferred the same to the Board. However, due to dishonouring of cheques amounting to ₹8.81 crore only an amount of ₹2,621.29 crore was credited to the Board's account as detailed below in **Table 4.3**:

Table 4.3: Workers' Welfare Cess collected and credited to the Board			
(₹ in lakh)			
Financial Year	Amount of Cess collected	Amount credited to the Board	Amount not credited to the Board
2010-11	12,092.14	12,058.70	33.44
2011-12	13,654.55	13,560.79	93.76
2012-13	22,576.05	22,303.72	272.33
2013-14	26,449.51	26,220.71	228.80
2014-15	30,393.02	30,294.52	98.50
2015-16	28,643.93	28,578.47	65.46
2016-17	34,699.78	34,659.48	40.30
2017-18	28,195.10	28,152.94	42.16
2018-19	35,190.36	35,184.51	5.85
2019-20	31,115.68	31,115.63	0.05
<b>Total</b>	<b>2,63,010.12</b>	<b>2,62,129.47</b>	<b>880.65</b>

Source: Information provided by M.P. Building and Other Construction Workers Welfare Board, Bhopal

The Board informed (January 2021) that the dishonoured cheques were returned to the concerned agencies/Departments for renewal.

Audit of one Municipal Council (MC), Khargone (February 2020) revealed that the Worker Welfare Cess amount was deducted from bills of contractors from August 2017 to January 2020, but it was not remitted to the Board. The detail of deducted Welfare Cess is given below in **Table 4.4**:

Table 4.4: Non-remittance of Workers Welfare Cess to the Board			
(₹ in lakh)			
Sl. No.	Name of Unit	Year	Cess amount
1	Municipal Council, Khargone	2017-18	22.81
2		2018-19	52.15
3		2019-20	25.35
<b>Total</b>			<b>100.31</b>

Source: Information furnished by Office concerned

As can be seen from the above Table, the Welfare Cess amounting to ₹ one crore was deducted from 2017-18 to 2019-20 but not remitted to the Board. It was the responsibility of Chief Municipal Officer to deposit the Cess amount to the Board within the stipulated time of one month. Due to non-transfer of Welfare Cess amount to the Board during the last three years, the possibility of misappropriation of Cess amount cannot be ruled out.

## 4.3 Deposit of Local Funds

Madhya Pradesh Panchayati Raj Act, 1993 provides that Zila Parishad (ZP), Panchayat Samiti (PS) and Gram Panchayat (GP) would maintain ZP Fund, PS Fund and GP Fund respectively (under Major Head 8448- Deposits of Local Funds-109-Panchayat Bodies Funds) which would include all the money realised or realisable under the Act and all money

otherwise received by the PRIs, such as grants received from Central Finance Commission and State Government as part of the State Finance Commission award and its own revenue, which includes tax and non-tax receipts of a Panchayat. Similarly, Section 86 of Madhya Pradesh Municipal Corporation Act 1956 envisages that the Municipal Fund is to be held by the Corporation in trust. All the money realised or realisable under this Act and all money otherwise received by the Municipalities are kept in the Municipal Fund under Major Head 8448- Deposits of Local Funds-102-Municipal Funds. The position of Deposits of Local Funds in PRI's and Municipal Fund from 2015-20 is given in **Table 4.5:**

		Table 4.5: Deposit of Local Funds				
		(₹ in lakh)				
		2015-16	2016-17	2017-18	2018-19	2019-20
District Funds <b>8448-101</b>	Opening Balance	1.08	1.08	1.08	396.87	1,258.94
	Receipts	--	--	395.79	862.07	--
	Expenditure	--	--	--	--	--
	Closing Balance	1.08	1.08	396.87	1,258.94	1,258.94
Municipal Funds- <b>8448-102</b>	Opening Balance	0.33	0.64	24.04	47.45	1,479.55
	Receipts	0.31	23.40	23.41	1,432.10	513.77
	Expenditure	--	--	--	--	--
	Closing Balance	0.64	24.04	47.45	1,479.55	1,993.32
Panchayat Bodies Funds- <b>8448-109</b>	Opening Balance	671.36	671.36	672.15	1,331.54	1,332.75
	Receipts	--	0.79	659.39	1.21	28.65
	Expenditure	--	--	--	--	--
	Closing Balance	671.36	672.15	1,331.54	1,332.75	1,361.40
Other Funds- <b>8448-120</b>	Opening Balance	2,284.34	1,40,713.78	2,57,070.72	4,19,882.11	5,48,203.10
	Receipts	1,39,047.36	1,31,089.35	1,72,949.57	1,71,789.38	1,98,276.57
	Expenditure	617.92	14,732.41	10,138.18	43,468.39	51,227.71
	Closing Balance	1,40,713.78	2,57,070.72	4,19,882.11	5,48,203.10	6,95,251.96

Source: Finance Accounts of the respective years

As can be seen from the above Table, funds were not utilized from the Major Heads 8448-101-District Funds, 8448-102-Municipal Funds and 8448-109-Panchayat Bodies Funds in the last five years and funds are continuously being deposited in these heads. Moreover, there is huge closing balance in 8448-120-Other Funds in last five years, which continuously increased by ₹5,545.38 crore from 2015-16 to 2019-20.

#### 4.4 Delay in Submission of Utilisation Certificates

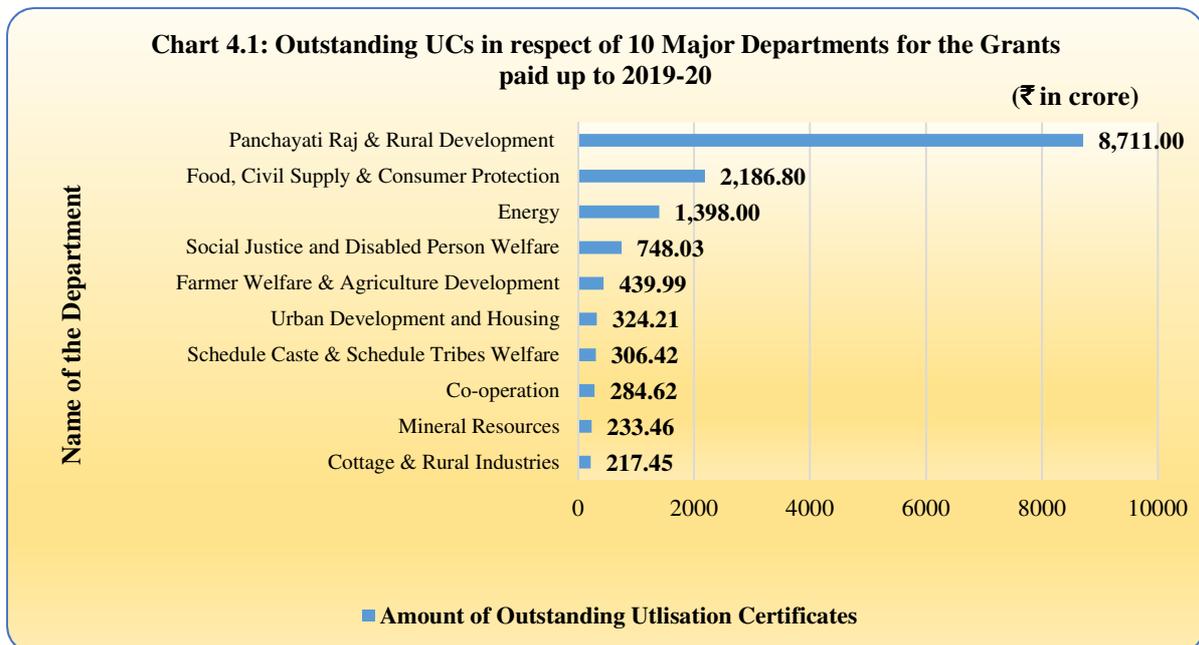
Financial rules stipulate that in the case of conditional grants, a Utilisation Certificate (UC) evidencing the proper utilisation of the grant is to be furnished to the Principal Accountant General (A&E) by the sanctioning authority on or before 30 September of the year following that to which the Grant is released.

As on 31 March 2020, a total of 19,604 UCs involving ₹15,541.32 crore, which have become due, were not submitted by the bodies and authorities of the State against the Grants-in-aid provided by 27 Departments. Age-wise details of delays in submission of UCs is given in **Table 4.6:**

(₹ in crore)		
Year	Number of UCs	Amount
Upto 2013-14	19,553	13,209.63
2014-15	02	401.49
2015-16	09	39.18
2016-17	02	5.15
2017-18	0	0
2018-19	20	479.56
2019-20	18	1,406.31
<b>Total</b>	<b>19,604</b>	<b>15,541.32</b>

Source: Information furnished by O/o PAG (A&E)-I, Madhya Pradesh, Gwalior

**Table 4.6** reveals that 85 per cent amount of outstanding UCs pertain to the period prior to 2014-15. Department-wise break-up of outstanding UCs for the grants paid up to the year 2019-20 is given in **Appendix 4.1**. Considering that the Departmental authorities have not yet explained as to how an amount of ₹15,541.32 crore was spent over the years is a matter of concern, as it involves public funds provided to them for implementation of specific programmes/schemes and there is no assurance that the intended objectives of providing these funds have been achieved. In the absence of accountability for expenditure relating to funds provided as far back as seven 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. Status of outstanding UCs in respect of 10 Major Departments is given in **Chart 4.1**:



Source: Information furnished by O/o PAG (A&E)-I, Madhya Pradesh, Gwalior

In the absence of the UCs, it could not be ascertained whether the recipients had utilised the grants for the purposes for which those were given. Huge pendency in submission of UCs is fraught with the risk of fraud and misappropriation of funds. Despite drawing attention of the State Government to this issue year after year in the Audit Reports of the CAG, there has been no improvement.

During exit conference (March 2021), Finance Department said that this was a serious issue and they would not release further instalment of grants to the departments whose UCs were pending. Further, instructions regarding the same would be issued to all the concerned departments from next fiscal year.

#### 4.5 Recording of Grantee Institution as “Others”

There is a mechanism of giving institute code to various bodies and authorities receiving Grants-in-Aid from Government. These grants are also recorded in Voucher Level Computerisation system of Office of the Principal Accountant General (A&E)-I and submission of UCs is monitored against outstanding amount against each institute. Needless to say, for this system to work, grantee institute should be recorded properly. In the absence of proper code, outstanding amounts against all institutes cannot be worked out. Since grants-in-aid constitute a significant portion of the total expenditure of the State, it is essential that the Government provides the details and nature of the Grantee Institution to which it is providing funds, in the interests of transparency of accounts.

Finance Accounts reflect an amount of ₹36,343.51 crore (55.69 per cent of total grants-in-aid ₹65,258.33 crore) during the year 2019-20 as having been disbursed to Grantee Institutions of type “Others”. Details of total funds released to Grantee Institutions as “Others” during the years 2015-20 is given in **Table 4.7**:

(₹ in crore)					
Name of Grantee	2015-16	2016-17	2017-18	2018-19	2019-20
Others	9,800.41	12,147.25	9,024.21	12,451.13	36,343.51
Total Grants in Aid	37,645.64	49,980.15	53,454.99	54,428.05	65,258.33
Percentage of others to Total GIA	26.03	24.30	16.88	22.88	55.69

Source: Finance Accounts of the respective years

As can be seen from the above Table, there is continuous increase (except 2017-18) in funds disbursed to Grantee Institution as “Others”. It increased in the year 2019-20, constituting a significant portion (55.69 per cent) of total Grants-in-Aid. The percentage of funds disbursed to Grantee Institution as “Others” during the year 2015-20 varies from 16.88 per cent to 55.69 per cent.

In the exit conference (March 2021), Finance Department replied that the matter will be taken up with the Departments concerned.

#### 4.6 Personal Deposit Accounts

Article 202 of the Constitution of India provides for legislative financial control over public expenditure through the annual financial statement/Budget. The Madhya Pradesh Budget Manual (MPBM) requires statements of anticipated savings in expenditure to be submitted by the Budget Controlling Officers to the Finance Department by 15 January each year.

Previous CAG Audit Reports have repeatedly commented on violation of financial provisions by several departments of the Government of Madhya Pradesh, where unspent funds are routinely transferred to various Personal Deposit (PD) Accounts under the Public Account to avoid lapse of grant at the end of the financial year.

Personal Deposit Accounts are Deposit Accounts kept in Treasuries in the name of the Administrators of the Accounts. The moneys are placed under 8443-Civil Deposits 106 Personal Deposit. These accounts can be opened with the approval of the Finance Department.

As per Rule 533 of the Madhya Pradesh Treasury Code (MPTC), certain types of moneys received at the Treasury for deposit in the Public Account can be deposited in "Personal Deposits" (PD). PD Accounts are maintained at the Treasury like a banking deposit account, and the receipts and payments are recorded in personal ledgers of the Administrators. Further, as per Rule 543 of the MPTC, the balances in PD Accounts, which have been credited in to the Account by debiting the Consolidated Fund of the State, should be transferred back to the Consolidated Fund before the end of the financial year and if an eventuality so arises, the PD Accounts may be opened again in the next year.

PD Accounts which remain inoperative for three years continuously should be closed by the Treasury Officer and balances should be transferred to Government Account after following the prescribed procedure.

The status of PD Accounts as on 31 March 2020 is given in **Table 4.8**:

(₹ in crore)						
Opening Balance		Addition during the year	Receipt during the year	Expenditure during the year	Closing Balance	
Number	Amount	Number	Amount	Amount	Number	Amount
731	3,938.48	70*	9,267.05	6,936.83	801	6,268.70

Source: Finance Accounts 2019-20

\* Out of the 70 PD Accounts, 60 were reopened due to transactions and 10 newly opened PD Accounts

Out of 801 PD Accounts as on 31 March 2020, 261 PD Accounts had negative balances and 216 PD Accounts involving ₹64.65 crore (including some negative balances) were inoperative for more than three years. The details of inoperative PD Accounts are given in **Appendix 4.2**. These accounts were neither closed at the end of the financial years nor were the amounts credited to the Consolidated Fund of the State. Further, no account was closed during the year 2019-20.

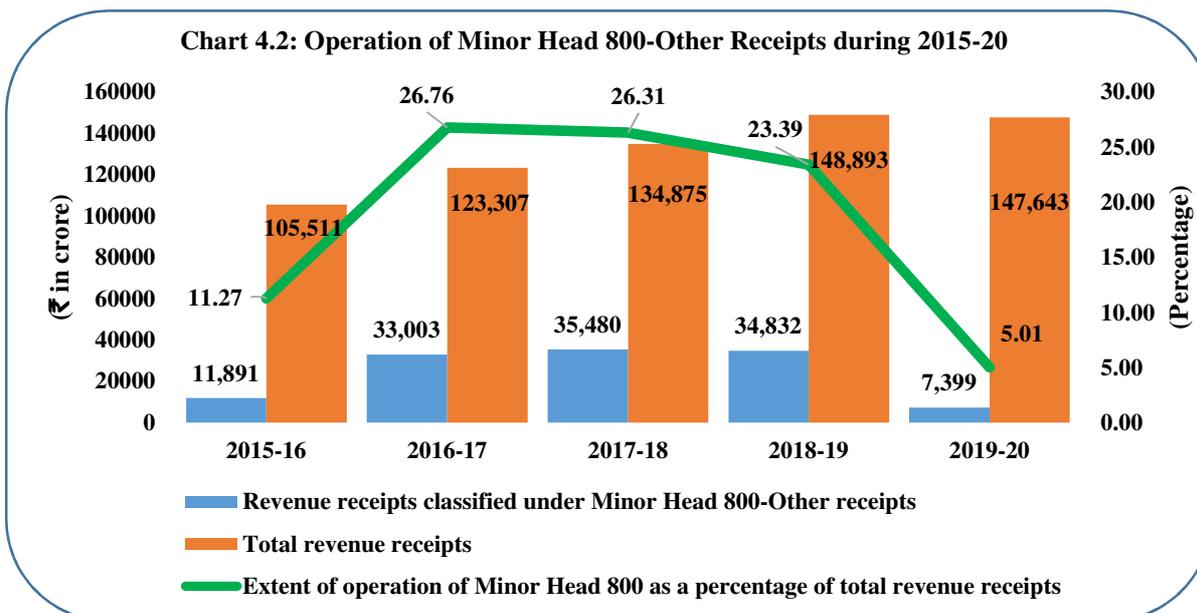
During exit conference (March 2021), Finance Department replied that they have issued order regarding closing of PD Accounts in March 2019 but Land Acquisition Officer and Jail were exempted from this.

#### **4.7 Indiscriminate use of Minor Head 800**

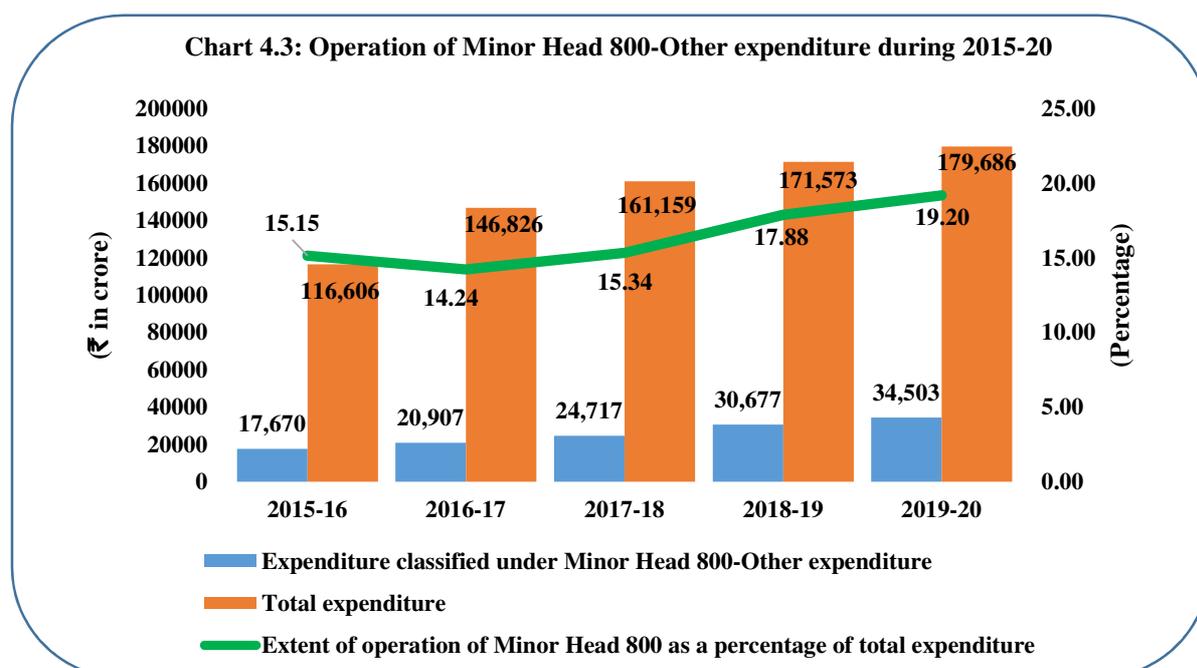
The omnibus Minor Head 800 relating to Other Receipts/Other Expenditure is to be operated only in cases where the appropriate Minor Head has not been provided under a Major Head in the accounts. If such instances occur on a regular basis, it is the responsibility of the State Government to discuss with the Principal Accountant General (A&E) and obtain approval to open appropriate Minor Heads. Indiscriminate booking of receipts and expenditure under Minor Head 800 affects transparency and nature of transactions, and renders the accounts opaque.

Receipts of ₹7,399.14 crore (constituting 5.01 per cent of the total Revenue Receipts of ₹1,47,643.35 crore of the State during 2019-20), recorded under 47 Revenue Heads, were classified under the Minor Head ‘800-Other Receipts’ in the Accounts. Similarly, expenditure of ₹34,503.04 crore under 42 Revenue and 22 Capital Major Heads of Accounts (constituting 19.20 per cent of the total expenditure of ₹1,79,685.78 crore of the State during 2019-20) recorded under various Major Heads, was classified under the Minor Head ‘800-Other Expenditure’ in the Accounts.

The extent of operation of Minor Head 800 for receipts and expenditure, as a percentage of Total Receipts and Expenditure during 2015-20, is given in **Charts 4.2 and 4.3**:



Source: Finance Accounts of the respective years



Source: Finance Accounts of the respective years

Instances where a substantial portion (10 *per cent* or more of the total receipts/expenditure under the Major Head concerned) of the receipts/ expenditure classified under Minor Head 800-Other Receipts/Expenditure are given in *Appendices 4.3* and *4.4* and summarised in **Table 4.9:**

Particulars	Receipts		Expenditure	
	Amount (₹ in crore)	Heads of Account	Amount (₹ in crore)	Heads of Account
100 <i>per cent</i>	290.45	0211, 0404, 0702, 0801, 1452	733.25	2250, 2852, 4070, 4408, 4875
Between 75 <i>per cent</i> and 99 <i>per cent</i>	2,210.35	0202, 0852, 0435, 0059, 0217, 0056, 0235	12,208.81	2075, 4701, 4853, 2702, 4700, 4515, 4711
Between 50 <i>per cent</i> and 74 <i>per cent</i>	814.52	0515, 0700, 0029, 0401, 0215, 0049, 0210, 0403	4,152.23	2217, 2851, 2705, 2204, 4403
Between 25 <i>per cent</i> and 49 <i>per cent</i>	1,794.26	0220, 0853, 0425, 0405, 0701, 0071	14,504.56	4801, 2401, 5053, 4702, 2801, 5054, 4215, 4225
Between 10 <i>per cent</i> and 24 <i>per cent</i>	1,769.38	0030, 0055, 0408, 0043, 0406, 0250	1,243.94	3054, 4055, 4705, 2701, 2405, 2810, 2245, 2225
Less than 10 <i>per cent</i>	520.18	Other Major Heads	1,660.25	Other Major Heads
<b>Total</b>	<b>7,399.14</b>		<b>34,503.04</b>	

Source: Finance Accounts 2019-20

This issue has been flagged in the SFAR every year. There has been a considerable reduction in the amount classified under this Minor Head on the Receipts side during 2019-20 (5.01 *per cent*) compared to the previous year (23.39 *per cent*). On the expenditure side, it increased from 17.88 *per cent* in 2018-19 to 19.20 *per cent* of total expenditure during 2019-20. The fact that such substantial proportion of the Receipts and Expenditure under the Major Head concerned are booked under Minor Head 800 is a cause for serious concern, since it severely impacts transparency.

In the exit conference (March 2021), Finance Department accepted the facts and stated that the position has somewhat improved in the financial year 2020-21. Further, efforts would be made to improve the position further.

Further, during the scrutiny of sampled vouchers, it was found that an expenditure of ₹113 crore was booked under Minor head 800-‘Other expenditure’ to Madhya Pradesh Metro Rail Company Limited and ₹38.24 crore to Madhya Pradesh Trade and Investment Facilitation Corporation Limited, Bhopal as investment under Major Head 4217-Capital Outlay on Urban Development and 4875-Capital Outlay on Other Industries respectively. These amounts should have been classified under Minor Head 190-Investment in Public Sector and other undertakings.

Also, expenditure of ₹2.64 crore as Grant-in-aid to Madhya Pradesh State Co-Operative Marketing Federation Limited under Major Head 2401-Crop Husbandry should have been classified under Minor Head 195-Assistance to Farming Co-operation. Clearly, the State Government did not follow accounting classification code as given in the List of Major and Minor Head of Account.

## 4.8 Outstanding balances under Suspense and Debt, Deposit and Remittance (DDR) Heads

Certain intermediary/adjusting heads of accounts known as 'Suspense heads' are opened in Government accounts to reflect transactions of receipts and payments which cannot be booked to a final heads of account due to lack of information such as non-furnishing of Schedule of Settlement by the Treasuries/PAOs, non-receipt of clearance memos from RBI, non-receipt of vouchers, etc. These heads of accounts are finally cleared by minus debit or minus credit when the accounts under them are booked to their respective final heads of accounts. If these amounts remain uncleared, the balance under the suspense heads would accumulate and would not reflect Government's receipts and expenditure accurately.

Remittances embrace all transactions which are adjusting Heads of Account and the debits or credits under these heads are eventually cleared by corresponding credit or debit within the same or in another circle of accounting.

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 separately under various heads. The position of gross figures under Suspense and Remittances heads for the last three years is given in **Table 4.10**:

<b>Table 4.10: Balances under Suspense and Remittance Heads</b>						
(₹ in crore)						
Major/Minor Head	2017-2018		2018-19		2019-20	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
<b>8658 - Suspense Accounts</b>						
101 – Pay and Accounts Office Suspense	54.32	(-)3.69	112.16	118.53	48.60	47.70
<b>Net</b>	<b>Dr. 58.01</b>		<b>Cr.6.37</b>		<b>Dr. 0.90</b>	
102 - Suspense Account (Civil)	0.72	0.31	0.83	0.64	0.19	0.01
<b>Net</b>	<b>Dr. 0.41</b>		<b>Dr. 0.19</b>		<b>Dr. 0.18</b>	
107 - Cash Settlement Suspense Account	111.66	(-) 2.09	141.60	28.05	141.60	28.05
<b>Net</b>	<b>Dr. 113.75</b>		<b>Dr. 113.55</b>		<b>Dr. 113.55</b>	
110 - Reserve Bank Suspense – Central Account Office	1,029.24	(-) 5.02	719.31	13.87	1,810.57	3.82
<b>Net</b>	<b>Dr. 1,034.26</b>		<b>Dr. 705.44</b>		<b>Dr. 1,806.75</b>	
112 - Tax Deducted at Source (TDS) Suspense	0.03	335.94	---	401.51	---	177.45
<b>Net</b>	<b>Cr. 335.91</b>		<b>Cr. 401.51</b>		<b>Cr. 177.45</b>	
113-Provident Fund Suspense	13.85	--	14.56	--	14.55	--
<b>Net</b>	<b>Dr. 13.85</b>		<b>Dr. 14.56</b>		<b>Dr. 14.55</b>	
123 - AIS Officers Group Insurance Scheme	2.16	12.21	2.70	13.22	3.06	13.88
<b>Net</b>	<b>Cr. 10.05</b>		<b>Cr. 10.52</b>		<b>Cr. 10.82</b>	
129-Material Purchase Settlement suspense Account	71.56	258.74	36.10	223.11	36.10	223.11
<b>Net</b>	<b>Cr. 187.18</b>		<b>Cr. 187.01</b>		<b>Cr. 187.01</b>	
139-Goods and Service Tax	--	--	--	--	77.21	96.16
<b>Net</b>	<b>Nil</b>		<b>Nil</b>		<b>Cr. 18.95</b>	
<b>8782-Cash Remittances</b>						
102 – Public Works Remittances	1,23,445.82	1,26,341.49	1,21,170.94	1,24,873.37	1,38,040.17	1,42,048.94

	<b>Net</b>	<b>Cr. 2,895.67</b>		<b>Cr. 3,702.43</b>		<b>Cr. 4,008.77</b>	
103 - Forest Remittances		19,398.95	19,244.49	4,483.09	4,605.35	4,492.03	4,607.38
	<b>Net</b>	<b>Dr. 154.46</b>		<b>Cr. 122.26</b>		<b>Cr. 115.35</b>	
110-Miscellaneous Remittances		7,556.96	6,985.25	8,046.85	7,109.51	8,554.27	7,287.74
	<b>Net</b>	<b>Dr. 571.71</b>		<b>Dr. 937.34</b>		<b>Dr. 1,266.53</b>	

Source: Finance Accounts of the respective years

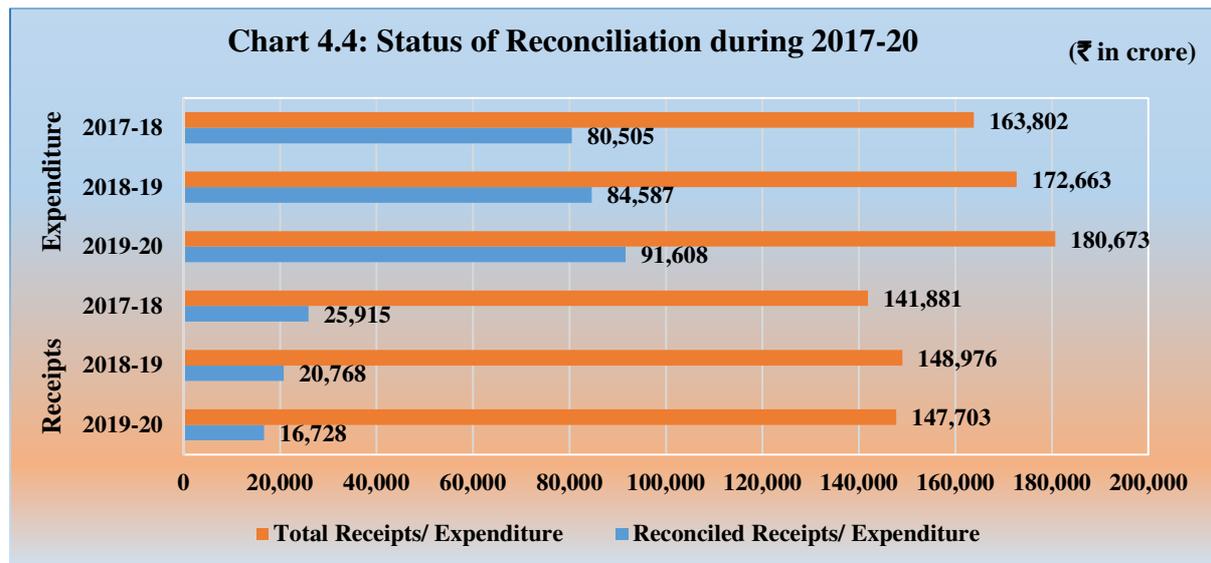
The above Table reflects the net balances under Suspense and Remittance Heads. If the amounts under these suspense heads remain unadjusted, the balances under these heads get accumulated resulting in understatement of Government's receipts and payments. Further, non-clearance of outstanding balances 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.

#### 4.9 Non-Reconciliation of Departmental Figures

Para 24.9.3 of the Madhya Pradesh Budget Manual requires all Controlling Officers (COs) to reconcile the receipts and expenditure of the Government with the figures accounted for by the Principal Accountant General. This is to enable the COs to exercise effective control over expenditure and manage their budgetary allocation efficiently, and ensure accuracy of their accounts.

During 2019-20 upto March 2020 all the 124 Controlling Officers (COs) have reconciled expenditure of ₹91,607.84 crore (50.70 per cent of the total expenditure of ₹1,80,672.94 crore excluding repayment under "Public Debt" and "Inter-State Settlement") and receipt of ₹16,728.21 crore (11.33 per cent of total receipts of ₹1,47,702.87 crore excluding receipts under "Public Debt" and "Inter-State Settlement").

The status of reconciliation of receipts and expenditure figures by the COs during the last three-year period 2017-20 is shown in **Chart 4.4**:



Source: Information furnished by O/o PAG (A&E)-I, Madhya Pradesh, Gwalior

The details relating to the number of COs and the extent of reconciliation during the last three years are given in **Table 4.11**:

Table 4.11: Status of Reconciliation of Receipts and Expenditure figures							
(₹ in crore)							
Year	Total No. of Controlling Officers	Fully Reconciled	Partially Reconciled	Not reconciled at all	Total Receipts/ Expenditure	Reconciled Receipts/ Expenditure	Percentage of Reconciliation
<b>Receipts</b>							
2017-18	117	08	27	82	1,41,881.03	25,914.75	18.27
2018-19	124	01	10	113	1,48,975.71	20,768.47	13.94
2019-20	124	*	*	*	1,47,702.87	16,728.21	11.33
<b>Expenditure</b>							
2017-18	117	22	91	04	1,63,802.35	80,505.33	49.15
2018-19	124	08	108	08	1,72,663.06	84,586.64	48.99
2019-20	124	*	*	*	1,80,672.94	91,607.84	50.70

**Source: Information furnished by O/o PAG (A&E)-I, Madhya Pradesh, Gwalior**

\* In 2019-20, reconciliation work has been initiated online. This work is now being performed by Directorate of Treasury and Accounts (DTA), Bhopal and as per Director, Treasury and Accounts, Bhopal order dated 02.07.2020, Budget Controlling Officers are no longer performing this work.

Non-reconciliation of receipts and expenditure by the Departments and Treasury with the books of office of the PAG (A&E) affects the accuracy and completeness of accounts. Despite this issue being flagged regularly in the CAG's Audit Reports, such lapses continue to persist. Reconciliation of receipts and expenditure needs to be carried out by the State Government departments annually and the Finance Department needs also formulate an Action Plan for the same.

During exit conference (March 2021), Finance Department replied that the matter would be taken up with the Director (Treasury and Accounts) and PAG (A&E). However, receipts from Central Government need to be excluded from such calculation.

#### 4.10 Reconciliation of Cash Balances

As on 31 March 2020, there was a difference of ₹34.04 crore (credit), between the Cash Balance of the State Government, as per the books of Accounts of the Principal Accountant General (A&E) (₹4,623.28 crore), and the Cash Balance as reported by the Reserve Bank of India (₹4,589.24 crore). The corresponding bank scrolls are being furnished by the bank branches to the Treasuries as required under the directives of RBI. The difference of ₹34.04 crore was due to erroneous reporting by Agency Banks. The date-wise monthly sheets along with pension payment scroll are also being furnished by the bank branches to the Treasuries.

#### 4.11 Compliance with Accounting Standards

Government Accounting Standards Advisory Board (GASAB), set up by the Comptroller and Auditor General of India in 2002, has been formulating standards for government accounting and financial reporting, to enhance accountability mechanisms. As of end of March 2020, three Indian Government Accounting Standards (IGAS) have been notified. The details of these standards and the extent of compliance with these by the Government of Madhya Pradesh in its financial statements for the year 2019-20 are given in **Table 4.12**:

IGAS	Essence of IGAS	Status	Impact of non-compliance
<b>IGAS 1</b> <i>Guarantees given by Government – Disclosure requirements</i>	This standard requires the government to disclose the maximum amount of guarantees given during the year in its financial statements, along with additions, deletions, invoked, discharged and outstanding at the end of the year.	Complied	State Government disclosed in final accounts the maximum amount guaranteed during the year 2019-20, along with additions during the year, discharged, invoked and outstanding as of end of March 2020.
<b>IGAS 2</b> <i>Accounting and Classification of Grants-in-Aid</i>	Grants-in-Aid are to be classified as revenue expenditure in the accounts of the grantor and as revenue receipts in the accounts of the grantee, irrespective of the end use	Not complied with	State Government classified GIA amounting to ₹ 494.68 crore as Capital expenditure instead of as Revenue expenditure. Non-compliance led to understatement of Revenue deficit and overstatement of Capital expenditure.
<b>IGAS 3</b> <i>Loans &amp; Advances given by Government</i>	This Standard relates to recognition, measurement, valuation and reporting in respect of loans and advances made by the Government in its Financial Statements to ensure complete, accurate and uniform accounting practices.	Partially complied	Disclosures regarding “Write-off of irrecoverable loans and advances”, “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.

#### 4.12 Submission of Accounts/Separate Audit Reports of Autonomous Bodies

State Government has set up several Autonomous Bodies (ABs)/Authorities in the fields of Agriculture, Housing, Labour Welfare, Urban Development, *etc.* These bodies and authorities are required to prepare annual accounts and submit to Principal Accountant General (Audit) for audit. The audit of accounts of seven ABs in the State has been entrusted to the Comptroller and Auditor General of India. The status of pending accounts and cases of adverse opinion of five bodies are given in **Tables 4.13** and **4.14**:

Sl. No.	Name of Body or Authority	Accounts pending since	No. of Accounts pending up to F.Y. 2019-20
1	Madhya Pradesh Building and Other Construction Workers Welfare Board, Bhopal	2013-14	07
2	Madhya Pradesh State Legal Services Authority	2010-11	10
3	Madhya Pradesh Human Rights Commission, Bhopal	2017-18	03
4	Madhya Pradesh Real Estate Regulatory Authority	2018-19	02
5	Madhya Pradesh Khadi and Village Industries Board, Bhopal	2016-17	04

Name of Body or Authority	Type of opinion given	Reasons
<b>Madhya Pradesh Building and Other Construction</b>	Disclaimer	Audit has not been provided with sufficient and appropriate information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.

<b>Workers Welfare Board, Bhopal</b>		<p>The Accounts format adopted by Board was not got approved by Finance Department &amp; Labour Department, GoMP in consultation with CAG as required under Section 27 of the Board (Regulation of Employment and Other Conditions of Service) Act, 1996.</p> <p>Proper books of Accounts and other relevant records have not been maintained by the Board as required under Section 27 of the Board (Regulation of Employment and Other Conditions of Service) Act, 1996. There are persistent irregularities in preparation of Financial Statements, which were pointed out in earlier Separate Audit Reports but the Board has not taken any corrective action thereupon to rectify the same.</p>
<b>Madhya Pradesh State Legal Service Authority</b>	Disclaimer	<p>The Accounts of the Authority were not maintained in the format approved by the Central Government in consultation with the CAG in February, 2005</p> <p>The Accounts were maintained on cash basis instead of on accrual basis.</p> <p>Ledgers were not maintained properly and many entries were left un-entered in the ledger. Entries for three years, i.e. 2004-05, 2005-06, and 2006-07 were made in a single ledger, consequently various figures given in the Accounts could not be verified.</p> <p>Accounting Policies and Notes to Accounts were not provided.</p> <p>Physical verification of assets were not being done by the management.</p>
<b>Madhya Pradesh (MP) Khadi and Village Industries Board, Bhopal</b>	Disclaimer	<p>Sufficient and appropriate information was not provided to Audit, therefore Audit could not express opinion on the said Financial Statement.</p> <p>Balance Sheet, Income and Expenditure Accounts and receipt and payment details are not as per proper accounting formats for Autonomous Bodies.</p> <p>Proper books of accounts and other relevant records have not been maintained by the Board.</p> <p>Persistent irregularities:</p> <ol style="list-style-type: none"> <li>i. Financial Statements of Khadi centres were not consolidated in the Board's Financial Statement,</li> <li>ii. Unreconciled balances were pending since long under Assets and Liabilities.</li> </ol>

#### 4.13 Departmental Commercial Undertakings

Departmental undertakings of certain Government Departments performing activities of commercial and quasi-commercial nature are required to prepare proforma accounts in the prescribed format annually, showing the working results of financial operations, so that the Government can assess their working.

The finalized accounts of the departmentally managed commercial and quasi-commercial undertakings reflect their overall financial health and efficiency in conducting their business. In the absence of timely finalization of accounts, the investment of the Government remains outside the scrutiny of Audit/State Legislature. Consequently, corrective measures, if any, required for ensuring accountability and improving efficiency cannot be taken in time. Besides, the delay renders the system vulnerable to the risk of fraud and leakage of public money. Heads of Departments in the Government are to ensure that the undertakings prepare and submit accounts to the Accountant General for audit within a specified time-frame.

The accounts of statutory corporations are required to be finalised, audited and presented to the Legislature as per the provisions of their respective Acts. In violation of the above provisions, 45 PSUs/Corporations/Companies have accounts in arrears. The accounts of

Madhya Pradesh & Maharashtra Minerals Limited and Madhya Pradesh Adivasi Vitta Evam Vikas Nigam were in arrears for 18 years and 15 years respectively and in respect of 43 PSUs/Corporations it ranged between one to eight years. Out of 45 PSUs/Corporations, 15 PSUs/Corporation were loss making. The details of PSUs/Corporations/Government Companies, whose Accounts were in arrears as of 31 March 2020 are given in **Appendix 4.5**.

#### 4.14 Delay in finalisation of the accounts of Public Sector Undertakings

Financial statements of Companies for each financial year are to be finalised within six months from the end of the relevant financial year i.e., September end under Section 166 and 210 of the Companies Act, 1956. Similar provisions also exist under Section 96(1) read with Section 129(2) of the Companies Act 2013. Failure to do so may attract penal provisions under 129(7) of the Companies Act, 2013, which stipulates that every officer of the defaulting company responsible shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than ₹50,000 and may extend to ₹ five lakh or with both.

The accounts of Statutory Corporations are required to be finalised, audited and presented to the Legislature as per the provisions of their respective Acts.

In violation of the above provisions, accounts of 63 *per cent* of the PSUs in Madhya Pradesh were in arrears as detailed in **Table 4.15**:

Sl. No.	Particulars	Working	Non-working	Total
1	Number of PSUs/Corporations	54	17	71
2(a)	Number of PSUs/Corporations having accounts in arrears	37	08	45
2(b)	Number of accounts in arrears	75	97	172
3(a)	Number of PSUs/Corporations with accounts in arrears of less than five years	31	01	32
3(b)	Number of accounts arrears in above PSUs/Corporations	45	03	48
4(a)	Number of PSUs/Corporations with accounts in arrears for five to 10 years	02	0	02
4(b)	Number of accounts arrears in above PSUs/Corporations	14	0	14
5(a)	Number of PSUs/Corporations with accounts in arrears for 10 years and above	01	06	07
5(b)	Number of accounts arrears in above PSUs/Corporations	16	94	110
6	Extent of arrears of accounts (in years)	1-16	1-30	1-30

Source: Information furnished by PSUs

Due to non-finalisation of accounts, the CAG has been unable to perform the supplementary audit of Companies as stipulated in the Companies Act and statutory audit of the Corporations as stipulated in their respective Acts, for periods up to 30 years.

The above denotes failure of the concerned administrative departments, specifically the Finance Department to ensure that the defaulting companies and corporations comply with the relevant Acts.

#### 4.15 Dividend not declared

As per State Government policy (July 2005), all PSUs are required to pay a minimum dividend of 20 *per cent* of profit after tax. Though as per their latest finalised accounts,

14 PSUs with Government equity of ₹15,510.17 crore earned an aggregate profit of ₹1,514.12 crore, only six PSUs proposed dividend of ₹31.90 crore or 2.11 per cent of their overall profit. Thus, eight PSUs did not declare dividend of ₹270.91 crore despite earning profit in violation of the dividend policy of GoMP. Details are given in **Appendix 4.6**.

#### 4.16 Non-reconciliation of Equity/Loans/Guarantees

The figures in respect of equity, loans and guarantees outstanding as per records of the State PSUs should agree with the figures appearing in the Finance Accounts of the State. Where the figures do not agree, the concerned PSUs and Finance Department should reconcile the differences. The position in this regard as on 31 March 2020 is stated in the **Table 4.16**:

Outstanding in respect of	Amount as per Finance Accounts	Amount as per records of PSUs	Difference
Equity	27,671.70	27,717.49	45.79
Loans	33,490.50	28,546.00	4,944.50
Guarantees	3,432.34	4,240.50	808.16

Source: Finance Accounts 2019-20 and information furnished by PSUs

Though the differences between the amounts reflected in the Finance Accounts and as per the records of the PSUs were reported in the Audit Reports on Public Sector Undertakings of earlier years, State Government has not taken corrective action.

#### 4.17 Misappropriations, losses, thefts, etc.

Rule 22(1) of Madhya Pradesh Financial Code Vol I, provide 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.

The State Government reported 3,187 cases of misappropriation, losses, thefts, etc., involving ₹38.40 crore up to 31 March 2020 on which final action was pending as of June 2020. Major cases relate to Forestry & Wild Life (2,668 cases of ₹16.31 crore), Treasury and Accounts Administration, School Education and Police Departments. Major Head-wise details of cases of misappropriation, losses, thefts, etc. pending recovery as of 31 March 2020 are given in **Table 4.17**:

Major Head	Cases of misappropriation/losses/theft of Government material		Action taken for the delay in final disposal of pending cases of misappropriation, losses theft, etc.					
	No. of cases	Amount	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
2210-Medical & Public Health	11	55.24	11	55.24	0	0.00	0	0.00
2211-Family Welfare	03	47.67	03	47.67	0	0.00	0	0.00
2054-Treasury & Accounts Administration	11	830.42	11	830.42	0	0.00	0	0.00

2215-Water Supply and Sanitation	04	3.09	04	3.09	0	0.00	0	0.00
2014-Admin & Justice	03	15.63	03	15.63	0	0.00	0	0.00
2015-Election	02	8.90	02	8.90	0	0.00	0	0.00
2055-Police	281	274.39	131	115.72	150	158.67	0	0.00
2225- Welfare of SC/ST/OBC	06	7.05	06	7.05	0	0.00	0	0.00
2235-Women & Child Welfare	07	16.13	07	16.13	0	0.00	0	0.00
2058-Stationery & Printing	02	8.58	02	8.58	0	0.00	0	0.00
3604-Compensation and assignment to the Local Bodies and Panchayati Raj Institution	01	8.55	01	8.55	0	0.00	0	0.00
2202-School Education	99	707.02	82	543.10	17	163.92	0	0.00
2203- Tech. Education	31	77.57	29	70.97	02	6.60	0	0.00
2204-Sports & Youth Services	03	4.20	03	4.20	0	0.00	0	0.00
2501-Special Programmes for Rural Development	04	46.56	04	46.56	0	0.00	0	0.00
2505-Art and Culture	01	0.00	01	0.00	0	0.00	0	0.00
2403-Animal Husbandry	19	18.48	16	13.18	03	5.30	0	0.00
2401-Farmers Welfare & Agriculture Development	27	74.68	19	42.16	06	31.67	02	0.85
2040-Commercial Tax	01	0.70	01	0.70	0	0.00	0	0.00
2853-Mineral Resources Department	03	4.22	02	4.22	01	0.00	0	0.00
2406-Forestry & Wild Life	2,668	1,630.61	1,271	722.02	1,365	887.53	32	21.07
<b>Total</b>	<b>3,187</b>	<b>3,839.69</b>	<b>1,609</b>	<b>2,564.08</b>	<b>1,544</b>	<b>1,253.69</b>	<b>34</b>	<b>21.92</b>

Source: Information furnished by Department concerned

Government may consider preparing a time-bound framework for taking prompt action in cases of misappropriation, loss, theft, etc. and strengthening the internal control system to prevent recurrence of such cases.

#### 4.18 Follow-up Action on State Finances Audit Reports

In his Audit Reports on the Finances of the Government of Madhya Pradesh, the Comptroller and Auditor General of India has been flagging year after year, issues of concern relating to various aspects of financial and budgetary management, areas of non-compliance with the prescribed procedures, rules and regulations, etc. by the State Government departments/ authorities. These Reports can achieve the desired results only when they evoke positive and adequate response from the Government/ administration itself. Separate report on State Finance is being prepared from the year 2008-09 onwards and is being presented to the State Legislature. The details for the years 2014-19 is given in **Table 4.18**:

Table 4.18: Status of SFARs discussed by PAC					
Report Year	Whether the PAC discussed the SFARs	Number of sittings PAC had on that Report	Discussed in the financial year	Number and nature of paragraphs of Audit Report pending for discussion	Action Taken Note by the Department
2014-15	Yes	2	2018-19 2019-20	1 para: • 2.3.5 on excess expenditure Grant No. 41	Nil
2015-16	No paragraph of Audit Report 2015-16 has been selected till date for oral discussion by the PAC				
2016-17	No	-		4 paras: • 1.5.2.1- Setting up of Sinking Fund for amortization of all loans, • 2.2.1- Excess expenditure requiring regularisation, • 3.1.3- Irregularities in maintenance of PD accounts, • 3.6- Submission of false Utilisation Certificates	-
2017-18	No	-		Selection of paragraphs for discussion by PAC is pending	-
2018-19	SFAR in the State Legislature is tabled on 04.03.2021				

#### 4.19 Conclusion

*Utilisation Certificates had not been submitted by various Departments for an aggregate amount of ₹15,541.32 crore drawn for specific developmental programmes/projects, which was in violation of prescribed financial rules and directives and point to inadequate internal controls.*

*During 2019-20, the closing balance in the PD Accounts increased by 59.17 per cent as compared to 2018-19. Further, 261 PD Accounts had negative balances and 216 PD Accounts involving ₹64.65 crore (including some negative balances) 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.*

*Indiscriminate operation of omnibus Minor Head 800-‘Other Receipts’ (₹7,399.14 crore) and ‘Other Expenditure’ (₹34,503.04 crore) affected transparency in financial reporting and obscured proper analysis of allocative priorities and quality of expenditure.*

*The Controlling Officers have reconciled their accounts figures with those booked by the office of the Principal Accountant General (A&E) to the extent of only 11.33 per cent in respect of receipts and 50.70 per cent in respect of expenditure. Non-reconciliation of accounts by the account rendering units/authorities affected the accuracy and completeness of accounts of the State and impacted effective budgetary management.*

#### 4.20 Recommendations

- i) State Government needs to institute a rigorous monitoring mechanism to identify the issues holding up submission of UCs and ensure that the Departments comply with the prescribed rules and procedures with regard to timely submission of UCs scrupulously.
- ii) State Government should review all the PD 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.
- iii) 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 Principal Accountant General (A&E), to identify appropriate Heads of Account to classify the transactions correctly in the books of accounts.
- iv) Internal control mechanism needs to be strengthened and the Government needs to ensure that the Controlling Officers reconcile their figures of receipts and expenditure with those of the Principal Accountant General (A&E) scrupulously at prescribed intervals, to provide transparency and accuracy in accounting of Government transactions.



**(Bijit Kumar Mukherjee)**  
**Accountant General (Audit-II)**  
**Madhya Pradesh**

**Bhopal**  
**The 21 June 2021**

*Countersigned*



**(GIRISH CHANDRA MURMU)**  
**Comptroller and Auditor General of India**

**New Delhi**  
**The 25 June 2021**



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# APPENDICES

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**Appendix 1.1**  
**State profile (Madhya Pradesh)**  
(Reference: Paragraph 1.1; Page 1)

A		General Data		Particulars		Figures	
Sl. No.							
1	Area					3,08,245 sq km	
2	Population						
	a.	As per 2001 Census				6.03 crore	
	b.	As per 2011 Census				7.26 crore	
3	a.	Density of Population (2001 Census) (All India Density = 325 persons per sq. km)				196 persons per sq km	
	b.	Density of Population <sup>1</sup> (2011 Census) (All India Density = 382 persons per sq. km)				236 persons per sq km	
4	Population below poverty line <sup>2</sup> (All India Average = 21.90 per cent)						31.70 per cent
5	a.	Literacy (as per 2001 Census) (All India Average = 64.80 per cent)				69.69 per cent	
	b.	Literacy <sup>3</sup> (as per 2011 Census) (All India Average = 73.00 per cent)				69.30 per cent	
6	Infant mortality <sup>4</sup> (per 1000 live births) (All India Average = 33 per 1000 live births) (2017)						47 per 1000 live births
7	Life Expectancy at birth (All India Average in years 2014-18 = 69.40 years)						66.50 years
8	Gross State Domestic Product (GSDP) 2019-20 at current price						₹9,06,672 crore
9	Gross State Domestic Product (GSDP) 2019-20 at constant price						₹5,61,801 crore
10	Per Capita GSDP CAGR (2012-13 to 2019-20)		Madhya Pradesh				12.37 per cent
			General Category States				10.53 per cent
11	GSDP CAGR (2012-13 to 2019-20)		Madhya Pradesh				14.10 per cent
			General Category States				11.98 per cent
12	Decadal Population Growth (2010 to 2020)		Madhya Pradesh				14.58 per cent
			General Category States				10.98 per cent
B		Financial Data		Particulars		Figures (in per cent)	
						2010-11 to 2018-19	
						2014-15 to 2018-19	
						2018-19 to 2019-20	
		CAGR		GCS		Madhya Pradesh	
				GCS		Madhya Pradesh	
				GCS		Madhya Pradesh	
a	of Revenue Receipt	13.65	14.09	12.71	13.84	2.08	-0.84
b	of Own Tax Revenue	12.21	11.42	10.42	8.61	2.12	9.70
c	of Non Tax Revenue	11.19	9.59	9.67	3.49	23.44	-13.03
d	of Total Expenditure	13.87	14.73	2.22	12.76	4.09	4.63
e	of Capital Expenditure	14.64	16.29	12.35	25.46	-3.86	-0.62
f	of Revenue Expenditure on Education	11.58	15.46	9.37	12.70	11.81	8.86
g	of Revenue Expenditure on Health	15.43	15.64	13.23	9.59	9.48	21.96
h	of Salary and Wages	10.78	9.59	10.35	8.05	9.51	14.32
i	of Pension	14.14	15.56	14.27	15.07	9.74	0.58

Source: Financial data is based on Finance Accounts of respective years

<sup>1</sup> As census of India 2011

<sup>2</sup> Economic Survey 2019-20 (Vol. II), page A 169, Table 9.8

<sup>3</sup> Economic Survey 2019-20 (Vol. II), page A 164, Table 9.4

<sup>4</sup> Economic Survey 2019-20 (Vol. II), page A 160, Table 9.1

**Appendix 2.1**  
**Time series data on the State Government Finances**  
(Reference: Paragraphs 2.6.2, 2.10.1 and 2.13.2; Pages 19, 29 and 56)

(₹ in crore)

	2015-16	2016-17	2017-18	2018-19	2019-20
<b>Part A. Receipts</b>					
<b>1. Revenue Receipts</b>	<b>1,05,511</b>	<b>1,23,307</b>	<b>1,34,875</b>	<b>1,48,893</b>	<b>1,47,643</b>
<b>(i) Tax Revenue</b>	<b>40,214(38)</b>	<b>44,194(36)</b>	<b>44,811(33)</b>	<b>50,882(34)</b>	<b>55,824(38)</b>
State Goods and Service Tax	--	--	8,696 (19)	18,508(36)	20,448(37)
Taxes on Sales, Trade etc.	19,806(49)	22,561(51)	14,984(33)	9,903(20)	11,258(20)
State Excise	7,923(20)	7,533(17)	8,245(18)	9,542(19)	10,829(19)
Taxes on Vehicles	1,933(5)	2,252(5)	2,692(6)	3,008(6)	3,251(6)
Stamps and Registration fees	3,868(10)	3,925(9)	4,789(11)	5,278(10)	5,569(10)
Land Revenue	277(1)	407(1)	491(1)	384(1)	562(1)
Taxes on Goods and Passengers	3,085(8)	3,805(9)	1,159(3)	118(0)	145(0)
Other Taxes	3,322(8)	3,711(8)	3,755(8)	4,141(8)	3,762(7)
<b>(ii) Non-Tax Revenue</b>	<b>8,569(8)</b>	<b>9,086(7)</b>	<b>9,061(7)</b>	<b>11,899(8)</b>	<b>10,349(7)</b>
<b>(iii) State's Share of Union Taxes and Duties</b>	<b>38,398(37)</b>	<b>46,064(37)</b>	<b>50,853(38)</b>	<b>57,487(39)</b>	<b>49,518(34)</b>
<b>(iv) Grants-in-Aid from Government of India</b>	<b>18,330(17)</b>	<b>23,963(20)</b>	<b>30,150(22)</b>	<b>28,625(19)</b>	<b>31,952(22)</b>
<b>2. Miscellaneous Capital Receipts</b>	<b>26</b>	<b>24</b>	<b>19</b>	<b>13</b>	<b>14</b>
<b>2A. Inter-State Settlement</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(-0.25)</b>
<b>3. Recoveries of Loans and Advances</b>	<b>162</b>	<b>772</b>	<b>5,070</b>	<b>70</b>	<b>46</b>
<b>4. Total Revenue and Non- Debt Capital Receipts (1+2+2A+3)</b>	<b>1,05,701</b>	<b>1,24,103</b>	<b>1,39,964</b>	<b>1,48,976</b>	<b>1,47,703</b>
<b>5. Public Debt Receipts</b>	<b>19,985</b>	<b>29,847</b>	<b>21,892</b>	<b>32,497</b>	<b>34,364</b>
Internal Debt (excluding Ways and Means Advances and Overdrafts)	18,659	28,581	19,975	25,325	29,496
Net transactions under Ways and Means Advances and Overdrafts	--	--	--	3,376	--
Loans and Advances from Government of India	1,326	1,266	1,917	3,796	4,868
<b>6. Total Receipts in the Consolidated Fund (4+5)</b>	<b>1,25,686</b>	<b>1,53,950</b>	<b>1,61,856</b>	<b>1,81,473</b>	<b>1,82,067</b>
<b>7. Contingency Fund Receipts</b>	<b>1</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>8. Public Account Receipts</b>	<b>1,32,772</b>	<b>1,61,079</b>	<b>1,71,665</b>	<b>1,86,344</b>	<b>2,00,611</b>
<b>9. Total Receipts of the State (6+7+8)</b>	<b>2,58,459</b>	<b>3,15,029</b>	<b>3,33,521</b>	<b>3,67,817</b>	<b>3,82,678</b>
<b>Part B. Expenditure/Disbursement</b>					
<b>10. Revenue Expenditure</b>	<b>99,771(83)</b>	<b>1,19,537(79)</b>	<b>1,30,246(80)</b>	<b>1,42,149(82)</b>	<b>1,50,444(83)</b>
General Services (including interest payments)	25,700(26)	27,903(23)	32,100(25)	38,112(27)	39,827(26)
Social Services	42,651(43)	47,942(40)	58,346(45)	58,707(41)	64,224(43)
Economic Services	25,529(25)	36,885(31)	32,735(25)	37,658(27)	40,493(27)
Grants-in-Aid and Contributions	5,891(6)	6,807(6)	7,065(5)	7,672(5)	5,900(4)
<b>11. Capital Expenditure</b>	<b>16,835(14)</b>	<b>27,288(18)</b>	<b>30,913(19)</b>	<b>29,424(17)</b>	<b>29,241(16)</b>
General Services	549(3)	698(3)	743(3)	723(3)	982(3)
Social Services	3,024(18)	3,285(12)	5,358(17)	5,719(19)	6,922(24)
Economic Services	13,262(79)	23,305(85)	24,812(80)	22,982(78)	21,337(73)
<b>12. Disbursement of Loans and Advances</b>	<b>3,158(3)</b>	<b>4,941(3)</b>	<b>1,550(1)</b>	<b>1,090(1)</b>	<b>987(1)</b>
<b>13. Inter-State Settlement</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>(-0.62)</b>
<b>14. Total Expenditure (10+11+12+13)</b>	<b>1,19,766</b>	<b>1,51,767</b>	<b>1,62,709</b>	<b>1,72,664</b>	<b>1,80,672</b>
<b>15. Repayments of Public Debt</b>	<b>4,860</b>	<b>4,925</b>	<b>5,776</b>	<b>13,524</b>	<b>10,934</b>
Internal Debt (excluding Ways and Means Advances and Overdrafts)	3,948	3,908	4,683	8,999	9,713
Net transactions under Ways and Means Advances and Overdraft	--	--	--	3,376	--
Loans and Advances from Government of India	912	1,017	1,093	1,149	1,221

	2015-16	2016-17	2017-18	2018-19	2019-20
<b>16. Appropriation to Contingency Fund</b>	--	--	--	--	--
<b>17. Total disbursement out of Consolidated Fund (14+15+16)</b>	<b>1,24,626</b>	<b>1,56,692</b>	<b>1,68,485</b>	<b>1,86,188</b>	<b>1,91,606</b>
<b>18. Contingency Fund disbursements</b>	--	--	--	--	--
<b>19. Public Account disbursements</b>	<b>1,28,337</b>	<b>1,58,256</b>	<b>1,68,893</b>	<b>1,83,377</b>	<b>1,89,401</b>
<b>20. Total disbursement by the State (17+18+19)</b>	<b>2,52,963</b>	<b>3,14,934</b>	<b>3,37,378</b>	<b>3,69,565</b>	<b>3,81,007</b>
<b>Part C. Deficits</b>					
21. Revenue Deficit(-)/Revenue Surplus(+) (1-10)	5,740	7,781 <sup>1</sup>	4,629	6,744	-2,801
22. Fiscal Deficit (-)/Fiscal Surplus(+) (4-14)	-14,065	-20,304 <sup>2</sup>	-22,745	-23,688	-32,970
23. Primary Deficit(-)/Surplus(+) (22+24)	-5,974	-11,225 <sup>3</sup>	-11,700	-10,992	-18,753
<b>Part D. Other data</b>					
24. Interest Payments (included in revenue expenditure)	8,091	9,079	11,045	12,696	14,217
25. Financial Assistance to local bodies etc.	22,656	32,379	36,462	36,735	28,659
26. Ways and Means Advances/Overdraft availed (days)	--	--	--	25	--
- Ways and Means Advances availed (days)	--	--	--	25	--
Overdraft availed (days)	--	--	--	--	--
27. Interest on Ways and Means Advances/Overdraft	--	--	--	1.16	0.41
28. Gross State Domestic Product (GSDP) <sup>4</sup>	5,41,068	6,49,823	7,24,729	8,09,592	9,06,672
29. Outstanding Fiscal liabilities (year-end)	1,27,144	1,55,800	1,72,363	1,94,309	2,30,572
30. Outstanding guarantees (year-end) (including interest)	27,530	33,397	14,003	30,763	30,930
31. Maximum amount guaranteed (year-end)	40,171	40,395	31,653	55,640	43,017
32. Number of incomplete projects	91	242	-	55	81
33. Capital blocked in incomplete projects	15,477	8,607	-	2,951	29,606
<b>Part E. Fiscal Health Indicators</b>					
<b>I Resource Mobilization</b>					
Own Tax Revenue/GSDP ( <i>per cent</i> )	7.43	6.80	6.18	6.28	6.16
Own Non-Tax Revenue/GSDP ( <i>per cent</i> )	1.58	1.40	1.25	1.47	1.14
Central Transfers <sup>5</sup> /GSDP ( <i>per cent</i> )	10.48	10.78	11.18	10.64	8.99
Revenue Buoyancy with reference to State's own taxes	1.91	1.70	6.70	0.77	-0.09
<b>II Expenditure Management</b>					
Total Expenditure/GSDP ( <i>per cent</i> )	22.14	23.36	22.45	21.33	19.93
Total Expenditure/Revenue Receipts ( <i>per cent</i> )	113.51	123.08	120.64	115.97	122.37
Revenue Expenditure/Total Expenditure ( <i>per cent</i> )	83.30	78.76	80.05	82.33	83.27
Expenditure on General Services/Total Expenditure ( <i>per cent</i> )	21.92	18.85	20.19	22.49	22.59
Expenditure on Social Services/Total Expenditure ( <i>per cent</i> )	38.14	33.75	39.15	37.31	39.38
Expenditure on Economic Services/Total Expenditure ( <i>per cent</i> )	32.39	39.66	35.37	35.12	34.22
Capital Expenditure/Total Expenditure ( <i>per cent</i> )	14.06	17.98	19.00	17.04	16.18

<sup>1</sup> Excludes impact of UDAY. On including impact of UDAY, Revenue Surplus would be ₹3,770 crore.

<sup>2</sup> Excludes impact of UDAY. On including impact of UDAY, Fiscal Deficit would be ₹27,664 crore.

<sup>3</sup> Excludes impact of UDAY. On including impact of UDAY, Primary Deficit would be ₹18,585 crore.

<sup>4</sup> Revised GSDP figures as communicated by the Government adopted for the year 2015-16 to 2018-19.

<sup>5</sup> Central Transfers comprising of Share of Union Taxes/Duties and Grants from GoI.

	2015-16	2016-17	2017-18	2018-19	2019-20
Capital Expenditure on Social and Economic Services/Total Expenditure ( <i>per cent</i> )	13.60	17.52	18.54	16.62	15.64
<b>III Management of Fiscal Imbalances</b>					
Revenue Deficit(-)/Surplus(+)/GSDP ( <i>per cent</i> )	1.06	1.20	0.64	0.83	(-)0.31
Fiscal Deficit(-)/GSDP ( <i>per cent</i> )	(-)2.60	(-)3.13	(-)3.14	(-)2.93	(-)3.64
Primary Deficit(-)/Surplus(+)/GSDP ( <i>per cent</i> )	(-)1.10	(-)1.73	(-)1.61	(-)1.36	(-)2.07
Revenue Deficit/Fiscal Deficit	NA	NA	NA	NA	0.08
Primary Revenue Balance/GSDP ( <i>per cent</i> )	16.94	17.00	16.45	15.99	15.02
<b>IV Management of Fiscal Liabilities</b>					
Fiscal Liabilities/GSDP ( <i>per cent</i> )	23.50	23.98	23.78	24.00	25.43
Fiscal Liabilities/RR ( <i>per cent</i> )	120.50	126.35	127.79	130.50	156.17
<b>V Other Fiscal Health Indicators</b>					
Return on Investment ( <i>per cent</i> in bracket)	129.64 (0.83)	231.50 (1.06)	622.36 (2.11)	347.26 (0.99)	475.96 (1.31)
Ratio of Financial Assets to Liabilities	0.63	0.68	0.67	0.68	0.74

**Appendix 3.1**  
**Statement of misclassification of Revenue Expenditure under the Capital section**  
(Reference: Paragraph 3.3.2; Page 68)

(₹ in crore)

Sl. No.	Grant No.	Major Head	Budget Provision (O+S)	Expenditure
<b>Object Head 11-Salary</b>				
1	20	4215-Capital Outlay on Water supply and Sanitation	28.31	15.54
2	23	4700- Capital Outlay on Major Irrigation	56.45	51.95
3	48	4700- Capital Outlay on Major Irrigation	129.48	119.11
4	48	4701- Capital Outlay on Medium Irrigation	5.72	5.21
5	48	4801- Capital Outlay on Power Projects	70.17	59.54
<b>Total (Object Head 11- Salary)</b>			<b>290.13</b>	<b>251.35</b>
<b>Object Head 12-Wages</b>				
6	10	4406-Capital Outlay on Forestry and Wild Life	477.94	291.72
7	20	4215-Capital Outlay on Water supply and Sanitation	6.48	6.79
8	23	4700- Capital Outlay on Major Irrigation	29.67	32.85
9	23	4701- Capital Outlay on Medium Irrigation	5.73	6.73
10	48	4700- Capital Outlay on Major Irrigation	39.34	35.34
11	48	4701- Capital Outlay on Medium Irrigation	4.18	3.48
12	48	4801- Capital Outlay on Power Projects	11.97	10.07
13	-	Other Major Heads under various Grants	0.16	0.43
<b>Total (Object Head 12- Wages)</b>			<b>575.30</b>	<b>387.41</b>
<b>Object Head 21-Traveling Allowance</b>				
14	48	4700- Capital Outlay on Major Irrigation	2.36	1.34
15	48	4801- Capital Outlay on Power Projects	1.05	0.42
16	-	Other Major Heads under various Grants	0.85	0.41
<b>Total (Object Head 21- Traveling Allowance)</b>			<b>4.26</b>	<b>2.17</b>
<b>Object Head 22- Office Expenses</b>				
17	10	4406-Capital Outlay on Forestry and Wild Life	8.50	7.27
18	48	4700- Capital Outlay on Major Irrigation	2.25	1.54
19	48	4801- Capital Outlay on Power Projects	3.78	2.33
20	-	Other Major Heads under various Grants	1.69	0.51
<b>Total (Object Head 22- Office Expenses)</b>			<b>17.92</b>	<b>11.65</b>
<b>Object Head 24-Examination and Training</b>				
21	10	4406-Capital Outlay on Forestry and Wild Life	9.15	1.80
22	-	Other Major Heads under various Grants	0.05	0.05
<b>Total (Object Head 24-Examination and Training)</b>			<b>9.20</b>	<b>1.85</b>
<b>Object Head 26-Seminar, Workshop and Conference</b>				
23	23	4701- Capital Outlay on Medium Irrigation	0.15	0.25
<b>Total(Object Head 26-Seminar, Workshop and Conference)</b>			<b>0.15</b>	<b>0.25</b>
<b>Object Head 31-Payment for Professional Services</b>				
24	10	4406-Capital Outlay on Forestry and Wild Life	12.48	2.76
25	48	4700- Capital Outlay on Major Irrigation	5.73	4.16
26	48	4801- Capital Outlay on Power Projects	6.00	3.68
27	-	Other Major Heads under various Grants	0.05	0.28
<b>Total (Object Head 31-Payment for Professional Services)</b>			<b>24.26</b>	<b>10.88</b>
<b>Object Head 33-Maintenance</b>				
28	14	4403- Capital Outlay on Animal Husbandry	1.10	0.99
29	48	4700- Capital Outlay on Major Irrigation	68.56	75.00
30	48	4701- Capital Outlay on Medium Irrigation	4.25	1.76

Sl. No.	Grant No.	Major Head	Budget Provision (O+S)	Expenditure
31	48	4801- Capital Outlay on Power Projects	6.59	5.95
32	-	Other Major Heads under various Grants	0.82	0.76
<b>Total (Object Head 33-Maintenance)</b>			<b>81.32</b>	<b>84.46</b>
<b>Object Head 35-Advertisement and Publicity</b>				
33	10	4406-Capital Outlay on Forestry and Wild Life	0.15	0.11
<b>Total (Object Head 35-Advertisement and Publicity)</b>			<b>0.15</b>	<b>0.11</b>
<b>Object Head 42-Grants-in-Aid</b>				
34	10	4406-Capital Outlay on Forestry and Wild Life	60.00	51.55
35	20	4215-Capital Outlay on Water supply and Sanitation	3.00	3.00
36	27	4202- Capital Outlay on Education, Sports, Art and Culture	12.00	7.20
37	30	4515- Capital Outlay on Other Rural Development Programmes	195.00	195.00
38	-	Other Major Heads under various Grants	0.37	0.30
<b>Total (Object Head 42-Grants-in-Aid)</b>			<b>270.37</b>	<b>257.05</b>
<b>Object Head 43- Contributions</b>				
39	48	4801- Capital Outlay on Power Projects	6.00	2.97
<b>Total (Object Head 43- Contributions)</b>			<b>6.00</b>	<b>2.97</b>
<b>Object Head 45-Grants-in-Aid for creation of capital assets</b>				
40	6	4070-Capital Outlay on Other Administrative Services	60.00	20.15
41	11	4875- Capital Outlay on Other Industries	127.00	86.64
42	27	4202- Capital Outlay on Education, Sports, Art and Culture	16.90	11.83
43	44	4202- Capital Outlay on Education, Sports, Art and Culture	119.02	119.02
<b>Total (Object Head 45-Grants-in-Aid for creation of capital assets)</b>			<b>322.92</b>	<b>237.64</b>
<b>Object Head 53-Payment of Decretal Charges</b>				
44	23	4701- Capital Outlay on Medium Irrigation	1.00	0.57
45	23	4702- Capital Outlay on Minor Irrigation	0.16	0.06
<b>Total (Object Head 53- Payment of Decretal Charges)</b>			<b>1.16</b>	<b>0.63</b>
<b>Grand Total</b>			<b>1,603.14</b>	<b>1,248.42</b>

Source: Information furnished by O/o the PAG (A&E)-I, M.P., Gwalior

**Appendix 3.2**  
**Statement of misclassification of Capital Expenditure under the Revenue section**  
(Reference: Paragraph 3.3.2; Page 69)

(₹ in crore)

Sl. No.	Grant No.	Major Head	Budget Provision (O+S)	Expenditure
<b>Object Head 62-Purchase of Land Building</b>				
1	3	2055-Police	5.00	1.10
<b>Total (Object Head 62-Purchase of Land Building)</b>			<b>5.00</b>	<b>1.10</b>
<b>Object Head 63-Machinery</b>				
2	3	2055-Police	25.59	6.48
3	5	2056-Jails	6.39	1.40
4	8	2029-Land Revenue	25.34	1.10
5	10	2406-Forestry and wild life	1.32	0.65
6	13	2401-Crop Husbandry	67.69	7.06
7	19	2210-Medical and Public Health	13.01	6.11
8	32	2220-Information and Publicity	1.91	1.14
9	44	2202-General Education	68.20	0.31
10	56	2851-Village and Small Industries	3.06	1.81
11	64	2217-Urban Development	11.82	7.62
12	-	Other Major Heads under various Grants	4.14	1.89
<b>Total (Object Head 63-Machinery)</b>			<b>228.47</b>	<b>35.57</b>
<b>Object Head 64-Major Works</b>				
13	39	3475-Other General Economic Services	1.81	1.15
<b>Total (Object Head 64-Major Works)</b>			<b>1.81</b>	<b>1.15</b>
<b>Grand Total</b>			<b>235.28</b>	<b>37.82</b>

Source: Information furnished by O/o the PAG (A&amp;E)-I, M.P., Gwalior

**Appendix 3.3**  
**Supplementary Budget Requirement**  
(Reference: Paragraph 3.4; Page 70)

(₹ in crore)

Sl. No.	Grant No.	Nomenclature	RV/ CV/ CC/ RC	Original Budget	Supple- mentary Budget	Total Budget	Actual Expendi- ture	Excess Expendi- ture/ Saving	Actual Supple- mentary Requir- ement
1	12	Energy	RV	7,345.23	2,130.00	9,475.23	7,569.65	1,905.58	224.42
2	19	Public Health and Family Welfare	RC	0.25	7.00	7.25	6.92	0.33	6.67
3	20	Public Health and Engineering	RC	1.00	4.50	5.50	2.27	3.23	1.27
4	23	Water Resources Department	CV	5,565.26	1,500.00	7,065.26	5,979.35	1,085.91	414.09
5	27	School Education (Primary Education)	RV	14,778.93	1,434.82	16,213.75	15,002.60	1,211.15	223.67
6	27	School Education (Primary Education)	CV	570.67	177.00	747.67	668.33	79.34	97.66
7	33	Tribal Welfare	RV	5,986.14	1,527.93	7,514.07	6,519.83	994.24	533.69
8	38	Ayush	RV	458.20	76.38	534.58	490.60	43.98	32.40
9	40	Other Expenditure Pertaining to School Education Department	RV	2,961.40	370.22	3,331.62	3,077.22	254.40	115.82
10	58	Expenditure on Relief on account of Natural Calamities and Scarcity	RV	2,382.98	13,385.00	15,767.98	6,025.34	9,742.64	3,642.36
11	66	Welfare of Backward Classes	RV	761.80	106.00	867.80	837.65	30.15	75.85
<b>Total</b>				<b>40,811.86</b>	<b>20,718.85</b>	<b>61,530.71</b>	<b>46,179.76</b>	<b>15,350.95</b>	<b>5,367.90</b>

Source: Appropriation Accounts 2019-20

**Appendix 3.4**  
**Unnecessary Supplementary Provision**  
(Reference: Paragraph 3.4; Page 70)

(₹ in crore)

Sl. No.	Grant No.	Nomenclature	RV/CV/CC/RC	Original Budget	Supplementary Budget	Actual Expenditure	Supplementary Provision Unnecessary
1	1	General Administration	RV	584.40	80.00	438.32	80.00
2	1	General Administration	RC	63.57	1.23	32.46	1.23
3	1	General Administration	CV	82.65	7.27	40.22	7.27
4	2	Other expenditure pertaining to General Administration Department	RV	99.68	0.29	86.72	0.29
5	3	Police	RV	6,828.34	95.00	6,660.61	95.00
6	3	Police	CV	711.18	13.00	555.35	13.00
7	4	Other expenditure pertaining to Home Department	RV	56.62	22.14	41.07	22.14
8	6	Finance	RV	14,432.23	0.70	12,265.83	0.70
9	7	Commercial Tax	RV	3,456.95	24.00	2,134.71	24.00
10	8	Land Revenue and District Administration	RV	1,907.04	4.00	1,652.92	4.00
11	10	Forest	RV	1,833.37	104.69	1,456.02	104.69
12	10	Forest	CV	944.41	62.52	537.55	62.52
13	11	Industrial Policy and Investment Promotion	RV	367.26	0.10	353.79	0.10
14	11	Industrial Policy and Investment Promotion	CV	644.74	36.89	496.64	36.89
15	12	Energy	RV	7,345.23	2,130.00	7,569.65	1,905.58
16	13	Farmer welfare and Agriculture development	RV	22,567.39	41.06	15,020.99	41.06
17	14	Animal Husbandry	RV	1,155.29	10.17	983.57	10.17
18	14	Animal Husbandry	RC	0.10	0.08	0.00	0.08
19	16	Fisherman Welfare and Fisheries Development	RC	0.15	0.05	0.17	0.03
20	19	Public Health and Family Welfare	RV	7,261.99	100.88	6,577.73	100.88
21	19	Public Health and Family Welfare	RC	0.25	7.00	6.92	0.33
22	20	Public Health and Engineering	RV	611.25	25.00	588.41	25.00
23	20	Public Health and Engineering	RC	1.00	4.50	2.27	3.23
24	22	Urban Development and Housing	RV	6,995.97	30.54	3,550.08	30.54
25	22	Urban Development and Housing	CV	1,315.77	233.00	1,058.25	233.00
26	23	Water Resources Department	CV	5,565.26	1,500.00	5,979.35	1,085.91
27	24	Public Works -Roads and Bridges	RV	1,222.39	150.00	1,134.23	150.00
28	24	Public Works -Roads and Bridges	CV	6,929.69	450.00	6,151.08	450.00
29	26	Culture	RV	183.83	2.00	135.19	2.00
30	27	School Education (Primary Education)	RV	14,778.94	1,434.82	15,002.60	1,211.15

Sl. No.	Grant No.	Nomenclature	RV/CV/CC/RC	Original Budget	Supplementary Budget	Actual Expenditure	Supplementary Provision Unnecessary
31	27	School Education (Primary Education)	CV	570.67	177.00	668.33	79.34
32	29	Law and Legislative Affairs	RV	1,760.21	10.00	1,324.56	10.00
33	33	Tribal Welfare	RV	5,986.14	1,527.93	6,519.83	994.24
34	34	Social Justice and Disabled Person Welfare	RV	863.19	74.72	749.06	74.72
35	35	Micro Small and Medium Enterprises	CV	338.50	0.005	254.82	0.005
36	37	Tourism	RV	123.33	10.00	95.95	10.00
37	38	Ayush	RV	458.20	76.38	490.60	43.98
38	39	Food Civil Supplies and Consumer Protection	RV	1,538.45	10.00	958.42	10.00
39	40	Other Expenditure Pertaining to School Education Department	RV	2,961.40	370.22	3,077.22	254.40
40	40	Other Expenditure Pertaining to School Education Department	RC	0.30	0.30	0.24	0.30
41	43	Sports and Youth Welfare	CV	59.27	1.00	40.02	1.00
42	44	Higher Education	RV	1,911.90	226.93	1,851.89	226.93
43	47	Technical Education Skill Development and Employment	RV	1,291.99	4.26	781.89	4.26
44	48	Narmada Valley Development	CC	0.35	2.92	0.00	2.92
45	49	Scheduled Caste Welfare	RV	1,221.50	5.00	988.18	5.00
46	50	Horticulture and Food Processing	RV	991.31	35.89	617.20	35.89
47	51	Religious Trusts and Endowments	RV	88.33	11.00	55.09	11.00
48	52	Medical Education	CV	1,010.40	175.44	897.60	175.44
49	55	Women and Child Development	RV	5,162.03	95.01	4,589.34	95.01
50	58	Expenditure on Relief on account of Natural Calamities and Scarcity	RV	2,382.98	13,385.00	6,025.34	9,742.64
51	60	Expenditure Pertaining to District Plan Schemes	CV	287.58	10.00	241.14	10.00
52	64	Financial Assistance to Urban Bodies	RV	7,476.12	383.56	6,392.98	383.56
53	66	Welfare of Backward Classes	RV	761.80	106.00	837.65	30.15
54	67	Public Works Buildings	CV	172.30	50.00	138.99	50.00
<b>Total</b>				<b>1,45,365.19</b>	<b>23,319.50</b>	<b>1,28,109.04</b>	<b>17,951.58</b>

Source: Appropriation Accounts 2019-20

**Appendix 3.5**  
**Excessive/Unnecessary Re-appropriation of funds**  
(Reference: Paragraph 3.5; Page 71)

(₹ in crore)

Sl. No.	Grant No.	Name of the Grant	Heads of account	Provision O: Original S: Supplementary R: Reappropriation/Surrender	Actual Expenditure	Final Saving (-)/ Excess(+)
1	7	Commercial Tax	2030-02-101-2456- Cost of Non-Judicial Stamps	(O)25.46 (R)(+)20.00 45.46	5.35	(-)40.11
2	10	Forest	2406-01-204-2901- Bamboo Production	(O)13.60 (S)2.36 (R)(+)2.19 18.15	9.52	(-)8.63
3	20	Public Health Engineering	4215-01-102- 0702.7486- Drinking Water Arrangements in Quality Effected Populated Area	(O)2.30 (R)(+)4.50 6.80	6.06	(-)0.74
4	20	Public Health Engineering	4215-01-102-0103- 2580- Piped Water Supply Scheme to Villages	(O)16.00 (R)(+)5.60 21.60	20.82	(-)0.78
5	20	Public Health Engineering	4215-01-102-0103- 4379- Water Supply Scheme for Problem Villages	(O)20.00 (R)(+)10.40 30.40	27.44	(-)2.96
6	20	Public Health Engineering	4215-01-102-0102- 2580- Piped Water Supply Scheme to Villages	(O)24.00 (R)(+)8.40 32.40	31.00	(-)1.40
7	20	Public Health Engineering	4215-01-102-0102- 4379- Water Supply Scheme for Problem Villages	(O)28.75 (R)(+)11.60 40.35	38.15	(-)2.20
8	20	Public Health Engineering	4215-01-102-0101- 2580- Piped Water Supply Scheme to Villages	(O)60.00 (R)(+)21.00 81.00	76.29	(-)4.71
9	20	Public Health Engineering	4215-01-102-0101- 4379- Water Supply Scheme for Problem Villages	(O)76.25 (R)(+)39.00 115.25	103.65	(-)11.60
10	20	Public Health Engineering	4215-01-800-1402- 7301- Implementation of Water Supply Schemes through Water Corporations	(O)48.00 (R)(+)28.50 76.50	75.81	(-)0.69
11	20	Public Health Engineering	4215-01-800-1401- 7301- Implementation of Water Supply Schemes through Water Corporations	(O)120.00 (R)(+)116.50 236.50	215.11	(-)20.39

Sl. No.	Grant No.	Name of the Grant	Heads of account	Provision O: Original S: Supplementary R: Reappropriation/Surrender	Actual Expenditure	Final Saving (-)/ Excess(+)
12	23	Water Resources Department	4700-60-800-0101-2897- Dam and Appurtenant Work	(O)50.00 (S)500.00 (R)(+)75.00 625.00	320.23	(-)304.77
13	23	Water Resources Department	4700-C4-800-0101-2897- Dam and Appurtenant Work	(O)0.00 (S)800.00 (R)(+)5.00 805.00	0.00	(-)805.00
14	23	Water Resources Department	4700-20-800-0101-6596- Reforms, Re-Inforcement and Re-establishment	(O)0.00 (R)(+)2.00 2.00	4.00	(+)2.00
15	23	Water Resources Department	4700-24-800-0101-2884-Canal and Related Construction Work	(O)1.08 (R)(+)3.50 4.58	5.82	(+)1.24
16	23	Water Resources Department	4700-39-800-0101-2897- Dam and Appurtenant Work	(O)15.00 (R)(+)16.00 31.00	85.99	(+)54.99
17	23	Water Resources Department	4700-54-800-0101-2884-Canal and Related construction work	(O)10.00 (R)(+)40.00 50.00	67.78	(+)17.78
18	23	Water Resources Department	4700-69-800-1401-2884-Canal and Related construction work	(O)2.00 (R)(+)10.00 12.00	28.40	(+)16.40
19	23	Water Resources Department	4700-78-800-0101-2897- Dam and Appurtenant Work	(O)25.00 (R)(+)51.50 76.50	202.49	(+)125.99
20	23	Water Resources Department	4700-C1-800-0101-2897- Dam and Appurtenant Work	(O)5.00 (R)(+)125.00 130.00	264.58	(+)134.58
21	23	Water Resources Department	4701-40-800-0101-2897- Dam and Appurtenant Work	(O)0.00 (R)(+)1.65 1.65	3.96	(+)2.31
22	23	Water Resources Department	4701-56-800-0101-2897- Dam and Appurtenant Work	(O)0.00 (R)(+)0.50 0.50	0.45	(-)0.05
23	23	Water Resources Department	4701-62-800-0101-2884- Canal and Appurtenant Work	(O)0.00 (R)(+)0.50 0.50	0.44	(-)0.06
24	23	Water Resources Department	4701-80-800-0101-5589- Rathi Medium Project	(O)0.00 (R)(+)0.25 0.25	0.94	(+)0.69
25	23	Water Resources Department	4701-89-800-0101-2884- Canal and Appurtenant Work	(O)0.00 (R)(+)3.00 3.00	2.99	(-)0.01
26	23	Water Resources Department	4701-54-800-0102-3366- Construction of Medium Projects	(O)0.00 (R)(+)3.50 3.50	13.40	(+)9.90

Sl. No.	Grant No.	Name of the Grant	Heads of account	Provision O: Original S: Supplementary R: Reappropriation/Surrender	Actual Expenditure	Final Saving (-)/ Excess(+)
27	23	Water Resources Department	4701-80-800-0101-6598-Datuni Medium Irrigation Scheme	(O)0.00 (R)(+)1.85 1.85	2.81	(+)0.96
28	23	Water Resources Department	4701-B2-800-0101-2884-Canal and Appurtenant Work	(O)25.00 (R)(+)10.00 35.00	49.33	(+)14.33
29	23	Water Resources Department	4705-204-0701-2823-Construction of field channels Correction of System Deficiency, drain and other work	(O)8.00 (R)(+)13.50 21.50	17.00	(-)4.50
30	23	Water Resources Department	4705-211-0701-2823-Construction of field channels Correction of System Deficiency, drain and other work	(O)0.50 (R)(+)4.00 4.50	4.00	(-)0.50
31	23	Water Resources Department	4705-219-0702-2823-Construction field channels Correction of System Deficiency, drain and other work	(O)1.00 (R)(+)2.50 3.50	3.40	(-)0.10
32	26	Culture	2205-103-2304-Direction and Administration	(O)15.53 (R)(+)0.13 15.67	11.86	(-)3.81
33	27	School Education (Primary Education)	2202-01-001-1500-Establishment of District Education Office	(O)87.62 (R)(+)0.11 87.73	76.09	(-)11.64
34	33	Tribal Welfare	2225-02-800-0102-9853-Preservation and Development of Tribal Culture	(O)10.60 (R)(+)6.11 16.71	3.31	(-)13.40
35	33	Tribal Welfare	2225-02-277-0102-0494- Ashram	(O)137.67 (R)(+)72.22 209.89	179.04	(-)30.85
36	37	Tourism	3452-01-190-0101-3346- Grant for Publicity and Dissemination in Tourism Sector	(O)75.00 (R)(+)5.00 80.00	72.50	(-)7.50
37	40	Other Expenditure Pertaining to School Education Department (Excluding Primary Education)	2202-02-109-0101-6968- Upgradation of Schools	(O)21.27 (R)(+)0.15 21.42	14.33	(-)7.09
38	40	Other Expenditure Pertaining to School Education Department (Excluding Primary Education)	2202-02-109-0103-0701- Honorarium to Guest Teachers	(O)33.24 (R)(+)10.00 43.24	41.86	(-)1.38

Sl. No.	Grant No.	Name of the Grant	Heads of account	Provision O: Original S: Supplementary R: Reappropriation/Surrender	Actual Expenditure	Final Saving (-)/ Excess(+)
39	40	Other Expenditure Pertaining to School Education Department (Excluding Primary Education)	2202-02-109-0102-0701- Honorarium to Guest Teachers	(O)42.84 (R)(+)10.00 52.84	52.46	(-)0.38
40	40	Other Expenditure Pertaining to School Education Department (Excluding Primary Education)	4202-01-202-0101-0816- Establishment and operation of Hostels	(O)22.00 (R)(+)3.04 25.04	24.55	(-)0.49
41	44	Higher Education	2202-03-103-0101-0798- Arts, Science and Commerce Colleges	(O)727.89 (S)(+)64.35 (R)(+)70.00 862.24	1,082.88	(+)220.64
42	47	Technical Education, Skill Development and Employment	2230-03-003-0101-6477-Strengthening and Extension of Vocation Training	(O)125.26 (R)(+)1.00 126.26	136.56	(+)10.29
43	48	Narmada Valley Development	4700-45-001-0101-9091- Onkareshwar Project	(O)77.49 (R)(+)19.47 96.96	90.02	(-)6.94
44	48	Narmada Valley Development	4700-80-800-0103-1406- Kali Sindh Link Project	(O)54.08 (R)(+)15.43 69.51	119.51	(+)50.00
45	48	Narmada Valley Development	4700-80-800-0102-1250- Alirajpur Lift Irrigation Project	(O)140.00 (R)(+)32.53 172.53	144.49	(-)28.04
46	52	Medical Education	4210-03-796-105-0102-5402- Chhindwara Institute of Medical Science	(O)0.00 (R)(+)33.74 33.74	24.90	(-)8.84
47	52	Medical Education	2210-05-796-105-0101-6458-Establishment of Virology Lab in Medical College Bhopal (13 <sup>th</sup> Finance Commission)	(O)1.60 (R)(+)0.30 01.90	0.98	(-)0.92
48	52	Medical Education	4210-03-796-105-0101-7158- Construction of 1000 Beds Hospital in Medical College Gwalior	(O)15.00 (R)(+)10.00 25.00	24.99	(-)0.01
49	52	Medical Education	4210-03-796-105-0101-5402- Chhindwara Institute of Medical Science	(O)0.00 (R)(+)36.80 36.80	24.38	(-)12.42
50	58	Expenditure on Relief on Account of Natural	2245-02-101-2018-Relief for Flooding and Hypertension Victims	(O)58.92 (S)5,700.00 (R)(+)1,265.00	2,289.60	(-)4,734.32

Sl. No.	Grant No.	Name of the Grant	Heads of account	Provision O: Original S: Supplementary R: Reappropriation/Surrender	Actual Expenditure	Final Saving (-)/ Excess(+)
		Calamities and Scarcity		7,023.92		
51	58	Expenditure on Relief on Account of Natural Calamities and Scarcity	2245-02-101-0747-Relief to Hailstorm Sufferers	(O)90.93 (R)(+)134.00 224.93	133.52	(-)91.42
52	58	Expenditure on Relief on Account of Natural Calamities and Scarcity	2245-80-102-6436-Training Relating to Calamity and Purchase of Equipment	(O)4.55 (R)91.00 95.55	93.80	(-)1.75
53	58	Expenditure on Relief on Account of Natural Calamities and Scarcity	2245-80-800-5504-Financial Aid in Calamities under Revenue Book 6-4	(O)100.02 (R)(+)83.75 183.77	182.66	(-)1.11
54	58	Expenditure on Relief on Account of Natural Calamities and Scarcity	2245-80-800-6097-Financial Assistance for Snakebite	(O)40.00 (S)20.00 (R)(+)49.75 109.75	108.83	(-)0.92
55	58	Expenditure on Relief on Account of Natural Calamities and Scarcity	2245-80-800-7249-Loss of Crops from Insect Disease	(O)3.60 (R)(+)5.25 8.85	8.53	(-)0.32
56	66	Welfare Of Backward Classes	2225-03-277-0101-0496- Ashram and Hostel	(O)8.43 (R)(+)0.17 8.60	4.77	(-)3.83
57	69	Denotified, Nomadic and Semi-Nomadic Tribe Welfare	2225-01-277-0103-7393- Denotified Caste Hostel	(O)17.01 (R)(+)1.47 18.48	12.93	(-)5.55
<b>Total</b>						<b>(-) 6,182.13 (+) 662.10</b>

Source: Appropriation Accounts 2019-20

**Appendix 3.6**  
**Substantial Surrender 50 per cent and more**  
(Reference: Paragraph 3.5.1; Page 71)

(₹ in crore)						
Sl. No.	Grant No.	Nomenclature	Heads of account	Original Budget Provision	Amount Surrendered	Surrender (in per cent)
1	1	General Administration	2015-101-6757- Election Expenditure of Local Bodies	(O)0.10	0.08	80.00
			4059-01-051-6925- Construction of Proposed Madhyanchal Bhawan in New Delhi	(O)20.00	19.97	99.85
2	3	Police	4055-207-1309-Security Arrangement for High Court and Subordinate Courts	(O)3.00	3.00	100.00
			4055-207-2643-Modernisation of Police Force	(O)23.93	18.61	77.77
			4055-207-7453-State cyber Headquarter	(O)4.60	3.69	80.22
			4055-207-0801-5430-Central sector schemes (Normal) Upgradation of forensic science lab	(O)2.95	2.95	100.00
			4055-207-0101-1948-National emergency response system	(O)5.02	5.02	100.00
			4055-800-0101-7346-Centralized Police Call Center and control room System	(O)10.00	5.29	52.90
3	5	Jail	2056-101-0101-5044-Modernisation of Jails	(O)9.69	5.88	60.68
			4059-01-051-0101-1080-Establishment of Open Jails	(O)0.20	0.20	100.00
4	13	Farmers Welfare and Agriculture Development	2401-102-1201-0733- Green Krishi	(O)2.55	2.55	100.00
			2401-102-0703-7243- Agriculture Forestry Sub-Mission	(O)1.63	1.63	100.00
			2401-102-0703-7497-Sub-Mission Rainfed Area Development	(O)2.33	2.22	95.28
			2401-102-0703-7498-Sub-Mission on Farm water management	(O)16.54	13.35	80.71
			2401-102-0703-7717- Prime Minister Agriculture Irrigation Scheme	(O)9.73	9.73	100.00
			2401-102-0702-7243- Agriculture Forestry Sub mission	(O)1.21	1.21	100.00
			2401-102-0702-7496- Sub-Mission Climate Change and Sustainable Agriculture Monitoring, Modelling and Networking	(O)0.50	0.50	100.00
			2401-102-0702-7717- Prime Minister Agriculture Irrigation Scheme	(O)12.65	12.65	100.00

Sl. No.	Grant No.	Nomenclature	Heads of account	Original Budget Provision	Amount Surrendered	Surrender (in per cent)
			2401-102-0701-7243- Agriculture Forestry Sub-Mission	(O)4.46	4.46	100.00
			2401-102-0701-7497-Sub-Mission Rainfed Area Development	(O)9.27	9.15	98.71
			2401-102-0701-7498-Sub-Mission on Farm Water Management	(O)53.44	31.33	58.63
			2401-102-0701-7499- Sub-Mission Soil Health Management	(O)64.10	57.09	89.06
			2401-102-0701-7717- Prime Minister Agriculture Irrigation Scheme	(O)35.00	35.00	100.00
			2401-105-0703-1229-Soil Health Card Scheme	(O)07.98	7.41	92.86
			2401-105-0702-1229-Soil Health Card Scheme	(O)8.97	8.54	95.21
			2401-108-0702-7500- National Oil Seed and Oil Palm Mission Under National Food Security Mission	(O)21.53	18.99	88.20
			2401-108-0701-7500- National Oil Seed and Oil Palm Mission Under National Food Security Mission	(O)46.15	30.67	66.46
			2401-109-0701-7493-National E-Governance Plan	(O)2.35	2.35	100.00
			2401-109-0701-7494-Sub mission on seed and planning Material	(O)72.87	60.16	82.56
			2401-109-0103-7670-Krishi Mahotsav	(O)1.73	1.73	100.00
			2401-109-0102-7670-Krishi Mahotsav	(O)1.94	1.94	100.00
			2401-109-0101-7670-Krishi Mahotsav	(O)3.73	3.73	100.00
			2401-109-0101-9474-Farmers	(O)1.16	1.16	100.00
			2401-113-0701-7500-National Oil Seed and Oil Palm Mission under National Food Security Mission	(O)3.00	2.99	99.67
			2401-800-0801-0908-Agriculture Census	(O)8.78	8.38	95.44
			2401-800-0801-5311- Small irrigation and water body calculation	(O)7.86	7.86	100.00
			2401-800-0702-5626-National Agriculture Development Scheme	(O)75.82	64.67	85.29
			2401-800-0103-2343- Farmers Prosperity Scheme	(O)250.00	248.98	99.59
			2401-800-0103-5321-Bhawantar/Flat Rate Scheme	(O)280.00	280.00	100.00

Sl. No.	Grant No.	Nomenclature	Heads of account	Original Budget Provision	Amount Surrendered	Surrender (in per cent)
			2401-800-0102-2343- Farmers Prosperity Scheme	(O)350.00	346.84	99.10
			2401-800-0102-5319- Chief Minister Crop Loan Remission Scheme	(O)1,840.00	1,006.83	54.72
			2401-800-0102-5321- Bhawantar/Flat Rate Scheme	(O)157.00	157.00	100.00
			2401-800-0101-2343- Farmers Prosperity Scheme	(O)1,000.00	999.17	99.92
			2801-80-101-0101-5855-Payment of subsidy to MPEB for reimbursement of expenditure in connection with free supply of electricity to one point connection and 5HP Agriculture pumps thresher	(O)819.23	669.23	81.69
			2401-001-0119-Subordinate and Specialist employee (District and sub division level staff)	(O)0.30	0.28	93.33
5	17	Co-Operation	2425-107-0103-2091-Chief Minister Farmers Co-operative Loan Assistance Scheme	(O)14.89	12.29	82.54
			2425-107-0103-2341-Chief Minister Loan Clearance Scheme	(O)68.01	66.01	97.06
			2425-107-0103-9134-Interest Grant for Conversion of Short Term Loans to Mid Term Loans to Farmers Affected by Natural Calamities	(O)15.12	13.82	91.40
			2425-107-0103-9254-Interest Grant to Farmers on Short Term Loans Through Co-operative Banks	(O)111.92	87.29	77.99
			2425-107-0102-2091-Chief Minister Farmers Co-operative Loan Assistance Scheme	(O)21.40	12.57	58.74
			2425-107-0102-2341-Chief Minister Loan Clearance Scheme	(O)86.87	80.87	93.09
			2425-107-0102-9134-Interest Grant for Conversion of Short Term Loans to Mid Term Loans to Farmers Affected by Natural Calamities	(O)21.74	21.74	100.00
			2425-107-0102-9254-Interest Grant to Farmers on Short Term Loans Through Co-operative Banks	(O)160.88	156.18	97.08
			2425-107-0101-2091-Chief Minister Farmers Co-operative Loan Assistance Scheme	(O)56.76	43.14	76.00

Sl. No.	Grant No.	Nomenclature	Heads of account	Original Budget Provision	Amount Surrendered	Surrender (in per cent)
			2425-107-0101-9254-Interest Grant to Farmers on Short Term Loans Through Co-operative Banks	(O)426.69	392.97	92.10
			2425-800-0910-6965-Integrated Co-operative Development Project	(O)11.07	6.22	56.19
			4425-107-0910-6965-Integrated Co-operative Development Project	(O)13.53	9.06	66.96
			4425-107-0103-5318-Share Capital of Co-operative Banks	(O)85.00	85.00	100.00
			4425-107-0102-5318-Share Capital of Co-operative Banks	(O)115.00	115.00	100.00
			4425-107-0101-5318-Share Capital of Co-operative Banks	(O)800.00	789.23	98.65
			4425-107-0101-6684-Share Capital Assistance to New Co-operative Societies	(O)5.00	4.75	95.00
			6425-107-0910-6965-Integrated Co-operative Development Project	(O)16.85	12.65	75.07
6	20	Public Health Engineering	4215-01-101-0101-7221-Administrative Building of State Water Assistance	(O)2.00	1.90	95.00
			4215-01-102-0702-9029-Solar Energy Based Drinking Water Supply Scheme (N.C.E.F.)	(O)30.00	17.00	56.67
			4215-01-102-0102-5468-Peyajal ka Adhikaar	(O)240.00	210.00	87.50
			4215-01-102-0101-5468-Peyajal ka Adhikaar	(O)520.00	418.80	80.54
7	29	Law and Legislative Affairs	2014-105-8808-Works Related to Information Technology	(O)18.19	10.10	55.52
			2014-105-0101-1486-Upgradation of Facilities of Stake Holders	(O)2.50	1.40	56.00
			2014-114-0101-9069-Strengthening of Library and Information Technology in Advocate General Office	(O)1.30	1.30	100.00
			2235-60-200-0102-5136-Grant to State Legal Service Authority	(O)1.64	1.28	78.05
			4059-01-051-0101-9073-Construction and Upgradation of Advocate General Office Building	(O)1.00	1.00	100.00
8	30	Rural Development	2515-001-0102-3926-Development Commissioner	(O)1.24	1.24	100.00
9	33	Tribal Welfare	2225-02-001-0102-9843-Monitoring and Evaluation Units	(O)1.21	0.79	65.29
			2225-02-800-0602-5211-Local Development Programme Under I.T.D.P/MADA POCKET/CLOSTER	(O)6.42	5.13	79.91

Sl. No.	Grant No.	Nomenclature	Heads of account	Original Budget Provision	Amount Surrendered	Surrender (in per cent)
			2225-02-800-0102-5211-Local Development Programme Under I.T.D.P/MADA POCKET/CLOSTER	(O)0.58	0.29	50.00
10	34	Social Justice and Disabled Person Welfare	2235-02-001-5663-Formation of Poor Welfare Commission	(O)0.60	0.59	98.33
			2235-02-001-0103-6584-Organisation of Antyoday Fair	(O)1.60	1.60	100.00
			2235-02-001-0102-6584-Organisation of Antyoday Fair	(O)2.31	2.31	100.00
			2235-02-001-0101-6584-Organisation of Antyoday Fair	(O)6.93	4.50	64.93
			2235-02-101-0103-0079-Schools and Institutions for Blind and Deaf	(O)5.35	4.57	85.42
			2235-02-101-0102-0079-Schools and Institutions for Blind and Deaf	(O)2.13	1.13	53.05
			2235-02-101-0101-2084-I.T.I Training to Deaf disabled	(O)2.00	1.64	82.00
			2235-02-800-0803-7569-Uninterrupted atmosphere for disabled	(O)1.70	1.64	96.47
			2235-02-800-0802-7569-Uninterrupted atmosphere for disabled	(O)2.00	1.43	71.50
			2235-02-800-0801-7569-Uninterrupted atmosphere for disabled	(O)6.30	5.06	80.31
			2235-02-800-0801-9477-National scheme to reduce the consumption of drugs	(O)2.25	2.25	100.00
			2235-60-102-0703-7084-National Family Support Scheme	(O)17.50	10.81	61.77
			11	48	Narmada Valley Development	2801-01-001-0101-5018-Operation and Maintenance Expenditure of Bargi Canal Bed power House
4700-43-001-0701-6534-Indira Sagar C.A.D. Plan	(O)4.80	4.80				100.00
4700-80-800-0101-4641-Establishment	(O)0.10	0.10				100.00
12	53	Financial Assistance to Three Tier Panchayati Raj Institutions	2501-06-789-198-0101-2372-Ready-To-Eat-Take Home Ration Programme	(O)4.00	3.20	80.00
			2515-789-198-0801-0656-Kitchen Shed Devices	(O)10.00	10.00	100.00
			4515-789-198-0701-6099-Construction of Mid-day meal kitchen Shed	(O)61.00	61.00	100.00

Sl. No.	Grant No.	Nomenclature	Heads of account	Original Budget Provision	Amount Surrendered	Surrender (in per cent)
13	55	Women and Child Development	2059-01-053-5508-Maintenance of Buildings of women and child development	(O)4.09	3.36	82.15
			2235-02-102-1201-1291-Strengthening of I.C.D.S. and Nutrition Level Improvement Project (E-SNIP)/ N.N.M.	(O)185.95	166.37	60.48
			2235-02-102-0701-0851-National Creche Scheme	(O)2.00	2.00	100.00
			2235-02-102-0102-6442-Atal Bal Arogya Mission	(O)3.18	1.70	53.46
			2235-02-102-0101-8808-Works Related to Information Technology	(O)3.18	2.36	74.21
			2235-02-103-0701-2367-Mahila Shakti Kendra	(O)18.55	16.35	88.14
			2235-02-103-0701-2375-Safe City Programme	(O)1.74	1.74	100.00
			2235-02-103-0102-5033-Jabali Yojana	(O)1.82	1.82	100.00
			2236-02-101-0703-6392-Kishori Balika Yojna	(O)2.36	1.57	66.53
			2235-02-103-0701-1326-Swadhar Greh	(O)1.50	1.09	72.67
			2235-02-001-9041-Directorate of Women and Child Welfare	(O)0.13	0.10	76.92
			4235-02-102-1501-7449-Construction of Sector-Level Office cum Training Center	(O)13.52	13.52	100.00
			4235-02-800-0701-6103-Integrated Child Protection Scheme (I.C.P.S.)	(O)1.00	1.00	100.00
			14	60	Expenditure Pertaining to District Plan Schemes	4515-800-0101-5775-Vindhya Development Authority
<b>Total</b>				<b>(O)8,484.57</b>	<b>7,085.69</b>	<b>83.51</b>

Source: Appropriation Accounts 2019-20

**Appendix 3.7**  
**Anticipated Savings not Surrendered**  
(Reference: Paragraph 3.5.2; Page 71)

(₹ in crore)

Sl. No.	Grant No.	Nomenclature	RV/CV/CC/RC	Savings	Total Surrendered	Savings not surrendered
1	CH-I	Interest Payments and Servicing of Debt	RC	215.55	14.54	201.01
2	CH-II	Public Debt	CC	3,869.72	1.96	3,867.76
3	1	General Administration	RV	226.08	27.02	199.06
4	1	General Administration	RC	32.34	9.67	22.67
5	1	General Administration	CV	49.70	19.97	29.73
6	2	Other expenditure pertaining to General Administration Department	RV	13.25	0.00	13.25
7	3	Police	RV	262.73	185.25	77.48
8	3	Police	CV	168.83	155.04	13.79
9	4	Other expenditure pertaining to Home Department	RV	37.69	11.50	26.19
10	5	Jail	RV	34.47	35.35	-0.88
11	5	Jail	CV	12.06	10.99	1.07
12	6	Finance	RV	2,167.1	8.84	2,158.26
13	6	Finance	RC	127.94	0.00	127.94
14	6	Finance	CV	171.17	54.85	116.32
15	7	Commercial Tax	RV	1,346.24	0.00	1,346.24
16	8	Land Revenue and District Administration	RV	258.12	0.00	258.12
17	8	Land Revenue and District Administration	CV	73.60	0.00	73.60
18	9	Expenditure pertaining to Revenue Department	RV	5.26	0.00	5.26
19	9	Expenditure pertaining to Revenue Department	CV	3.60	0.00	3.60
20	10	Forest	RV	482.04	2.90	479.14
21	10	Forest	CV	469.38	0.00	469.38
22	11	Industrial Policy and Investment Promotion	RV	13.57	0.00	13.57
23	11	Industrial Policy and Investment Promotion	CV	184.99	0.00	184.99
24	12	Energy	RV	1,905.58	0.00	1,905.58
25	12	Energy	RC	720.13	0.00	720.13
26	12	Energy	CV	1,162.30	0.00	1,162.30
27	13	Farmer welfare and Agriculture development	RV	7,587.46	7,583.34	4.12
28	14	Animal Husbandry	RV	181.89	0.00	181.89
29	14	Animal Husbandry	CV	13.11	0.00	13.11

Sl. No.	Grant No.	Nomenclature	RV/CV/CC/RC	Savings	Total Surrendered	Savings not surrendered
30	16	Fisherman Welfare and Fisheries Development	RV	19.87	0.00	19.87
31	16	Fisherman Welfare and Fisheries Development	CV	1.15	0.00	1.15
32	17	Co-operation	RV	978.99	978.88	0.11
33	17	Co-operation	CV	1,031.06	1,031.06	0.00
34	18	Labour	RV	147.08	24.16	122.92
35	19	Public Health and Family Welfare	RV	785.14	0.00	785.14
36	19	Public Health and Family Welfare	CV	106.84	0.00	106.84
37	20	Public Health and Engineering	RV	47.84	9.50	38.34
38	20	Public Health and Engineering	RC	3.23	0.80	2.43
39	20	Public Health and Engineering	CV	1,029.08	867.70	161.38
40	21	Public Services Management	RV	23.66	0.00	23.66
41	21	Public Services Management	CV	3.92	0.00	3.92
42	22	Urban Development and Housing	RV	3,476.43	0.65	3,475.78
43	22	Urban Development and Housing	CV	490.52	0.00	490.52
44	22	Urban Development and Housing	CC	15.00	0.00	15.00
45	23	Water Resources Department	RV	94.46	0.00	94.46
46	23	Water Resources Department	CV	1,085.91	0.00	1,085.91
47	24	Public Works -Roads and Bridges	RV	238.16	0.00	238.16
48	24	Public Works -Roads and Bridges	CV	1,228.61	0.00	1,228.61
49	24	Public Works -Roads and Bridges	CC	320.00	0.00	320.00
50	25	Mineral Resources	RV	9.26	0.00	9.26
51	25	Mineral Resources	CV	307.44	0.00	307.44
52	26	Culture	RV	50.64	0.00	50.64
53	26	Culture	CV	29.76	0.00	29.76
54	27	School Education (Primary Education)	RV	1,211.15	0.41	1,210.74
55	27	School Education (Primary Education)	CV	79.34	0.00	79.34
56	28	State Legislature	RV	15.36	0.65	14.71
57	29	Law and Legislative Affairs	RV	445.65	396.07	49.58
58	29	Law and Legislative Affairs	RC	44.98	40.52	4.46
59	29	Law and Legislative Affairs	CV	23.66	23.49	0.17
60	30	Rural Development	RV	144.99	57.83	87.16
61	30	Rural Development	CV	82.15	19.52	62.63
62	31	Planning Economics and Statistics	RV	24.08	7.61	16.47
63	31	Planning Economics and Statistics	CV	23.39	21.19	2.20
64	32	Public Relations	RV	117.09	0.00	117.09
65	32	Public Relations	CV	2.50	0.00	2.50
66	33	Tribal Welfare	RV	994.24	12.30	981.94
67	33	Tribal Welfare	CV	577.12	400.02	177.10

Sl. No.	Grant No.	Nomenclature	RV/CV/CC/RC	Savings	Total Surrendered	Savings not surrendered
68	34	Social Justice and Disabled Person Welfare	RV	188.85	194.08	-5.23
69	35	Micro Small and Medium Enterprises	RV	220.28	0.00	220.28
70	35	Micro Small and Medium Enterprises	CV	83.68	0.00	83.68
71	36	Transport	RV	16.27	15.32	0.95
72	36	Transport	CV	10.53	1.65	8.88
73	37	Tourism	RV	37.38	0.00	37.38
74	37	Tourism	CV	46.55	0.00	46.55
75	38	Ayush	RV	43.98	0.00	43.98
76	38	Ayush	CV	2.76	0.00	2.76
77	39	Food Civil Supplies and Consumer Protection	RV	590.03	2.33	587.7
78	39	Food Civil Supplies and Consumer Protection	CV	1.65	0.00	1.65
79	40	Other Expenditure Pertaining to School Education Department	RV	254.40	0.00	254.40
80	40	Other Expenditure Pertaining to School Education Department	CV	73.99	0.00	73.99
81	42	Bhopal Gas Tragedy Relief and Rehabilitation	RV	12.98	0.00	12.98
82	42	Bhopal Gas Tragedy Relief and Rehabilitation	CV	18.70	0.00	18.70
83	43	Sports and Youth Welfare	RV	41.73	0.07	41.66
84	43	Sports and Youth Welfare	CV	20.25	0.00	20.25
85	44	Higher Education	RV	286.94	0.00	286.94
86	44	Higher Education	CV	64.47	0.00	64.47
87	45	Minor Irrigation Works	RV	14.03	0.00	14.03
88	46	Science and Technology	RV	114.75	0.00	114.75
89	46	Science and Technology	CV	61.00	0.00	61.00
90	47	Technical Education Skill Development and Employment	RV	514.36	0.00	514.36
91	47	Technical Education Skill Development and Employment	CV	207.79	0.00	207.79
92	48	Narmada Valley Development	RV	5.79	2.00	3.79
93	48	Narmada Valley Development	CV	91.74	77.98	13.76
94	48	Narmada Valley Development	CC	3.27	0.18	3.09
95	49	Scheduled Caste Welfare	RV	238.32	0.00	238.32
96	49	Scheduled Caste Welfare	CV	153.89	0.00	153.89
97	50	Horticulture and Food Processing	RV	410.00	0.00	410.00
98	50	Horticulture and Food Processing	CV	100.00	0.00	100.00

Sl. No.	Grant No.	Nomenclature	RV/CV/CC/RC	Savings	Total Surrendered	Savings not surrendered
99	51	Religious Trusts and Endowments	RV	44.24	0.32	43.92
100	51	Religious Trusts and Endowments	CV	10.00	0.00	10.00
101	52	Medical Education	RV	163.01	0.00	163.01
102	52	Medical Education	CV	288.24	0.00	288.24
103	53	Finance Assistance to Three Tier Panchayati Raj Institutions	RV	7,442.65	2,714.78	4,727.87
104	53	Finance Assistance to Three Tier Panchayati Raj Institutions	CV	103.86	61.00	42.86
105	54	Agricultural Research and Education	RV	9.55	9.55	0.00
106	55	Women and Child Development	RV	667.70	718.22	-50.52
107	55	Women and Child Development	CV	60.53	59.33	1.20
108	56	Cottage and Rural Industry	RV	46.80	0.14	46.66
109	56	Cottage and Rural Industry	CV	1.69	0.00	1.69
110	58	Expenditure on Relief on account of Natural Calamities and Scarcity	RV	9,742.64	0.39	9,742.25
111	58	Expenditure on Relief on account of Natural Calamities and Scarcity	CV	1.02	0.02	1.00
112	59	Externally aided Projects pertaining to Rural Development Department	CV	274.66	274.66	0.00
113	60	Expenditure Pertaining to District Plan Schemes	RV	3.01	3.75	-0.74
114	60	Expenditure Pertaining to District Plan Schemes	CV	56.44	41.09	15.35
115	61	Expenditure pertaining to Bundelkhand Package	RV	1.02	0.00	1.02
116	62	Panchayat	RV	28.24	0.00	28.24
117	63	Minority Welfare	RV	14.57	0.00	14.57
118	63	Minority Welfare	CV	6.00	0.00	6.00
119	64	Financial Assistance to Urban Bodies	RV	1,466.7	21.09	1,445.61
120	64	Financial Assistance to Urban Bodies	RC	20.58	0.00	20.58
121	64	Financial Assistance to Urban Bodies	CV	21.75	0.00	21.75
122	65	Aviation	RV	14.85	0.00	14.85
123	65	Aviation	CV	66.05	0.00	66.05
124	66	Welfare of Backward Classes	RV	30.15	0.00	30.15
125	66	Welfare of Backward Classes	CV	22.96	0.00	22.96
126	67	Public Works Buildings	RV	211.17	0.00	211.17
127	67	Public Works Buildings	CV	83.31	0.00	83.31
128	68	New and Renewable Energy	RV	161.96	0.00	161.96

Sl. No.	Grant No.	Nomenclature	RV/CV/ CC/RC	Savings	Total Surrendered	Savings not surrendered
129	69	Denotified, Nomadic and Semi Nomadic Tribe Welfare	RV	8.76	0.00	8.76
130	69	Denotified, Nomadic and Semi Nomadic Tribe Welfare	CV	4.32	0.00	4.32
131	71	Environment	RV	8.30	0.00	8.30
<b>Total</b>				<b>62,122.61</b>	<b>16,211.53</b>	<b>45,911.08</b>

Source: Appropriation Accounts 2019-20

**Appendix 3.8**  
**Statement of various Grants/Appropriations in which savings occurred**  
**(₹ one crore or more in each case) but no part of which had been surrendered**  
(Reference: Paragraph 3.5.2; Page 72)

(₹ in crore)				
Sl. No.	Grant No.	Nomenclature	RV/CV/CC/RC	Savings
1	2	Other expenditure pertaining to General Administration Department	RV	13.25
2	6	Finance	RC	127.94
3	7	Commercial Tax	RV	1,346.24
4	8	Land Revenue and District Administration	RV	258.12
5	8	Land Revenue and District Administration	CV	73.60
6	9	Expenditure pertaining to Revenue Department	RV	5.26
7	9	Expenditure pertaining to Revenue Department	CV	3.60
8	10	Forest	CV	469.38
9	11	Industrial Policy and Investment Promotion	RV	13.57
10	11	Industrial Policy and Investment Promotion	CV	184.99
11	12	Energy	RV	1,905.58
12	12	Energy	RC	720.13
13	12	Energy	CV	1,162.30
14	14	Animal Husbandry	RV	181.89
15	14	Animal Husbandry	CV	13.11
16	16	Fisherman Welfare and Fisheries Development	RV	19.87
17	16	Fisherman Welfare and Fisheries Development	CV	1.15
18	19	Public Health and Family Welfare	RV	785.14
19	19	Public Health and Family Welfare	CV	106.84
20	21	Public Services Management	RV	23.66
21	21	Public Services Management	CV	3.92
22	22	Urban Development and Housing	CV	490.52
23	22	Urban Development and Housing	CC	15.00
24	23	Water Resources Department	RV	94.46
25	23	Water Resources Department	CV	1,085.91
26	24	Public Works -Roads and Bridges	RV	238.16
27	24	Public Works -Roads and Bridges	CV	1,228.61
28	24	Public Works -Roads and Bridges	CC	320.00
29	25	Mineral Resources	RV	9.26
30	25	Mineral Resources	CV	307.44
31	26	Culture	RV	50.64
32	26	Culture	CV	29.76
33	27	School Education (Primary Education)	CV	79.34
34	32	Public Relations	RV	117.09
35	32	Public Relations	CV	2.50
36	35	Micro Small and Medium Enterprises	RV	220.28
37	35	Micro Small and Medium Enterprises	CV	83.68
38	37	Tourism	RV	37.38
39	37	Tourism	CV	46.55

Sl. No.	Grant No.	Nomenclature	RV/CV/CC/RC	Savings
40	38	Ayush	RV	43.98
41	38	Ayush	CV	2.76
42	39	Food Civil Supplies and Consumer Protection	CV	1.65
43	40	Other Expenditure Pertaining to School Education Department	RV	254.40
44	40	Other Expenditure Pertaining to School Education Department	CV	74.00
45	42	Bhopal Gas Tragedy Relief and Rehabilitation	RV	12.98
46	42	Bhopal Gas Tragedy Relief and Rehabilitation	CV	18.70
47	43	Sports and Youth Welfare	CV	20.25
48	44	Higher Education	RV	286.94
49	44	Higher Education	CV	64.47
50	45	Minor Irrigation Works	RV	14.03
51	46	Science and Technology	RV	114.76
52	46	Science and Technology	CV	61.00
53	47	Technical Education Skill Development and Employment	RV	514.36
54	47	Technical Education Skill Development and Employment	CV	207.79
55	49	Scheduled Caste Welfare	RV	238.32
56	49	Scheduled Caste Welfare	CV	153.89
57	50	Horticulture and Food Processing	RV	410.00
58	50	Horticulture and Food Processing	CV	100.00
59	51	Religious Trusts and Endowments	CV	10.00
60	52	Medical Education	RV	163.01
61	52	Medical Education	CV	288.24
62	56	Cottage and Rural Industry	CV	1.69
63	62	Panchayat	RV	28.24
64	63	Minority Welfare	RV	14.57
65	63	Minority Welfare	CV	6.00
66	64	Financial Assistance to Urban Bodies	RC	20.58
67	64	Financial Assistance to Urban Bodies	CV	21.75
68	65	Aviation	RV	14.85
69	65	Aviation	CV	66.05
70	66	Welfare of Backward Classes	RV	30.15
71	66	Welfare of Backward Classes	CV	22.96
72	67	Public Works Buildings	RV	211.17
73	67	Public Works Buildings	CV	83.31
74	68	New and Renewable Energy	RV	161.96
75	69	Denotified, Nomadic and Semi Nomadic Tribe Welfare	RV	8.76
76	69	Denotified, Nomadic and Semi Nomadic Tribe Welfare	CV	4.32
77	71	Environment	RV	8.30
		<b>Total</b>		<b>15,636.31</b>

Source: Appropriation Accounts 2019-20

**Appendix 3.9 (A)**  
**Surrender orders not accepted by Principal Accountant General**  
(Reference: Paragraph 3.5.3; Page 72)

(₹ in crore)

Sl. No.	Number of Sanctions	Grant/Appropriation No.	Amount	Particulars of Irregularities
1	23	1, 2, 6, 7, 8, 18, 19, 22, 23, 24, 26, 27, 28, 33, 35, 39, 45, 46, 47, 53, 67, 69, 71	4,987.06	Delayed receipt of sanction in Principal Accountant General (A&E) office i.e. after closing and finalisation of the Accounts.
2	4	1, 8, 22, 65	164.94	Non-receipt of complete details in the sanction orders.
3	1	8	188.73	Due to discrepancy in the sanction letter.
4	1	33	0.06	Due to discrepancy of budget
<b>Total</b>			<b>5,340.79</b>	

Source: Information furnished by O/o the PAG, (A&E)-I, M.P., Gwalior

**Appendix 3.9 (B)**  
**Re-appropriation orders not accepted by Principal Accountant General**  
(Reference: Paragraph 3.5.3; Page 72)

(₹ in crore)

Sl. No.	Number of Sanctions	Grant/Appropriation No.	Amount	Particulars of Irregularities
1	6	1, 2, 7, 18, 26, 55	3.58	Delayed receipt of sanction in Principal Accountant General (A&E) office i.e. after closing and finalisation of the Accounts.
2	1	60	17.99	Due to discrepancy in the sanction order.
<b>Total</b>			<b>21.57</b>	

Source: Information furnished by O/o the PAG, (A&E)-I, M.P., Gwalior

**Appendix 3.10**  
**Statement of various Grants/Appropriations where savings exceeded ₹10 crore and more than 20 per cent of the total provisions in each case**

(Reference: Paragraph 3.6; Pages 72 and 73)

(₹ in crore)

Sl. No.	Grant No.	Nomenclature	RV/CV/CC/RC	Total Budget	Actual Expenditure	Savings	Saving (in per cent)
<b>Cases where savings ranging between ₹10 crore and ₹100 crore</b>							
1	1	General Administration	RC	64.80	32.46	32.34	49.91
2	1	General Administration	CV	89.92	40.22	49.70	55.27
3	4	Other expenditure pertaining to Home Department	RV	78.76	41.07	37.69	47.85
4	5	Jail	CV	25.47	13.41	12.06	47.35
5	8	Land Revenue and District Administration	CV	171.40	97.80	73.60	42.94
6	14	Animal Husbandry	CV	17.18	4.07	13.11	76.31
7	21	Public Services Management	RV	76.39	52.73	23.66	30.97
8	22	Urban Development and Housing	CC	15.00	0.00	15.00	100.00
9	26	Culture	CV	42.30	12.54	29.76	70.35
10	26	Culture	RV	185.83	135.19	50.64	27.25
11	29	Law and Legislative Affairs	RC	183.17	138.18	44.99	24.56
12	31	Planning Economics and Statistics	RV	87.79	63.71	24.08	27.43
13	35	Micro Small and Medium Enterprises	CV	338.51	254.82	83.69	24.72
14	36	Transport	CV	20.00	9.47	10.53	52.65
15	37	Tourism	RV	133.33	95.95	37.38	28.03
16	37	Tourism	CV	106.00	59.45	46.55	43.92
17	42	Bhopal Gas Tragedy Relief and Rehabilitation	CV	18.99	0.29	18.70	98.47
18	43	Sports and Youth Welfare	CV	60.27	40.02	20.25	33.60
19	43	Sports and Youth Welfare	RV	140.95	99.22	41.73	29.61
20	46	Science and Technology	CV	61.00	0.00	61.00	100.00
21	51	Religious Trusts and Endowments	CV	10.00	0.00	10.00	100.00
22	51	Religious Trusts and Endowments	RV	99.33	55.09	44.24	44.54
23	55	Women and Child Development	CV	130.52	69.99	60.53	46.38
24	56	Cottage and Rural Industry	RV	168.07	121.27	46.80	27.85
25	63	Minority Welfare	RV	27.24	12.67	14.57	53.49
26	64	Financial Assistance to Urban Bodies	CV	57.17	35.42	21.75	38.04
27	65	Aviation	RV	37.24	22.39	14.85	39.88
28	65	Aviation	CV	70.50	4.45	66.05	93.69
29	66	Welfare of Backward Classes	CV	26.74	3.78	22.96	85.86
30	67	Public Works Buildings	CV	222.30	138.99	83.31	37.48
<b>Total</b>				<b>2,766.17</b>	<b>1,654.65</b>	<b>1,111.52</b>	<b>40.18</b>
<b>Cases where savings ranging between ₹100 crore and ₹500 crore</b>							
31	1	General Administration	RV	664.40	438.32	226.08	34.03
32	3	Police	CV	724.18	555.35	168.83	23.31
33	6	Finance	RC	130.98	3.05	127.93	97.67
34	6	Finance	CV	190.70	19.53	171.17	89.76

35	10	Forest	CV	1,006.93	537.55	469.38	46.61
36	10	Forest	RV	1,938.06	1,456.02	482.04	24.87
37	11	Industrial Policy and Investment Promotion	CV	681.63	496.64	184.99	27.14
38	19	Public Health and Family Welfare	CV	284.81	177.97	106.84	37.51
39	22	Urban Development and Housing	CV	1,548.77	1,058.25	490.52	31.67
40	24	Public Works -Roads and Bridges	CC	320.00	0.00	320.00	100.00
41	25	Mineral Resources	CV	308.50	1.06	307.44	99.66
42	29	Law and Legislative Affairs	RV	1,770.21	1,324.56	445.65	25.17
43	32	Public Relations	RV	447.58	330.49	117.09	26.16
44	34	Social Justice and Disabled Person Welfare	RV	937.91	749.06	188.85	20.14
45	35	Micro Small and Medium Enterprises	RV	783.43	563.15	220.28	28.12
46	46	Science and Technology	RV	185.72	70.96	114.76	61.79
47	47	Technical Education Skill Development and Employment	CV	374.08	166.29	207.79	55.55
48	49	Scheduled Caste Welfare	CV	228.20	74.31	153.89	67.44
49	50	Horticulture and Food Processing	CV	100.00	0.00	100.00	100.00
50	50	Horticulture and Food Processing	RV	1,027.20	617.20	410.00	39.91
51	52	Medical Education	CV	1,185.84	897.60	288.24	24.31
52	53	Finance Assistance to Three Tier Panchayati Raj Institutions	CV	136.80	32.94	103.86	75.92
53	67	Public Works Buildings	RV	670.89	459.72	211.17	31.48
54	68	New and Renewable Energy	RV	271.21	109.25	161.96	59.72
<b>Total</b>				<b>15,918.03</b>	<b>10,139.27</b>	<b>5,778.76</b>	<b>36.30</b>
<b>Cases where savings ranging ₹500 crore and above</b>							
55	7	Commercial Tax	RV	3,480.95	2,134.71	1,346.24	38.67
56	12	Energy	RC	720.13	0.00	720.13	100.00
57	12	Energy	CV	1,769.67	607.37	1,162.30	65.68
58	12	Energy	RV	9,475.23	7,569.65	1,905.58	20.11
59	13	Farmer welfare and Agriculture development	RV	22,608.45	15,020.99	7,587.46	33.56
60	17	Co-operation	RV	1,362.60	383.61	978.99	71.85
61	17	Co-operation	CV	1,148.86	117.80	1,031.06	89.75
62	20	Public Health and Engineering	CV	3,428.93	2,399.85	1,029.08	30.01
63	22	Urban Development and Housing	RV	7,026.51	3,550.08	3,476.43	49.48
64	33	Tribal Welfare	CV	1,506.10	928.98	577.12	38.32
65	39	Food Civil Supplies and Consumer Protection	RV	1,548.45	958.42	590.03	38.10
66	47	Technical Education Skill Development and Employment	RV	1,296.25	781.89	514.36	39.68

67	53	Finance Assistance to Three Tier Panchayati Raj Institutions	RV	26,938.66	19,496.02	7,442.64	27.63
68	58	Expenditure on Relief on account of Natural Calamities and Scarcity	RV	15,767.98	6,025.34	9,742.64	61.79
69	CH-II	Public Debt	CC	14,803.33	10,933.61	3,869.72	26.14
<b>Total</b>				<b>1,12,882.10</b>	<b>70,908.32</b>	<b>41,973.78</b>	<b>37.18</b>
<b>Grand Total</b>				<b>1,31,566.30</b>	<b>82,702.24</b>	<b>48,864.06</b>	<b>37.14</b>

Source: Appropriation Accounts 2019-20

**Appendix 3.11**  
**Missing/Incomplete Explanation for Variation from Budget**  
(Reference: Paragraph 3.6.1; Page 74)

(₹ in crore)

Sl. No.	Grant No.	Nomenclature	Total Heads	Heads Requiring Explanation	Heads where explanation was given
1	CH-II	Public Debt	51	15	-
2	CH-I	Interest Payments and Servicing of Debt	129	48	-
3	1	General Administration	68	22	1
4	2	Other expenditure pertaining to General Administration Department	15	7	-
5	3	Police	114	16	-
6	4	Other expenditure pertaining to Home Department	26	6	1
7	5	Jail	20	8	-
8	6	Finance	70	34	4
9	7	Commercial Tax	30	14	-
10	8	Land Revenue and District Administration	42	14	1
11	9	Expenditure pertaining to Revenue Department	6	4	-
12	10	Forest	82	26	-
13	11	Industrial Policy and Investment Promotion	18	5	-
14	12	Energy	57	33	-
15	13	Farmer Welfare and Agriculture Development	165	28	14
16	14	Animal Husbandry	104	36	-
17	15	Externally Aided Projects pertaining to Technical Education and Training Department	2	-	-
18	16	Fisherman Welfare and Fisheries Development	25	2	5
19	17	Co-operation	47	4	14
20	18	Labour	21	7	-
21	19	Public Health and Family Welfare	136	26	-
22	20	Public Health Engineering	76	26	6
23	21	Public Service Management	11	9	-
24	22	Urban Development and Housing	119	39	-
25	23	Water Resources Department	273	84	4
26	24	Public Works-Roads and Bridges	77	39	-
27	25	Mineral Resources	12	6	-
28	26	Culture	72	24	-
29	27	School Education (Primary Education)	83	27	-
30	28	State Legislature	11	4	-
31	29	Law and Legislative Affairs	56	15	8
32	30	Rural Development	49	9	-
33	31	Planning, Economics and Statistics	16	6	-
34	32	Public Relations	56	7	-

Sl. No.	Grant No.	Nomenclature	Total Heads	Heads Requiring Explanation	Heads where explanation was given
35	33	Tribal Affairs	93	35	2
36	34	Social Justice and disabled Person welfare	84	6	12
37	35	Micro, Small & Medium Enterprises	31	10	-
38	36	Transport	10	4	-
39	37	Tourism	26	9	-
40	38	Ayush	57	16	-
41	39	Food, Civil Supplies and Consumer Protection	66	9	12
42	40	Other expenditure pertaining to School Education Department (excluding Primary Education)	82	31	-
43	41	Expenditure pertaining to Simhast, 2016	1	-	-
44	42	Bhopal Gas Tragedy Relief and Rehabilitation	18	9	-
45	43	Sports and Youth Welfare	44	14	-
46	44	Higher Education	108	24	-
47	45	Minor Irrigation Works	12	4	-
48	46	Science and Technology	44	21	-
49	47	Technical Education, Skill Development and Employment	113	41	3
50	48	Narmada Valley Development	127	20	2
51	49	Scheduled Caste Welfare	55	19	-
52	50	Horticulture and Food Processing	55	-	24
53	51	Religious Trusts and Endowments	22	11	-
54	52	Medical Education	65	27	2
55	53	Financial assistance to Three Tier Panchayati Raj Institutions	176	24	10
56	54	Agricultural Research and Education	9	2	-
57	55	Women and Child Development	93	12	12
58	56	Cottage and Rural Industry	86	14	1
59	57	Externally Aided Projects pertaining to Water Resources Department	1	-	-
60	58	Expenditure on Relief on account of Natural Calamities and Scarcity	25	11	2
61	59	Externally aided Projects pertaining to Rural Development Department	3	-	1
62	60	Expenditure pertaining to District Plan Schemes	17	8	-
63	61	Expenditure pertaining to Bundelkhand package	14	1	-
64	62	Panchayat	5	-	3
65	63	Minority Welfare	19	8	-
66	64	Financial assistance to Urban bodies	103	22	-
67	65	Aviation	6	4	-
68	66	Welfare of Backward Classes	25	-	9
69	67	Public Works-Buildings	32	19	-

Sl. No.	Grant No.	Nomenclature	Total Heads	Heads Requiring Explanation	Heads where explanation was given
70	68	New and Renewable Energy	15	12	-
71	69	Denotified, Nomadic and Semi-Nomadic Tribe Welfare	51	-	11
72	70	Overseas Indian	1	1	-
73	71	Environment	12	4	-
74	72	Happiness	1	-	-
		<b>Total</b>	<b>3,946</b>	<b>1,102</b>	<b>164</b>

Source: Appropriation Accounts 2019-20

**Appendix 3.12**  
**Excess Expenditure requiring regularisation**  
(Reference: Paragraph 3.8; Page 76)

(₹ in crore)

Year	Number of Grants/ Appropriations	Grant/Appropriation number	Amount of excess
2011-12	04 Grants	Revenue (Voted): 33 Capital (Voted): 15, 52, 74	135.10
	02 Appropriations	Revenue (Charged): 23 Capital (Charged): 23	
2012-13	02 Appropriations	Revenue (Charged): 10 Capital (Charged): 24	0.24
2013-14	02 Grants	Revenue (Voted): 2 Capital (Voted): 10	34.31
	01 Appropriation	Capital (Charged): 21	
2014-15	03 Grants	Revenue (Voted): 2, 6 Capital (Voted): 42	446.28
	03 Appropriations	Revenue (Charged): 24, 67 Capital (Charged): 41	
2016-17	01 Grant	Revenue (Voted): 2	23.77
2018-19	01 Grant	Revenue (Voted): 4	1,028.62
	01 Appropriation	Capital (Charged): Public Debt.	
<b>Total</b>	<b>11 Grants and 09 Appropriations</b>		<b>1,668.32</b>

Source: Appropriation Accounts of the respective years

**Appendix 3.13****Details of Lump sum provisions (where surrender was more than ₹15 crore in each case and also 50 per cent or more of total budget provision)**

(Reference: Paragraph 3.9; Page 76)

(₹ in crore)

Sl. No.	Grant No.	Name of the Grant	Heads of account	Provision O: Original S: Supplementary	Amount Surrendered	Surrender in per cent
1	1	General Administration	4059-01-051-6925- Construction of Proposed Madhyanchal Bhawan in New Delhi	(O)20.00	19.97	99.85
2	3	Police	4055-207-2643- Modernisation of Police Force	(O)23.93	18.61	77.77
3	13	Farmer Welfare and Agriculture Development	2401-102-0701-7498-Sub- Mission on Farm Water Management	(O)53.44	31.33	58.63
			2401-102-0701-7499- Sub-Mission Soil Health Management	(O)64.10	57.09	89.06
			2401-102-0701-7717- Prime Minister Agriculture Irrigation Scheme	(O)35.00	35.00	100.00
			2401-108-0702-7500- National Oil Seed and Oil Palm Mission Under National Food Security Mission	(O)21.53	18.99	88.20
			2401-108-0701-7500- National Oil Seed and Oil Palm Mission Under National Food Security Mission	(O)46.15	30.67	66.46
			2401-109-0701-7494-Sub mission on seed and planning Material	(O)72.87	60.16	82.56
			2401-800-0702-5626- National Agriculture Development Scheme	(O)75.82	64.67	85.29
			2401-800-0103-2343- Farmers Prosperity Scheme	(O)250.00	248.98	99.59
			2401-800-0103-5321- Bhawantar/Flat Rate Scheme	(O)280.00	280.00	100.00
			2401-800-0102-2343- Farmers Prosperity Scheme	(O)350.00	346.84	99.10
			2401-800-0102-5319-	(O)1,840.00	1,006.83	54.72

Sl. No.	Grant No.	Name of the Grant	Heads of account	Provision O: Original S: Supplementary	Amount Surrendered	Surrender in per cent
			Chief Minister Crop Loan Remission Scheme			
			2401-800-0102-5321-Bhawantar/Flat Rate Scheme	(O)157.00	157.00	100.00
			2401-800-0101-2343-Farmers Prosperity Scheme	(O)1,000.00	999.17	99.92
			2801-80-101-0101-5855-Payment of subsidy to MPEB for reimbursement of expenditure in connection with free supply of electricity to one point connection and 5HP Agriculture pumps thresher	(O)819.23	669.23	81.69
4	17	Co-Operation	2425-107-0103-2341-Chief Minister Loan Clearance Scheme	(O)68.01	66.01	97.06
			2425-107-0103-9254-Interest Grant to Farmers on Short Term Loans Through Co-operative Banks	(O)111.92	87.29	77.99
			2425-107-0102-2341-Chief Minister Loan Clearance Scheme	(O)86.87	80.87	93.09
			2425-107-0102-9134-Interest Grant for Conversion of Short Term Loans to Mid Term Loans to Farmers Affected by Natural Calamities	(O)21.74	21.74	100.00
			2425-107-0102-9254-Interest Grant to Farmers on Short Term Loans Through Co-operative Banks	(O)160.88	156.18	97.08
			2425-107-0101-2091-Chief Minister Farmers Co-operative Loan Assistance Scheme	(O)56.76	43.14	76.00
			2425-107-0101-9254-Interest Grant to Farmers on Short Term Loans Through Co-operative Banks	(O)426.69	392.97	92.10
			4425-107-0103-5318-Share Capital of Co-operative Banks	(O)85.00	85.00	100.00

Sl. No.	Grant No.	Name of the Grant	Heads of account	Provision O: Original S: Supplementary	Amount Surrendered	Surrender in per cent
			4425-107-0102-5318- Share Capital of Co-operative Banks	(O)115.00	115.00	100.00
			4425-107-0101-5318- Share Capital of Co-operative Banks	(O)800.00	789.23	98.65
5	20	Public Health Engineering	4215-01-102-0702-9029- Solar Energy Based Drinking Water Supply Scheme (N.C.E.F.)	(O)30.00	17.00	56.67
			4215-01-102-0102-5468- Peyajal ka Adhikaar	(O)240.00	210.00	87.5
			4215-01-102-0101-5468- Peyajal ka Adhikaar	(O)520.00	418.80	80.54
6	53	Financial Assistance to Three Tier Panchayati Raj Institutions	4515-789-198-0701-6099- Construction of Mid-Day Meal Kitchen Shed	(O)61.00	61.00	100.00
7	55	Women and Child Development	2235-02-102-1201-1291- Strengthening of I.C.D.S. and Nutrition Level Improvement Project (E-SNIP)/N.N.M.	(O)185.95 (S)89.08	166.33	60.48
			2235-02-103-0701-2367- Mahila Shakti Kendra	(O)18.55	16.35	88.14
<b>Total</b>				<b>(O)8,097.44 (S)89.08</b>	<b>6,771.45</b>	<b>82.71</b>

Source: Appropriation Accounts 2019-20

**Appendix 3.14**  
**Schemes in which total provision of ₹10 crore and above remained unutilised**  
(Reference: Paragraph 3.10; Page 78)

(₹ in crore)

Sl. No.	GNC D	MHCD	SMCD	MICD	GHCD	SHCD	V/C	Total budget	Expenditure	Saving
1	CH-II	6003	-	101	-	0716	C	100.00	Nil	100.00
2	CH-II	6003	-	110	-	0637	C	2,000.00	Nil	2,000.00
3	CH-II	6003	-	110	-	0779	C	2,000.00	Nil	2,000.00
4	CH-I	2049	01	101	-	5438	C	75.90	Nil	75.90
5	CH-I	2049	01	101	-	5439	C	76.10	Nil	76.10
6	CH-I	2049	01	101	-	9125	C	94.00	Nil	94.00
7	CH-I	2049	01	101	-	9321	C	43.27	Nil	43.27
8	CH-I	2049	01	101	-	9323	C	42.77	Nil	42.77
9	CH-I	2049	01	101	-	9324	C	67.01	Nil	67.01
10	CH-I	2049	01	200	-	6973	C	10.00	Nil	10.00
11	CH-I	2049	03	104	-	0807	C	12.10	Nil	12.10
12	CH-I	2049	03	108	-	0117	C	12.10	Nil	12.10
13	CH-I	2049	60	701	-	6971	C	135.15	Nil	135.15
14	CH-I	2049	60	701	-	6972	C	176.24	Nil	176.24
15	CH-I	2049	03	104	-	4033	C	78.65	Nil	78.65
16	6	2054	-	095	-	5329	V	150.00	Nil	150.00
17	6	2054	-	095	-	5329	C	50.00	Nil	50.00
18	6	2071	01	101	-	9999	C	76.11	Nil	76.11
19	6	6075	-	800	-	6787	V	50.00	Nil	50.00
20	6	6075	-	800	-	6788	V	10.00	Nil	10.00
21	6	6075	-	800	-	6842	V	50.00	Nil	50.00
22	7	2030	02	797	0570	0817	V	570.66	Nil	570.66
23	7	2045	-	797	0530	2359	V	26.55	Nil	26.55
24	7	2045	-	797	0550	2360	V	54.01	Nil	54.01
25	10	4406	01	102	0703	3730	V	46.20	Nil	46.20
26	10	4406	01	800	-	5399	V	312.52	Nil	312.52
27	11	4875	60	190	0101	7359	V	17.00	Nil	17.00
28	11	4875	60	800	0101	6749	V	32.50	Nil	32.50
29	11	4875	60	800	-	9485	V	36.89	Nil	36.89
30	12	2045	-	103	-	3218	C	520.13	Nil	520.13
31	12	2801	80	101	0101	0688	V	500.00	Nil	500.00
32	12	2801	80	101	-	2361	C	200.00	Nil	200.00
33	12	4801	02	190	0101	5332	V	36.00	Nil	36.00
34	12	4801	02	190	0101	7253	V	62.48	Nil	62.48
35	12	4801	02	190	0101	7254	V	60.20	Nil	60.20
36	12	4801	05	190	0101	0663	V	100.25	Nil	100.25
37	12	4801	05	190	0102	0663	V	40.10	Nil	40.10
38	12	4801	05	190	0103	0663	V	26.73	Nil	26.73
39	12	4801	05	190	0410	7900	V	192.58	Nil	192.58
40	12	6801	-	190	0101	5336	V	20.00	Nil	20.00
41	12	6801	-	190	-	5488	V	40.00	Nil	40.00
42	14	2403	-	102	0101	5418	V	12.42	Nil	12.42
43	19	2210	01	110	0702	2315	V	59.63	Nil	59.63
44	19	2210	01	110	0703	2315	V	40.47	Nil	40.47
45	19	4210	01	110	0101	2283	V	10.00	Nil	10.00
46	22	2217	05	800	0101	9488	V	10.00	Nil	10.00
47	22	2217	05	800	0103	5373	V	24.00	Nil	24.00
48	22	4217	01	050	0101	3115	C	15.00	Nil	15.00
49	22	4217	01	051	0101	7715	V	25.00	Nil	25.00
50	22	4217	03	190	0101	5372	V	50.00	Nil	50.00
51	23	4700	70	800	0103	2884	V	20.00	Nil	20.00

Sl. No.	GNCD	MHCD	SMCD	MICD	GHCD	SHCD	V/C	Total budget	Expenditure	Saving
52	23	4700	80	001	0101	2304	V	49.00	Nil	49.00
53	23	4700	C4	800	0101	2897	V	805.00	Nil	805.00
54	23	4701	80	001	0101	2304	V	60.09	Nil	60.09
55	23	4701	80	001	1401	2304	V	10.00	Nil	10.00
56	23	4701	A6	800	0101	2884	V	10.00	Nil	10.00
57	24	3054	04	800	0103	7081	V	20.00	Nil	20.00
58	24	5053	02	102	0101	3115	C	20.00	Nil	20.00
59	24	5054	03	337	1201	5337	V	224.00	Nil	224.00
60	24	5054	03	337	1203	5337	V	56.00	Nil	56.00
61	24	5054	80	800	0101	3115	C	192.00	Nil	192.00
62	24	5054	80	800	0102	3115	C	60.00	Nil	60.00
63	24	5054	80	800	0103	3115	C	48.00	Nil	48.00
64	25	4853	01	800	1701	5453	V	180.00	Nil	100.00
65	25	4853	01	800	1702	5453	V	40.00	Nil	40.00
66	25	4853	01	800	1702	5453	V	29.00	Nil	29.00
67	25	4853	01	800	1703	5453	V	30.00	Nil	30.00
68	25	4853	01	800	1703	5453	V	21.00	Nil	21.00
69	26	4202	04	800	0101	0749	V	10.00	Nil	10.00
70	33	4225	02	800	0102	0334	V	38.90	Nil	38.90
71	35	4851	-	800	0101	6820	V	35.00	Nil	35.00
72	37	3452	01	190	-	3346	V	10.00	Nil	10.00
73	37	5452	80	800	0101	5395	V	12.00	Nil	12.00
74	39	2408	01	001	0701	6878	V	10.00	Nil	10.00
75	40	4202	01	202	1701	6007	V	20.00	Nil	20.00
76	40	4202	01	202	1703	6007	V	15.00	Nil	15.00
77	40	2202	02	109	0101	2078	V	13.81	Nil	13.81
78	46	3425	60	600	0101	6874	V	20.37	Nil	20.37
79	46	3425	60	600	0102	6874	V	10.00	Nil	10.00
80	46	5425	-	600	0101	5818	V	20.00	Nil	20.00
81	46	5425	-	600	0101	6874	V	11.50	Nil	11.50
82	46	5425	-	600	0102	5818	V	11.00	Nil	11.00
83	46	5425	-	600	0103	5818	V	10.00	Nil	10.00
84	47	2230	03	003	0102	5373	V	41.40	Nil	41.40
85	47	2230	03	003	0103	5373	V	28.80	Nil	28.80
86	47	2230	03	101	0101	2376	V	15.00	Nil	15.00
87	47	2230	03	003	0701	2327	V	18.09	Nil	18.09
88	47	4202	03	003	0101	0741	V	10.24	Nil	10.24
89	50	2401	-	119	0101	0694	V	16.80	Nil	16.80
90	50	2401	-	119	0101	5403	V	50.00	Nil	50.00
91	50	4401	-	119	0101	5474	V	59.00	Nil	59.00
92	50	4401	-	119	0102	5474	V	23.00	Nil	23.00
93	50	4401	-	119	0103	5474	V	18.00	Nil	18.00
94	51	2250	-	800	-	5384	V	12.09	Nil	12.09
95	51	4250	-	800	-	5384	V	10.00	Nil	10.00
96	53	3604	-	198	0101	4610	V	161.88	Nil	161.88
97	53	3604	-	198	0102	4610	V	53.96	Nil	53.96
98	53	3604	-	198	0103	4610	V	41.12	Nil	41.12
99	64	2217	05	191	0801	1325	V	177.48	Nil	177.48
100	64	2217	05	191	-	1325	V	169.25	Nil	169.25
101	64	2217	05	192	0801	1325	V	109.81	Nil	109.81
102	64	2217	05	192	-	1325	V	95.51	Nil	95.51
103	64	2217	05	193	0801	1325	V	88.40	Nil	88.40
104	64	2217	05	193	-	1325	V	76.88	Nil	76.88
<b>Total</b>								<b>11,849.10</b>		<b>11,849.10</b>

Source: Appropriation Accounts 2019-20

**Appendix-3.15**  
**Statement of Persistent savings during 2015-16 to 2019-20**  
(Reference: Paragraph 3.13.1.2; Page 83)

(₹ in crore)

Sl. No.	Scheme Code/Name	Year	Original Provision	Supplem-entary Provision	Re-appropriation		Total	Alloca-ted amount	Expe-nditure	Savin-gs	Per-cent
					+	-					
1	7494 Sub mission on seed and planning material (S.M.S.P.)	2015-16	31.25	0.00	0.00	12.09	19.16	19.16	0.00	19.16	100.00
		2016-17	43.88	0.00	0.00	0.00	43.88	43.88	11.93	31.95	72.81
		2017-18	66.00	0.00	0.00	0.00	66.00	59.55	36.38	23.17	38.91
		2018-19	57.68	58.37	0.00	0.00	116.05	110.39	31.68	78.71	71.30
		2019-20	110.00	0.00	0.00	0.00	110.00	110.00	22.44	87.56	79.60
2	7499 Sub-Mission Soil Health Management	2015-16	0.00	15.00	0.00	0.00	15.00	15.00	0.00	15.00	100.00
		2016-17	15.00	36.00	0.00	0.00	51.00	51.00	9.52	41.48	81.33
		2017-18	53.00	0.00	0.00	0.00	53.00	51.34	0.38	50.96	99.26
		2018-19	65.17	0.00	0.00	0.00	65.17	62.33	14.01	48.32	77.52
		2019-20	64.10	0.00	0.00	0.00	64.10	64.10	7.01	57.09	89.06
3	7500 National Oil Seed and Oil Palm Mission under National Food Security Mission	2015-16	35.67	39.36	0.00	0.00	75.03	75.03	24.77	50.26	66.99
		2016-17	62.20	0.00	0.00	0.00	62.20	62.20	28.87	33.33	53.59
		2017-18	91.22	0.00	0.00	7.30	83.92	83.92	23.89	60.03	71.53
		2018-19	95.40	0.00	0.00	0.00	95.40	95.32	13.38	81.94	85.96
		2019-20	90.60	0.00	0.00	0.00	90.60	90.60	20.03	70.57	77.89
4	7501 National Food Security Mission	2015-16	310.00	0.00	0.00	0.00	310.00	310.00	132.56	177.44	57.24
		2016-17	239.00	0.00	0.00	22.80	216.20	216.20	103.29	112.91	52.22
		2017-18	305.00	0.00	4.70	0.00	309.70	282.58	169.36	113.22	40.07
		2018-19	381.62	0.00	0.00	0.00	381.62	367.96	275.20	92.76	25.21
		2019-20	390.98	16.20	0.00	0.00	407.18	407.18	217.01	190.17	46.70
5	7493 National E-Governance Plan	2015-16	5.01	0.00	0.00	0.00	5.01	5.01	0.08	4.93	98.40
		2016-17	5.00	0.00	0.00	0.00	5.00	5.00	0.00	5.00	100.00
		2017-18	5.50	0.00	0.00	0.00	5.50	5.47	0.26	5.21	95.25
		2018-19	5.50	0.00	0.00	0.00	5.50	5.47	0.18	5.29	96.71
		2019-20	2.35	0.00	0.00	0.00	2.35	2.35	0.00	2.35	100.00
6	7497 Sub-Mission Rainfed Area Development	2015-16	13.00	18.07	0.00	0.00	31.07	31.07	8.77	22.30	71.77
		2016-17	40.50	0.00	0.00	0.00	40.50	40.50	6.32	34.18	84.40
		2017-18	35.70	0.00	0.00	0.00	35.70	32.13	6.34	25.79	80.27
		2018-19	14.96	0.00	0.00	0.00	14.96	13.46	1.24	12.22	90.79
		2019-20	13.60	0.00	0.00	0.00	13.60	13.60	0.55	13.05	95.96
7	4204 State machine tractor station scheme	2015-16	17.89	0.00	0.00	0.00	17.89	17.89	11.50	6.39	35.72
		2016-17	12.98	0.00	0.00	0.00	12.98	12.98	11.45	1.53	11.79
		2017-18	15.31	0.00	0.00	0.00	15.31	15.31	12.70	2.61	17.05
		2018-19	17.20	0.00	0.00	0.00	17.20	17.20	14.48	2.72	15.81
		2019-20	17.28	0.00	0.00	0.00	17.28	17.28	15.53	1.75	10.13
8	5626 National Agriculture Development Scheme (RKVY)	2015-16	271.96	0.00	0.00	0.00	271.96	271.96	199.41	72.55	26.68
		2016-17	193.19	60.00	0.00	0.00	253.19	253.19	215.90	37.29	14.73
		2017-18	400.17	0.00	0.00	0.00	400.17	369.15	267.76	101.39	27.47
		2018-19	417.72	0.00	0.00	0.00	417.72	384.95	279.33	105.62	27.44
		2019-20	364.72	14.98	0.00	0.00	379.70	379.70	138.11	241.59	63.63
9	6482 Agriculture Power Scheme	2015-16	7.00	0.00	0.00	0.00	7.00	7.00	5.77	1.23	17.57
		2016-17	6.55	0.00	0.00	0.00	6.55	6.55	5.23	1.32	20.15
		2017-18	8.90	0.00	0.00	0.00	8.90	8.90	6.72	2.18	24.49
		2018-19	8.48	0.00	0.00	0.00	8.48	8.48	6.32	2.16	25.47
		2019-20	6.82	0.00	0.00	0.00	6.82	6.82	3.88	2.94	43.11

10	6674 Promotion to Agricultural Mechanisation	2015-16	29.20	0.00	0.00	0.00	29.20	29.20	25.76	3.44	11.78
		2016-17	33.75	0.00	0.00	0.00	33.75	33.75	29.28	4.47	13.24
		2017-18	40.50	0.00	0.00	0.00	40.50	40.50	33.95	6.55	16.17
		2018-19	41.75	0.00	0.00	2.50	39.25	39.25	15.57	23.68	60.33
		2019-20	10.00	0.00	0.00	0.00	10.00	10.00	5.11	4.89	48.90
11	7450 Grant on Tractor and Agriculture Equipments (S.M.A.M.)	2015-16	10.00	22.90	0.00	0.00	32.90	32.90	10.67	22.23	67.57
		2016-17	19.00	0.00	13.68	0.00	32.68	32.68	26.70	5.98	18.30
		2017-18	45.96	0.00	2.60	0.00	48.56	48.56	37.32	11.24	23.15
		2018-19	51.00	14.52	0.00	0.00	65.52	65.52	61.52	4.00	6.11
		2019-20	139.53	0.00	0.00	0.00	139.53	139.53	100.57	38.96	27.92

Source: Information furnished by BCOs concerned

**Appendix 3.16**  
**Statement of Substantial savings more than ₹ five crore**  
(Reference: Paragraph 3.13.1.3; Page 84)

(₹ in crore)

Sl. No.	Year	Scheme No. and Name	Original Provision	Suppl-entary Provision	Re-appropriation amount	Total	Amount allocated by Finance Department	Expend-iture	Savings	Per cent
1	2019-20	1227-National Mission of Medicine Including Medicinal Plant Mission	71.43	0.00	0.00	71.43	71.43	34.81	36.62	51.27
2	2019-20	1229-Soil Health Card Scheme	56.99	0.00	0.00	56.99	56.98	12.48	44.50	78.10
3	2019-20	5626-National Agriculture Development Scheme	364.72	14.98	0.00	379.70	379.70	138.10	241.60	63.63
4	2019-20	7494-Sub mission on seed and Planning Material	109.99	0.00	0.00	109.99	109.99	22.42	87.57	79.62
5	2019-20	7497-Sub-Mission Rain fed Area Development	9.27	0.00	0.00	9.27	9.27	0.12	9.15	98.71
6	2019-20	7498-Sub Mission on Farm Water Management	90.78	0.00	0.00	90.78	90.78	31.01	59.77	65.84
7	2019-20	7499-Sub-Mission Soil Health Management	64.10	0.00	0.00	64.10	64.10	7.01	57.09	89.06
8	2019-20	7500-National Oil Seed and Oil Palm Mission under National Food Security Mission	90.60	0.00	0.00	90.60	90.60	20.03	70.57	77.89
9	2019-20	7501-National Food Security Mission	390.98	16.20	0.00	407.18	407.18	217.00	190.18	46.71
10	2019-20	7717-Prime Minister Agriculture Irrigation Scheme	22.38	0.00	0.00	22.38	22.38	0.00	22.38	100.00
11	2019-20	1920-Establishment of Price Stablisation Fund	18.18	0.00	0.00	18.18	14.55	4.00	10.55	72.51
12	2019-20	2343-Farmers prosperity scheme	1,600.00	0.00	0.00	1,600.00	1,280.00	5.01	1,274.99	99.61
13	2019-20	5319-Chief Minister Crop Loan Remission Scheme	8,000.00	0.00	(-)819.50	7,180.50	5,580.50	3,931.51	1,648.99	29.55
14	2019-20	5321-Bhavantar/ Flat rate scheme	1,120.00	0.00	(+)73.40	1,193.40	969.40	422.84	546.56	56.38
15	2019-20	5855-Payment of subsidy to MPEB	1,342.77	0.00	0.00	1,342.77	1,179.15	638.00	541.15	45.89

Sl. No.	Year	Scheme No. and Name	Original Provision	Suppl em-entary Provi-sion	Re-appropri ation amount	Total	Amount allocated by Finance Depart-ment	Expend-iture	Savings	Per cent
		for reimbursement of expenditure in connection with free supply of electricity to 1 point connection and 5HP Agriculture pumps thresher								
16	2019-20	8768-Pradhanmantri Agriculture Insurance Scheme	1,227.74	0.00	(+)819.50 (-)73.40	1,973.84	1,973.84	1,884.39	89.45	4.53
17	2019-20	0908-Agriculture census	8.78	0.00	0.00	8.78	8.78	0.40	8.38	95.44
18	2019-20	5311-Small Irrigation and water body calculation	7.85	0.00	0.00	7.85	7.85	0.00	7.85	100.00
19	2019-20	8769-Annapoorna Yojna	25.46	0.00	0.00	25.46	20.37	12.71	7.66	37.60
20	2019-20	3733-National agriculture extension project	115.16	0.00	0.00	115.16	115.00	100.76	14.24	12.38
21	2019-20	4103-Intensive Extension Project World Bank Assisted	52.60	0.00	0.00	52.60	52.58	35.10	17.48	33.24
22	2019-20	3142-Soil conservation scheme contour building	67.28	0.00	0.00	67.28	67.26	59.55	7.71	11.46
23	2019-20	0119-subordinate and Specialist employee ( District and sub division level Staff )	397.32	0.00	0.00	397.32	397.18	323.13	74.05	18.64
24	2019-20	7450-Grant on Tractor and Agriculture Equipments (S.M.A.M.)	139.53	0.00	0.00	139.53	139.53	100.57	38.96	27.92
25	2019-20	7451-Grant on establishment of Custom Hiring Centre (S.M.A.M)	21.66	0.00	0.00	21.66	21.66	7.04	14.62	67.50
<b>Total</b>			<b>15,415.57</b>	<b>31.18</b>	<b>0.00</b>	<b>15,446.75</b>	<b>13,130.06</b>	<b>8,007.99</b>	<b>5,122.07</b>	<b>39.01</b>

Source: Information furnished by BCOs concerned

**Appendix 3.17**  
**Statement of surrender of savings under Grant No. 13 during 2019-20**  
(Reference: Paragraph 3.13.1.7; Page 87)

(₹ in crore)

Sl. No.	Scheme Name	Budget Provision	Surrender Amount	Surrender date	Per cent
1	7243-Agriculture Forestry Sub Mission	7.31	7.31	11-03-2020	100.00
2	0733-Green Krishi	2.56	2.56	11-03-2020	100.00
3	1229-Soil Health Card Scheme	56.98	35.23	11-03-2020	61.83
4	5626-National Agriculture Development Scheme	379.70	235.96	11-03-2020, 30-03-2020 and 31-03-2020	62.14
5	7492-Sub mission on Agriculture Extension(Aatma)	55.50	9.25	11-03-2020	16.67
6	7493-National E-Governance Plan	2.35	2.35	11-03-2020	100.00
7	7494-Sub mission on seed and Planning Material	110.00	81.41	11-03-2020 and 30-03-2020	74.00
8	7496-Sub-Mission Climate change and Sustainable Agriculture Monitoring, Modeling and Networking	0.70	0.70	11-03-2020	100.00
9	7497-Sub-Mission Rainfed Area Development	13.60	12.88	11-03-2020 and 30-03-2020	94.70
10	7498-Sub Mission on Farm Water Management	90.79	58.10	11-3-2020 and 30-03-2020	63.99
11	7499-Sub-Mission Soil Health Management	64.10	55.17	11-3-2020 and 30-03-2020	86.07
12	7500-National Oil Seed and Oil Palm Mission under National Food Security Mission	90.60	70.03	11-3-2020, 30-03-2020 and 31-03-2020	77.29
13	7717-Prime Minister Agriculture Irrigation Scheme	57.38	57.38	11-3-2020 and 30-03-2020	100.00
14	1227-Traditional Agriculture Development Scheme	71.43	35.85	30-03-2020	50.18
15	2817-Scheme of improvement in statistics of crops	3.81	0.64	30-03-2020	16.80
16	5311-Small Irrigation and water body calculation	7.86	7.80	30-03-2020	100.00
17	7501-National Food Security Mission	407.18	179.36	30-03-2020 and 31-03-2020	44.05
18	1920-Establishment of Price Stabilisation Fund	18.19	14.00	30-03-2020	76.96
19	2343 Farmers prosperity scheme	1,600.00	1,590.50	30-03-2020	99.40
20	2791-Astt. to Pvt. agencies/ Contractor for Successful tubewells in fields of Farmers	7.68	3.50	30-03-2020	45.57
21	4289-Directorate - headquarter level staff and works related to Information Technology	5.83	2.26	30-03-2020	38.76
22	5081-Suraj Dhara Scheme	50.39	10.08	30-03-2020	20.00
23	5319-Chief Minister Crop Loan Remission Scheme	8,000.00	3,225.00	30-03-2020	40.31
24	5321-Bhawantar/ Flat rate scheme	1,120.00	735.60	30-03-2020	65.68
25	5361-Women Participation in Agriculture	4.89	0.02	30-03-2020	0.41
26	5855-Payment of subsidy to MPEB for reimbursement of expenditure in connection with free supply of electricity to 1 point connection and 5HP Agriculture pumps Thresher	1,343.00	700.10	30-03-2020	52.13
27	6410-Installation of Gobar Gas and Bio-Gas Plants	2.90	1.54	30-03-2020	53.10
28	6670-State Micro Irrigation Mission	6.36	4.20	30-03-2020	66.04
29	6673-Interest Grant on Fertilizer Storage	19.75	3.95	30-03-2020	20.00
30	7438-Mukhya Mantri Khet TeerthYojna	16.82	0.15	30-03-2020	0.89
31	7670-Krishi Mahotsav	7.40	6.90	30-03-2020	93.24
32	8769 -AnnapoornaYojna	50.31	12.63	30-03-2020	25.10
33	9172-Exhibition fairs and Publicity	4.31	1.49	30-03-2020	34.57
34	9197-Formation and Operation of State Organic Certification Institute	1.86	1.00	30-03-2020	53.76
35	7450-Grant on Tractor and Agriculture Equipments(S.M.A.M.)	139.53	38.96	31-03-2020	27.92
36	7451-Grant on establishment of Custom Hiring Centre	21.66	14.62	31-03-2020	67.49

Sl. No.	Scheme Name	Budget Provision	Surrender Amount	Surrender date	Per cent
	(S.M.A.M)				
37	7452-Agriculture mechanised Activity and Village Development (S.M.A.M)	5.56	3.78	31-03-2020	67.98
38	5907-Post Harvest Technology & Management	0.06	0.06	31-03-2020	100.00
39	6697-Demonstration of Agril.Impl.on Farmers field(C.S.S.)	0.05	0.05	31-03-2020	100.00
40	8174-Strengthening of Machine Tractor Station	0.002	0.002	31-03-2020	100.00
41	7577-Training of Officers/staff of Directorate of Agri.Egg.	0.004	0.004	31-03-2020	100.00
42	5647-Subsidy to Farmers (Farm.Mech.)	0.003	0.003	31-03-2020	100.00
43	6482-Krishi Shakti Yojna	6.82	2.94	31-03-2020	43.10
44	6674-Promotion to Agricultural Mechanisation	10.00	4.89	31-03-2020	48.90
45	7080-Operation of Skill Development Training Programmes	0.005	0.005	31-03-2020	100.00
46	0903-Establishment of the directorate of Agriculture Engineering	19.62	0.87	31-03-2020	4.43
47	4204-State machine tractor station scheme	17.28	1.75	31-03-2020	10.12
48	6950-Commercial use of Agriculture Equipment	1.36	0.11	31-03-2020	8.09
	<b>Total</b>	<b>13,903.49</b>	<b>7,232.94</b>		<b>52.02</b>

Source: Information furnished by BCOs concerned

**Appendix 3.18**  
**Substantial savings under various schemes where savings were ₹10 crore and above and more than 20 per cent of total budget received**

(Reference: Paragraph 3.13.2.2; Page 88)

(₹ in lakh)								
Sl. No.	Name of BCO	Scheme Name and Head	Heads of Scheme under the grant	Total Budget (As per Appropriation Accounts)	Total Budget Received	Actual Expenditure	Saving	Percentage of Saving
1	The Directorate, Urban Administration and Development MP (1802)	(1237) Housing for all	022-2217-05-800-0701-1237-V-42-007	2,43,600.00	2,43,600.00	98,548.22	1,45,051.78	59.55
2			022-2217-05-800-0702-1237-V-42-010	92,400.00	92,400.00	16,291.90	76,108.10	82.37
3			022-2217-05-800-0703-1237-V-42-010	84,000.00	84,000.00	18,349.76	65,650.24	78.16
4		(1238) Atal Mission for Rejuvenation and Urban Transformation	022-2217-05-800-0702-1238-V-42-010	42,000.00	42,000.00	28,094.00	13,906.00	33.11
5		(1262) M.P. Urban Sanitation and Environment Sector Programme (MPUSEP) (KFW)	022-4217-60-800-1201-1262-V-64-002	2,000.00	2,000.00	1,000.00	1,000.00	50.00
6		022-6217-60-800-1201-1262-V-67-001	2,650.00	2,650.00	1,325.00	1,325.00	50.00	
7		(5372) Super Mini Smart City	022-4217-03-190-0101-5372-V-65-000	5,000.00	5,000.00	0.00	5,000.00	100.00
8		(5373) Yuva Swabhiman Yojana	022-2217-05-800-0102-5373-V-42-007	3,300.00	3,300.00	1,485.00	1,815.00	55.00
9		022-2217-05-800-0103-5373-V-42-007	2,400.00	2,400.00	0.00	2,400.00	100.00	
10		(7039) Shahari Sudhar Karyakram	022-2217-05-800-0101-7039-V-42-007	5,000.00	4,000.00	2,430.95	1,569.05	39.23
11		(7336) M.P. Urban Services Improvement Programme (A.D.B.)	022-4217-60-800-1201-7336-V-64-002	6,000.00	6,000.00	4,685.73	1,314.27	21.90
12		022-4217-60-800-1202-7336-V-64-002	5,000.00	5,000.00	3,916.73	1,083.27	21.67	
13		022-4217-60-800-1203-7336-V-64-002	7,500.00	7,500.00	5,861.53	1,638.47	21.85	

Sl. No.	Name of BCO	Scheme Name and Head	Heads of Scheme under the grant	Total Budget (As per Appropriation Accounts)	Total Budget Received	Actual Expenditure	Saving	Percentage of Saving
14			022-6217-60-800-1201-7336-V-67-001	17,600.00	17,600.00	13,412.68	4,187.32	23.79
15			022-6217-60-800-1202-7336-V-67-001	6,300.00	6,300.00	4,135.17	2,164.83	34.36
16			022-6217-60-800-1203-7336-V-67-001	4,600.00	4,600.00	3,019.34	1,580.66	34.36
17		(7705) Smart City	022-4217-03-190-0702-7705-V-65-000	5,000.00	5,000.00	3,200.00	1,800.00	36.00
18			022-4217-03-190-0703-7705-V-65-000	3,800.00	3,800.00	2,800.00	1,000.00	26.32
19		(7711) M.P. Urban Development Project (World Bank)	022-4217-60-800-0103-7711-V-64-002	5,500.00	5,500.00	1,925.70	3,574.30	64.99
20			022-4217-60-800-1201-7711-V-64-002	3,500.00	3,500.00	1,224.30	2,275.70	65.02
21			022-6217-60-800-1201-7711-V-67-001	15,000.00	14,500.00	5,250.00	9,250.00	63.79
<b>Total</b>				<b>5,62,150.00</b>	<b>5,60,650.00</b>	<b>2,16,956.01</b>	<b>3,43,693.99</b>	<b>61.30</b>

Source: Information furnished by BCOs concerned

**Appendix 3.19**  
**Substantial savings under various schemes where savings were ₹ five crore or more**  
(Reference: Paragraph 3.13.2.3(b); Page 89)

(₹ in lakh)

Sl. No.	Name of BCO	Scheme Name and Head	Heads of Scheme under the grant	Total Budget (As per Appropriation Accounts)	Total Budget Received	Actual Expenditure	Saving	Percentage of Saving
1	The Directorate, Urban Administration and Development MP (1802)	(0852) Indira Annapurna Yojana	022-2217-05-800-0101-0852-V-42-007	1,000.00	1,000.00	229.01	770.99	77.10
2		(1237) Housing for all	022-2217-05-800-0701-1237-V-42-007	2,43,600.00	2,43,600.00	98,548.22	14,5051.78	59.55
3			022-2217-05-800-0702-1237-V-42-010	92,400.00	92,400.00	16,291.90	76,108.10	82.37
4			022-2217-05-800-0703-1237-V-42-010	84,000.00	84,000.00	18,349.76	65,650.24	78.16
5			(1238) Atal Mission for Rejuvenation and Urban Transformation	022-2217-05-800-0701-1238-V-42-007	1,18,000.00	1,18,000.00	96,006.37	21,993.63
6		022-2217-05-800-0702-1238-V-42-010		42,000.00	42,000.00	28,094.00	13,906.00	33.11
7		(1262) M.P. Urban Sanitation and Environment Sector Programme (MPUSEP) (KFW)	022-4217-60-800-1201-1262-V-64-002	2,000.00	2,000.00	1,000.00	1,000.00	50.00
8			022-4217-60-800-1203-1262-V-64-002	1,000.00	1,000.00	500.00	500.00	50.00
9			022-6217-60-800-1201-1262-V-67-001	2,650.00	2,650.00	1,325.00	1,325.00	50.00
10		(5372) Super Mini Smart City	022-4217-03-190-0101-5372-V-65-000	5,000.00	5,000.00	0.00	5,000.00	100.00
11		(5373) Yuva Swabhimana Yojana	022-2217-05-800-0101-5373-V-42-007	9,300.00	9,300.00	754.00	8,546.00	91.89
12			022-2217-05-800-0102-5373-V-42-007	3,300.00	3,300.00	1,485.00	1,815.00	55.00
13			022-2217-05-800-0103-5373-V-42-007	2,400.00	2,400.00	0.00	2,400.00	100.00
14		(5374) M.P. Urban Services Improvement Programme Phase2	022-6217-60-800-1201-5374-V-67-001	1,000.00	1,000.00	500.00	500.00	50.00

Sl. No.	Name of BCO	Scheme Name and Head	Heads of Scheme under the grant	Total Budget (As per Appropriation Accounts)	Total Budget Received	Actual Expenditure	Saving	Percentage of Saving
15		(5468) Right to Drinking Water	022-4217-60-800-0101-5468-V-64-002	500.00	500.00	0.00	500.00	100.00
16		(7039) Shahari Sudhar Karyakram	022-2217-05-800-0101-7039-V-42-007	5,000.00	4,000.00	2,430.95	1,569.05	39.23
17		(7336) M.P. Urban Services Improvement Programme (A.D.B.)	022-4217-60-800-1201-7336-V-64-002	6,000.00	6,000.00	4,685.73	1,314.27	21.90
18			022-4217-60-800-1202-7336-V-64-002	5,000.00	5,000.00	3,916.73	1,083.27	21.67
19			022-4217-60-800-1203-7336-V-64-002	7,500.00	7,500.00	5,861.53	1,638.47	21.85
20			022-6217-60-800-1201-7336-V-67-001	17,600.00	17,600.00	13,412.68	4,187.32	23.79
21			022-6217-60-800-1202-7336-V-67-001	6,300.00	6,300.00	4,135.17	2,164.83	34.36
22			022-6217-60-800-1203-7336-V-67-001	4,600.00	4,600.00	3,019.34	1,580.66	34.36
23		(7705) Smart City	022-4217-03-190-0701-7705-V-65-000	43,700.00	43,600.00	38,000.00	5,600.00	12.84
24			022-4217-03-190-0702-7705-V-65-000	5,000.00	5,000.00	3,200.00	1,800.00	36.00
25			022-4217-03-190-0703-7705-V-65-000	3,800.00	3,800.00	2,800.00	1,000.00	26.32
26		(7711) M.P. Urban Development Project (World Bank)	022-4217-60-800-0103-7711-V-64-002	5,500.00	5,500.00	1,925.70	3,574.30	64.99
27			022-4217-60-800-1201-7711-V-64-002	3,500.00	3,500.00	1,224.30	2,275.70	65.02
28			022-6217-60-800-1201-7711-V-67-001	14,500.00	14,500.00	5,250.00	9,250.00	63.79
<b>Total</b>				<b>7,36,150.00</b>	<b>7,35,050.00</b>	<b>3,52,945.39</b>	<b>3,82,104.61</b>	<b>51.98</b>

Source: Information furnished by BCOs concerned

**Appendix 3.20**  
**Details of unutilised provision in various schemes**  
(Reference: Paragraph 3.13.2.4; Page 89)

(₹ in lakh)

Sl. No.	Name of BCO	Scheme Name and Head	Heads of Scheme under the grant	Total Budget (As per Appropriation Accounts)	Total Budget Received	Actual Expenditure	Saving	Percentage of Saving
1	The Directorate, Urban Administration and Development MP (1802)	(3115) Payment of land acquisition	022-4217-01-050-9999-3115-V-62-000	1.00	1.00	0.00	1.00	100.00
2		(5372) Super Mini Smart City	022-4217-03-190-0101-5372-V-65-000	5,000.00	5,000.00	0.00	5,000.00	100.00
3		(5373) Yuva Swabhiman Yojana	022-2217-05-800-0103-5373-V-42-007	2,400.00	2,400.00	0.00	2,400.00	100.00
4		(5468) Right to Drinking Water	022-4217-60-800-0101-5468-V-64-002	500.00	500.00	0.00	500.00	100.00
5			022-4217-60-800-0102-5468-V-64-002	320.00	320.00	0.00	320.00	100.00
6			022-4217-60-800-0103-5468-V-64-002	180.00	180.00	0.00	180.00	100.00
7		(6148) Directorate of Urban Local Bodies	022-2217-05-800-9999-6148-C-53-000	50.00	40.00	0.00	40.00	100.00
8			022-2217-05-800-9999-6148-V-11-011	1.50	1.50	0.00	1.50	100.00
9			022-2217-05-800-9999-6148-V-11-016	1.50	1.50	0.00	1.50	100.00
10			022-2217-05-800-9999-6148-V-11-018	1.00	1.00	0.00	1.00	100.00
11			022-2217-05-800-9999-6148-V-16-006	10.00	10.00	0.00	10.00	100.00
12			022-2217-05-800-9999-6148-V-16-010	1.00	1.00	0.00	1.00	100.00
13		Director, Town and Country	(7704) Dedicated Urban Transport Fund	022-2217-05-800-0101-7704-V-31-002	90.93	72.74	0.00	72.74
14	(2020) Town and Regional Planning		022-2217-05-001-9999-2020-V-11-018	2.20	2.20	0.00	2.20	100.00

Sl. No.	Name of BCO	Scheme Name and Head	Heads of Scheme under the grant	Total Budget (As per Appropriation Accounts)	Total Budget Received	Actual Expenditure	Saving	Percentage of Saving
15	Planning, MP (1803)		022-2217-05-001-9999-2020-V-16-006	1.50	1.50	0.00	1.50	100.00
16			022-2217-05-001-9999-2020-V-31-007	30.00	19.65	0.00	19.65	100.00
17			022-2217-05-001-9999-2020-V-53-000	2.00	1.60	0.00	1.60	100.00
18	The SE Capital Project Administration Bhopal (1807)	(6989) Vidhan Sabha Bhawan Evam Vidhayak Vishram Gruh ki marmmat	022-4216-01-700-9999-6989-V-64-002	350.00	350.00	0.00	350.00	100.00
19		(3115) Payment of land acquisition	022-4217-01-050-0101-3115-C-62-000	1,500.00	1,500.00	0.00	1,500.00	100.00
20		(7715) Navin Vidhayak Vishram Gruh ka nirman	022-4217-01-051-0101-7715-V-64-001	2,500.00	2,500.00	0.00	2,500.00	100.00
21		(3296) Mandal establishment	022-2059-80-001-9999-3296-V-11-018	6.00	6.00	0.00	6.00	100.00
22		(3296) Mandal establishment	022-2059-80-001-9999-3296-V-11-019	2.40	2.40	0.00	2.40	100.00
23		(3296) Mandal establishment	022-2059-80-001-9999-3296-V-19-011	1.00	1.00	0.00	1.00	100.00
24		(3296) Mandal establishment	022-2059-80-001-9999-3296-V-19-018	2.00	2.00	0.00	2.00	100.00
25		(3296) Mandal establishment	022-4217-01-052-0101-3296-V-63-001	1.00	1.00	0.00	1.00	100.00
26		(4025) Maintenance of head of department buildings	022-2059-80-001-9999-4025-V-11-018	2.00	2.00	0.00	2.00	100.00
27		(3889) Establishment of forest department	022-2217-01-001-0101-3889-V-16-008	1.75	1.75	0.00	1.75	100.00
<b>Total</b>				<b>12,958.78</b>	<b>12,919.85</b>	<b>0.00</b>	<b>12,919.85</b>	<b>100.00</b>

Source: Information furnished by BCOs concerned

**Appendix 4.1**  
**Department wise position of pending Utilisation Certificates**  
(Reference: Paragraph 4.4; Page 97)

(₹ in crore)

Sl. No.	Department	Major Head	Description	No. of UCs	Amount
1	Law & Legislative Affairs	2011	Parliament/State/Union Territory Legislatures	30	1.29
		2014	Administration of Justice	375	1.55
2	Revenue & Rehabilitation Department	2029	Land Revenue	104	1.20
		2245	Relief for natural calamity	01	0.09
3	Commercial Tax	2045	Other Taxes and Duties on Commodities and Services	04	0.17
4	General Administration	2052	Secretariat-General Services	93	87.72
5	Finance	2047	Other Fiscal Services	04	0.01
		2075	Miscellaneous General Services	532	4.95
6	Sports & Youth Welfare	2204	Sports and Youth Services	05	10.78
7	Culture	2205	Art and Culture	01	0.15
8	Public Health Engineering	2215	Water Supply and Sanitation	535	19.45
9	Urban Development and Housing	2216	Housing	05	324.21
10	Public Relation	2220	Information and Publicity	35	1.50
11	Schedule Caste & Schedule Tribes Welfare	2225	Welfare of Schedule Castes, Schedule Tribes and Other Backward Classes	79	306.42
12	Labour	2230	Labour and Employment	1,269	44.61
13	Social Justice and Disabled Person Welfare Department	2235	Social Security and Welfare	1,143	748.03
14	Farmer Welfare & Agriculture Development	2401	Crop Husbandry	3,090	439.99
		4402	Capital Outlay on Soil and Water Conservation	11	1.25
15	Animal Husbandry	2403	Animal Husbandry	495	201.86
16	Fisherman Welfare and Fisheries Development	2405	Fisheries	3,359	10.48
17	Food, Civil Supplies & Consumer Protection	2408	Food, Storage and Warehousing	1,453	2,186.80
18	Co-operation	2425	Co-operation	714	284.62
19	Rural Development	2505	Rural Development	02	0.25
20	Water Resources	2702	Minor Irrigation	280	12.55
21	Energy	2801	Power	11	1,398.00
22	New and Renewable Energy	2810	New and Renewable Energy	28	23.36
23	Cottage & Rural Industries	2851	Village and Small Industries	657	217.45
24	Industry policy and Investment Promotion	2852	Industries	2,987	187.07
25	Mineral Resources	2853	Non-ferrous Mining and Metallurgical Industries	849	233.46
26	Tourism	3452	Tourism	185	81.05
27	Panchayati Raj Development	3604	Compensation and Assignments to Local Bodies and Panchayati Raj Institutions	1,268	8,711.00
<b>Total</b>				<b>19,604</b>	<b>15,541.32</b>

Source: Information furnished by O/o PAG (A&amp;E)-I, Madhya Pradesh, Gwalior

**Appendix 4.2**  
**Details of Inoperative Personal Deposit Accounts as on 31 March 2020**  
(Reference: Paragraph 4.6; Page 99)

			(₹ in lakh)
Sl. No.	Name of Treasury	No. of PD Accounts	Amount
1	Anuppur	2	-32.47
2	Ashok Nagar	1	13.01
3	Badwani	8	-466.47
4	Balaghat	6	64.70
5	Betul	8	-122.36
6	Bhind	2	-34.26
7	Bhopal	3	292.68
8	Burhanpur	2	0.46
9	Chhatarpur	3	20.11
10	Chhindwada	8	758.80
11	Datia	5	181.61
12	Dhar	2	1.29
13	Dindori	2	4.35
14	Guna	1	2.80
15	Gwalior	1	-0.78
16	Harda	5	48.92
17	Hoshangabad	10	-30.97
18	Indore city	11	16,642.34
19	Indore	6	5,291.05
20	Jabalpur city	3	4.34
21	Jabalpur	3	17.61
22	Jhabua	5	208.98
23	Khargone	6	-327.47
24	Khandwa	3	20.50
25	Mandla	7	65.56
26	Mandsaur	2	-9.48
27	Morena	4	50.12
28	Narsinghpur	9	3.43
29	Panna	4	3.36
30	Rajgarh	3	-36.75
31	Ratlam	6	-147.39
32	Rewa	5	44.38
33	Raisen	12	-87.10
34	Sagar	3	7.75
35	Shajapur	5	4.14
36	Satna	6	15.98
37	Sehore	1	0.01
38	Seoni	5	-66.97
39	Shahdol	5	185.12
40	Sheopour	2	0.28
41	Shivpuri	2	150.13
42	Sidhi	4	42.01
43	Singrauli	4	-22.21
44	Tikamgarh	1	5.28

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45	Ujjain	3	-0.14
46	Umaria	1	35.57
47	Vallabh Bhawan	8	-17,219.96
48	Vidisha	3	49.51
49	Vindhyanchal Bhawan	5	833.26
<b>Total</b>		<b>216</b>	<b>6,464.66</b>

Source: Information furnished by O/o PAG (A&E)-I, Madhya Pradesh, Gwalior

**Appendix 4.3**  
**Booking under Minor Head '800-Other Receipts'**  
(Reference: Paragraph 4.7; Page 101)

(₹ 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	377.25	562.37	67.08
2	0030	Stamps and Registration Fees	1,178.31	5,568.59	21.16
3	0043	Taxes and Duties on Electricity	442.45	2,268.00	19.51
4	0049	Interest Receipts	255.01	442.54	57.62
5	0055	Police	25.39	124.39	20.41
6	0056	Jail	4.59	4.89	93.87
7	0059	Public Works	114.76	117.91	97.33
8	0071	Contributions and Recoveries towards Pension and Other Retirement Benefits	37.31	129.62	28.78
9	0202	Education, Sports, Art and Culture	2,022.03	2,059.65	98.17
10	0210	Medical and Public Health	94.89	176.34	53.18
11	0211	Family Welfare	0.23	0.23	100.00
12	0215	Water Supply and Sanitation	8.07	12.51	64.51
13	0217	Urban Development	28.88	30.36	95.13
14	0220	Information and Publicity	0.28	0.64	43.75
15	0235	Social Security and Welfare	29.82	32.78	90.97
16	0250	Other Social Services	24.50	213.47	11.48
17	0401	Crop Husbandry	31.46	46.92	67.05
18	0403	Animal Husbandry	1.35	2.54	53.15
19	0404	Dairy Development	0.06	0.06	100.00
20	0405	Fisheries	2.72	7.78	34.96
21	0406	Forestry and Wild Life	98.72	834.26	11.83
22	0408	Food Storage and Warehousing	0.01	0.05	20.00
23	0425	Co-operation	3.82	10.49	36.42
24	0435	Other Agricultural Programmes	9.75	9.97	97.79
25	0515	Other Rural Development Programmes	7.48	11.05	67.69
26	0700	Major Irrigation	39.01	58.15	67.09
27	0701	Medium Irrigation	34.39	113.47	30.31
28	0702	Minor Irrigation	234.97	234.97	100.00
29	0801	Power	54.56	54.56	100.00
30	0852	Industries	0.52	0.53	98.11
31	0853	Non-Ferrous Mining and Metallurgical Industries	1,715.74	4,320.22	39.71
32	1452	Tourism	0.63	0.63	100.00
33	Other Major Heads having percentage less than 10 per cent	Other Major Heads having percentage less than 10 per cent	520.18	1,30,193.41	0.40
<b>Total</b>			<b>7,399.14</b>	<b>1,47,643.35</b>	<b>5.01</b>

Source: Finance Accounts 2019-20

**Appendix 4.4**  
**Booking under Minor Head '800-Other Expenditure'**  
(Reference: Paragraph 4.7; Page 101)

(₹ in crore)

Sl. No.	Major Head Wise Description	Expenditure under Minor Head 800-Other Expenditure	Total Expenditure under the Major Head	Percentage
1	2075-Miscellaneous General Services	25.73	26.07	98.70
2	2204-Sports and Youth Services	84.25	147.14	57.26
3	2217-Urban Development	3,303.85	4,757.80	69.44
4	2225-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	408.65	3,930.24	10.40
5	2245-Relief on account of Natural Calamities	308.38	2,838.02	10.87
6	2250-Other Social Services	55.19	55.19	100.00
7	2401-Crop Husbandry	4,466.72	9,164.91	48.74
8	2405-Fisheries	11.36	82.23	13.81
9	2701-Medium Irrigation	122.75	718.84	17.08
10	2702-Minor Irrigation	160.14	163.96	97.67
11	2705-Command Area Development	5.90	9.22	63.99
12	2801-Power	5,791.02	13,968.16	41.46
13	2810-New and Renewable Energy	12.57	109.26	11.50
14	2851-Village and Small Industries	479.17	693.05	69.14
15	2852-Industries	346.99	346.99	100.00
16	3054-Roads and Bridges	251.32	1,158.19	21.70
17	4055-Capital Outlay on Police	117.94	553.86	21.29
18	4070-Capital Outlay on Other Administrative Services	21.65	21.65	100.00
19	4215-Capital Outlay on Water Supply and Sanitation	880.43	2,399.86	36.69
20	4217-Capital Outlay on Urban Development	300.18	782.18	38.38
21	4225-Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	322.54	982.48	32.83
22	4403-Capital Outlay on Animal Husbandry	2.24	4.07	55.04
23	4408-Capital Outlay on Food, Storage and Warehousing	0.28	0.28	100.00
24	4515-Capital Outlay on other Rural Development Programmes	4,068.23	4,452.28	91.37
25	4700-Capital Outlay on Major Irrigation	7,018.98	7,509.23	93.47
26	4701-Capital outlay on Medium Irrigation	930.19	945.05	98.43
27	4702-Capital Outlay on Minor Irrigation	203.49	480.70	42.33
28	4705-Capital Outlay on Command Area Development	10.97	55.97	19.60
29	4711-Capital Outlay on Flood Control Projects	4.50	4.99	90.18
30	4801-Capital Outlay on Power Projects	276.82	562.29	49.23
31	4853-Capital Outlay on Non-Ferrous Mining and Metallurgical Industries	1.04	1.06	98.11
32	4875-Capital Outlay on Other Industries	309.14	309.14	100.00
33	5053- Capital Outlay on Civil Aviation	4.45	9.71	45.83
34	5054-Capital Outlay on Roads and Bridges	2,535.73	6,145.82	41.26
35	Other Major Heads having percentage less than 10 per cent	1,660.25	1,16,295.89	14.28
<b>Total</b>		<b>34,503.04</b>	<b>1,79,685.78</b>	<b>19.20</b>

Source: Finance Accounts 2019-20

**Appendix 4.5**  
**Statement of finalisation of accounts and investments in Departmental Commercial Undertakings/Corporations/Companies**  
(Reference: Paragraph 4.13; Page 107)

(₹ in crore)

Sl. No.	Name of PSUs/Corporations/Companies	Accounts in arrear	Period of Accounts in arrear	Whether the PSU/ Corporation is loss-making or not	Investment made in PSUs/Corporations as per latest Accounts received
1	MP Urja Vikas Nigam Limited	2	2018-19 to 2019-20	NO	0.69
2	MP Power Transmission Company Limited	1	2019-20	YES	3,294.35
3	MP Poorva Kshetra Vidyut Vitran Company Limited	1	2019-20	YES	6,092.01
4	MP Madhya Kshetra Vidyut Vitran Company Limited	1	2019-20	YES	5,949.34
5	MP Power Generating Company Limited	1	2019-20	YES	6,310.54
6	MP Power Management Company Limited	1	2019-20	NO	16,527.84
7	Dada Dhuni Wale Khandwa Power Limited	3	2017-18 to 2019-20	YES	45.00
8	MP Road Development Corporation	2	2018-19 to 2019-20	NO	20.00
9	Madhya Pradesh Jal Nigam Maryadit	1	2019-20	NO	100.00
10	MP Police Housing & Infrastructure and Development Corporation	3	2017-18 to 2019-20	NO	4.58
11	MP Public Health Services Corporation Limited	1	2019-20	NO	10.00
12	MP Adivassi Vitta Evam Vikas Nigam	15	2004-05 to 2019-20	NO	18.36
13	MP Pichhda vargTatha Alpsankhyak Vitta vikas Nigam	8	2011-12 to 2019-20	NO	8.55
14	MP State Civil Supplies Corporation Ltd	2	2018-19 to 2019-20	NO	8.47
15	MP Warehousing & Logistics Corporation	1	2019-20	NO	8.06
16	Sant Ravidas MP Hastha Shilp Evam Hathkargha Vikas Nigam Limited	1	2019-20	NO	1.26
17	MP State Industrial Development Corporation Limited	5	2015-16 to 2019-20	YES	400.75
18	MP Laghu Udyog Nigam Limited	2	2018-19 to 2019-20	NO	2.83
19	DMIC Pithampur Jal Prabhandhan Limited	1	2019-20	NO	35.00
20	Madhya Pradesh State Mining Corporation Limited	1	2019-20	NO	2.20
21	Madhya Pradesh Industrial Development Corporation Limited	2	2018-19 to 2019-20	NO	1,667.78
22	DMIC Vikram Udyogpuri Ltd	1	2019-20	NO	313.05

Sl. No.	Name of PSUs/Corporations/Companies	Accounts in arrear	Period of Accounts in arrear	Whether the PSU/ Corporation is loss-making or not	Investment made in PSUs/Corporations as per latest Accounts received
23	MP Plastic Park Development Corporation Limited	1	2019-20	NO	13.40
24	Madhya Pradesh & Maharashtra Minerals Limited	18	2002-03 to 2019-20	YES	0.30
25	MP Venture Finance Trustee Ltd	1	2019-20	YES	0.01
26	MP Venture Finance Ltd	1	2019-20	YES	0.31
27	Provident Investment Co. Ltd	2	2018-19 to 2019-20	NO	0.50
28	MP Financial Corporation Ltd, Indore	1	2019-20	NO	406.10
29	MP State Electronic Development Corporation Ltd, Bhopal	1	2019-20	NO	21.91
30	Jabalpur Electronics Manufacturing Park Ltd, Bhopal	1	2019-20	NO	0.05
31	Bhopal Electronics Manufacturing Park Ltd, Bhopal	1	2019-20	NO	0.05
32	MP Rajya Van Vikas Nigam Ltd, Bhopal	1	2019-20	NO	39.32
33	Smart City, Bhopal	2	2018-19 to 2019-20	NO	200.00
34	MP. Urban Development Corporation Ltd	3	2017-18 to 2019-20	YES	1.00
35	MP Metro Rail Co. Ltd, Bhopal	3	2017-18 to 2019-20	YES	30.00
36	MP Real Estate Regulatory Authority, Bhopal	2	2018-19 to 2019-20	NO	4.05
37	MP Tourism Board	2	2018-19 to 2019-20	YES	10.00
38	MP State Tourism Development Corporation	3	2017-18 to 2019-20	NO	113.97
39	MP Hotel Corporation Ltd	1	2019-20	NO	1.60
40	Smart City, Indore	1	2019-20	YES	200.00
41	Smart City, Jabalpur	1	2019-20	YES	200.00
42	Smart City, Gwalior	2	2018-19 to 2019-20	NO	200.00
43	Smart City, Sagar	1	2019-20	YES	40.10
44	Smart City, Ujjain	1	2019-20	NO	200.00
45	Smart City, Satna	2	2018-19 to 2019-20	NO	0.10
<b>Total</b>					<b>42,503.43</b>

Source: Information furnished by PSUs

**Appendix 4.6**  
**Details of profit earning PSUs**  
(Reference: Paragraph 4.15; Page 108)

(₹ in crore)

Sl. No.	Name of the Public Sector Undertaking	Period of accounts	Net Profit	Equity	Accumulated profit/loss	Dividend as per the GoMP	Dividend declared/provision made
1	Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited	2019-20	929.08	5,673.97	-10,491.50	185.82	0.00
2	Madhya Pradesh Power Generating Company Limited	2019-20	130.81	6,310.53	-2,895.32	26.16	0.00
3	Madhya Pradesh Public Health Services Corporation Limited	2019-20	5.20	10.00	21.24	1.04	1.00
4	Madhya Pradesh State Electronics Development Corporation Limited	2018-19	7.88	21.91	11.14	1.58	0.00
5	Madhya Pradesh State Mining Corporation Limited	2018-19	107.47	2.20	42.96	21.49	21.54
6	Sant Ravidas Madhya Pradesh Hastha Shilp Evam Hath Kargha Vikas Nigam Limited	2018-19	0.70	1.26	2.81	0.14	0.02
7	Madhya Pradesh Power Transmission Company Limited	2018-19	45.23	3,294.35	-202.73	9.04	0.00
8	Madhya Pradesh Van Vikas Nigam Limited	2018-19	70.89	39.32	425.08	14.17	0.00
9	Madhya Pradesh Warehousing and Logistics Corporation	2018-19	156.52	8.06	476.04	31.30	2.58
10	Madhya Pradesh Road Development Corporation Limited	2017-18	14.24	20.00	234.21	2.85	0.00
11	Madhya Pradesh State Agro Industries Development Corporation Limited	2017-18	20.83	3.30	169.90	4.17	4.17
12	Madhya Pradesh State Civil Supplies Corporation	2017-18	1.43	8.47	42.09	0.29	0.00
13	Madhya Pradesh Laghu Udyog Nigam Limited	2017-18	12.92	2.83	17.31	2.58	2.59
14	Madhya Pradesh State Tourism Development Corporation Limited	2016-17	10.92	113.97	16.80	2.18	0.00
<b>Total</b>			<b>1,514.12</b>	<b>15,510.17</b>	<b>-12,129.97</b>	<b>302.81</b>	<b>31.90</b>

Source: Information furnished by PSUs



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