

**State Finances Audit Report of the  
Comptroller and Auditor General of India  
for the year ended 31 March 2021**



लोकहितार्थ सत्यनिष्ठा  
Dedicated to Truth in Public Interest



**Government of Madhya Pradesh**  
*Report No. 4 of the year 2022*



**STATE FINANCES AUDIT REPORT OF THE  
COMPTROLLER AND AUDITOR GENERAL OF INDIA  
for the year ended 31 March 2021**

**GOVERNMENT OF MADHYA PRADESH**

*Report No. 4 of the year 2022*



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## Preface

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

**Chapter 1** 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 Madhya Pradesh Fiscal Responsibility and Budget Management (MPFRBM) targets, trends in key fiscal parameters like revenue surplus/ deficit, fiscal surplus/ deficit, *etc.*

**Chapters 2 and 3** 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 2021. Information has been obtained from Government of Madhya Pradesh, wherever necessary.

**Chapter 4** provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the current year.

**Chapter 5** discusses the financial performance of Madhya Pradesh State Public Sector Undertakings (PSUs) and results of oversight role of the Comptroller and Auditor General of India (CAG) through monitoring the performance of Statutory Auditors and supplementary audit of accounts of the PSUs. Audit Reports in relation to the accounts of a Government Company or Corporation are submitted to the Government by the CAG for laying before the Legislature of Madhya Pradesh under provisions of Section 19A of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 (as amended).

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 2021, this Report provides an analytical review of the finances of the State Government.*

### 2. Audit Findings

#### 2.1 Finances of the State

*The State could not achieve any of the three key fiscal targets i.e., maintenance of Revenue Surplus, targets of Fiscal Deficit to GSDP and total outstanding liabilities to GSDP. For the second consecutive year, the State registered a Revenue Deficit (₹18,356 crore). Both Own Tax Revenue and Non-Tax Revenue decreased in comparison to preceding year. The State received compensation towards revenue loss due to GST implementation.*

*The investment held in 'Cash Balance Investment Account' by the State Government stood at ₹7,060.93 crore and ₹18,069.32 crore at the end of 2019-20 and 2020-21 respectively. Keeping the huge amount in the Cash Balance Investment Account at lower rate of interest while borrowing at higher rate has financial implications. 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.*

*Due to low economic activity during Covid Pandemic, the Revenue Deficit of state increased and hence Fiscal Deficit also increased. State Government borrowing from market loans and loans from GoI increased by ₹28,063 crore from ₹20,197 crore in 2019-20 to ₹48,260 crore in 2020-21. The State Government met the three per cent limit of Guarantee Redemption Fund and loan repayment criteria but it did not honour its commitment/obligation made in its MoU with GoI and the DISCOMs under the UDAY Scheme.*

*(Chapter 2)*

#### 2.2 Budgetary Management

*Excess expenditure of ₹1,668.08 crore pertaining to 11 Grants and seven Appropriations for the years 2011-19 was yet to be regularised as per the Article 205 of the Constitution of India.*

*Supplementary Grants/Appropriations and Excessive/Unnecessary/Inadequate Re-appropriation of funds were obtained without adequate justification which shows lack of coordination between the Finance and the line Departments.*

*Savings during the year accounted for about one tenth of the budget, however, the Controlling Officers did not surrender the funds on time. Departments were not cautioned against persistent savings; nor were their budgets varied in accordance with their ability to absorb the allocations.*

*Out of total 3,697 sub-heads, explanation for variations in expenditure with reference to approved budgetary allocations, were required in 1,048 sub-heads, but the required explanations were received in only 377 cases (35.97 per cent).*

*(Chapter 3)*

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

*During 2020-21, the closing balance in the Personal Deposit Accounts decreased by 20.84 per cent as compared to 2019-20. Further, 252 PD Accounts had negative balances and 216 PD Accounts involving ₹82.66 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.*

*There is a substantial reduction of the operation of the Minor Head 800 in Receipts during the last two years. However, there was no significant reduction in expenditure.*

*The reconciliation work of departmental figures with those booked by the Office of the Principal Accountant General (A&E) has been initiated online by Directorate of Treasury and Accounts since 2019-20 and reconciled to the extent of 98.26 per cent in respect of receipts and 96.09 per cent in respect of expenditure.*

*(Chapter 4)*

### **2.4 Financial Performance of State Public Sector Undertakings**

*As on 31 March 2021, there were 70 State Public Sector Undertakings including three Statutory Corporations and eight Government Controlled other Companies. Out of 70, there are 31 inactive State Public Sector Undertakings. These State Public Sector Undertakings are inactive from three to 31 years. Thus, only 39 PSUs, which furnished information/accounts to Audit, were considered for analysis of financial performance.*

*During 2020-21, these 39 PSUs registered turnover of ₹99,211.48 crore, which was equal to 10.81 per cent of the GSDP of Madhya Pradesh. The contribution of Power sector PSUs alone accounts for over 82 per cent of the total turnover of PSUs during 2020-21.*

*The investment of the state Government in equity and long-term loans in 70 PSUs was ₹62,065.12 crore against total investment of ₹1,06,152.75 crore at the end of 31 March 2021. The outstanding long-term loans of these PSUs as on 31 March 2021 increased to ₹31,820.52 crore from ₹31,382.78 crore during the previous year (2019-20).*



*The Profit earned by 18 State Public Sector Undertakings out of 39 State Public Sector Undertakings (covered in this Report) was ₹671.29 crore in 2020-21 as compared to 17 State Public Sector Undertakings which earned profit of ₹645.40 crore in 2018-19. Major profit contributed by Madhya Pradesh warehousing and Logistic corporation (₹242.20 crore) and Madhya Pradesh Power Generating Company Limited (₹192.77 crore). Out of the total loss of ₹4,009.02 crore incurred by 14 State Public Sector Undertakings, major loss incurred by Madhya Pradesh Madhya Kshetra Vidyut Vitran Company Limited, Madhya Pradesh Poorv Kshetra Vidyut Vitran Company Limited and Madhya Pradesh Paschim Kshetra Vidyut Vitran Company Limited.*

*Out of 70, accounts of 60 Companies/corporations were in arrears (50 Government Companies, all eight Government Controlled other Companies and two Corporations) for various reasons for the year 2020-21. State Public Sector Undertakings were not adhering with the prescribed timeline regarding submission of their Financial Statements as per the Companies Act, 2013. As a result, 229 accounts of 60 State Public Sector Undertakings were in arrears.*

**(Chapter 5)**



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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 7.33 crore persons (six *per cent* of the population of the country). Out of this, 2.02 crore people reside in urban areas and 5.31 crore in rural areas. At 16.05 *per cent*, the decadal (2011-2021) growth rate of population of the State was more than the all India growth rate of 12.30 *per cent*.

The State has 52 districts, which are grouped into 10 administrative divisions. The per capita income of the State at current prices is ₹98,418 in 2020-21, which is lower than the all India average of ₹1,26,968.

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

### COVID – 19 Pandemic and State Finances

During 2020-21, the growth rate of Madhya Pradesh's Gross State Domestic Product (which was more than 10 *per cent* during 2016-17 to 2019-20) dipped to (-)2.10 *per cent*.

#### Impact on Receipts

Revenue Receipts were increasing generally in the range of nine *per cent* to 16 *per cent* from 2016-17 to 2018-19. But in the year 2019-20 and 2020-21, it showed negative growth rate due to COVID-19 Pandemic (refer to **Table 2.3** of **Chapter 2** for further details).

Own Tax Revenue is a major source of the Revenue Receipt of the State Government. State Government taxes the economic activities. However, as these economic activities were restricted during COVID-19 Lockdown, Own Tax Revenue decreased by ₹1,365 crore (2.45 *per cent*) over the previous year. As activities like trade of goods and services, sale of liquor and transport were almost at a standstill during lockdown, taxes collected through these decreased as compared to the previous year (refer to **Table 2.4** of **Chapter 2** for further details).

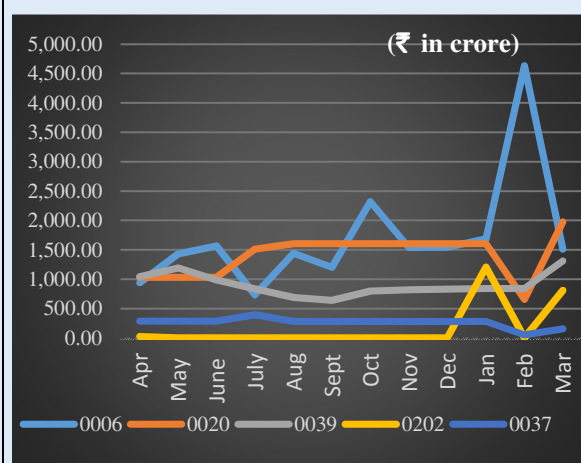
Another major component of Revenue Receipts of the State is Central Tax Transfers. Basically, it constitutes share of net proceeds of taxes collected by Central Government. As the share has been fixed at 42 *per cent* by XIV Finance Commission and was reduced to 41 *per cent* by XV Finance Commission, the absolute amount of share depends on total quantum of the taxes collected by Central Government. The total quantum of taxes collected by the Central Government decreased during 2019-20 and 2020-21 due to COVID-19 Pandemic, so the Central Tax Transfers too decreased during same period, which otherwise was showing positive growth from 2016-17 to 2018-19 (refer to **Table 2.8** of **Chapter 2** for further details).

Reasons for decrease in receipts under few Major Heads for the year 2020-21 are given in the **Table** below:

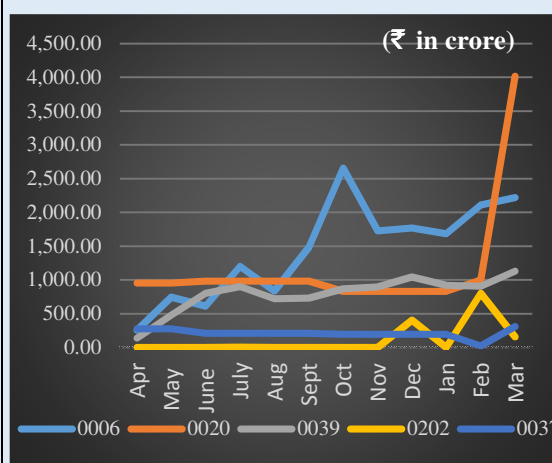
| Table 1: Major Head wise Reasons for Decrease |                                 |  |
|---|---------------------------------|--|
| (₹ in crore)                                  |                                 |  |
| Major Head of Account                         | Decrease as compared to 2019-20 | Reasons for Decrease   |
| 0006- State Goods and Service Tax (SGST)      | 3,190.28                        | Mainly due to decrease in "Apportionment of IGST - Transfer-in of Tax Component to SGST" and "Tax" |

|  |          |   |
|--|----------|---|
| <b>0020 - Corporation Tax</b>                    | 2,728.65 | Mainly due to decrease in “Share of net proceeds assigned to States”  |
| <b>0037 - Customs</b>                            | 643.98   | Mainly due to decrease in “Share of net proceeds assigned to States”  |
| <b>0038 - Union Excise Duties</b>                | 604.87   | Mainly due to decrease in “Share of net proceeds assigned to States” under “Shareable Duties”                     |
| <b>0039 - State Excise</b>                       | 1,303.01 | Mainly due to decrease in sale of liquor during Covid -19 pandemic lockdown                                       |
| <b>0041 - Taxes on Vehicles</b>                  | 502.08   | Mainly due to decrease in “Receipts under the State Motor Vehicles Taxation Act”                                  |
| <b>0050 - Dividends and Profit</b>               | 187.52   | Mainly due to decrease in “Dividends from Other Investments”  |
| <b>0070 - Other Administrative Services</b>      | 153.77   | Mainly due to decrease in “Fines and Forfeitures” under Administration of Justice                                 |
| <b>0202 - Education, Sports, Art and Culture</b> | 677.14   | Mainly due to decrease in “Other Receipts” under "General Education”  |
| <b>0250- Other Social Services</b>               | 177.99   | Mainly due to decrease in " Welfare of Scheduled castes, Scheduled Tribes, Other Backward classes and Minorities" |

**Chart 1: Month-wise Revenue Receipt for the year 2019-20**



**Chart 2: Month-wise Revenue Receipt for the year 2020-21**



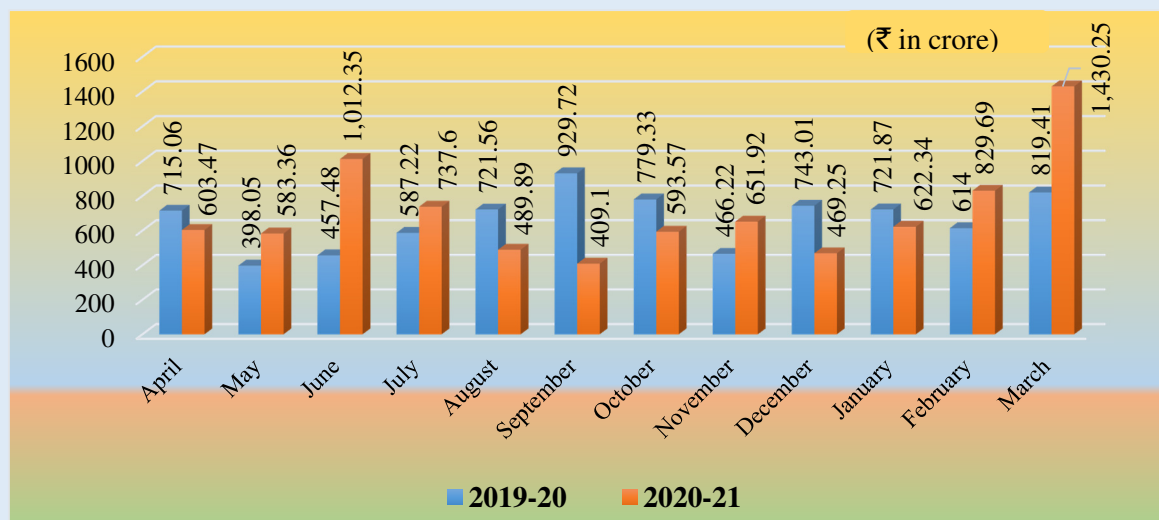
Source: Monthly Civil Accounts of respective months

Month-wise trend of Revenue Receipts under few Major Heads for 2019-20 and 2020-21 as shown in the **Charts** above, substantiates that the Revenue Receipts under these Major Heads were affected during last quarter of 2019-20 and first quarter of 2020-21 due to COVID-19 Pandemic.

### Impact on Expenditure

Total Expenditure increased by ₹15,647 crore from ₹1,80,672 crore in 2019-20 to ₹1,96,319 crore in 2020-21 (refer to **Table 2.13** of **Chapter 2** for further details). The share of General Services in the Total Expenditure increased by 2.29 per cent during 2020-21 over the previous year (refer to **Table 2.14** of **Chapter 2** for further details).

One of the important sector of expenditure during COVID-19 Pandemic was Medical and Public Health. Comparative trend of month-wise expenditure under Major Head 2210 Medical and Public Health for the year 2019-20 and 2020-21 is shown in **Chart 3**.

**Chart 3: Month wise Revenue Expenditure in MH 2210 for the year 2019-20 and 2020-21**

Expenditure under Major Head 2210 during the first three months in 2019-20 was ₹1,570.50 crore. It increased to ₹2,199.18 crore during first three months of 2020-21 (period of lockdown). During the year 2020-21, the Government of Madhya Pradesh incurred ₹256.82 crore on relief measures relating to COVID-19 Pandemic under Major Head 2210.

### Skewed Receipts and Expenditure pattern

Receipts of the State were very low during first quarter of the year due to COVID-19 Pandemic and so were the expenditures. After relaxation in economic activities, receipts and expenditure slowly started growing (refer to **Chart 3.7** of the **Chapter 3** for further details).

However, about 50.80 *per cent* of the total receipt of ₹2,11,620.05 crore was received during last quarter of the year. In the month of January there was a sudden rise because of huge receipts received under Internal Debt of the State and Grants-in-Aid from Central Government. Similarly, in the month of March there was also a sudden rise due to more receipts under Central Goods and Service tax, Corporation Tax, Tax on Income other than Corporation Tax, Stamps and Registration Fees, Tax on Sales and Trade and Internal Debt of the State.

Receipts were skewed towards the last quarter of the year, so were the expenditure. State Government incurred an expenditure of ₹52,441.44 crore, constituting about 25.08 *per cent* of the total expenditure of ₹2,09,076.14 crore, in March 2021 alone, of this, 100 *per cent* expenditure was incurred in 21 cases of 15 Grants/Appropriations amounting to ₹8,827.34 crore during March 2021 (refer to **Table 3.14** of the **Chapter 3** for further details).

### Impact on Fiscal and Revenue Deficit and its financing

Madhya Pradesh, which was a revenue surplus State from 2016-17 to 2018-19, faced revenue deficit during 2019-20 and 2020-21 due to COVID-19 Pandemic. Revenue Deficit increased from ₹2,801 crore in 2019-20 to ₹18,356 crore in 2020-21 *i.e.* by 555.34 *per cent*. Fiscal Deficit increased from ₹32,970 crore in 2019-20 to ₹49,870 crore in 2020-21 *i.e.* by 51.26 *per cent* (refer to **Table 2.33** of the **Chapter 2** for further details).

Short fall in revenue was managed by the Government by taking higher quantum of internal debt and loans from Government of India. During 2020-21, Internal Debt (₹54,242 crore) increased by 83.90 *per cent*, and loans and advances from the Central Government (₹10,929 crore) increased by

124.51 per cent as compared to previous year. The surge in loans and advances was due to back to back loan of ₹4,542 crore in lieu of shortfall in GST compensation provided to the State Government as debt receipt. The debt servicing of this loan would be done from the collection of cess in the GST Compensation Fund and hence, repayment obligation will not be on the other resources of State. Similarly, Public Debt Receipts was ₹65,171 crore which increased by 89.65 per cent as compared to previous year (refer to **Table 2.11** of the **Chapter 2** for further details). To finance the fiscal Deficit, State had to borrow higher amount of ₹28,063 crore over previous year from market and loans from GoI (refer to **Table 2.33** of the **Chapter 2** for further details).

The GST compensation is the revenue of the State Government under GST (Compensation to States) Act, 2017. However, in addition to receiving the GST compensation amounting to ₹5,293 crore as revenue receipts, due to inadequate balance in GST Compensation Fund during the year 2020-21, Madhya Pradesh also received back to back loan of ₹4,542 crore under debt receipt of the State Government, with no repayment liability for the State. Thus revenue deficit and fiscal deficit would work out as ₹13,814 crore and ₹45,328 crore respectively during the year 2020-21, keeping in view the debt receipt of ₹4,542 crore in lieu of shortfall in GST compensation.

### Fiscal parameters

The Revenue deficit of ₹17,514 crore as contemplated in the Budget Estimates could not be achieved. The State registered a Revenue Deficit of ₹18,356 crore, which was higher by ₹15,555 crore (555.34 per cent) when compared to 2019-20. Similarly, the State registered a Fiscal Deficit of ₹49,870 crore, which was higher by ₹16,900 crore when compared to 2019-20. There was a significant rise (555.40 per cent) in Revenue Deficit during 2020-21, while Fiscal Deficit increased by 51.30 per cent during 2020-21.

Fiscal Deficit exceeded the target during 2019-20 and 2020-21. As a result, limit on Outstanding Debt was also breached during 2019-20 and 2020-21.

## 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 the 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) |             |                    |                    |                    |
|--|--------------|-------------|--------------------|--------------------|--------------------|
|  | 2016-17      | 2017-18     | 2018-19            | 2019-20            | 2020-21            |
| National GDP (2011-12 Series) at current prices                              | 1,53,91,669  | 1,70,90,042 | 1,88,86,957        | 2,03,51,013        | 1,97,45,670        |
| Growth rate of GDP over previous year ( <i>per cent</i> ) at current prices  | 11.80        | 11.00       | 10.50              | 7.80               | (-)3.00            |
| State's GSDP (2011-12 Series) at current prices                              | 6,49,823     | 7,26,338    | 8,13,820<br>(P.E.) | 9,37,405<br>(Q.E.) | 9,17,555<br>(A.E.) |
| Growth rate of GSDP over previous year ( <i>per cent</i> ) at current prices | 20.10        | 11.80       | 12.00              | 15.20              | (-)2.10            |

Source: GoI's Economic Survey (2020-21) and Directorate of Economics and Statistics, Madhya Pradesh  
P.E. – Provisional Estimates; Q.E. – Quick Estimates; A.E. – Advance Estimates

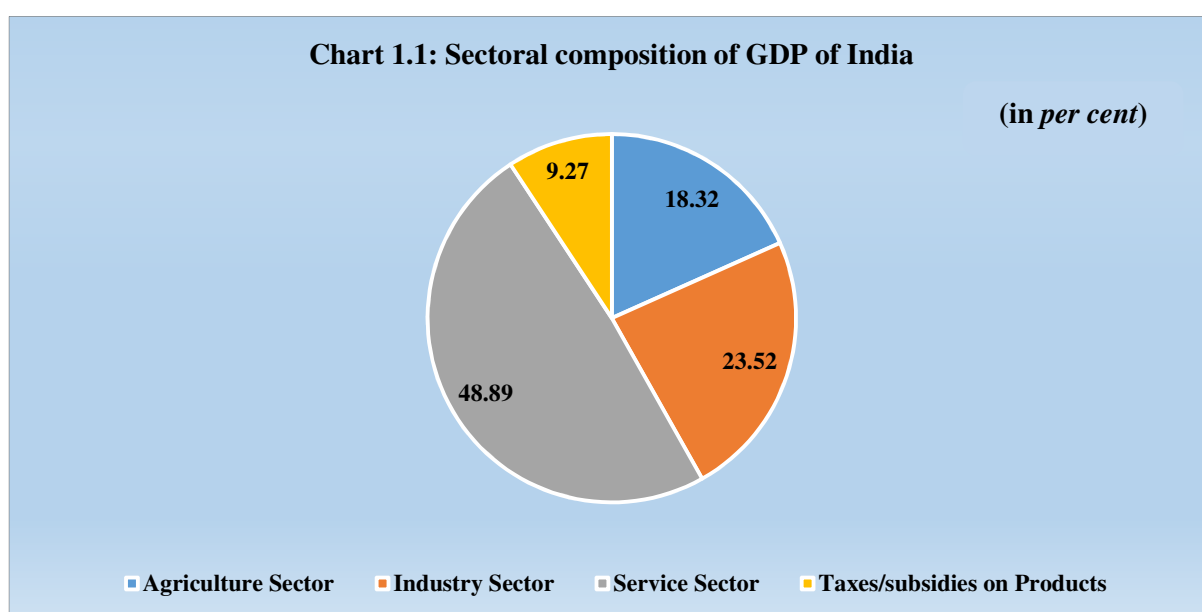


As can be seen from the above Table, the GSDP of Madhya Pradesh grew at a higher rate during the period 2016-17 to 2020-21 compared to the national growth rate. Madhya Pradesh has witnessed reduction in their GSDP in 2020-21 compared to 2019-20.

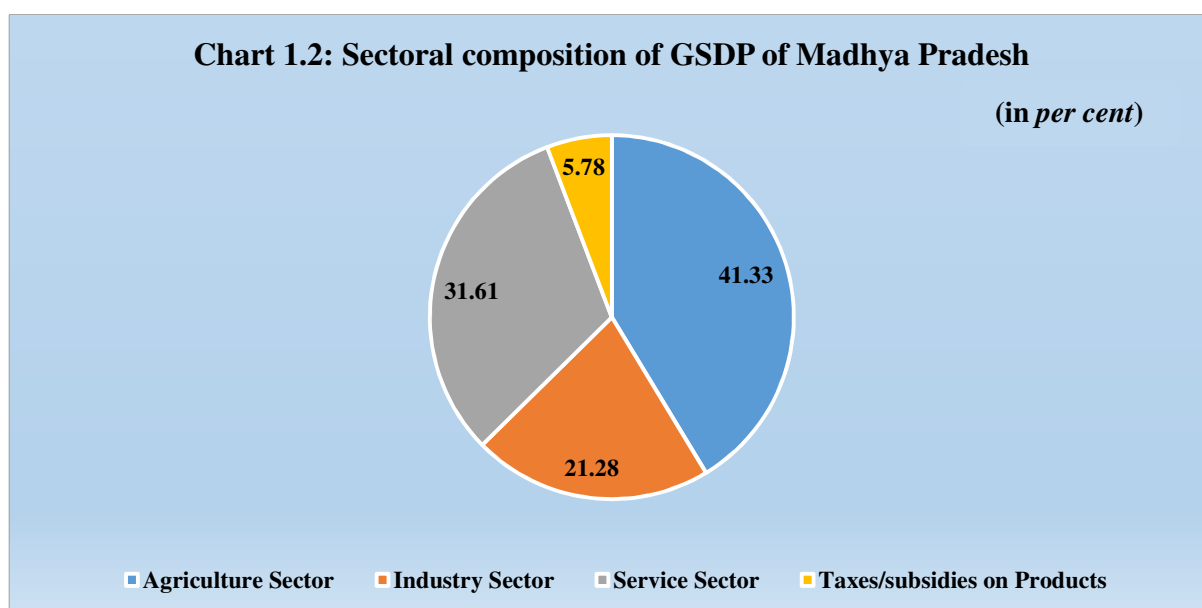
The GSDP of Madhya Pradesh kept on increasing from 2016-17 to 2019-20 but due to COVID-19 it decreased by ₹19,850 crore (2.10 per cent) in 2020-21.

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 2020-21 is shown below in **Charts 1.1** and **1.2**.



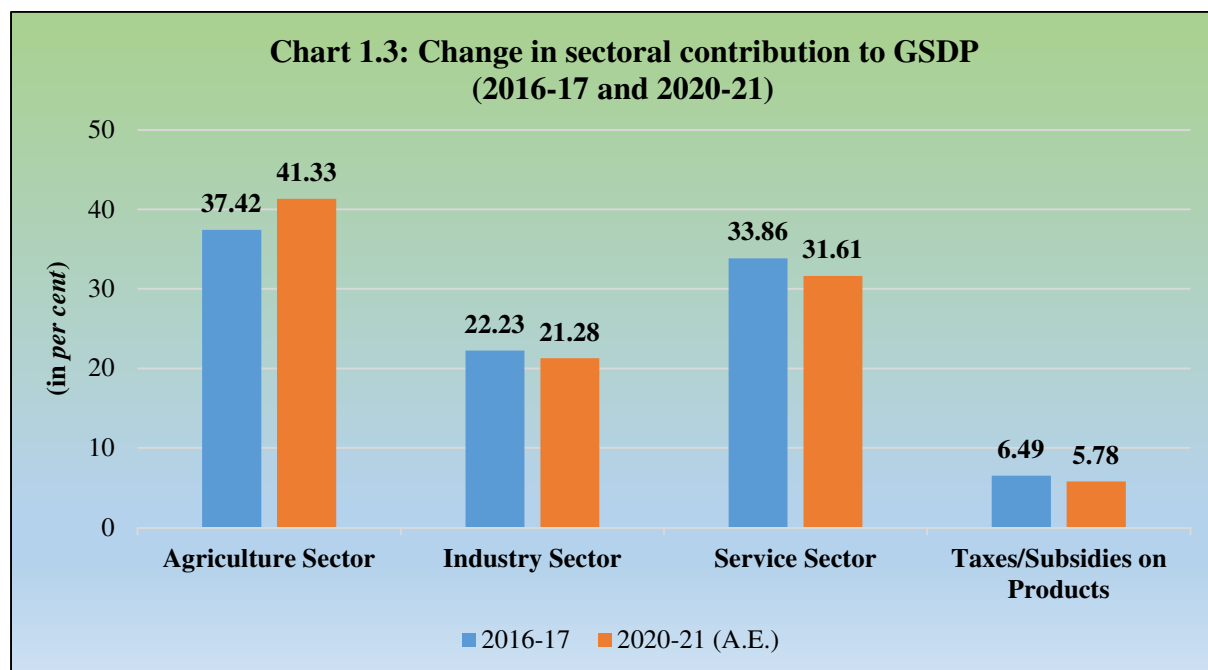
Source: Press note on Provisional Estimates of Annual National Income 2020-21



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

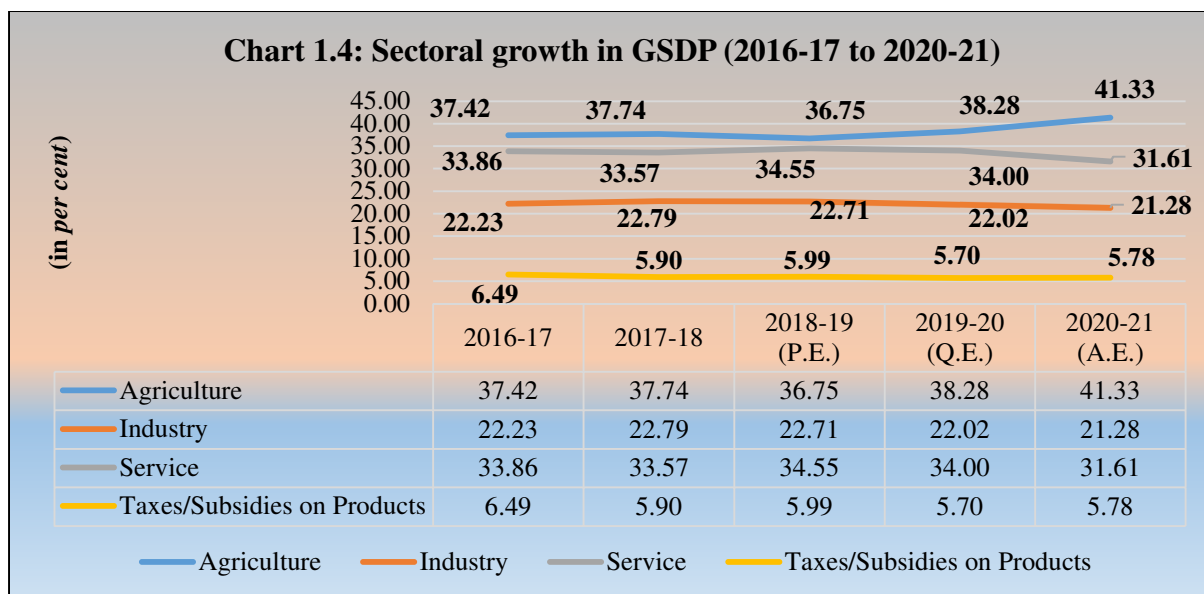
Madhya Pradesh, with its large area, enjoys diverse climatic and soil conditions suitable for a broad range of agricultural products. The Agriculture Sector in Madhya Pradesh forms the backbone of its economy. As can be seen from the above Charts, during 2020-21, the contribution of Agriculture Sector to the GSDP of the State was 41.33 *per cent*, which was quite significant and much higher compared to the relative share of Agriculture Sector (18.32 *per cent*) in the GDP of India, while the contribution of Service Sector to the GSDP of the State was 31.61 *per cent*, which was lower as compared to relative share of Service Sector (48.89 *per cent*) in the GDP of India.

**Chart 1.3** reveals that during the five-year period 2016-17 and 2020-21, there has been an increase in the relative share of Agriculture in GSDP of the State from 37.42 *per cent* in 2016-17 to 41.33 *per cent* in 2020-21. During the same period, there has been a marginal decrease in the share of Industry Sector from 22.23 *per cent* in 2016-17 to 21.28 *per cent* in 2020-21 and Service Sector from 33.86 *per cent* in 2016-17 to 31.61 *per cent* in 2020-21. Also, Taxes and Subsidies on Products decreased from 6.49 *per cent* in 2016-17 to 5.78 *per cent* in 2020-21. During 2020-21, livestock and crops increased by 13.04 *per cent* and 4.25 *per cent* respectively over the previous year under Agriculture Sector while construction decreased by 8.43 *per cent* under Industry Sector and trades and railways decreased by 26.52 *per cent* and 25.57 *per cent* respectively under Service Sector.



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 2021 has been prepared by the CAG for submission to the Governor of Madhya Pradesh under Article 151 (2) of the Constitution of India.

The 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.

The Finance Accounts and Appropriation Accounts of the State for the year 2020-21 constitute the core data for this report. Other sources include the following:

- Budget of the State for the year 2020-21 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 2016-21, as appropriate.

The analysis has been carried out in the context of recommendations of the XIV/XV 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 five Chapters:

|                    |   |
|--------------------|---|
| <b>Chapter – 1</b> | <b>Overview</b><br>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 – 2</b> | <b>Finances of the State Government</b><br>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 2016-17 to 2020-21, debt profile of the State and key Public Account transactions, based on the Finance Accounts of the State.   |
| <b>Chapter – 3</b> | <b>Budgetary Management</b><br>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 – 4</b> | <b>Quality of Accounts &amp; Financial Reporting Practices</b><br>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.  |
| <b>Chapter – 5</b> | <b>Financial Performance of State Public Sector Undertakings</b><br>This chapter presents the financial performance of State Public Sector Undertakings of the Government of Madhya Pradesh for the year 2020-21. The financial performance of State Public Sector Undertakings depicted in the report has been taken from their financial statements as well as the information received from the respective State Public Sector Undertakings. |

## 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 functional Major Head concerned 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. The 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;

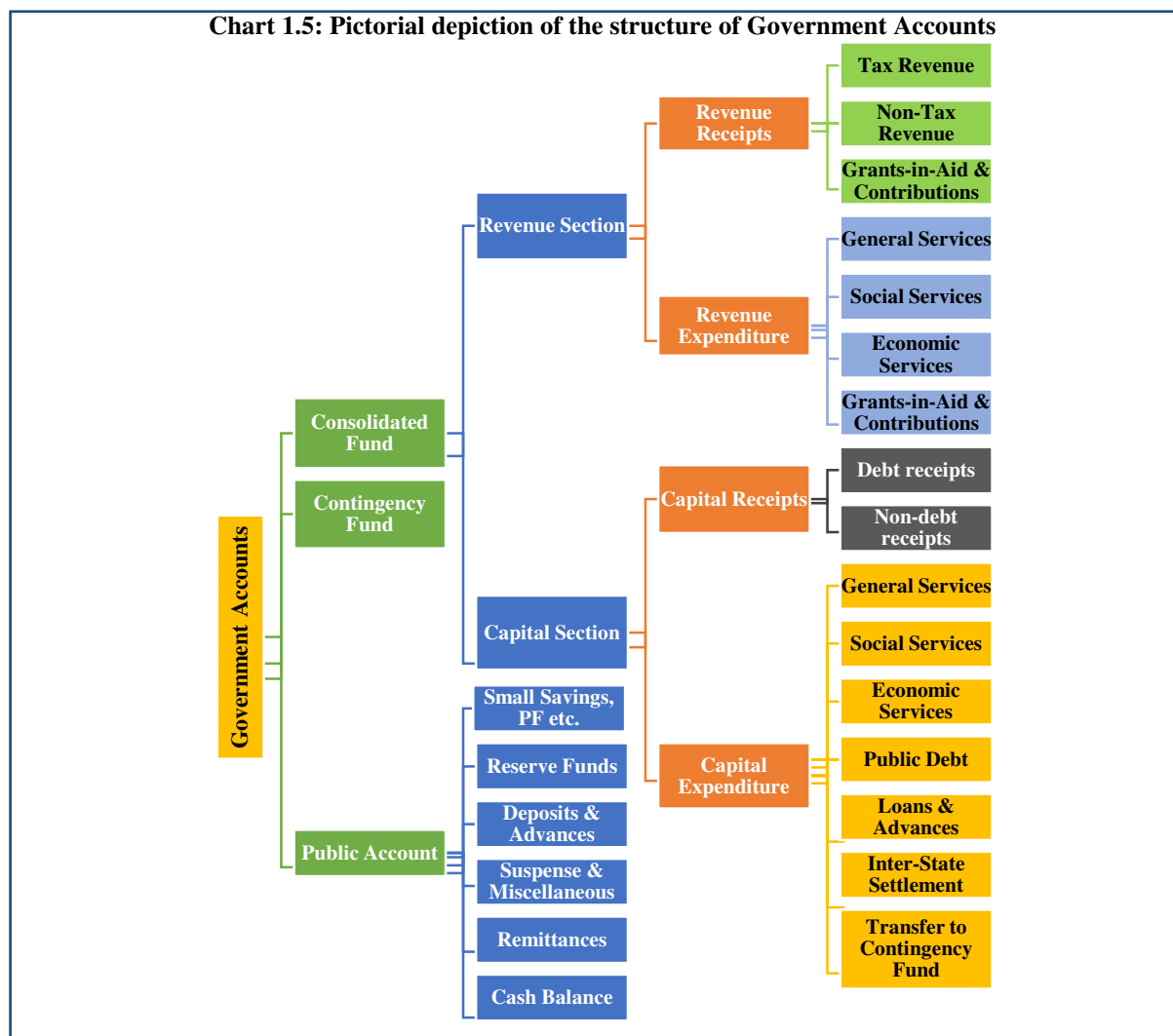
**Capital Expenditure** includes expenditure on the acquisition of land, buildings, machinery, equipment, investment in shares, and loans and advances by the Government to PSUs and other parties.

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

| Particular   | 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 cause to be laid before the State Legislature, a statement of the estimated receipts and expenditure of the State for the year 2020-21, 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 70 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 this Report. These Accounts are based on actual receipts and expenditure of the State during the year 2020-21, 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 2020-21 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.

In addition, an Outcome Budget was also required to be prepared which presents quantifiable deliverables proposed under each plan scheme, linked to the financial outlays that support these deliverables. However, the State Government stopped making the Outcome Budget from 2015-16 onwards, when the distinction between Plan and Non-Plan schemes was removed<sup>1</sup> by the Government of India. Finance Department stated (January 2021) that outcome budget was not prepared 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 of 2020-21:

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<sup>1</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, it has been revised only with effect from 1 April 2019.



| <b>Table 1.2: Actual financial results vis-à-vis Budget Estimates for 2020-21</b> |   |                    |                     |                            |                               |                               |
|---|---|--------------------|---------------------|----------------------------|-------------------------------|-------------------------------|
| (₹ in crore)  |   |                    |                     |                            |                               |                               |
| Sl. No.   | Components                                      | 2019-20 (Actuals)  | 2020-21 (Actuals)   | 2020-21 (Budget Estimates) | Percentage of Actuals to B.E. | Percentage of Actuals to GSDP |
| 1   | Tax Revenue                                     | 55,823.69          | 54,458.92           | 48,801.05                  | 111.59                        | 5.94                          |
| 2   | Non-Tax Revenue                                 | 10,349.56          | 9,902.13            | 8,860.26                   | 111.76                        | 1.08                          |
| 3   | Share of Union Taxes & Duties                   | 49,517.61          | 46,913.75           | 46,025.00                  | 101.93                        | 5.11                          |
| 4   | Grants-in-aid and Contributions                 | 31,952.49          | 35,101.99           | 32,910.05                  | 106.66                        | 3.83                          |
| 5   | <b>Revenue Receipts (1+2+3+4)</b>               | <b>1,47,643.35</b> | <b>1,46,376.79</b>  | <b>1,36,596.36</b>         | <b>107.16</b>                 | <b>15.95</b>                  |
| 6   | Recovery of Loans and Advances                  | 45.86              | 58.32               | 41.07                      | 142.00                        | 0.01                          |
| 7   | Other Receipts (CR)                             | 13.66              | 14.46               | --                         | --                            | 0.001                         |
| 8   | Borrowings and other Liabilities <sup>(a)</sup> | 35,302.35          | 59,707.87           | 47,405.15                  | 125.95                        | 6.51                          |
| 9   | <b>Capital Receipts (6+7+8)</b>                 | <b>35,361.87</b>   | <b>59,780.65</b>    | <b>47,446.22</b>           | <b>126.00</b>                 | <b>6.52</b>                   |
| 10  | <b>Total Receipts (5+9)</b>                     | <b>1,83,005.22</b> | <b>2,06,157.44</b>  | <b>1,84,042.58</b>         | <b>112.02</b>                 | <b>22.47</b>                  |
| 11  | <b>Revenue Expenditure</b>                      | <b>1,50,444.30</b> | <b>1,64,733.01</b>  | <b>1,54,110.37</b>         | <b>106.89</b>                 | <b>17.95</b>                  |
| 12  | Interest payments                               | 14,216.52          | 15,917.87           | 16,460.21                  | 96.71                         | 1.73                          |
| 13  | <b>Capital Outlay</b>                           | <b>30,228.64</b>   | <b>31,586.09</b>    | <b>29,886.69</b>           | <b>105.69</b>                 | <b>3.44</b>                   |
| 14  | Capital Expenditure                             | 29,241.48          | 30,355.77           | 28,350.28                  | 107.07                        | 3.31                          |
| 15  | Loans and Advances                              | 987.16             | 1,230.32            | 1,536.41                   | 80.10                         | 0.13                          |
| 16  | <b>Total Expenditure (11+13)</b>                | <b>1,80,672.94</b> | <b>1,96,319.10</b>  | <b>1,83,997.06</b>         | <b>106.70</b>                 | <b>21.40</b>                  |
| 17  | <b>Revenue Deficit (-)/ Surplus(+)</b>          | <b>(-)2,800.95</b> | <b>(-)18,356.22</b> | <b>(-)17,514.01</b>        | <b>(-)104.81</b>              | <b>(-)2.00</b>                |
| 18  | <b>Fiscal Deficit</b>                           | <b>32,970.07</b>   | <b>49,869.53</b>    | <b>47,359.63</b>           | <b>105.30</b>                 | <b>5.44</b>                   |
| 19  | <b>Primary Deficit</b>                          | <b>18,753.55</b>   | <b>33,951.66</b>    | <b>30,899.42</b>           | <b>109.88</b>                 | <b>3.70</b>                   |

Source: Finance Accounts and Budget books 2020-21

<sup>(a)</sup> Borrowings and other Liabilities: Net of Public Debt (Receipts-Disbursements) + 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. The position of the State in this regard in 2020-21 may be seen in **Table 1.3** below:

| Table 1.3: Summarised position of Assets and Liabilities |                    |                        |                                     |   |                     |                     |                                     |
|--|--------------------|------------------------|-------------------------------------|---|---------------------|---------------------|-------------------------------------|
| (₹ in crore)   |                    |                        |                                     |   |                     |                     |                                     |
| Liabilities  |                    |                        |                                     | Assets  |                     |                     |                                     |
|  | 2019-20            | 2020-21                | Per cent Increase (+)/ Decrease (-) |   | 2019-20             | 2020-21             | Per cent Increase (+)/ Decrease (-) |
| <b>Consolidated Fund</b>                                 |                    |                        |                                     |   |                     |                     |                                     |
| Internal Debt  | 1,59,792.74        | 2,02,719.20            | 26.86                               | Gross Capital Outlay  | 2,42,399.03         | 2,72,754.80         | 12.52                               |
| Loans and Advances from GoI                              | 21,035.97          | 30,522.71 <sup>2</sup> | 45.10                               | Loans and advances  | 43,085.15           | 43,757.15           | 1.56                                |
| <b>Contingency Fund</b>                                  | <b>500.00</b>      | <b>500.00</b>          | <b>--</b>                           |   |                     |                     |                                     |
| <b>Public Account</b>                                    |                    |                        |                                     |   |                     |                     |                                     |
| Small Savings, Provident Funds, etc.                     | 19,033.74          | 19,894.09              | 4.52                                | Advances  | 3.48                | 3.48                | --                                  |
| Deposits   | 18,809.47          | 20,333.41              | 8.10                                | Remittance  | --                  | --                  | --                                  |
| Reserve Funds  | 12,316.00          | 16,753.30              | 36.03                               | Suspense and Miscellaneous                                    | --                  | --                  | --                                  |
| Suspense and Miscellaneous balances                      | (-)898.43          | (-)252.75 <sup>3</sup> | (-)71.87                            |   |                     |                     |                                     |
| Remittances  | 2,161.37           | 3,164.63               | 46.42                               | <b>Cash balance (including investment in Earmarked Funds)</b> | 7,060.93            | 18,069.32           | 155.91                              |
|  |                    |                        |                                     | <b>Total</b>  | <b>2,92,548.59</b>  | <b>3,34,584.75</b>  | <b>14.37</b>                        |
|  |                    |                        |                                     | <b>Deficit on Government Account</b>                          | <b>(-)59,797.73</b> | <b>(-)40,950.16</b> | <b>(-)31.52</b>                     |
| <b>Total</b>   | <b>2,32,750.86</b> | <b>2,93,634.59</b>     | <b>26.16</b>                        | <b>Total</b>  | <b>2,32,750.86</b>  | <b>2,93,634.59</b>  | <b>26.16</b>                        |

Source: Finance Accounts of respective years

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

Government of Madhya Pradesh passed the Madhya Pradesh Fiscal Responsibility and Budget Management Act, 2005 (MPFRBM Act) 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

<sup>2</sup> Includes back to back loan of ₹4,542 crore in lieu of shortfall in GST compensation.

<sup>3</sup> The figure of Suspense and Miscellaneous Balances includes balances of Major Head 8658-Suspense Account ₹862.43 crore (Dr.), Major Head 8679-Accounts with the Governments of other countries ₹0.15 crore (Dr.) and Major Head 8670 Cheques and Bills ₹609.83 crore (Cr.).

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 (2016-17 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. During the year 2020-21, the GoI has decided to extend the additional loan facility of 1.50 per cent with conditions and 0.50 per cent without conditions to the State Governments. Therefore, target set by GoI for fiscal deficit was 5.00 per cent of GSDP for the year 2020-21.

Revised targets relating to key fiscal parameters envisaged in the Medium Term Fiscal Policy Statement (MTFPS) under the MPFRBM Act/Rule of the State Government and their achievement during the five year period from 2016-17 to 2020-21 are given in **Table 1.4**:

| Fiscal Parameters                                       | Fiscal targets set in the Act            | Achievement (₹ in crore)           |                                    |                                      |                                      |   |
|---|--|------------------------------------|------------------------------------|--------------------------------------|--------------------------------------|---|
|   |  | 2016-17                            | 2017-18                            | 2018-19                              | 2019-20                              | 2020-21   |
| Revenue Deficit (-)/ Surplus (+)                        | Revenue Surplus                          | 7,781 <sup>4</sup>                 | 4,629                              | 6,744                                | (-)2,801                             | (-)18,356   |
|   |  | ✓                                  | ✓                                  | ✓                                    | ✗                                    | ✗   |
| Fiscal Deficit (-)/ Surplus (+) (as percentage of GSDP) | Given in brackets under individual years | 3.12 (Not exceeding 3.50% of GSDP) | 3.14 (Not exceeding 3.50% of GSDP) | 2.93 (Not exceeding 3.24% of GSDP)   | 3.64 (Not exceeding 3.34% of GSDP)   | 5.44 (Not exceeding 4.99% of GSDP)                |
|   |  | ✓                                  | ✓                                  | ✓                                    | ✗                                    | ✗   |
| Ratio of total Outstanding Debt to GSDP (in per cent)   |  | 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) | 31.03 <sup>5</sup> (Not exceeding 28.83% of GSDP) |
|   |  | ✓                                  | ✓                                  | ✓                                    | ✗                                    | ✗   |

Source: Finance Accounts of respective years

The State achieved Revenue Surplus during the period 2016-17 to 2018-19 but could not maintain the same during 2019-20 and 2020-21. There was a significant rise (555.40 per cent) in Revenue Deficit during 2020-21, while Fiscal Deficit increased by 51.30 per cent during 2020-21. Revenue Deficit was ₹18,356 crore due to increase in revenue expenditure by 9.50 per cent (₹1,64,733 crore in 2020-21 vis-à-vis ₹1,50,444 crore in 2019-20) and marginal decrease in revenue receipts.

Revenue expenditure increased by ₹14,289 crore as compared to 2019-20 due to increase under General Services (by ₹2,617 crore), mainly due to increase in expenditure on Employee benefits under “Civil” and Social Services (by ₹2,106 crore) because of increase in expenditure on Transfer to “Reserve Funds and Deposit Accounts-State Disaster Response Fund” under “State Disaster Response Fund” and “Other Expenditure” under “General”

<sup>4</sup> Excludes impact of UDAY, on including impact of UDAY, Revenue Surplus would be ₹3,770 crore.

<sup>5</sup> Debt to GSDP percentage has been calculated on total debt of ₹2,84,756 crore excluding back to back loan of ₹4,542 crore in lieu of GST compensation shortfall from the total outstanding debt of ₹ 2,89,298 crore.

The Fiscal Deficit exceeded the target during 2019-20 and 2020-21, although the targets were met in 2016-19. As a result, limit on Outstanding Debt was also breached during 2019-20 and 2020-21.

The GST compensation is the revenue of the State Government under GST (Compensation to States) Act, 2017. However, in addition to receiving the GST compensation amounting to ₹5,293.23 crore as revenue receipts, due to inadequate balance in GST Compensation Fund during the year 2020-21, Madhya Pradesh also received back to back loan of ₹4,542 crore under debt receipt of the State Government, with no repayment liability for the State. The revenue deficit of ₹18,356.22 crore and fiscal deficit of ₹49,869.53 crore of the State Government as depicted in the Finance Accounts 2020-21 should therefore, be read in conjunction with receipt of GST compensation of ₹4,542 crore as back to back loan with no repayment obligation on the State resources. Thus revenue deficit and fiscal deficit would work out as ₹13,814.22 crore and ₹45,327.53 crore respectively during the year 2020-21, keeping in view the debt receipt of ₹4,542 crore in lieu of shortfall in GST compensation.

Due to COVID-19, economic activity declined in the first half of 2020-21 putting pressure on States revenue. To sustain expenditure, the Centre had allowed all the States to increase their borrowings in 2020-21. The fiscal deficit limit has been raised from three *per cent* of GSDP to five *per cent* of GSDP. Of the additional borrowings of two *per cent* of GSDP, the States were permitted to borrow 0.50 *per cent* of their GSDP as untied, while next one *per cent* was subject to implementation of four State level reforms (0.25 *per cent* of GSDP for each reform); One Nation One Ration Card System, Ease of Doing Business Reforms, Urban Local Body/Utility Reforms and Power Sector Reforms. The rest of 0.50 *per cent* of GSDP was conditional provided that prescribed mile stones in at least three of the stipulated reforms were achieved.

## 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 2020-21 in MTFPS presented to the State Legislature along with the Annual Budget for 2020-21, and actuals of the year:

| Table 1.5: Actuals <i>vis-à-vis</i> projection in MTFPS for 2020-21 |                         |                   |                         |
|---|-------------------------|-------------------|-------------------------|
| Fiscal Variables  | Projection as per MTFPS | (₹ in crore)      |                         |
|   |                         | Actuals (2020-21) | Variation (in per cent) |
| Own Tax Revenue   | 48,801.05               | 54,458.92         | 11.59                   |
| Non-Tax Revenue   | 8,860.26                | 9,902.13          | 11.76                   |
| Share of Central Taxes  | 46,025.00               | 46,913.75         | 1.93                    |
| Grants-in-Aid from GoI  | 32,910.05               | 35,101.99         | 6.66                    |
| Revenue Receipts  | 1,36,596.36             | 1,46,376.79       | 7.16                    |
| Revenue Expenditure   | 1,54,110.37             | 1,64,733.01       | 6.89                    |
| Revenue Deficit (-)/ Surplus (+) as a percentage of GSDP            | (-)-1.85                | (-)-2.00          | (-)-8.11                |
| Fiscal Deficit as a percentage of GSDP                              | 4.99                    | 5.44              | 9.02                    |

Table 1.5: Actuals vis-à-vis projection in MTFPS for 2020-21

| Fiscal Variables                    | (₹ in crore)            |                    |                         |
|-------------------------------------|-------------------------|--------------------|-------------------------|
|                                     | Projection as per MTFPS | Actuals (2020-21)  | Variation (in per cent) |
| Debt-GSDP ratio ( <i>per cent</i> ) | 28.83                   | 31.03 <sup>6</sup> | 7.63                    |
| GSDP growth rate at current prices  | 4.68                    | (-)2.12            | (-)145.30               |

Source: Finance Accounts and Budget documents 2020-21

### 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, as given below:

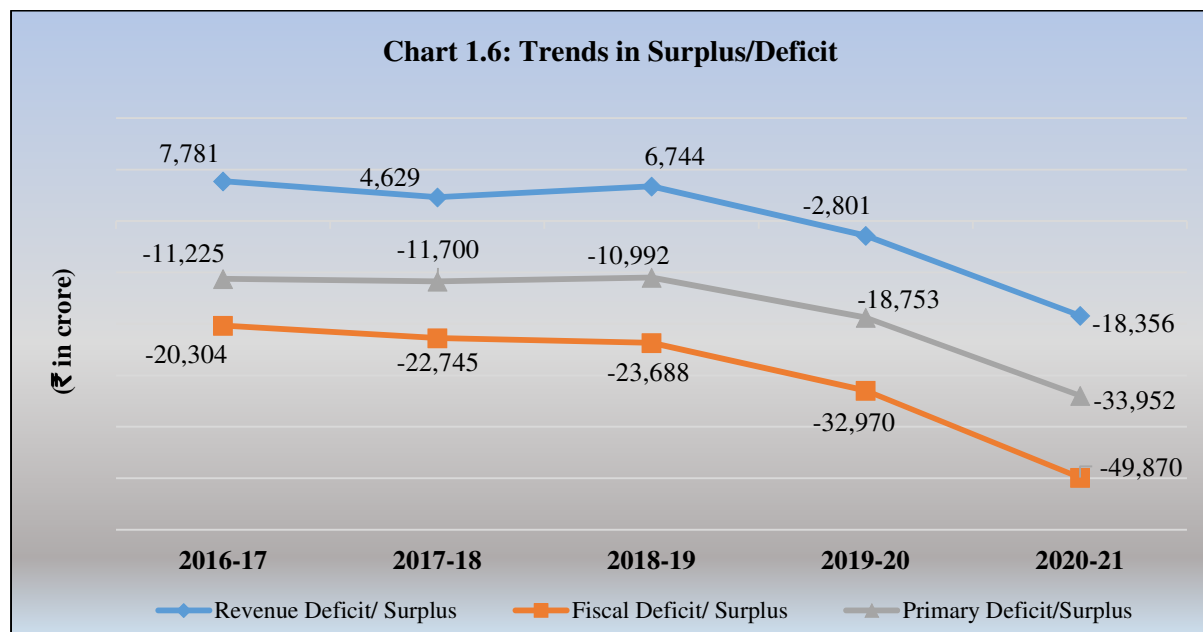
|   |   |
|---|---|
| <p><b>Revenue Deficit/ Surplus</b><br/>(Revenue Expenditure – Revenue Receipts)</p>                                     | <p><i>Refers to the difference between revenue expenditure and revenue receipts.</i></p> <ul style="list-style-type: none"> <li>• When the government incurs 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><br/>(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> <p>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.</p>        |

### 1.7.4 Trends of Deficit/Surplus

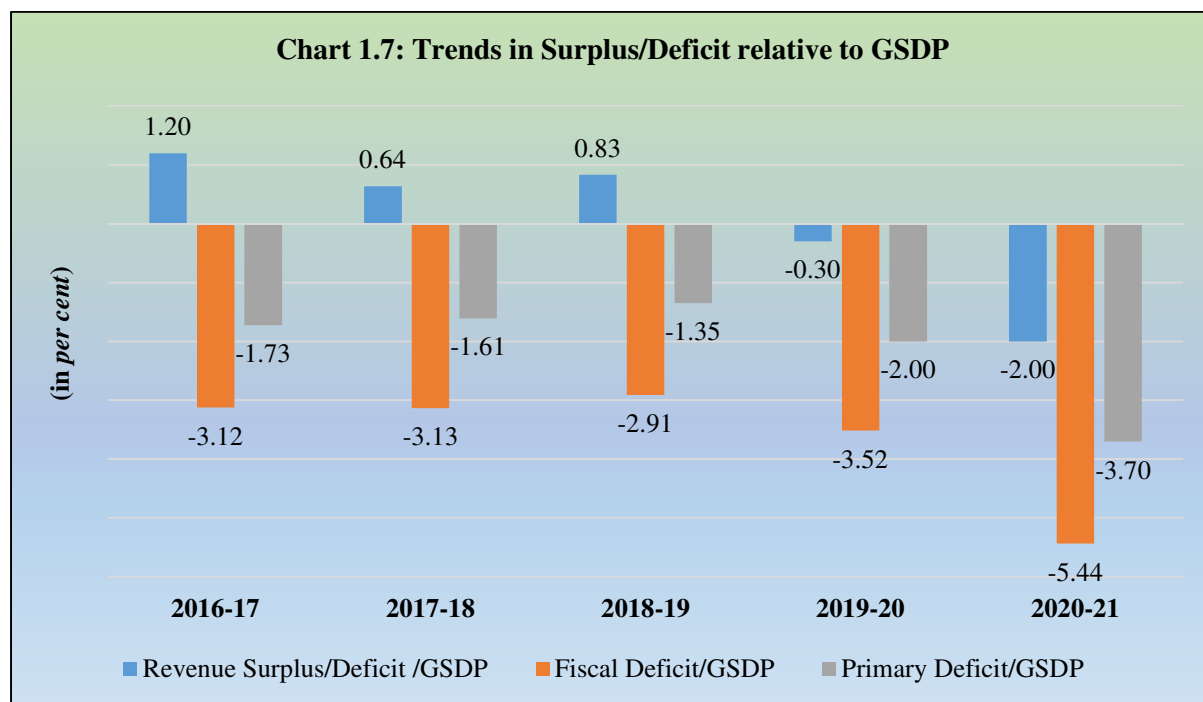
The State was not within the targets specified by the XV<sup>th</sup> FC during 2020-21 with regard to the key fiscal parameters. It had a Fiscal Deficit of ₹49,870 crore during the year 2020-21, representing 5.44 *per cent* of the GSDP and constituted 25.40 *per cent* of Total Expenditure. The Primary Deficit of ₹18,753 crore during 2019-20 increased to ₹33,952 crore during the current year and the Revenue Deficit of ₹2,801 crore in 2019-20 also increased to ₹18,356 crore during 2020-21. The trend of surplus and deficit over the five-year period from

<sup>6</sup> Debt/GSDP ratio calculated on total outstanding debt excluding the amount of back to back loan of ₹4,542 crore.

2016-17 to 2020-21 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 2020-21:

| <b>Table 1.6: Actual Revenue and Fiscal Deficit</b>   |  |   |
|---|--|---|
| (₹ in crore)  |  |   |
| <b>Particulars</b>  | <b>Impact on Revenue Deficit (Understated)</b> | <b>Impact on Fiscal Deficit (Understated)</b> |
| Misclassification of Revenue Expenditure as Capital Expenditure (Para no. 3(ii) of the Notes to Accounts, Finance Accounts Volume-I)        | 1,239.13                                       | --  |
| Short transfer of contribution to NSDL/Trustee Bank (Para no. 5(i) of the Notes to Accounts, Finance Accounts Volume-I)                     | 14.21  | 14.21   |
| Non-payment of interest on Reserve Funds and Deposits bearing interest (Para no. 3(ix) of the Notes to Accounts, Finance Accounts Volume-I) | 170.35   | 170.35  |
| Non transfer of central grant of Central Road Fund into Public Account (Para no. 5(v) of the Notes to Accounts, Finance Accounts Volume-I)  | 56.22  | 56.22   |
| <b>Total</b>  | <b>1,479.91</b>                                | <b>240.78</b>                                 |

Source: Finance Accounts 2020-21

As can be seen from the above Table, there was an understatement of Revenue Deficit and Fiscal Deficit by ₹1,479.91 crore and ₹240.78 crore respectively during the year. As per Finance Accounts, the Revenue Deficit and Fiscal Deficit were ₹18,356.22 crore and ₹49,869.53 crore respectively, which would actually be ₹19,836.13 crore and ₹50,110.31 crore respectively.





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**Chapter 2**  
**Finances of the State**

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## Chapter 2-Finances of the State

### 2.1 Introduction

This chapter provides a broad perspective of the finances of the State, and analyses the critical changes in major fiscal aggregates relative to the previous year, overall trends during the five-year period 2016-17 to 2020-21, 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 2020-21 vis-à-vis 2019-20

**Table 2.1** gives a bird's eye view of the major changes in key fiscal aggregates of the State during 2020-21, compared to the previous year:-

| <b>Table 2.1: Changes in key fiscal aggregates in 2020-21 compared to 2019-20</b> |  |
|---|--|
| <b>Revenue Receipts</b>   | <ul style="list-style-type: none"><li>➤ Revenue Receipts of the State decreased by 0.86 per cent</li><li>➤ Own Tax Receipts of the State decreased by 2.44 per cent</li><li>➤ Own Non-Tax Receipts decreased by 4.32 per cent</li><li>➤ State's Share of Union Taxes and Duties decreased by 5.26 per cent</li><li>➤ Grants-in-Aid from Government of India increased by 9.86 per cent</li></ul> |
| <b>Revenue Expenditure</b>  | <ul style="list-style-type: none"><li>➤ Revenue Expenditure increased by 9.50 per cent</li><li>➤ Revenue Expenditure on General Services increased by 20.23 per cent</li><li>➤ Revenue Expenditure on Social Services increased by 7.06 per cent</li><li>➤ Revenue Expenditure on Economic Services increased by 4.19 per cent</li></ul>   |
| <b>Capital Expenditure</b>  | <ul style="list-style-type: none"><li>➤ Capital Expenditure increased by 3.81 per cent</li><li>➤ Capital Expenditure on General Services decreased by 0.81 per cent</li><li>➤ Capital Expenditure on Social Services increased by 17.48 per cent</li><li>➤ Capital Expenditure on Economic Services decreased by 0.41 per cent</li></ul>   |
| <b>Loans and Advances</b>   | <ul style="list-style-type: none"><li>➤ Disbursement of Loans and Advances increased by 24.62 per cent</li><li>➤ Recoveries of Loans and Advances increased by 26.09 per cent</li></ul>  |
| <b>Public Debt</b>  | <ul style="list-style-type: none"><li>➤ Public Debt Receipts increased by 89.65 per cent</li><li>➤ Repayment of Public Debt increased by 16.67 per cent</li></ul>  |
| <b>Public Account</b>   | <ul style="list-style-type: none"><li>➤ Public Account Receipts increased by 17.38 per cent</li><li>➤ Disbursement of Public Account increased by 20.13 per cent</li></ul>   |
| <b>Cash Balances</b>  | <ul style="list-style-type: none"><li>➤ Cash balance increased by ₹11,008.39 crore (155.91 per cent)</li></ul>   |

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

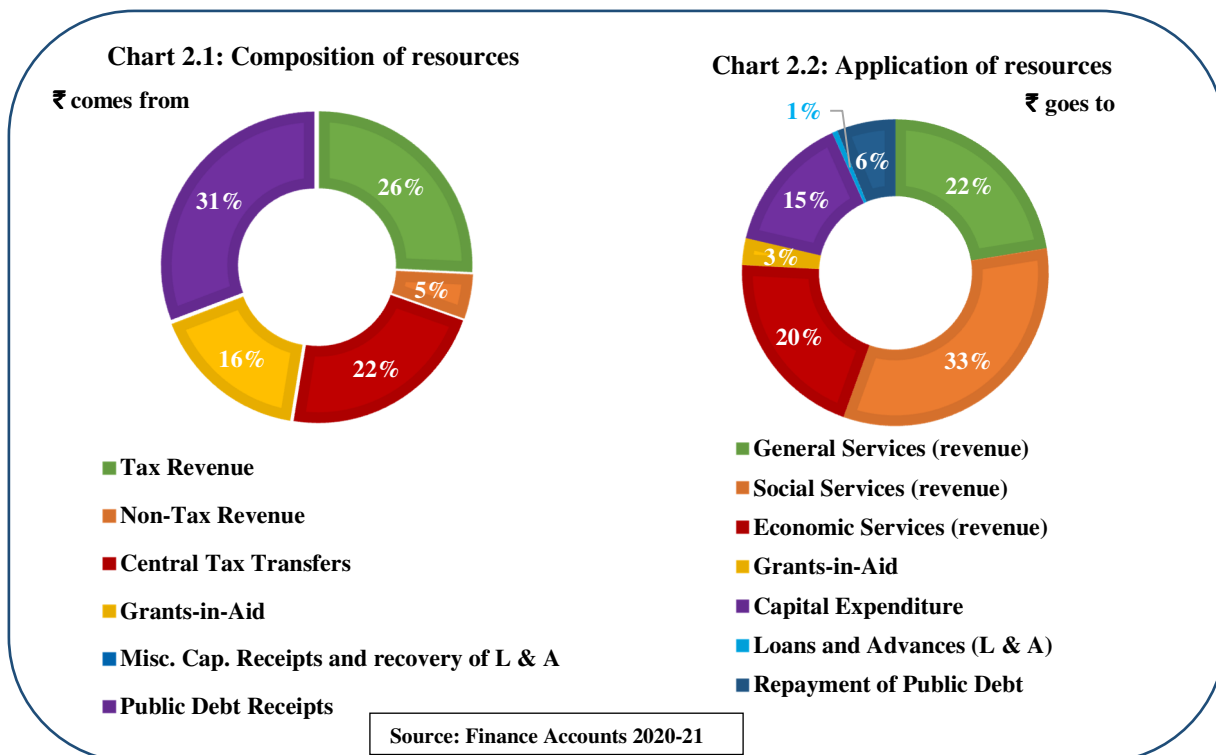
### 2.3 Sources and Application of funds

**Table 2.2** compares the sources and application of funds of the State during 2020-21 with 2019-20 in figures, while **Charts 2.1** and **2.2** give the details of receipts into and expenditure from the Consolidated Fund during 2020-21 in terms of percentages.

| Table 2.2: Details of Sources and Application of resources during 2019-20 and 2020-21 |                                  |                    |                        |                                   |
|---|----------------------------------|--------------------|------------------------|-----------------------------------|
|   | Particulars                      | ₹ in crore         |                        | Increase (+)/<br>Decrease (-) (%) |
|   |                                  | 2019-20            | 2020-21                |                                   |
| <b>Composition of resources</b>   | Opening Cash Balance with RBI    | 5,389.02           | 7,060.93               | 31.02                             |
|   | Revenue Receipts                 | 1,47,643.35        | 1,46,376.79            | (-)0.86                           |
|   | Capital Receipts                 | 13.66              | 14.46                  | 5.86                              |
|   | Recoveries of Loans & Advances   | 45.86              | 58.32                  | 27.17                             |
|   | Public Debt Receipts (Net)       | 23,430.79          | 52,413.20 <sup>1</sup> | 123.69                            |
|   | Public Account Receipts (Net)    | 11,210.82          | 7,956.47               | (-)29.03                          |
|   | Inter-State Settlement           | (-)0.25            | (-)0.02                | 92.00                             |
|   | <b>Total</b>                     | <b>1,87,733.25</b> | <b>2,13,880.15</b>     | <b>13.93</b>                      |
| <b>Application of resources</b>   | Revenue Expenditure              | 1,50,444.30        | 1,64,733.01            | 9.50                              |
|   | Capital Expenditure              | 29,241.48          | 30,355.75              | 3.81                              |
|   | Disbursement of Loans & Advances | 987.16             | 1,230.32               | 24.63                             |
|   | Inter-State Settlement           | (-)0.62            | (-)0.25                | 59.68                             |
|   | Closing Cash Balance with RBI    | 7,060.93           | 18,069.31*             | 155.91                            |
|   |                                  | <b>Total</b>       | <b>1,87,733.25</b>     | <b>2,14,388.14</b>                |

Source: Finance Accounts of the respective years

\* Closing of cash balance with RBI includes ₹507.99 crore received under Guarantee Redemption Fund from Reserve Bank of India as interest of earlier years. Therefore, they do not tally.



Note: Miscellaneous Capital Receipt and Recovery of Loans and Advances is ₹73 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);

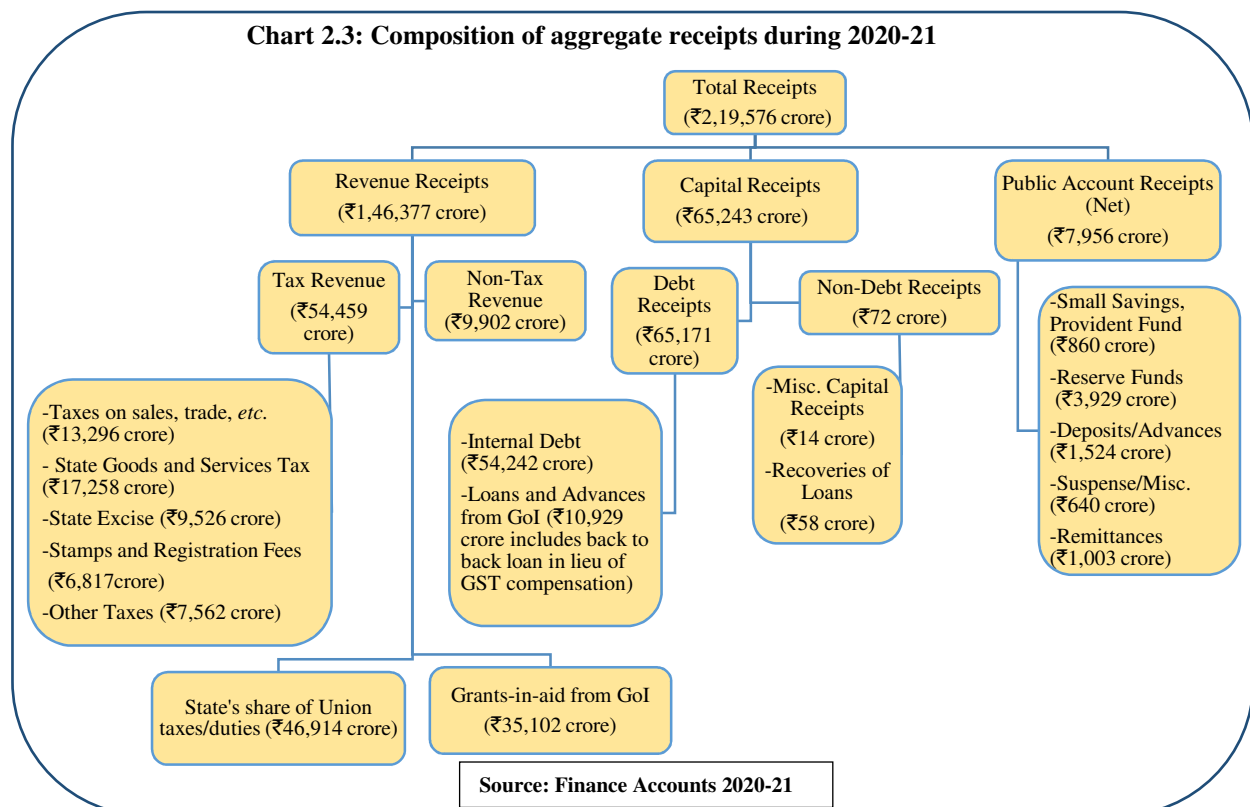
<sup>1</sup> Include Back to back loan in lieu of GST compensation shortfall of ₹4,542 crore.

**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 2020-21.



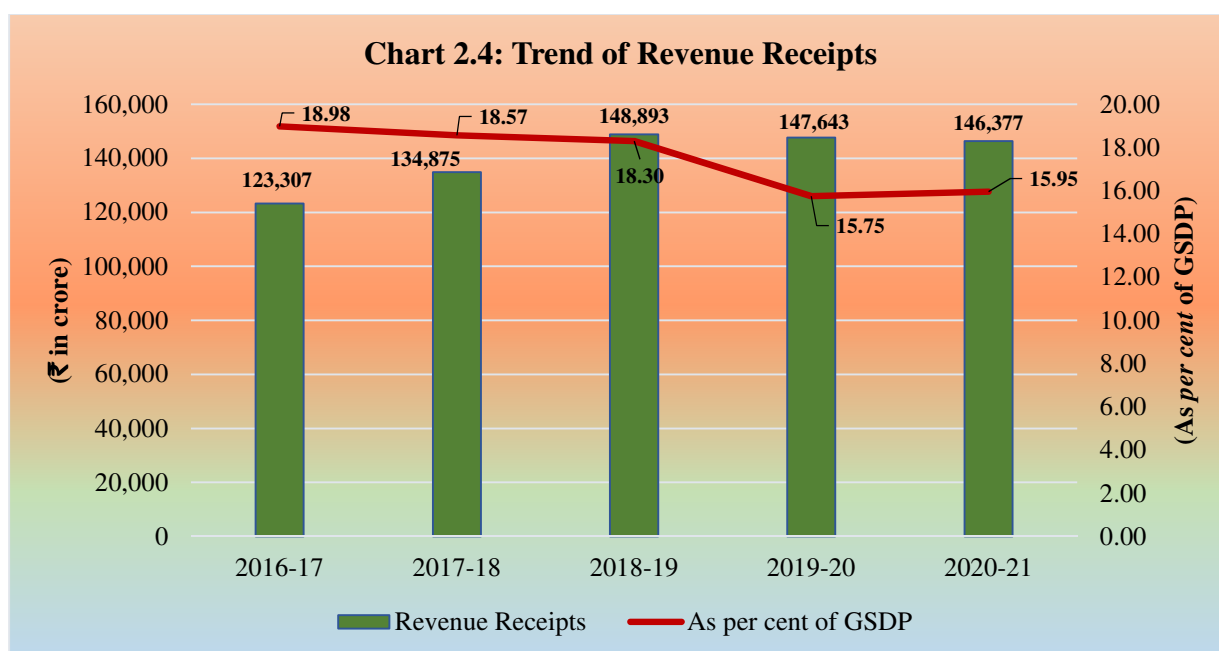
## 2.6 Revenue Receipts

### 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 2016-21. Further, trends in Revenue Receipts relative to GSDP and composition of Revenue Receipts are given in **Charts 2.4 and 2.5** respectively.

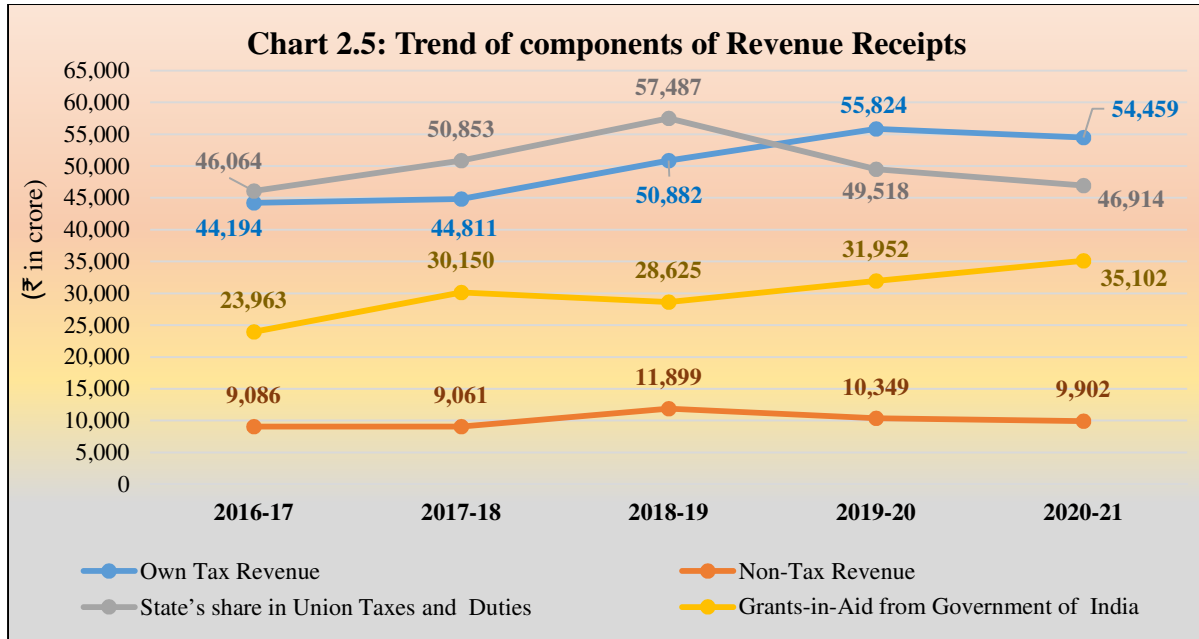
| Particulars   | 2016-17  | 2017-18  | 2018-19  | 2019-20  | 2020-21  |
|---|----------|----------|----------|----------|----------|
| Revenue Receipts (RR) (₹ in crore)  | 1,23,307 | 1,34,875 | 1,48,893 | 1,47,643 | 1,46,377 |
| Rate of growth of RR ( <i>per cent</i> )  | 16.87    | 9.38     | 10.39    | (-)0.84  | (-)0.86  |
| Own Tax Revenue (₹ in crore)  | 44,194   | 44,811   | 50,882   | 55,824   | 54,459   |
| Own Non-Tax Revenue (₹ in crore)  | 9,086    | 9,061    | 11,899   | 10,349   | 9,902    |
| Rate of growth of Own Revenue (Own Tax and Non-Tax Revenue) ( <i>per cent</i> ) | 9.22     | 1.11     | 16.54    | 5.40     | (-)2.74  |
| Gross State Domestic Product (₹ in crore)                                       | 6,49,823 | 7,26,338 | 8,13,820 | 9,37,405 | 9,17,555 |
| Rate of growth of GSDP ( <i>per cent</i> )                                      | 20.10    | 11.80    | 12.00    | 15.20    | (-)2.10  |
| RR/GSDP ( <i>per cent</i> )   | 18.98    | 18.57    | 18.30    | 15.75    | 15.95    |
| <b>Buoyancy Ratios<sup>2</sup></b>  |          |          |          |          |          |
| Revenue Buoyancy w.r.t GSDP   | 0.84     | 0.79     | 0.87     | (-)0.06  | 0.41     |
| State's Own Revenue Buoyancy w.r.t GSDP   | 0.46     | 0.09     | 1.38     | 0.36     | 1.30     |

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



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

<sup>2</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:

- Madhya Pradesh registered negative growth (-0.86 per cent) in Revenue Receipt during 2020-21 as compared to previous year which is better than the neighbouring states like Rajasthan (-4.10 per cent), Jharkhand (-3.90 per cent) and Maharashtra (-4.90 per cent).
- Revenue Receipts increased by 19.74 per cent during 2016-20 to dip marginally to ₹1,46,377 crore in 2020-21 mainly due to a fall of over five per cent in receipt of State's share of Union Taxes and Duties from GoI.
- During 2016-17, about 43 per cent of the Revenue Receipts came from the State's Own Resources, while transfers from the Central Government in the form of Central Tax Transfers and Grants-in-Aid contributed 57 per cent. In the year 2020-21, about 44 per cent of the Revenue Receipts came from the State's own resources, and Central Tax Transfers and Grants-in-Aid together contributed 56 per cent.

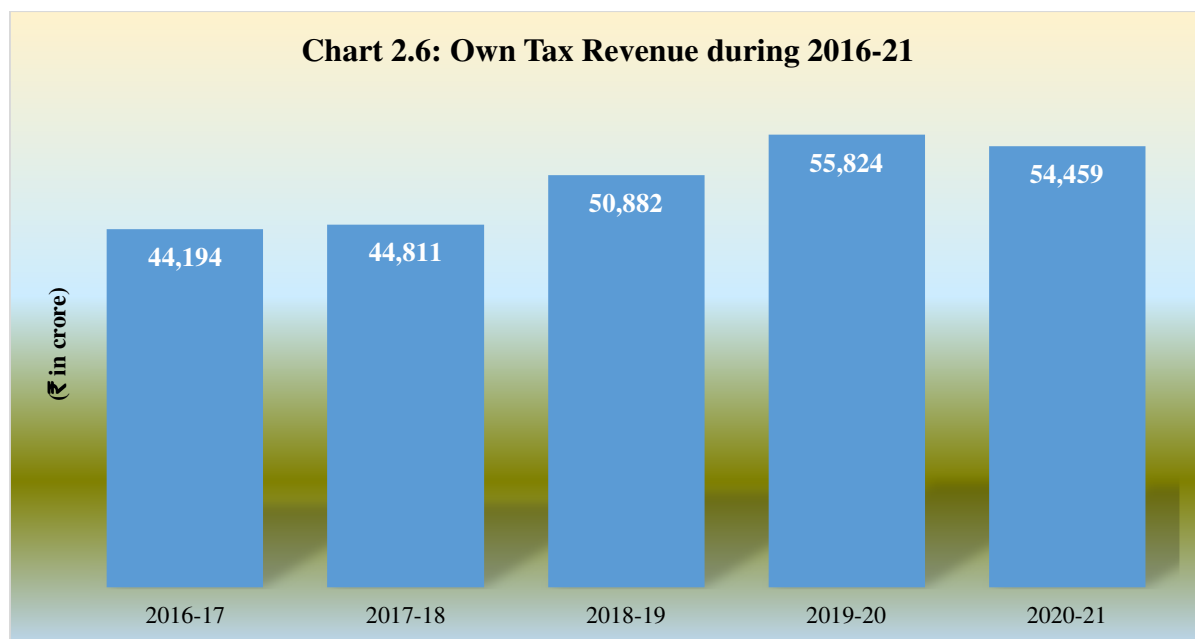
### 2.6.2 State's Own Resources

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. The 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 2016-21 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 2016-21 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 2016-21 are given in **Table 2.4**:

| <b>Table 2.4: Component-wise Own Tax Revenue during 2016-21</b> |               |               |               |               |               |
|---|---------------|---------------|---------------|---------------|---------------|
|   | (₹ in crore)  |               |               |               |               |
| Revenue Head  | 2016-17       | 2017-18       | 2018-19       | 2019-20       | 2020-21       |
| Taxes on Sales, Trades, etc.                                    | 22,561        | 14,984        | 9,903         | 11,258        | 13,296        |
| State Goods and Services Tax                                    | -             | 8,696         | 18,508        | 20,448        | 17,258        |
| State Excise  | 7,533         | 8,245         | 9,542         | 10,829        | 9,526         |
| Taxes on Vehicles   | 2,252         | 2,692         | 3,008         | 3,251         | 2,749         |
| Stamps and Registration Fees                                    | 3,925         | 4,789         | 5,278         | 5,569         | 6,817         |
| Land Revenue  | 407           | 491           | 384           | 562           | 504           |
| Taxes on Goods and Passengers                                   | 3,805         | 1,159         | 118           | 145           | 75            |
| Taxes and Duties on Electricity                                 | 2,621         | 2,590         | 2,616         | 2,268         | 2,608         |
| Other Taxes <sup>3</sup>  | 1,090         | 1,165         | 1,525         | 1,494         | 1,626         |
| <b>Total</b>  | <b>44,194</b> | <b>44,811</b> | <b>50,882</b> | <b>55,824</b> | <b>54,459</b> |
| GSDP at current prices  | 6,49,823      | 7,26,338      | 8,13,820      | 9,37,405      | 9,17,555      |
| Tax revenue as percentage of GSDP (in per cent)                 | 6.80          | 6.17          | 6.25          | 5.96          | 5.94          |

Source: Finance Accounts of the respective years

Own Tax Revenue of the State increased by 26.32 per cent during 2016-20. It reduced marginally from ₹55,824 crore in 2019-20 to ₹54,459 crore in 2020-21. During the current year, major contributors of Tax Revenue were State Goods and Services Tax (31.69 per cent), Taxes on Sales, Trades, etc. (24.41 per cent) and State Excise (17.49 per cent).

During 2020-21, Own Tax Revenue decreased by ₹1,365 crore (2.45 per cent) over the previous year, mainly due to decrease in receipts of State Goods and Service Tax and State

<sup>3</sup> Other taxes include Taxes on Immovable Property other than Agricultural Land, Other Taxes on Income and Expenditure and Duties on Commodities and Services.



Excise, which is better than neighbouring States like Maharashtra (-13.10 *per cent*) and Gujarat (-11.10 *per cent*). Due to COVID 19, rate of registration fees was decreased from three *per cent* to 2.50 *per cent* (from May 2020 to June 2020) and additional stamp duty was decreased from three *per cent* to one *per cent*. The higher number of registrations done in the financial year 2020-21 over the previous year resulted in higher revenue collection under ‘Stamps and Registration Fees’.

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

Goods and Services Tax (GST) was implemented with effect from 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 ₹29,515 crore for the year 2020-21 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 2020-21, the State Government collected ₹17,258 crore under Major Head ‘0006 State Goods and Services Tax’. GoI released ₹5,293 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 Government of India for projected loss of revenue was short by ₹6,964 crore. Besides, the State Government also received back to back loan of ₹4,542 crore from GoI to meet the resource gap due to shortfall in GST compensation during 2020-21.

### 2.6.2.3 Evasion of tax

The cases of evasion of tax detected by the Excise and 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 2021 as reported by the Mining Department are given in **Table 2.5** below:

| Nature of Revenue | No. of cases pending as on 31.03.2020 | No. of cases detected during 2020-21 | Total no. of cases | No. of cases in which investigation completed and additional demand including penalty raised |                     | No. of pending cases as on 31.03.2021 |
|-------------------|---------------------------------------|--------------------------------------|--------------------|--|---------------------|---------------------------------------|
|                   |                                       |                                      |                    | No. of cases   | Amount (₹ in crore) |                                       |
| Mining            | 2,322                                 | 11,040                               | 13,362             | 8,712  | 35.63               | 4,650                                 |
| <b>Total</b>      | 2,322                                 | 11,040                               | 13,362             | 8,712  | 35.63               | 4,650                                 |

Source: Information furnished by Department concerned

**Table 2.6** shows details of refund cases of Electricity fees, Stamps and Registration fees and Excise Department.

| S.No. | Particulars   | Electricity fees |                     | Stamps and Registration fees |                     | Excise Department |                     |
|-------|---|------------------|---------------------|------------------------------|---------------------|-------------------|---------------------|
|       |   | No. of cases     | Amount (₹ in crore) | No. of cases                 | Amount (₹ in crore) | No. of cases      | Amount (₹ in crore) |
| 1     | Claims outstanding at the beginning of the year 2020-21 | 1                | 1.07                | 2,398                        | 7.77                | 97                | 3.70                |
| 2     | Claims received during the year                         | 13               | 7.43                | 8,748                        | 34.27               | 428               | 20.44               |
| 3     | Refunds made during the year                            | 9                | 5.51                | 7,898                        | 32.48               | 428               | 20.70               |
| 4     | Refunds rejected during the year                        | -                | -                   | -                            | -                   | -                 | -                   |
| 5     | Balance outstanding at the end of the year 2020-21      | 5                | 2.58                | 3,256                        | 10.01               | 96*               | 3.35                |

Source: Information furnished by Departments concerned

\*One case from Sagar district excluded as amount of ₹0.09 crore forfeited by the department.

### 2.6.2.4 Non-Tax Revenue

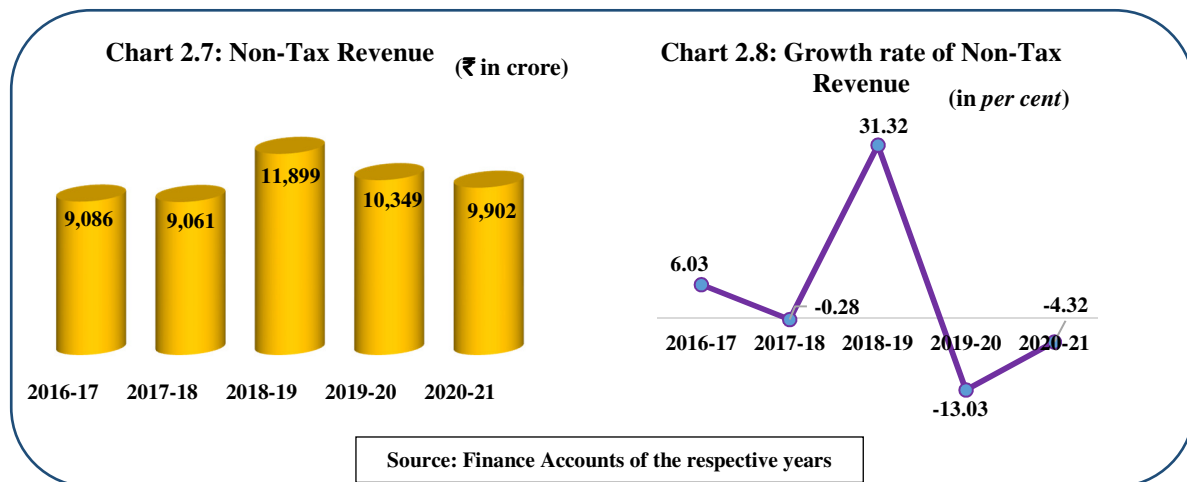
The component-wise details of Non-Tax Revenue collected during the years 2016-21 are given in **Table 2.7**:

| Revenue Head                                    | (₹ in crore)    |                 |                 |                 |                    |
|---|-----------------|-----------------|-----------------|-----------------|--------------------|
|   | 2016-17         | 2017-18         | 2018-19         | 2019-20         | 2020-21            |
| Non-Ferrous Mining and Metallurgical Industries | 3,168           | 3,641           | 3,934           | 4,320           | 4,557              |
| Education, Sports, Art and Culture              | 1,824           | 1,310           | 2,366           | 2,060           | 1,383              |
| Forestry and Wildlife                           | 918             | 1,112           | 1,043           | 833             | 1,240              |
| Interest Receipts                               | 582             | 639             | 880             | 443             | 243                |
| Dividends and Profits                           | 231             | 622             | 347             | 476             | 288                |
| Other Non-Tax Receipts                          | 2,363           | 1,737           | 3,329           | 2,217           | 2,191 <sup>4</sup> |
| <b>Total</b>                                    | <b>9,086</b>    | <b>9,061</b>    | <b>11,899</b>   | <b>10,349</b>   | <b>9,902</b>       |
| <b>Revenue Receipts</b>                         | <b>1,23,307</b> | <b>1,34,875</b> | <b>1,48,893</b> | <b>1,47,643</b> | <b>1,46,377</b>    |
| Percentage to Revenue Receipts                  | 7.37            | 6.72            | 7.99            | 7.01            | 6.76               |

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 2016-17 to 2020-21 with inter year fluctuation, increased by ₹2,813 crore from 2016-17 to 2018-19 but decreased by ₹1,997 crore from 2018-19 to 2020-21. During the current year, major contributors of Non-Tax Revenue were Non-Ferrous Mining and Metallurgical Industries (46.02 *per cent*), Education, Sports, Art and Culture (13.97 *per cent*) and Forestry and Wildlife (12.52 *per cent*).

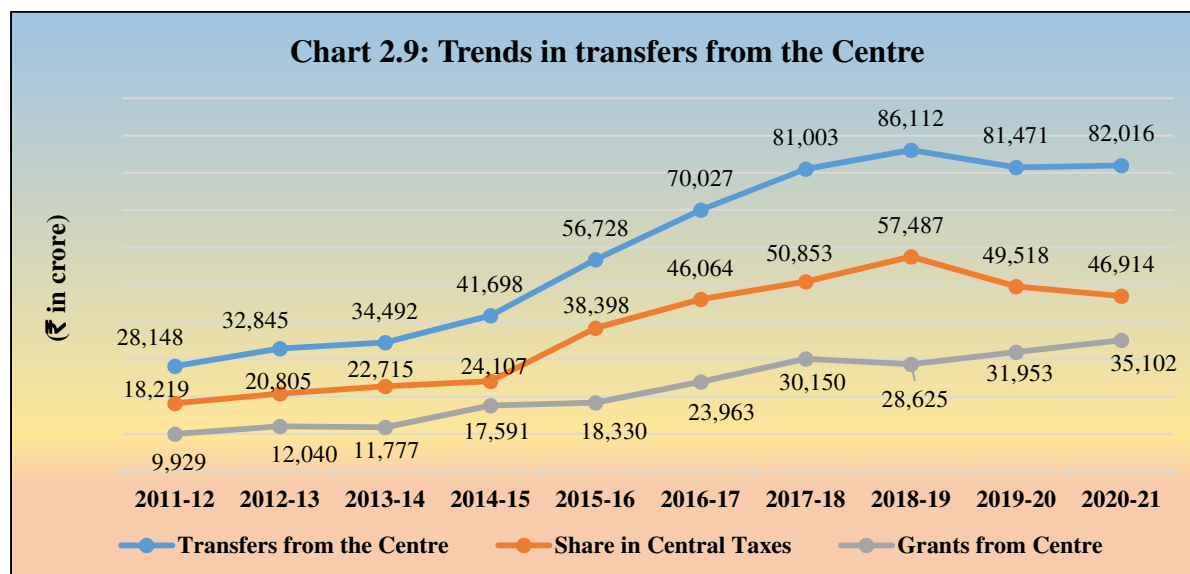
<sup>4</sup> Includes receipts under Miscellaneous General Services (₹599.43 crore), Minor Irrigation (₹231.30 crore), Other Administrative Services (₹173.18 crore), Medium Irrigation (₹140.30 crore), Contribution and Recoveries towards Pension and other Retirement Benefits (₹96.57 crore), Medical and Public Health (₹183.42 crore), Public Works (₹107.97 crore), Police (₹176.74 crore), Village and Small Industries (₹124.23 crore), Crop Husbandry (₹32.44 crore), Major Irrigation (₹41.92 crore) and Other Receipts (₹283.50 crore).



During 2018-19, increase in non-tax revenue was mainly under education, sports, art and culture (by ₹1,056 crore) due to misclassification of receipts under Smagra Shiksha Abhiyan.

### 2.6.2.5 Transfer of funds from the Centre

Transfer of funds from Central Government are based on recommendations of Finance Commission.



Source: Finance Accounts of the respective years

XIV Finance Commission fixed State's share of Central Taxes at 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 increased from 2015-16 onwards, as shown in **Chart 2.9**.

### Central Tax transfers

Details of GoI transfers to the State Government during 2016-21 are given in **Table 2.8**:

| Particulars  | (₹ in crore)  |               |               |               |               |
|--|---------------|---------------|---------------|---------------|---------------|
|  | 2016-17       | 2017-18       | 2018-19       | 2019-20       | 2020-21       |
| Central Goods and Services Tax                           | -             | 716           | 14,188        | 14,052        | 13,947        |
| Integrated Goods and Services Tax                        | -             | 5,132         | 1,132         | -             | -             |
| Corporation Tax  | 14,752        | 15,569        | 19,990        | 16,884        | 14,155        |
| Taxes on income other than Corporation Tax               | 10,252        | 13,147        | 14,722        | 13,229        | 14,512        |
| Customs  | 6,346         | 5,131         | 4,075         | 3,139         | 2,495         |
| Union Excise Duties                                      | 7,246         | 5,363         | 2,708         | 2,182         | 1,577         |
| Service Tax  | 7,434         | 5,795         | 531           | -             | 203           |
| Taxes on Wealth  | 34            | 0             | 7             | 1             | -             |
| Other Taxes and Duties on Commodities and Services       | 0             | 0             | 30            | 31            | 25            |
| Other Taxes on Income and Expenditure                    | 0             | 0             | 104           | -             | -             |
| <b>Total Central Tax transfers</b>                       | <b>46,064</b> | <b>50,853</b> | <b>57,487</b> | <b>49,518</b> | <b>46,914</b> |
| Percentage of increase(+)/decrease(-) over previous year | 19.96         | 10.40         | 13.05         | (-)13.86      | (-)5.26       |
| Percentage of Central tax transfers to Revenue Receipts  | 37.36         | 37.70         | 38.61         | 33.54         | 32.00         |

Source: Finance Accounts of the respective years

Central Tax transfers increased from ₹46,064 crore in 2016-17 to ₹57,487 crore in 2018-19 and significantly decreased from ₹57,487 crore in 2018-19 to ₹46,914 crore in 2020-21. The decrease of Central Tax transfers by ₹2,604 crore in 2020-21 over the previous year was mainly under Corporation Tax (by ₹2,729 crore) and Customs (by ₹644 crore), offset partially by increases under other heads.

### 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**:

| Particulars <sup>5</sup>  | (₹ in crore)  |               |               |               |               |
|---|---------------|---------------|---------------|---------------|---------------|
|   | 2016-17       | 2017-18       | 2018-19       | 2019-20       | 2020-21       |
| Non-Plan Grants   | 5,473         | 4,408         | 4,921         | -             | -             |
| Grants for State Plan schemes   | 17,702        | 23,164        | 20,821        | -             | -             |
| Grants for Central Plan schemes   | 257           | 67            | 17            | -             | -             |
| Grants for Centrally Sponsored Schemes  | 531           | -             | -             | -             | -             |
| Centrally Sponsored Schemes   | -             | -             | -             | 19,548        | 21,340        |
| Other Grants to States (Compensation for loss of revenue arising out of implementation of GST and Grant towards contribution to NDRF) | -             | 2,511         | 2,866         | 6,327         | 7,185         |
| Finance Commission Grants   | -             | -             | -             | 6,078         | 6,577         |
| <b>Total</b>  | <b>23,963</b> | <b>30,150</b> | <b>28,625</b> | <b>31,953</b> | <b>35,102</b> |
| Percentage of increase(+)/decrease(-) over previous year  | 30.73         | 25.82         | (-)5.06       | 11.63         | 9.86          |
| Revenue Receipts  | 1,23,307      | 1,34,875      | 1,48,893      | 1,47,643      | 1,46,377      |
| Total Grants as a percentage of Revenue Receipts  | 19.43         | 22.35         | 19.23         | 21.64         | 23.98         |

Source: Finance Accounts of the respective years

<sup>5</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, it has been revised only with effect from 1 April 2019.

The Grants-in-Aid from GoI increased continuously from ₹23,963 crore in 2016-17 to ₹35,102 crore in 2020-21 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 2020-21 increased by ₹3,148 crore (9.85 per cent) over the previous year primarily due to increase in National Health Mission by ₹1,269 crore and Total Cleanliness Program by ₹791 crore. Further, the State Government received back to back loan of ₹4,542 crore in lieu of shortfall in GST compensation during 2020-21 as debt receipt which would otherwise be a transfer as GIA from GoI.

## 2.7 Fourteenth/Fifteenth 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 (Panchayati Raj Institutions and Urban 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**:

| <b>Table 2.10: Recommended amount, actual release and transfers of Grants-in-aid</b> |                                  |                 |                  |                       |                 |                  |                             |                 |                  |
|--|----------------------------------|-----------------|------------------|-----------------------|-----------------|------------------|-----------------------------|-----------------|------------------|
| (₹ in crore)   |                                  |                 |                  |                       |                 |                  |                             |                 |                  |
| Transfers  | Recommendations of the XIV/XV FC |                 |                  | Actual release by GoI |                 |                  | Release by State Government |                 |                  |
|  | 2016-20                          | 2020-21         | Total            | 2016-20               | 2020-21         | Total            | 2016-20                     | 2020-21         | Total            |
| <b>(i) Grants to PRIs</b>  | <b>12,092.75</b>                 | <b>3,984.00</b> | <b>16,076.75</b> | <b>11,299.59</b>      | <b>3,984.00</b> | <b>15,283.59</b> | <b>11,299.59</b>            | <b>3,984.00</b> | <b>15,283.59</b> |
| (a) General Basic Grant  | 10,737.11                        | 3,984.00        | 14,721.11        | 10,737.11             | 3,984.00        | 14,721.11        | 10,737.11                   | 3,984.00        | 14,721.11        |
| (b) General Performance Grants   | 1,355.64                         | -               | 1,355.64         | 562.48                | -               | 562.48           | 562.48                      | -               | 562.48           |
| <b>(ii) Grants to ULBs</b>   | <b>4,679.80</b>                  | <b>1,918.00</b> | <b>6,597.80</b>  | <b>4,077.26</b>       | <b>1,918.00</b> | <b>5,995.26</b>  | <b>4,077.26</b>             | <b>1,918.00</b> | <b>5,995.26</b>  |
| (a) General Basic Grant  | 3,644.49                         | 1,918.00        | 5,562.49         | 3,644.49              | 1,918.00        | 5,562.49         | 3,644.49                    | 1,918.00        | 5,562.49         |
| (b) General Performance Grants   | 1,035.31                         | -               | 1,035.31         | 432.77                | -               | 432.77           | 432.77                      | -               | 432.77           |
| <b>Total for Local Bodies</b>  | <b>16,772.55</b>                 | <b>5,902.00</b> | <b>22,674.55</b> | <b>15,376.85</b>      | <b>5,902.00</b> | <b>21,278.85</b> | <b>15,376.85</b>            | <b>5,902.00</b> | <b>21,278.85</b> |
| <b>State Disaster Response Fund*</b>   | <b>3,573.00</b>                  | <b>1,820.00</b> | <b>5,393.00</b>  | <b>2,977.50</b>       | <b>1,820.00</b> | <b>4,797.50</b>  | <b>2,977.50</b>             | <b>1,820.00</b> | <b>4,797.50</b>  |

Source: Information furnished by Finance Department, GoMP

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

Against the XIV/XV Finance Commission recommended grant of ₹22,674.55 crore to local bodies (for PRIs ₹16,076.75 crore and for ULBs ₹6,597.80 crore) for the period 2016-21, GoI short released ₹1,395.70 crore to GoMP. Further, XIV/XV Finance Commission recommended ₹5,393.00 crore under SDRF for the period 2016-21. However, GoI short released ₹595.50 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 2016-21 are given below in **Table 2.11**:

| (₹ in crore) |  |                  |                    |               |               |                     |
|--------------|--|------------------|--------------------|---------------|---------------|---------------------|
| Sl. No.      | Sources of State's Receipts  | 2016-17          | 2017-18            | 2018-19       | 2019-20       | 2020-21             |
| 1            | Miscellaneous Capital Receipts                                       | 24               | 19                 | 13            | 14            | 14                  |
| 2            | Inter-State settlement   | -                | -                  | -             | -             | -                   |
| 3            | Recovery of loans and advances                                       | 772 <sup>6</sup> | 5,070 <sup>7</sup> | 70            | 46            | 58                  |
| 4            | <b>Non-debt Capital Receipts (1+2+3)</b>                             | <b>796</b>       | <b>5,089</b>       | <b>83</b>     | <b>60</b>     | <b>72</b>           |
| 5            | Rate of growth of non-debt capital receipts ( <i>per cent</i> )      | 318.95           | 539.32             | (-)98.37      | (-)27.71      | 20.00               |
| 6            | Internal Debt  | 28,581           | 19,975             | 28,701        | 29,496        | 54,242              |
| 7            | Growth rate of Internal Debt   | 53.18            | (-)30.11           | 43.68         | 2.77          | 83.90               |
| 8            | Loans and Advances from the Central Government                       | 1,267            | 1,917              | 3,796         | 4,868         | 10,929 <sup>8</sup> |
| 9            | Growth rate of Loans and Advances from the Central Government        | (-)4.45          | 51.30              | 98.02         | 28.24         | 124.51              |
| 10           | <b>Public Debt Receipts (6+8)</b>                                    | <b>29,847</b>    | <b>21,892</b>      | <b>32,497</b> | <b>34,364</b> | <b>65,171</b>       |
| 11           | <b>Capital Receipts (4+10)</b>                                       | <b>30,643</b>    | <b>26,981</b>      | <b>32,580</b> | <b>34,424</b> | <b>65,243</b>       |
| 12           | Rate of growth of Public Debt Receipts ( <i>per cent</i> )           | 49.35            | (-)26.65           | 48.44         | 5.75          | 89.65               |
| 13           | Rate of growth of GSDP ( <i>per cent</i> )                           | 20.10            | 11.80              | 12.00         | 15.20         | (-)2.10             |
| 14           | Rate of growth of receipts under Capital Section ( <i>per cent</i> ) | 51.89            | (-)11.95           | 20.75         | 5.66          | 89.53               |

Source: Finance Accounts of the respective years

Capital Receipts of the State Government increased by 89.53 *per cent* from ₹34,424 crore in 2019-20 to ₹65,243 crore in 2020-21 primarily due to increase in Internal Debt from ₹29,496 crore in 2019-20 to ₹54,242 crore in 2020-21. Due to COVID-19, the Central Government had given permission to the State Government for additional borrowing. As of 1 April 2020, the total amount of loan from Government of India was ₹21,036 crore (out of the total public debt of ₹1,80,829 crore).

## 2.9 State's performance in mobilization of resources

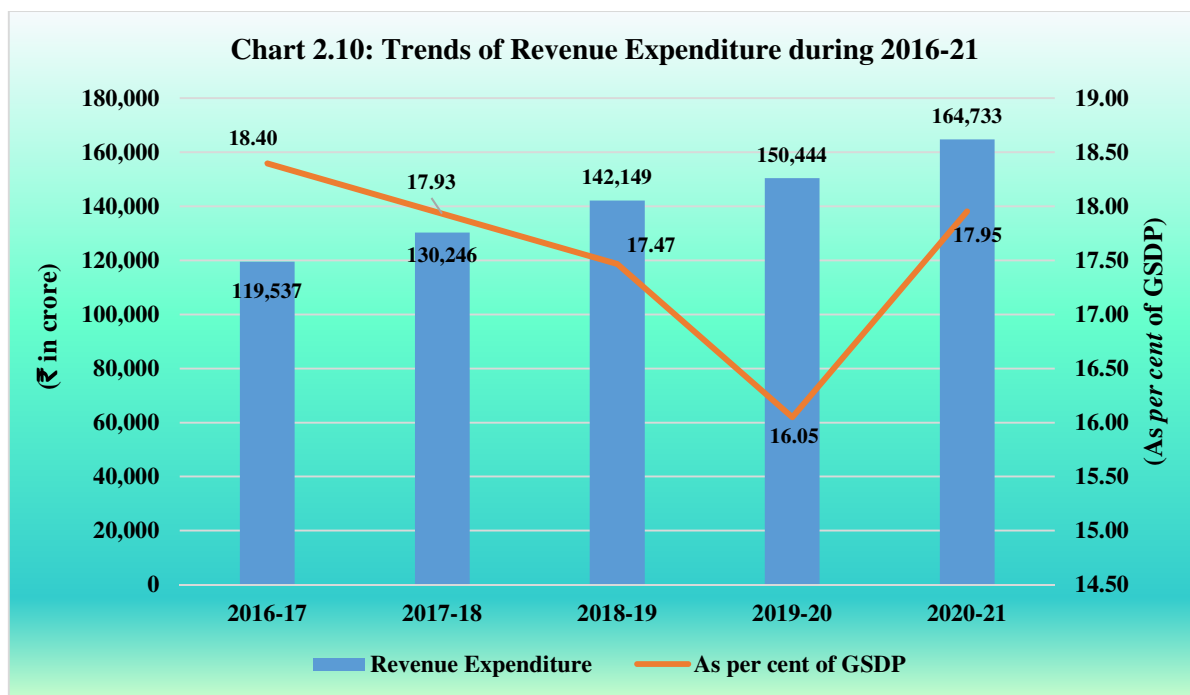
State's performance in mobilization of resources is assessed in terms of its own resources comprising Own Tax and Non-Tax sources for the year 2020-21.

<sup>6</sup> Of this, ₹507 crore pertains to recovery of loans to agriculture and allied activities.

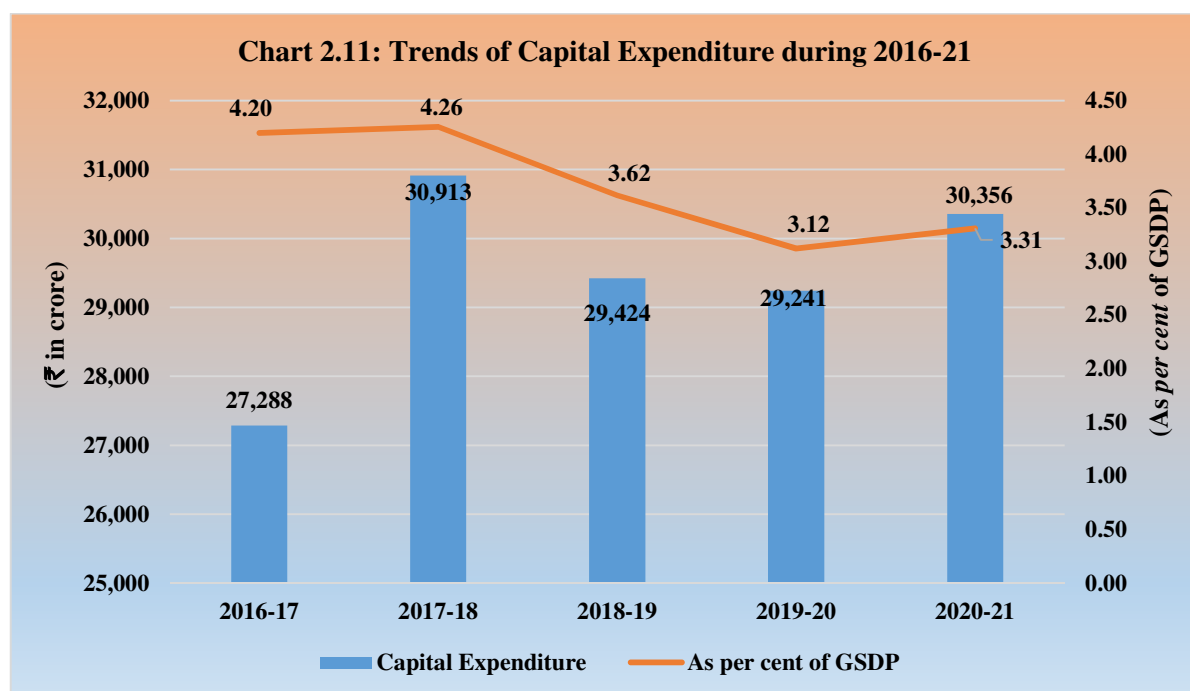
<sup>7</sup> Of this, ₹4,622 crore pertains to recovery of 'loans for power projects'.

<sup>8</sup> Of this, ₹4,542 crore pertains to back to back loan in lieu of GST compensation shortfall.



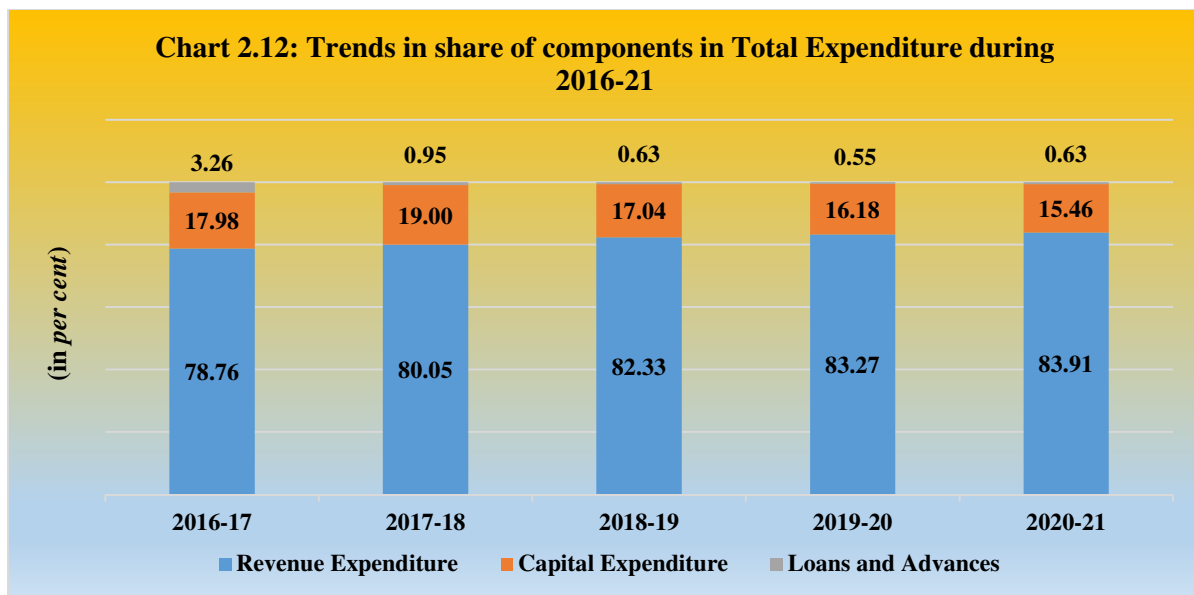


Source: Finance Accounts of the respective years and information furnished by Directorate of Economic and Statistics, Government of Madhya Pradesh



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





Source: Finance Accounts of the respective years

Capital Expenditure has generally displayed a decreasing trend with inter year fluctuations in the last five years, with its share as a percentage of GSDP decreasing from 4.20 *per cent* in 2016-17 to 3.31 *per cent* in 2020-21.

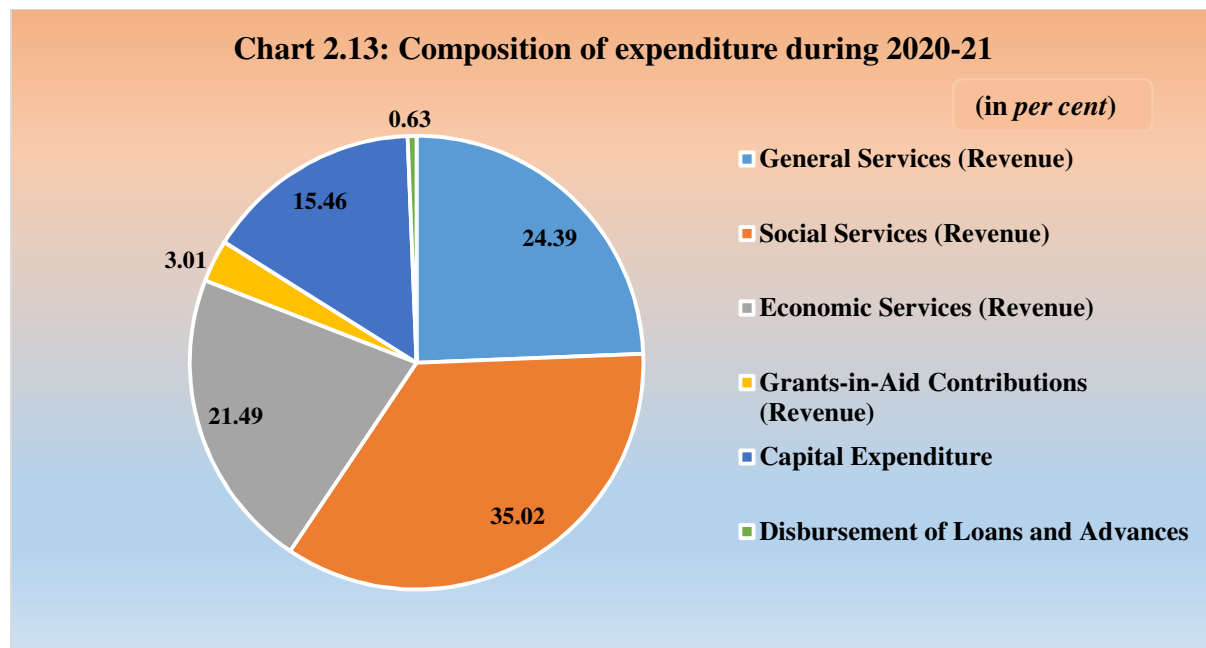
In terms of activities, Total Expenditure is composed of expenditure on General Services, including Interest Payments, Social Services, Economic Services and others. Relative share of these components in the Total Expenditure of ₹1,96,319 crore (refer *Appendix 2.1*) during 2020-21 is given in **Table 2.14**:

| Table 2.14: Relative Share of various sectors in expenditure |               |         |         |         |         |
|--|---------------|---------|---------|---------|---------|
| Parameters   | (in per cent) |         |         |         |         |
|  | 2016-17       | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| General Services   | 18.85         | 20.19   | 22.49   | 22.59   | 24.88   |
| Social Services  | 33.75         | 39.15   | 37.31   | 39.38   | 39.17   |
| Economic Services  | 39.66         | 35.37   | 35.12   | 34.22   | 32.32   |
| Others (Grants to Local Bodies and Loans and Advances)       | 7.74          | 5.29    | 5.08    | 3.81    | 3.63    |

Source: Finance Accounts of the respective years

The relative shares of the above components of expenditure indicate that the share of General Services in the Total Expenditure increased by 2.29 *per cent* during 2020-21 over the previous year. This increase was, however, offset by decreases in the respective share of Social Services, Economic Services and others (due to less disbursement of Loans and Advances).

**Chart 2.13** depicts the composition of expenditure during 2020-21.



Source: Finance Accounts 2020-21

### 2.10.2 Revenue Expenditure

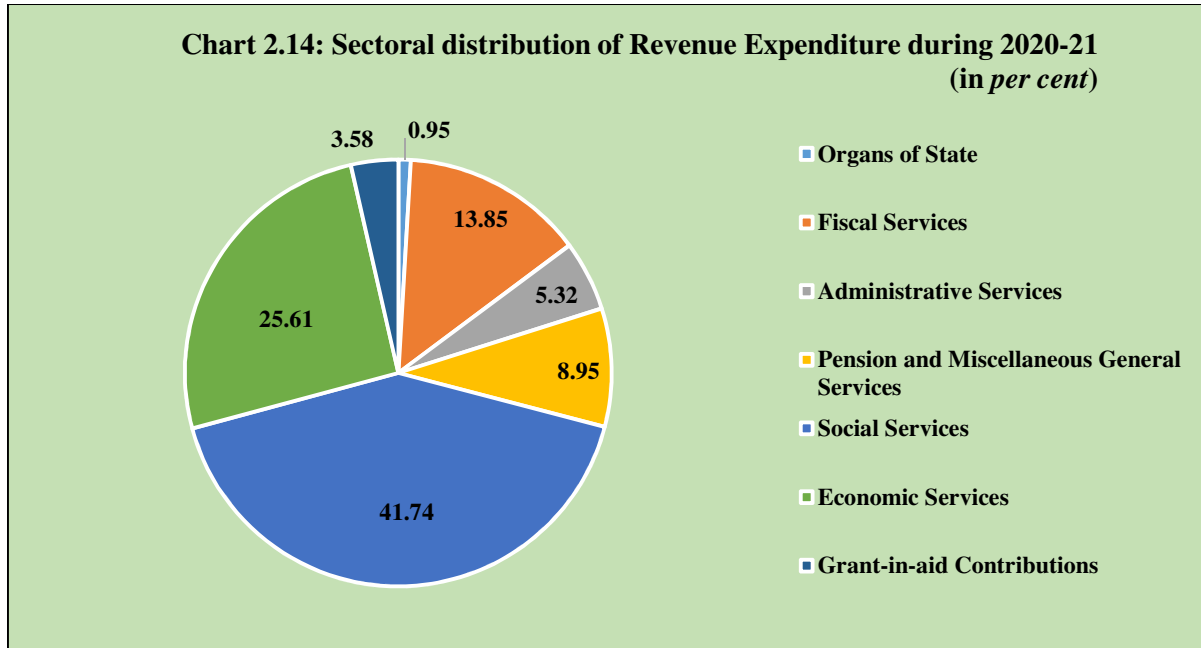
Revenue Expenditure is incurred to maintain the current level of services and for payment of past obligations. As such, it does not result in any addition to the State's infrastructure and service network.

Rate of growth of Revenue Expenditure has displayed a wide fluctuation during the five-year period 2016-21. 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**. The sectoral distribution of Revenue Expenditure pertaining to 2020-21 is given in **Chart 2.14**:

| Table 2.15: Revenue Expenditure – basic parameters |                 |                 |                 |                 |                 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| (₹ in crore)                                       |                 |                 |                 |                 |                 |
| Parameters   | 2016-17         | 2017-18         | 2018-19         | 2019-20         | 2020-21         |
| <b>Total Expenditure (TE)</b>                      | <b>1,51,767</b> | <b>1,62,709</b> | <b>1,72,664</b> | <b>1,80,672</b> | <b>1,96,319</b> |
| Revenue Expenditure (RE)                           | 1,19,537        | 1,30,246        | 1,42,149        | 1,50,444        | 1,64,733        |
| Rate of Growth of RE ( <i>per cent</i> )           | 19.81           | 8.96            | 9.14            | 5.84            | 9.50            |
| Revenue Expenditure as percentage of TE            | 78.76           | 80.05           | 82.33           | 83.27           | 83.91           |
| GSDP   | 6,49,823        | 7,26,338        | 8,13,820        | 9,37,405        | 9,17,555        |
| RE/GSDP ( <i>per cent</i> )                        | 18.40           | 17.93           | 17.47           | 16.05           | 17.95           |
| Revenue Receipts (RR)                              | 1,23,307        | 1,34,875        | 1,48,893        | 1,47,643        | 1,46,377        |
| RE as percentage of RR                             | 96.94           | 96.57           | 95.47           | 101.90          | 112.54          |
| <b>Buoyancy of Revenue Expenditure with</b>        |                 |                 |                 |                 |                 |
| GSDP (ratio)                                       | 0.99            | 0.76            | 0.76            | 0.38            | (-)4.52         |
| Revenue Receipts (ratio)                           | 1.17            | 0.96            | 0.88            | (-)6.95         | (-)11.05        |

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 4.10 during 2020-21 over the previous year.



Source: Finance Accounts 2020-21

During 2020-21, Revenue Expenditure as a percentage of GSDP has increased by 1.90 *per cent*, although it witnessed an increase of ₹14,289 crore (9.50 *per cent*) over the previous year. Further, as compared to the assessment made in Medium Term Fiscal Plan (MTFP) (₹1,54,110 crore), Revenue Expenditure was higher by ₹10,623 crore.

### 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 2020-21 compared to 2019-20.

| <b>Table 2.16: Variation in Revenue Expenditure during 2020-21 compared to 2019-20</b> |           |           |                           |
|--|-----------|-----------|---------------------------|
| (₹ in crore)   |           |           |                           |
| Major Heads of Account   | 2019-20   | 2020-21   | Variation<br>(percentage) |
| 2045- Other Taxes and Duties on Commodities and Services                               | 31.20     | 2,086.96  | 2,055.76 (6,588.97)       |
| 2049- Interest Payments  | 14,216.52 | 15,917.87 | 1,701.35 (11.97)          |
| 2071- Pensions and other Retirement Benefits   | 12,053.48 | 14,670.70 | 2,617.22 (21.71)          |
| 2236- Nutrition  | 1,485.98  | 1,116.31  | (-)369.67 (24.88)         |
| 2245- Relief on account of Natural Calamities  | 2,838.02  | 4,944.37  | 2,106.35 (74.22)          |
| 2401- Crop Husbandry   | 9,164.91  | 6,196.92  | (-)2,967.99 (32.38)       |
| 2408- Food, Storage and Warehousing  | 938.81    | 2,845.81  | 1,907.00 (203.13)         |
| 2505- Rural Employment   | 1,650.00  | 3,559.65  | 1,909.65 (115.74)         |
| 2851- Village and Small Industries   | 693.05    | 465.19    | (-)227.86 (32.88)         |

Source: Finance Accounts of the respective years

Revenue Expenditure under Major Head 2071-Pension and other Retirement Benefits increased significantly by ₹2,617 crore during the year, primarily due to the increase in expenditure on pensionary charges in respect of High Court Judges. Further, increase in expenditure under the Head 2245-Relief on account of Natural Calamities during 2020-21 as compared to the previous year, was due to increase in expenditure on Direction and Administration and management of Natural Disaster, Contingency Plans in disaster-prone areas. Revenue Expenditure under Major Head 2401-Crop Husbandry decreased by

₹2,968 crore over the previous year due to decrease in expenditure on Seeds and Agricultural Engineering.

### 2.10.2.2 Committed Expenditure

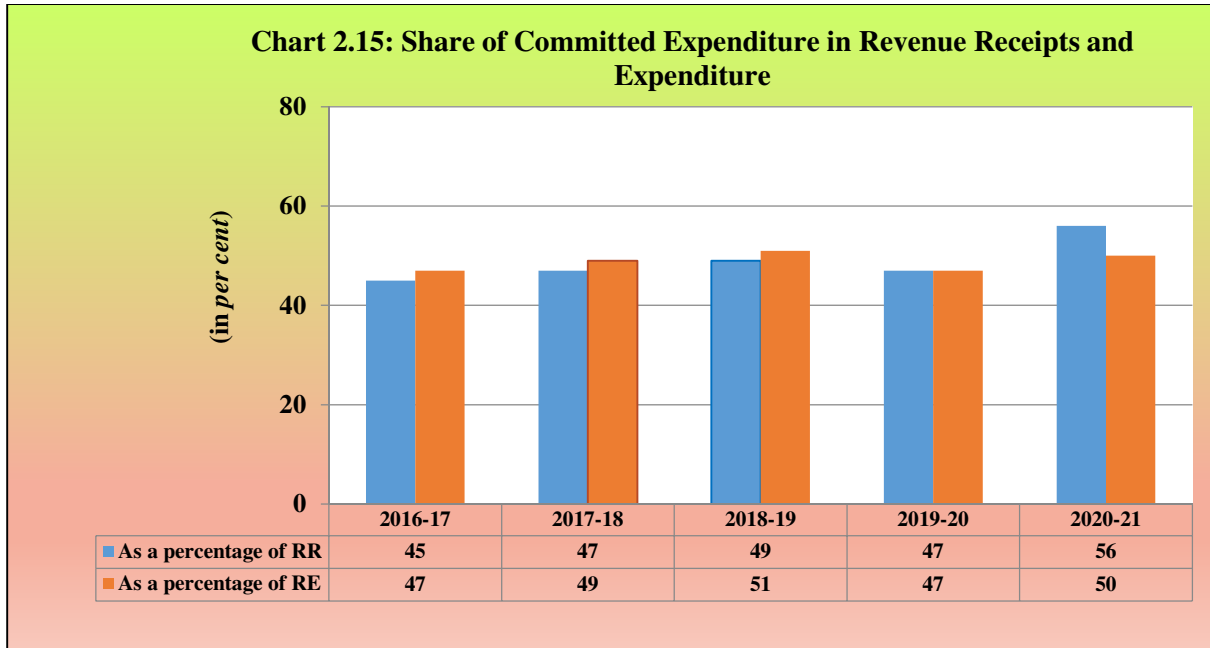
The committed expenditure of the State Government on revenue account consists of interest payments, expenditure on salaries and wages, and pensions. Upward trend on committed expenditure leaves the Government with lesser flexibility for development sector.

**Table 2.17** presents the trends in the components of Committed Expenditure during 2016-21.

| <b>Table 2.17: Components of Committed Expenditure</b> |                |                |                |                |                |
|--|----------------|----------------|----------------|----------------|----------------|
| (₹ in crore)   |                |                |                |                |                |
| <b>Components of Committed Expenditure</b>             | <b>2016-17</b> | <b>2017-18</b> | <b>2018-19</b> | <b>2019-20</b> | <b>2020-21</b> |
| Salaries & Wages                                       | 21,577         | 24,026         | 27,256         | 31,160         | 37,759         |
| Expenditure on Pensions                                | 8,793          | 9,290          | 11,984         | 12,053         | 14,671         |
| Interest Payments                                      | 9,079          | 11,045         | 12,696         | 14,217         | 15,918         |
| Subsidies  | 16,512         | 19,381         | 21,222         | 12,642         | 13,669         |
| <b>Total</b>   | <b>55,961</b>  | <b>63,742</b>  | <b>73,158</b>  | <b>70,072</b>  | <b>82,017</b>  |
| <b>As a percentage of Revenue Receipts (RR)</b>        |                |                |                |                |                |
| Salaries & Wages                                       | 17.50          | 17.81          | 18.31          | 21.10          | 25.80          |
| Expenditure on Pensions                                | 7.13           | 6.89           | 8.05           | 8.16           | 10.02          |
| Interest Payments                                      | 7.36           | 8.19           | 8.53           | 9.63           | 10.87          |
| Subsidies  | 13.39          | 14.37          | 14.25          | 8.56           | 9.34           |
| <b>Total</b>   | <b>45.38</b>   | <b>47.26</b>   | <b>49.13</b>   | <b>47.46</b>   | <b>56.03</b>   |
| <b>As a percentage of Revenue Expenditure (RE)</b>     |                |                |                |                |                |
| Salaries & Wages                                       | 18.05          | 18.45          | 19.17          | 20.71          | 22.92          |
| Expenditure on Pensions                                | 7.36           | 7.13           | 8.43           | 8.01           | 8.91           |
| Interest Payments                                      | 7.60           | 8.48           | 8.93           | 9.45           | 9.66           |
| Subsidies  | 13.81          | 14.88          | 14.93          | 8.40           | 8.30           |
| <b>Total</b>   | <b>46.81</b>   | <b>48.94</b>   | <b>51.47</b>   | <b>46.58</b>   | <b>49.79</b>   |

Source: Finance Accounts of respective years

Committed Expenditure has grown from ₹55,961 crore (46.81 per cent of RE) in 2016-17 to ₹82,017 crore (49.79 per cent of RE) in 2020-21. However, as compared to 2019-20, Committed Expenditure increased by ₹11,945 crore (17.05 per cent) in 2020-21, mainly because of 21.18 per cent increase in Salaries & Wages.



Source: Finance Accounts of the respective years

Committed expenditure (₹82,017 crore) accounted for 49.79 *per cent* of the total revenue expenditure (₹1,64,733 crore) during 2020-21 (**Chart 2.15**).

### 2.10.2.3 Undischarged liabilities in National Pension System payments

During 2020-21, expenditure on pension payments was ₹14,670.70 crore, out of which ₹1,614.75 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, 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 2020-21 is given in **Table 2.18**:

| (₹ in crore) |                                       |                 |                 |                          |                                 |
|--------------|---------------------------------------|-----------------|-----------------|--------------------------|---------------------------------|
| Year         | Details of contribution received from |                 |                 | Fund transferred to NSDL | Short transferred to NSDL (4-5) |
|              | Employees                             | GoMP            | Total (2+3)     |                          |                                 |
| 1            | 2                                     | 3               | 4               | 5                        | 6                               |
| 2012-13      | 113.86                                | 122.72          | 236.58          | 228.78                   | 7.80                            |
| 2013-14      | 158.66                                | 176.78          | 335.44          | 323.10                   | 12.34                           |
| 2014-15      | 216.73                                | 239.40          | 456.13          | 438.47                   | 17.66                           |
| 2015-16      | 264.29                                | 284.92          | 549.21          | 530.39                   | 18.82                           |
| 2016-17      | 313.40                                | 336.94          | 650.34          | 628.48                   | 21.86                           |
| 2017-18      | 392.64                                | 428.81          | 821.45          | 801.63                   | 19.82                           |
| 2018-19      | 424.82                                | 728.88          | 1,153.70        | 1,040.60                 | 113.10                          |
| 2019-20      | 817.17                                | 916.71          | 1,733.88        | 1,682.28                 | 51.60                           |
| 2020-21      | 1,516.40                              | 1,614.75        | 3,131.15        | 3,116.94                 | 14.21                           |
| <b>Total</b> | <b>4,217.97</b>                       | <b>4,849.91</b> | <b>9,067.88</b> | <b>8,790.67</b>          | <b>277.21</b>                   |

Source: Finance Accounts of the respective years

As can be seen from **Table 2.18** above, out of the total collected contribution of ₹9,067.88 crore (employees' contribution and Government contribution) during the period 2012-21, the State Government transferred only ₹8,790.67 crore to the designated authority through NSDL, resulting in a short transfer of ₹277.21 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. State Government intimated that the reconciliation of the excess amount contributed and short transferred to NSDL is under process.

#### 2.10.2.4 Subsidies

Subsidies as a percentage of Revenue Receipts increased from 8.56 *per cent* in 2019-20 to 9.34 *per cent* in 2020-21 and as a percentage of revenue expenditure decreased from 8.40 *per cent* in 2019-20 to 8.30 *per cent* in 2020-21. In absolute terms, expenditure on payment of subsidies increased from ₹12,642 crore in 2019-20 to ₹13,669 crore in 2020-21, which can be seen from the details given in **Table 2.19**.

| (₹ in crore)   |         |         |         |          |           |
|--|---------|---------|---------|----------|-----------|
| Particulars  | 2016-17 | 2017-18 | 2018-19 | 2019-20  | 2020-21   |
| Subsidies  | 16,512  | 19,381  | 21,222  | 12,642   | 13,669    |
| Subsidies as a percentage of Revenue Receipts              | 13.39   | 14.37   | 14.25   | 8.56     | 9.34      |
| Subsidies as a percentage of Revenue Expenditure           | 13.81   | 14.88   | 14.93   | 8.40     | 8.30      |
| Revenue Surplus(+)/Deficit(-)                              | 7,781   | 4,629   | 6,744   | (-)2,801 | (-)18,356 |
| Subsidies as a percentage of Revenue Surplus(+)/Deficit(-) | 212     | 419     | 315     | (-)451   | (-)74     |

Source: Finance Accounts of the respective years

During 2020-21, subsidies increased by ₹1,027 crore over the previous year due to more subsidies given in Power sector by ₹457 crore under Farmer Welfare and Agriculture Development Department and in Social Security and Welfare by ₹120 crore under Women and Child Development 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 2016-21 is presented in **Table 2.20**:

| <b>Table 2.20: Financial assistance to Local bodies and other Institutions</b> |                  |                  |                  |                  |                  |
|--|------------------|------------------|------------------|------------------|------------------|
| (₹ in crore)   |                  |                  |                  |                  |                  |
| Financial assistance to Institutions   | 2016-17          | 2017-18          | 2018-19          | 2019-20          | 2020-21          |
| <b>(A) Local Bodies</b>  |                  |                  |                  |                  |                  |
| Panchayati Raj Institutions  | 16,807.89        | 27,638.46        | 26,301.03        | 18,828.94        | 19,103.09        |
| Urban Local Bodies   | 8,194.05         | 11,002.14        | 11,408.89        | 6,204.28         | 6,873.93         |
| <b>Total (A)</b>   | <b>25,001.94</b> | <b>38,640.60</b> | <b>37,709.92</b> | <b>25,033.22</b> | <b>25,977.02</b> |
| <b>(B) Others</b>  |                  |                  |                  |                  |                  |
| Public Sector Undertakings   | 91.50            | 979.15           | 661.03           | 93.50            | 51.84            |
| Autonomous Bodies  | 10,241.06        | 1,567.26         | 2,245.30         | 3,099.07         | 3,223.99         |
| Co-operative Societies and Co-operative Institutions                           | 0.00             | 146.35           | 80.28            | 0.00             | 0.00             |
| Non-Government Organisations   | 2,498.40         | 3,097.42         | 1,280.38         | 689.03           | 880.53           |
| Others   | 10,912.97        | 7,766.15         | 11,368.55        | 35,292.46        | 33,310.86        |
| Other Schemes having expenditure less than ₹10 crore                           | 1,234.28         | 1,258.06         | 1,082.58         | 1,051.05         | 826.71           |
| <b>Total (B)</b>   | <b>24,978.21</b> | <b>14,814.39</b> | <b>16,718.12</b> | <b>40,225.11</b> | <b>38,293.93</b> |
| <b>Grand Total (A+B)</b>   | <b>49,980.15</b> | <b>53,454.99</b> | <b>54,428.04</b> | <b>65,258.33</b> | <b>64,270.95</b> |
| Revenue Expenditure  | 1,19,537.37      | 1,30,246.09      | 1,42,149.21      | 1,50,444.30      | 1,64,733.01      |
| <b>Financial assistance as a percentage to Revenue Expenditure</b>             | <b>41.81</b>     | <b>41.04</b>     | <b>38.29</b>     | <b>43.38</b>     | <b>39.02</b>     |

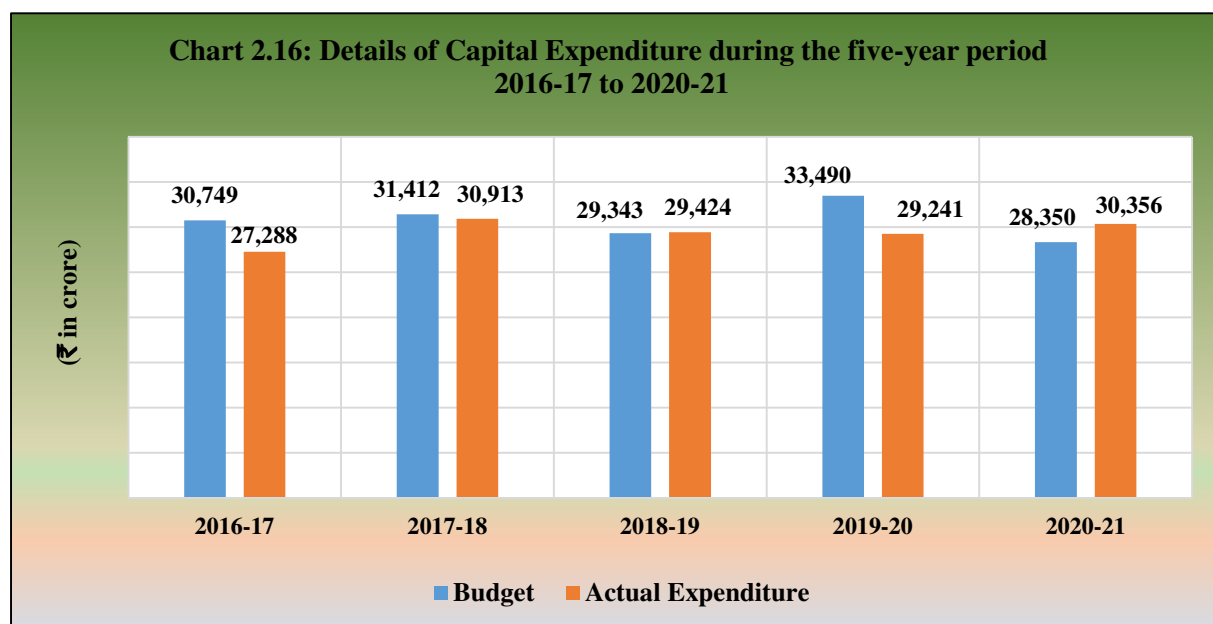
Source: Finance Accounts of the respective years

Financial assistance to Local Bodies and other Institutions increased by ₹14,290.80 crore from ₹49,980.15 crore in 2016-17 to ₹64,270.95 crore in 2020-21. Financial assistance to Local Bodies increased by ₹943.80 crore over the previous year.

Financial assistance as a percentage of Revenue Expenditure decreased from 41.81 *per cent* in 2016-17 to 39.02 *per cent* in 2020-21 with inter year fluctuation.

### 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 2016-21 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 ₹27,288 crore in 2016-17 to ₹30,356 crore in 2020-21 with inter year fluctuation.

### 2.10.3.1 Major changes in Capital Expenditure

**Table 2.21** highlights the cases of significant increase or decrease in various Heads of Account in Capital Expenditure during 2020-21 *vis-à-vis* the previous year:

| <b>Table 2.21: Variation in Capital Expenditure during 2020-21 compared to 2019-20</b>                      |                  |                  |                          |
|---|------------------|------------------|--------------------------|
| (₹ in crore)  |                  |                  |                          |
| Major Heads of Account  | 2019-20          | 2020-21          | Variation (percentage)   |
| 4059-Capital Outlay on Public Works   | 406.46           | 366.67           | (-)39.79(9.79)           |
| 4202-Capital Outlay on Education, Sports, Art and Culture   | 1,490.26         | 1,298.59         | (-)191.67(12.86)         |
| 4210-Capital Outlay on Medical and Public Health  | 1,096.31         | 738.98           | (-)357.33(32.59)         |
| 4215-Capital Outlay on Water Supply and Sanitation  | 2,399.86         | 3,951.35         | 1,551.49(64.65)          |
| 4217-Capital Outlay on Urban Development  | 782.18           | 1,208.29         | 426.11(54.48)            |
| 4225-Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities | 982.48           | 822.23           | (-)160.25(16.31)         |
| 4406-Capital Outlay on Forestry and Wild Life   | 537.55           | 916.58           | 379.03(70.51)            |
| 4515-Capital Outlay on Other Rural Development Programmes   | 4,452.28         | 3,782.09         | (-)670.19(15.05)         |
| 4700-Capital Outlay on Major Irrigation   | 7,509.23         | 8,360.86         | 851.63(11.34)            |
| 4701-Capital Outlay on Medium Irrigation  | 945.05           | 1,174.96         | 229.91(24.33)            |
| 5054- Capital Outlay on Roads and Bridges   | 6,145.82         | 5,401.89         | (-)743.93(12.10)         |
| <b>Total</b>  | <b>28,298.97</b> | <b>26,471.00</b> | <b>(-)1,827.97(6.46)</b> |
| <b>Capital expenditure during the year</b>  | <b>29,241.48</b> | <b>30,355.77</b> | <b>1,114.29(3.81)</b>    |

Source: Finance Accounts of the respective years

The above Table reveals that 28 *per cent* of total Capital Expenditure was incurred on Major Irrigation though it has increased by ₹851.63 crore in 2020-21 as compared to the previous year. Also, 18 *per cent* of total Capital Expenditure was incurred on Roads and Bridges.



### 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 such companies (e.g. DISCOMs), Corporations (e.g. SC & ST Financial Corporation), and co-operatives (e.g. sugar mills), 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 2020-21, the Government of Madhya Pradesh had invested ₹39,091.86 crore in 35 Statutory Corporations, 44 Government Companies, 24 Joint Stock Companies and Partnership, one Bank and 129 Co-operatives in the State as of 31 March 2021. The State Government earned a return of ₹288.44 crore on these investments during 2020-21. Year-wise details of investment by the Government of Madhya Pradesh over the five year period 2016-21 are as follows:

| Table 2.22: Details of Investment and return on Investment as of 31 March 2021                    |                    |                    |                    |                    |                    |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| (₹ in crore)  |                    |                    |                    |                    |                    |
| Entities  | 2016-17            | 2017-18            | 2018-19            | 2019-20            | 2020-21            |
| Statutory Corporations<br>(No. of entities)   | 10,316.45<br>(26)  | 8,760.96<br>(33)   | 9,259.66<br>(34)   | 10,038.35<br>(35)  | 10,892.35<br>(35)  |
| Government Companies<br>(No. of entities)   | 9,423.12<br>(35)   | 20,521.26<br>(43)  | 24,349.56<br>(41)  | 24,713.23<br>(41)  | 26,544.84<br>(44)  |
| Joint Stock Companies and Partnerships<br>(No. of entities)                                       | 0.11<br>(23)       | 0.11<br>(23)       | 1.31<br>(24)       | 1.31<br>(24)       | 1.31<br>(24)       |
| Banks <sup>9</sup><br>(No. of entities)   | Negligible<br>(01) | Negligible<br>(01) | Negligible<br>(01) | Negligible<br>(01) | Negligible<br>(01) |
| Co-operatives<br>(No. of entities)  | 2,087.30<br>(133)  | 254.93<br>(130)    | 1,629.57<br>(130)  | 1,620.63<br>(130)  | 1,653.36<br>(129)  |
| <b>Total Investment</b>   | <b>21,826.98</b>   | <b>29,537.26</b>   | <b>35,240.10</b>   | <b>36,373.52</b>   | <b>39,091.86</b>   |
| Return on investment  | 231.50             | 622.36             | 347.26             | 475.96             | 288.44             |
| Return on investment ( <i>per cent</i> )  | 1.06               | 2.11               | 0.99               | 1.31               | 0.74               |
| Average rate of interest on Government borrowings ( <i>per cent</i> )                             | 6.42               | 6.73               | 6.92               | 6.69               | 6.12               |
| Difference between interest on Government borrowings and return on investment ( <i>per cent</i> ) | 5.36               | 4.62               | 5.93               | 5.38               | 5.38               |

Source: Finance Accounts of the respective years

The average rate of return on investment was 1.24 *per cent* during the five-year period 2016-21, while the average rate of interest paid by the State Government during the period was 6.58 *per cent*.

<sup>9</sup> It includes the Rural Bank and Urban and Industrial Co-operative Bank.

There is a variation in the details relating to the State Public Sector Undertakings (PSUs) as given above in **Table 2.22** (as per Finance Accounts) and information furnished by 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 (December 2021) and also 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 Accountant General (A&E) to enable depiction of the correct status in this regard. The State Government is yet to act on this issue.

### 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 2.23** presents the outstanding Loans and Advances as on 31 March 2021, along with interest receipts *vis-à-vis* interest payments during the five-year period 2016-21.

| <b>Table 2.23: Outstanding Loans and Advances and interest receipts and payments by State Government</b>     |                            |                            |                            |               |                            |
|--|----------------------------|----------------------------|----------------------------|---------------|----------------------------|
| (₹ in crore)   |                            |                            |                            |               |                            |
| Quantum of loans/interest receipts/<br>cost of Borrowings  | 2016-17                    | 2017-18                    | 2018-19                    | 2019-20       | 2020-21                    |
| <b>Opening Balance of Loans and Advances (1)</b>   | <b>40,827<sup>10</sup></b> | <b>44,989<sup>11</sup></b> | <b>41,124<sup>12</sup></b> | <b>42,144</b> | <b>42,585<sup>13</sup></b> |
| Amount disbursed during the year (2)   | 4,941                      | 1,550                      | 1,090                      | 987           | 1,230                      |
| Amount recovered during the year (3)   | 772                        | 5,070                      | 70                         | 46            | 58                         |
| <b>Closing Balance of Loans and Advances (4)</b>   | <b>44,996</b>              | <b>41,469</b>              | <b>42,144</b>              | <b>43,085</b> | <b>43,757</b>              |
| Net addition of Loans and Advances (5)=(2-3)   | 4,169                      | (-)3,520                   | 1,020                      | 941           | 1,172                      |
| Interest received (6)  | 62                         | 97                         | 235                        | 130           | 88                         |
| Interest receipts as percentage of outstanding loans and advances (7)  | 0.14                       | 0.23                       | 0.56                       | 0.30          | 0.20                       |
| Average rate of interest on Government borrowings ( <i>per cent</i> ) (8)                                    | 6.42                       | 6.73                       | 6.92                       | 6.69          | 6.12                       |
| Difference between interest rate on market borrowings and interest received on loans ( <i>per cent</i> ) (9) | 6.28                       | 6.50                       | 6.36                       | 6.39          | 5.92                       |

Source: Finance Accounts of the respective years

The total amount of outstanding Loans and Advances as on 31 March 2021 was ₹43,757 crore. The Economic Sector (₹38,837 crore) has huge outstanding Loans and Advances which increased by ₹455.93 crore over the previous year. The amount of Loans disbursed during the year increased by 24.62 *per cent* from ₹987 crore to ₹1,230 crore in current year.

Average rate of interest paid on borrowings was 6.12 *per cent* during 2020-21, while the rate of interest received was only 0.20 *per cent* on Loans and Advances given by the Government.

<sup>10</sup> Opening balance decreased by ₹10.21 crore due to proforma transfer to Chhattisgarh.

<sup>11</sup> Opening balance decreased by ₹6.74 crore due to proforma transfer to Chhattisgarh.

<sup>12</sup> Opening balance decreased by ₹345.35 crore due to proforma transfer to Chhattisgarh.

<sup>13</sup> Opening balance decreased by ₹500 crore due to proforma correction.

### 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.

Blocking of funds on incomplete works impinges negatively on the quality of expenditure. The details of incomplete projects as on 31 March 2021 as per sample check are summarised below in **Table 2.24**.

| (₹ in crore)                                    |                               |  |  |  |  |                        |                 |
|---|-------------------------------|--|--|--|--|------------------------|-----------------|
| Particulars                                     | Number of incomplete projects | Initial budgeted cost of all incomplete projects | Cumulative actual expenditure of all incomplete projects | No. of projects for which costs were revised | Estimated cost of project for which costs were revised |                        |                 |
|   |                               |  |  |  | Initial  | Revised estimated cost | Cost overrun    |
| Public Health Engineering Department            | 54                            | 1,978.53   | 1,306.76   | 7  | 253.47   | 337.30                 | 83.83           |
| Narmada Valley Development Authority            | 15                            | 10,498.36  | 14,140.40  | 4  | 5,616.36   | 14,526.00              | 8,909.64        |
| Municipal Corporation, Bhopal (Housing For All) | 03                            | 364.97   | 13.90  | -  | -  | -                      | -               |
| <b>Total</b>                                    | <b>72</b>                     | <b>12,841.86</b>                                 | <b>15,461.06</b>   | <b>11</b>                                    | <b>5,869.83</b>  | <b>14,863.30</b>       | <b>8,993.47</b> |

Source: Information furnished from departments

Delay in completion of projects resulted in cost overrun of ₹8,993.47 crore in 11 projects apart from delaying the envisaged benefits.

The funds borrowed for implementation of these projects during the respective years proved futile while the State continued to bear the burden of servicing the 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.

Government of Madhya Pradesh entered into a tripartite Memorandum of Understanding with Madhya Pradesh DISCOMs<sup>14</sup> and Ministry of Power (Government of India) in August 2016, whereunder the State would take over the debt amounting to ₹26,055 crore (75 per cent of the

<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).

total debt of Madhya Pradesh DISCOMs of ₹34,739 crore) as on 30 September 2015 in five<sup>15</sup> years. Government of Madhya Pradesh was required to take over debt of ₹4,621 crore during 2020-21 and transfer the same amount to Madhya Pradesh DISCOMs in the form of grant. This was not done. However, as committed in the Memorandum of Understanding, Government of Madhya Pradesh took over five *per cent* of the losses of Madhya Pradesh DISCOMs for the year 2017-18 amounting to ₹253.21 crore, 10 *per cent* losses for the year 2018-19 amounting to ₹729.95 crore and 25 *per cent* losses for the year 2019-20 amounting to ₹711.63 crore in 2020-21. Details may be seen in **Table 2.25** below:

|              |                       |          |                      |                        | (₹ in crore)     |
|--------------|-----------------------|----------|----------------------|------------------------|------------------|
| Year         | For debts taking over |          |                      | For losses taking over | Total            |
|              | Equity                | Loan     | Grant                | Grant                  |                  |
| 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           |
| 2020-21      | -                     | -        | -                    | 711.63                 | 711.63           |
| <b>Total</b> | <b>7,568.00</b>       | <b>-</b> | <b>4,622.00</b>      | <b>1,694.79</b>        | <b>13,884.79</b> |

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

Energy Department stated (December 2020 and February 2021) that for the year 2019-20 consent was not given by Finance Department for transfer of funds to DISCOMs and for the year 2020-21 funds could not be transferred to DISCOMs due to non-provisioning of funds in the budget.

### 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.

We noted that out of 188 PPP projects (costing ₹18,860.24 crore) initiated as of March 2021, 141 projects (75 *per cent*) were completed at a cost of ₹14,672.24 crore, while six projects (3.19 *per cent*) costing ₹1,061.51 crore were in progress and 41 projects (21.81 *per cent*) costing ₹3,126.49 crore were in the pipeline or under bidding. Details are given in **Table 2.26** below:

<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                   | Commerce, Industries & Employment           | 3              | 176.48           | 0                        | 0.00            | 0             | 0.00          | 0                                  | 0.00            | 3                  | 176.48           |
| 2                   | Energy                                      | 3              | 382.70           | 0                        | 0.00            | 0             | 0.00          | 0                                  | 0.00            | 3                  | 382.70           |
| 3                   | Farmers Welfare and Agriculture Development | 1              | 138.50           | 0                        | 0.00            | 0             | 0.00          | 0                                  | 0.00            | 1                  | 138.50           |
| 4                   | Food, Civil Supplies & Consumer Protection  | 2              | 374.92           | 0                        | 0.00            | 1             | 125.00        | 0                                  | 0.00            | 1                  | 249.92           |
| 5                   | Forest                                      | 4              | 196.68           | 1                        | 130.00          | 1             | 50.00         | 1                                  | 15.68           | 1                  | 1.00             |
| 6                   | Housing & Environment                       | 3              | 47.00            | 0                        | 0.00            | 0             | 0.00          | 0                                  | 0.00            | 3                  | 47.00            |
| 7                   | Medical Education                           | 1              | 105.73           | 1                        | 105.73          | 0             | 0.00          | 0                                  | 0.00            | 0                  | 0.00             |
| 8                   | Public Health & Family Welfare              | 1              | 67.00            | 0                        | 0.00            | 0             | 0.00          | 0                                  | 0.00            | 1                  | 67.00            |
| 9                   | Public Works                                | 132            | 12,427.71        | 6                        | 69.37           | 6             | 145.48        | 0                                  | 0.00            | 120                | 12,212.86        |
| 10                  | Sports & Youth Welfare                      | 1              | 900.00           | 0                        | 0.00            | 0             | 0.00          | 1                                  | 900.00          | 0                  | 0.00             |
| 11                  | Tourism                                     | 3              | 35.00            | 0                        | 0.00            | 1             | 15.00         | 0                                  | 0.00            | 2                  | 20.00            |
| 12                  | Transport                                   | 1              | 1,094.00         | 0                        | 0.00            | 0             | 0.00          | 0                                  | 0.00            | 1                  | 1,094.00         |
| 13                  | Tribal Welfare                              | 1              | 52.02            | 1                        | 52.02           | 0             | 0.00          | 0                                  | 0.00            | 0                  | 0.00             |
| 14                  | Urban Development & Housing                 | 32             | 2,862.50         | 22                       | 2,419.95        | 1             | 13.94         | 4                                  | 145.83          | 5                  | 282.78           |
| <b>Total</b>        |   | <b>188</b>     | <b>18,860.24</b> | <b>31</b>                | <b>2,777.07</b> | <b>10</b>     | <b>349.42</b> | <b>6</b>                           | <b>1,061.51</b> | <b>141</b>         | <b>14,672.24</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 2016-17 to 2020-21 are analysed in **Table 2.27** below:

| <b>(in per cent)</b>                            |         |       |        |        |       |              |           |
|---|---------|-------|--------|--------|-------|--------------|-----------|
| Fiscal Priority (percentage to GSDP)            | TE/GSDP | DE/TE | SSE/TE | ESE/TE | CE/TE | Education/TE | Health/TE |
| General Category States Average (Ratio) 2016-17 | 17.12   | 72.16 | 37.00  | 35.16  | 19.77 | 14.93        | 5.49      |
| Madhya Pradesh's (Ratio) 2016-17                | 23.55   | 76.67 | 33.80  | 42.86  | 21.24 | 14.21        | 3.91      |
| General Category States Average (Ratio) 2020-21 | 16.18   | 67.45 | 38.97  | 28.48  | 13.03 | 15.00        | 6.74      |
| Madhya Pradesh's (Ratio) 2020-21                | 21.40   | 72.09 | 39.54  | 32.55  | 16.09 | 14.54        | 4.93      |

TE: Total Expenditure; DE: Development Expenditure; SSE: Social Services Expenditure; ESE: Economic Services Expenditure; CE: Capital Expenditure; GSDP: Gross State Domestic Product.

Allocation to health and education has been lower in Madhya Pradesh both during 2016-17 as well as the current year 2020-21 compared to the average allocation to these sectors by the General Category States during these years. The ratio of allocation to development expenditure of the State exceeded the average quantum allocated by the General Category States during 2016-17 as well as in the current year 2020-21.

### 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 2.28** below:

| <b>Table 2.28: Object Head-wise expenditure vis-à-vis budget authorisation</b> |                    |                    |                               |
|--|--------------------|--------------------|-------------------------------|
| (₹ in crore)   |                    |                    |                               |
| <b>Head</b>  | <b>Budget</b>      | <b>Expenditure</b> | <b>Utilisation percentage</b> |
| 11-Salaries  | 31,305.54          | 35,916.13          | 114.73                        |
| 12-Wages   | 1,928.96           | 1,843.06           | 95.55                         |
| 13-Pension and Pensionary benefits   | 15,548.77          | 13,079.69          | 84.12                         |
| 15- Social Security Pension  | 1,417.46           | 1,413.44           | 99.72                         |
| 19-Salary of works charged contingent employee                                 | 1,250.18           | 1,124.92           | 89.98                         |
| 22-Office Expenses   | 1,127.38           | 1,076.17           | 95.46                         |
| 31-Payment for Professional Services   | 2,997.14           | 2,901.00           | 96.79                         |
| 33-Maintenance   | 1,340.13           | 1,219.92           | 91.03                         |
| 34-Material and Supplies   | 3,817.35           | 3,349.09           | 87.73                         |
| 41-Stipend and Scholarship   | 2,320.28           | 2,317.25           | 99.87                         |
| 42-Grants-in-aid   | 71,287.53          | 63,534.64          | 89.12                         |
| 43-Contributions   | 1,600.16           | 1,641.13           | 102.56                        |
| 44-Subsidies   | 13,798.99          | 13,669.04          | 99.06                         |
| 51-Other Charges   | 2,004.90           | 1,459.79           | 72.81                         |
| 52-Payment of Interest/Dividend  | 17,025.54          | 15,934.35          | 93.59                         |
| 64-Major Works   | 24,519.05          | 24,095.66          | 98.27                         |
| 65-Investment  | 2,921.88           | 2,732.81           | 93.53                         |
| 73-Inter Account Transfer  | 7,767.31           | 7,777.34           | 100.13                        |
| <b>Total</b>   | <b>2,03,978.55</b> | <b>1,95,085.43</b> | <b>95.64</b>                  |

Source: Finance Accounts and VLC data 2020-21

As can be seen from the above **Table**, out of a total budgetary allocation of ₹2,03,979 crore on the above Object Heads, the actual expenditure on various Object Heads during 2020-21 was ₹1,95,085 crore (95.64 *per cent*). Out of the 18 Objects Heads mentioned above, three Object Heads utilised more than 100 *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

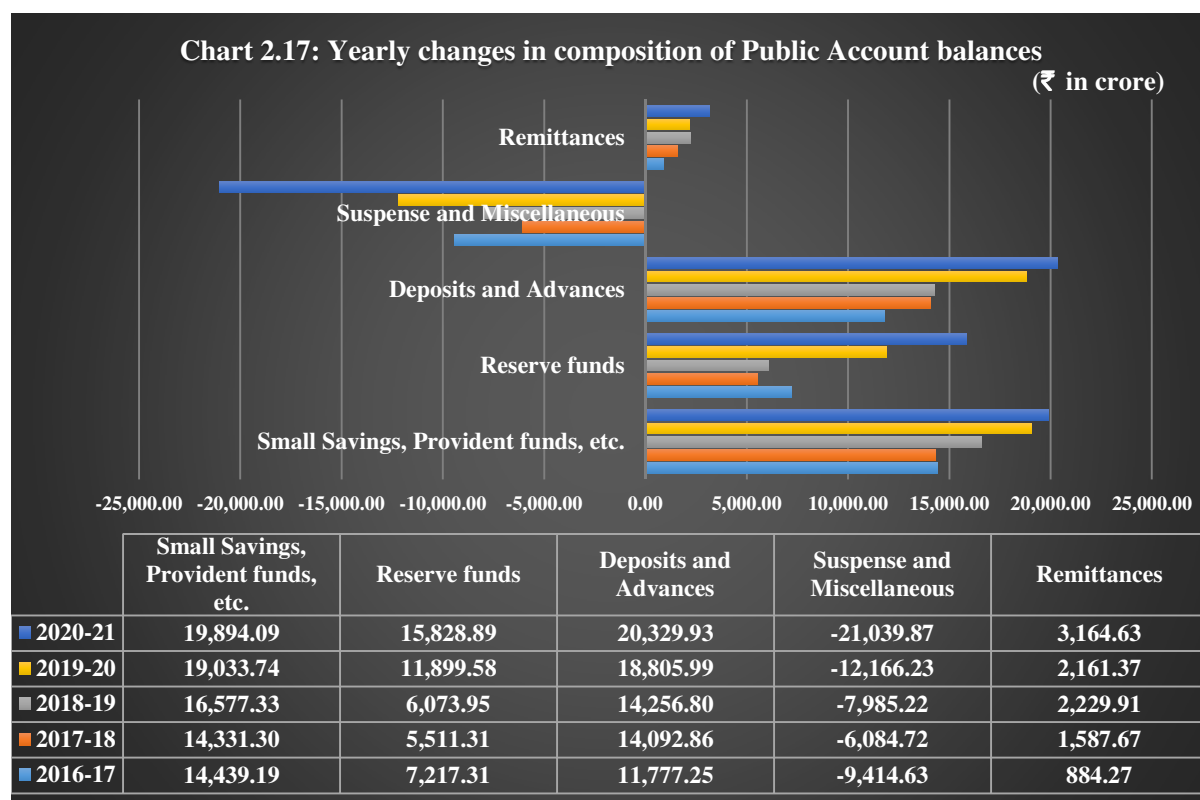
Component-wise net balances in the Public Account of the State as of end of March 2021 are given in **Table 2.29** below:

| <b>Table 2.29: Component-wise net balances in Public Account as of 31 March of the year</b> |   |                  |                  |                  |                  |                  |
|---|---|------------------|------------------|------------------|------------------|------------------|
| (₹ in crore)  |   |                  |                  |                  |                  |                  |
| <b>Sector</b>   | <b>Sub Sector</b>   | <b>2016-17</b>   | <b>2017-18</b>   | <b>2018-19</b>   | <b>2019-20</b>   | <b>2020-21</b>   |
| <b>I. Small Savings, Provident Fund, etc.</b>   | National Small Savings Fund, State Provident Funds and Other Accounts | 14,493.19        | 14,331.30        | 16,577.33        | 19,033.74        | 19,894.09        |
| <b>J. Reserve Funds</b>   | (a) Reserve Funds bearing Interest                                    | 770.46           | 102.46           | 75.43            | 5,199.92         | 5,684.40         |
|   | (b) Reserve Funds not bearing Interest                                | 6,446.85         | 5,408.85         | 5,998.52         | 6,699.66         | 10,144.49        |
| <b>K. Deposits and Advances</b>   | (a) Deposits bearing Interest   | 2.93             | -16.63           | -31.54           | -44.45           | -66.79           |
|   | (b) Deposits not bearing Interest                                     | 11,778.25        | 14,112.89        | 14,291.74        | 18,853.92        | 20,400.20        |
|   | (c) Advances  | -3.93            | -3.40            | -3.40            | -3.48            | -3.48            |
| <b>L. Suspense and Miscellaneous</b>  | (b) Suspense  | -178.36          | -679.42          | -222.35          | -1,391.42        | -862.43          |
|   | (c) Other Accounts  | -9,236.12        | -5,405.15        | -7,762.72        | -10,774.66       | -20,177.29       |
|   | (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                                | 1,424.99         | 2,167.14         | 2,885.48         | 2,855.74         | 3,820.37         |
|   | (b) Inter-Governmental Adjustment Account                             | -540.72          | -579.47          | -655.57          | -694.37          | -655.74          |
| <b>Total</b>  |   | <b>24,957.39</b> | <b>29,438.42</b> | <b>31,152.77</b> | <b>39,734.45</b> | <b>38,177.67</b> |

Source: Finance Accounts of respective years

Component-wise net balances in Public Account as of 31 March of the respective year increased progressively by 59.21 per cent in 2016-20 to reduce marginally in 2020-21. The net balances in Public Account decreased by ₹1,556.78 crore in 2020-21 over the previous year, mainly due to decrease in Suspense and Miscellaneous by ₹8,873.64 crore which was partly counter-balanced by increase in Reserve Funds by ₹3,929.31 crore, Deposits and Advances by ₹1,523.94 crore and Remittances by ₹1,003.26 crore.

The yearly changes in composition of balances in Public Account over the five year period 2016-21 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 2016-21 are summarised in **Table 2.30**:

| Table 2.30: Position of Reserve Funds during 2016-21 |  |                         |             |                                    |                         |                              | (₹ in crore)                        |
|--|--|-------------------------|-------------|------------------------------------|-------------------------|------------------------------|-------------------------------------|
| Sl. No.  | Heads of Account                         | Number of Reserve Funds |             | Opening balance as on 1 April 2016 | Receipts during 2016-21 | Disbursements during 2016-21 | Closing balance as on 31 March 2021 |
|  |  | Operative               | Inoperative |                                    |                         |                              |                                     |
| <b>Reserve Funds bearing interest</b>                |  |                         |             |                                    |                         |                              |                                     |
| 1  | 8121-General and other Reserve Funds     | 02                      | 00          | 770.46                             | 17,216.54               | 12,302.61                    | 5,684.39                            |
| <b>Reserve Funds not bearing interest</b>            |  |                         |             |                                    |                         |                              |                                     |
| 1  | 8223-Famine Relief Fund                  | 00                      | 01          | 5.93                               | -                       | -                            | 5.93                                |
| 2  | 8226-Depreciation/ Renewal Reserve Funds | 00                      | 01          | 4.64                               | -                       | -                            | 4.64                                |
| 3  | 8228- Revenue Reserve Funds              | 01                      | 00          | 31.70                              | -                       | 0.0015                       | 31.70                               |
| 4  | 8229-Development and Welfare Funds       | 06                      | 04          | 6,924.67                           | 6,972.17                | 3,869.72                     | 10,027.12                           |
| 5  | 8235-General and Other Reserve Funds     | 02                      | 00          | 394.61                             | 604.91                  | -                            | 999.52                              |
| <b>Total</b>   |  | <b>11</b>               | <b>06</b>   | <b>8,132.01</b>                    | <b>24,793.62</b>        | <b>16,172.33</b>             | <b>16,753.30</b>                    |

Source: Finance Accounts of respective years



Out of the total outstanding balance of ₹16,753 crore, available in various Reserve Funds as on 31 March 2021, the GoMP invested ₹959.49 crore which was mainly under Guarantee Redemption Fund (₹917 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 ₹2,427 crore (₹1,820 crore Central Share and ₹607 crore State Share) under State Disaster Response Fund during the year 2020-21.

During the year 2020-21, Government of India released an additional assistance of ₹1,891.79 crore to the State Government, which was also transferred by the State Government under State Disaster Response Fund. Thus, the total amount transferred by the State Government under SDRF during the year 2020-21 was ₹4,318.79 crore. An expenditure of ₹3,833.39 crore was met from the fund during 2020-21 and there was a balance of ₹485.40 crore in the fund as on 31 March 2021. Details of expenditure charged to State Disaster Response Fund is given below in **Table 2.31**:

| Table 2.31: Details of expenditure charged to SDRF |                                 |  |                           |
|--|---------------------------------|--|---------------------------|
|  |                                 |  | (₹ in crore)              |
| Major Head of Account                              | Sub-Major Head of Account       | Minor Head of Account  | Amount                    |
| 2245-Relief on Account of Natural Calamities       | 01-Drought                      | 101-Gratuitous Relief  | 18.09                     |
|  |                                 | 102-Drinking Water Supply  | 10.70                     |
|  | 02-Floods, Cyclones, etc.       | 101-Gratuitous Relief  | 1,192.37                  |
|  | 05-State Disaster Response Fund | 101-Transfer to Reserve Funds and Deposit Accounts- State Disaster Response Fund | 2,427.00 <sup>17</sup>    |
|  |                                 | 901- Deduct- Account met from State Disaster Response Fund                       | (-)1,941.60 <sup>18</sup> |
|  | 80-General                      | 001-Direction and Administration   | 25.31                     |
|  |                                 | 102-Management to Natural Disaster, Contingency Plans in disaster prone areas    | 106.95                    |

<sup>17</sup> Central share of ₹1,820.00 crore and State share of ₹607.00 crore transferred to Major Head 8121-122- State Disaster Response Fund.

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

| Table 2.31: Details of expenditure charged to SDRF |                           |  |  |
|--|---------------------------|--|--|
|  |                           |  | (₹ in crore)                                       |
| Major Head of Account                              | Sub-Major Head of Account | Minor Head of Account  | Amount   |
|  |                           | 103-Assistance to State from National Disaster Response Fund | 1,891.79 <sup>19</sup><br>(-),891.79 <sup>20</sup> |
|  |                           | 800-Other Expenditure  | 3,105.55   |
| <b>Total</b>                                       |                           |  | <b>4,944.37</b>                                    |

Source: Finance Accounts 2020-21

### 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 ₹2.03 crore was realised by the State Government in 2019-20. As per the guidelines, ₹4.06 crore was required to be contributed by the State to the Fund in the year 2020-21.

After reconciliation of the Investment Account with the figures intimated by Reserve Bank of India, an amount of ₹550.71 crore was credited to the Fund Account and ₹507.99 crore debited to Investment Account pertaining to reinvestment of interest by Reserve Bank of India during previous years. As of 31 March 2021, the balance in the Fund was ₹959.49 crore against total outstanding guarantees of ₹37,010.36 crore. Out of the balance, an amount of ₹916.77 crore was invested in Central Government dated Securities.

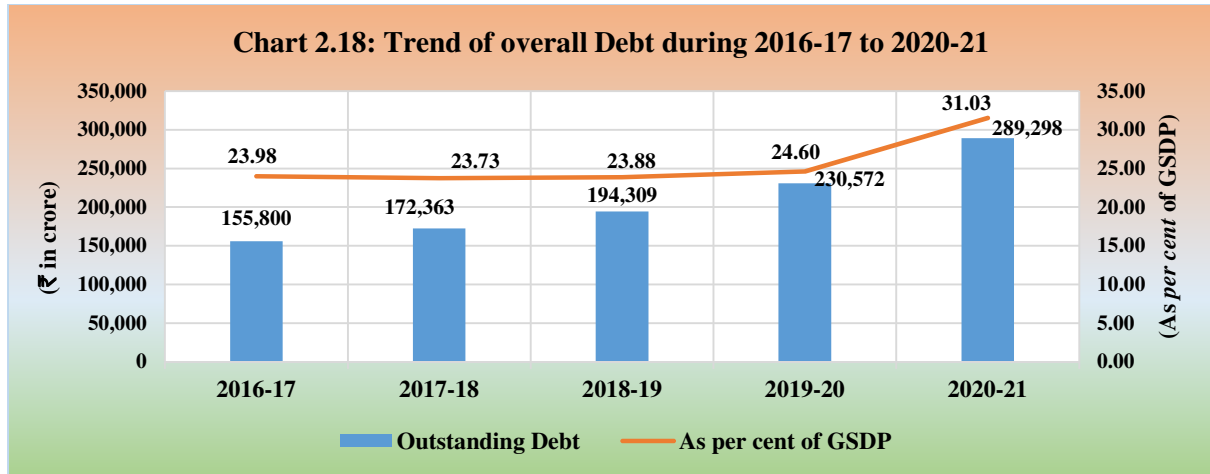
## 2.12 Debt Management

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 2016-21 may be seen in **Chart 2.18** below:

<sup>19</sup> An additional assistance of ₹1,891.79 crore released by Government of India from NDRF transferred to Major Head 8121-122- State Disaster Response Fund.

<sup>20</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

Note: Debt/GSDP ratio (2020-21) has been calculated on total outstanding debt of ₹2,84,756 crore after excluding the amount of back to back loan (₹4,542 crore) from the total outstanding debt of ₹2,89,298 crore.

### 2.12.1 Debt Profile: Components

As per Madhya Pradesh Fiscal Responsibility and Budget Management 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 available to the State during the five-year period 2016-21 are given in **Table 2.32:**

| Table 2.32: Trend of Debt |   |          |          |          |          |                      |
|---------------------------|---|----------|----------|----------|----------|----------------------|
| (₹ in crore)              |   |          |          |          |          |                      |
| SI. No.                   | Particulars   | 2016-17  | 2017-18  | 2018-19  | 2019-20  | 2020-21              |
| 1.                        | Outstanding Debt  | 1,55,800 | 1,72,363 | 1,94,309 | 2,30,572 | 2,89,298             |
| 2.                        | Public Debt   |          |          |          |          |                      |
|                           | Internal Debt   | 1,08,391 | 1,23,683 | 1,40,009 | 1,59,793 | 2,02,719             |
|                           | Loans from GoI  | 13,917   | 14,741   | 17,389   | 21,036   | 30,523 <sup>21</sup> |
| 3.                        | Liabilities on Public Account <sup>22</sup>                               | 33,492   | 33,939   | 36,911   | 49,743   | 56,056               |
| 4.                        | Rate of growth of Overall Outstanding Debt (percentage)                   | 22.54    | 10.63    | 12.73    | 18.66    | 25.47                |
| 5.                        | Gross State Domestic Product (GSDP)                                       | 6,49,823 | 7,26,338 | 8,13,820 | 9,37,405 | 9,17,555             |
| 6.                        | Debt/GSDP ( <i>per cent</i> )   | 23.98    | 23.73    | 23.88    | 24.60    | 31.03 <sup>23</sup>  |
| 7.                        | Total Debt Receipts   | 64,106   | 52,579   | 71,063   | 85,613   | 1,37,196             |
| 8.                        | Total Debt Repayments   | 35,448   | 34,506   | 49,087   | 49,351   | 78,470               |
| 9.                        | Total Debt Available (7-8)  | 28,658   | 18,073   | 21,976   | 36,262   | 58,726               |
| 10.                       | Debt Repayments/Debt Receipts (percentage)                                | 55.30    | 65.63    | 69.08    | 57.64    | 57.20                |
| 11.                       | Target under XIV/XV Finance Commission (Debt-GSDP ( <i>in per cent</i> )) | 23.70    | 23.80    | 23.90    | 24.90    | 28.80                |

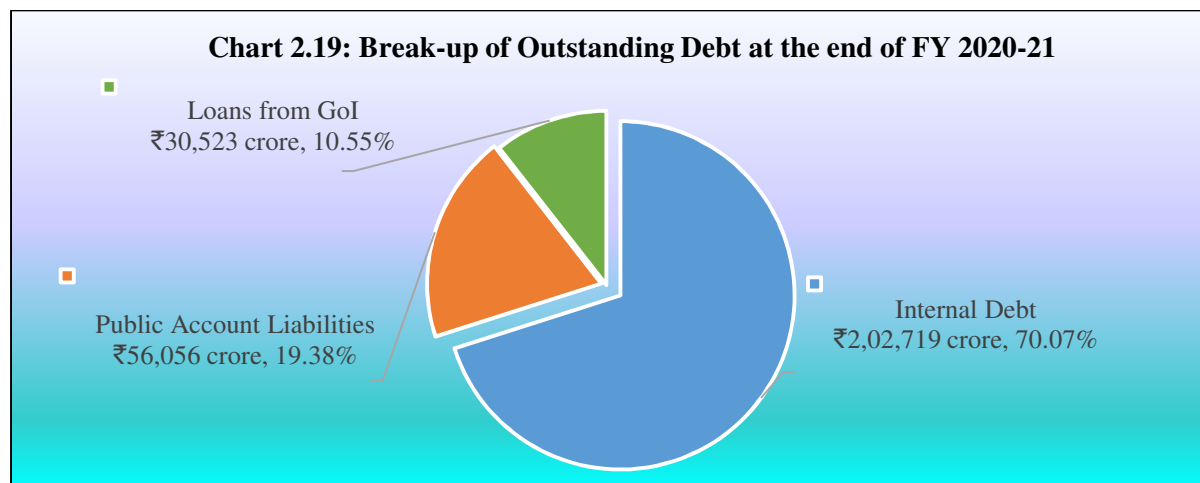
Source: Finance Accounts of respective years and Recommendations of XIV/XV FC

<sup>21</sup> Includes back to back loan in lieu of GST compensation shortfall of ₹4,542 crore.

<sup>22</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.

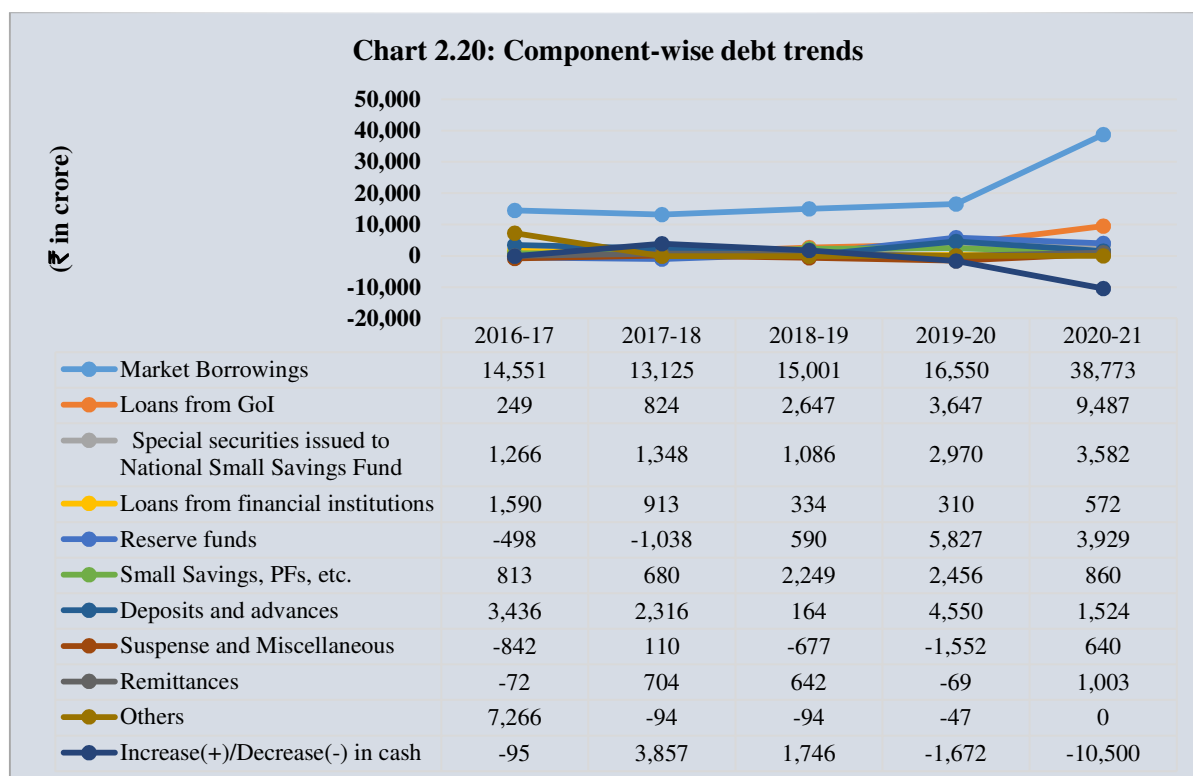
<sup>23</sup> Debt/GSDP ratio has been calculated on total outstanding debt of ₹2,84,756 crore after excluding the amount of back to back loan (₹4,542 crore) from the total outstanding debt of ₹2,89,298 crore.

Debt repayment increased by ₹29,119 crore (59 per cent) in 2020-21 as compared to 2019-20 and total debt receipts also increased by ₹51,583 crore (60.25 per cent) when compared to 2019-20. The amount of total outstanding debt shown above included back to back loan of ₹4,542 crore provided in lieu of shortfall in GST compensation as debt receipt to the State Government without repayment liability for the State. The effective outstanding debt after excluding the back to back loan would be ₹2,84,756 crore. Component-wise break-up of debt is shown below in **Chart 2.19**:

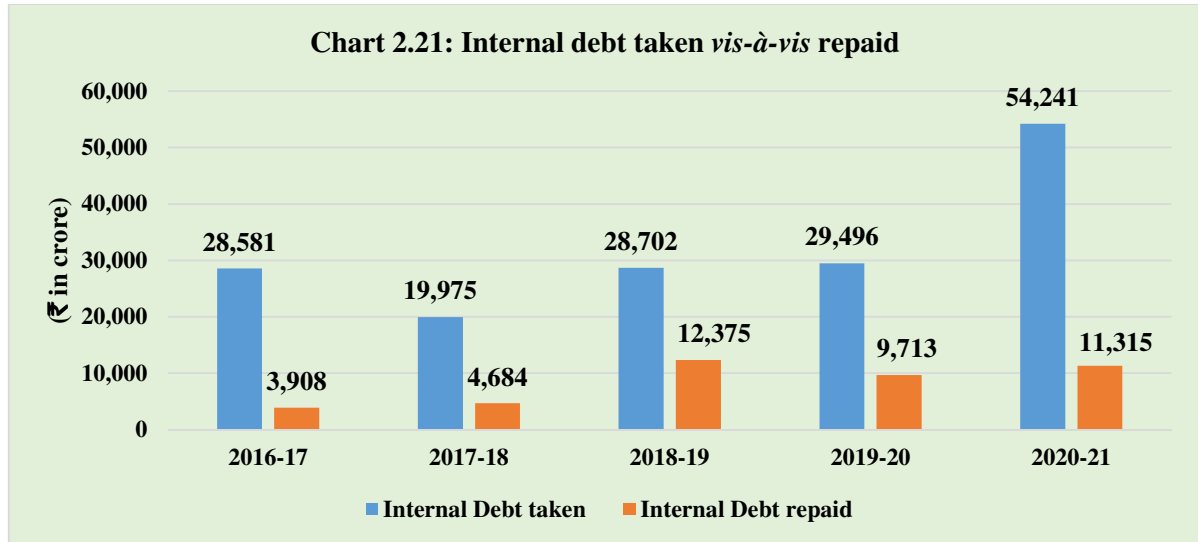


Source: Finance Accounts 2020-21

**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 2.33**:

| <b>Table 2.33: Components of Fiscal Deficit and its financing pattern</b> |                                   |                  |                  |                  |                  |                  |
|---|-----------------------------------|------------------|------------------|------------------|------------------|------------------|
| (₹ in crore)  |                                   |                  |                  |                  |                  |                  |
| Particulars   |                                   | 2016-17          | 2017-18          | 2018-19          | 2019-20          | 2020-21          |
| <b>Fiscal Deficit (-)/Surplus (+)</b>                                     |                                   | <b>(-)27,664</b> | <b>(-)22,745</b> | <b>(-)23,688</b> | <b>(-)32,970</b> | <b>(-)49,870</b> |
| <b>(FD/GSDP)</b>  |                                   | <b>(4.26)</b>    | <b>(3.12)</b>    | <b>(2.93)</b>    | <b>(3.64)</b>    | <b>(5.44)</b>    |
| <b>Composition of Fiscal Deficit/Surplus</b>                              |                                   |                  |                  |                  |                  |                  |
| 1   | Revenue Deficit (-) /Surplus(+)   | 3,770            | 4,629            | 6,744            | (-)2,801         | (-)18,356        |
| 2   | Net Capital Expenditure           | (-)27,265        | (-)30,894        | (-)29,411        | (-)29,228        | (-)30,342        |
| 3   | Net Loans & Advances              | (-)4,169         | 3,520            | (-)1,021         | (-)941           | (-)1,172         |
| <b>Financing Pattern of Fiscal Deficit</b>                                |                                   |                  |                  |                  |                  |                  |
| 1   | Market Borrowings                 | 14,551           | 13,125           | 15,001           | 16,550           | 38,773           |
| 2   | Loans from GoI                    | 249              | 824              | 2,647            | 3,647            | 9,487            |
| 3   | Special Securities issued to NSSF | 1,266            | 1,348            | 1,086            | 2,970            | 3,582            |
| 4   | Loans from Financial Institutions | 1,590            | 913              | 334              | 310              | 572              |
| 5   | Reserve Funds                     | (-)498           | (-)1,038         | 590              | 5,827            | 3,929            |
| 6   | Small Savings, PF, etc.           | 813              | 680              | 2,249            | 2,456            | 860              |
| 7   | Deposits and Advances             | 3,436            | 2,316            | 164              | 4,550            | 1,524            |
| 8   | Suspense and Miscellaneous        | (-)842           | 110              | (-)677           | (-)1,552         | 640              |
| 9   | Remittances                       | (-)72            | 704              | 642              | (-)69            | 1,003            |
| 10  | Others <sup>24</sup>              | 7,266            | (-)94            | (-)94            | (-)47            | 00               |
| 11  | Increase (+)/Decrease (-) in cash | (-)95            | 3,857            | 1,746            | (-)1,672         | (-)10,500        |
| 12  | <b>Gross Fiscal Deficit</b>       | <b>27,664</b>    | <b>22,745</b>    | <b>23,688</b>    | <b>32,970</b>    | <b>49,870</b>    |

Source: Finance Accounts of respective years

It can be seen from the above Table that Revenue Deficit and Fiscal Deficit increased by 555.34 per cent and 51.26 per cent respectively during 2020-21 over the previous year.

Receipts and Disbursements under different components financing the Fiscal Deficit are shown in **Table 2.34**:

<sup>24</sup> Transactions under Contingency Fund and Investment and Bonds.

| (₹ in crore) |                                   |          |               |               |
|--------------|-----------------------------------|----------|---------------|---------------|
| Sl. No.      | Particulars                       | Receipts | Disbursements | Net           |
| 1            | Market Borrowings                 | 45,573   | 6,800         | 38,773        |
| 2            | Loans from GoI                    | 10,929   | 1,442         | 9,487         |
| 3            | Special Securities Issued to NSSF | 6,274    | 2,692         | 3,582         |
| 4            | Loans from Financial Institutions | 2,395    | 1,823         | 572           |
| 5            | Small Savings, PF, etc.           | 5,054    | 4,194         | 860           |
| 6            | Deposits and Advances             | 58,687   | 57,163        | 1,524         |
| 7            | Suspense and miscellaneous        | 1,47,940 | 1,47,300      | 640           |
| 8            | Remittances                       | 15,513   | 14,510        | 1,003         |
| 9            | Reserve Funds                     | 8,284.84 | 4,355.52      | 3,929         |
| 10           | Others                            | 0.00     | 0.00          | 0.00          |
| 11           | Increase (+)/Decrease (-) in cash | 7,061    | 17,561        | (-)10,500     |
| 12           | <b>Gross Fiscal Deficit</b>       | --       | --            | <b>49,870</b> |

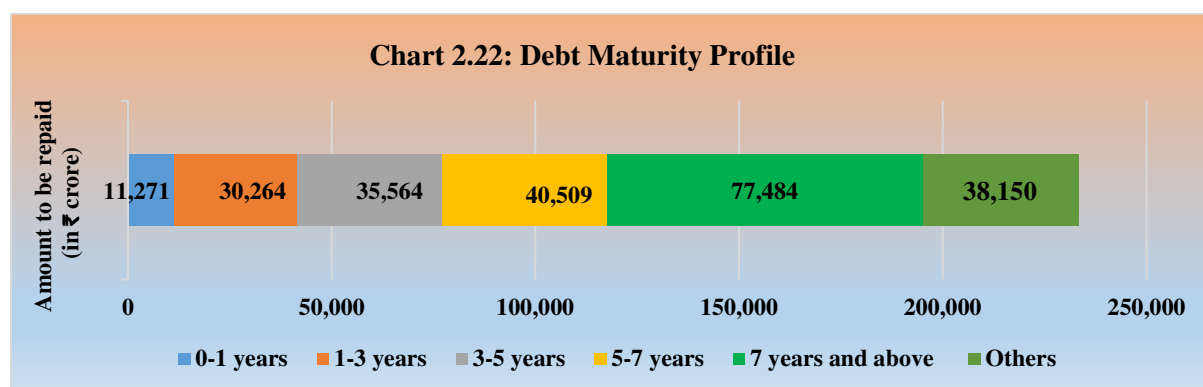
Source: Finance Accounts 2020-21

## 2.12.2 Debt Profile: Maturity and Repayment

The details of public debt and its maturity profile are given in **Table 2.35** 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 2021-22   | 0-1 year         | 10,635.79          | 635.27                    | 11,271.06          | 4.83                          |
| Between 2022-23 & 2023-24  | 1-3 years        | 28,994.09          | 1,270.34                  | 30,264.43          | 12.98                         |
| Between 2024-25 & 2025-26  | 3-5 years        | 35,093.25          | 470.20                    | 35,563.45          | 15.25                         |
| Between 2026-27 & 2027-28  | 5-7 years        | 40,215.35          | 293.72                    | 40,509.07          | 17.37                         |
| 2028-29 onwards  | Above 7 years    | 76,995.12          | 488.76                    | 77,483.88          | 33.22                         |
| Other (Under reconciliation with the State Government/ Loan repayment details awaited) |                  | 10,785.61          | 27,364.43 <sup>25</sup>   | 38,150.04          | 16.35                         |
| <b>Total</b>   |                  | <b>2,02,719.21</b> | <b>30,522.72</b>          | <b>2,33,241.93</b> | <b>-</b>                      |

Source: Finance Accounts 2020-21



Source: Finance Accounts 2020-21

The maturity profile of outstanding stock of public debt as on 31 March 2021 indicates that out of the outstanding public debt of ₹2,33,241.93 crore, 50.42 per cent (₹1,17,608.01 crore)

<sup>25</sup> Other loans and advances from GoI includes back to back loan of ₹4,542 crore in lieu of GST compensation shortfall.

is payable within the next seven years while the remaining 49.58 per cent (₹1,15,633.92 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 86.91 per cent (₹2,02,719.21 crore).

The details of actual pay-out *vis-à-vis* that indicated in our earlier reports of 2019-20 and 2020-21 are tabulated below in **Table 2.36**:

|         |                                 |                   |                  | (₹ in crore) |
|---------|---------------------------------|-------------------|------------------|--------------|
| Year    | Outstanding Debt as on 31 March | Indicated payment | Actual repayment |              |
| 2019-20 | 1,80,828.71                     | 8,720.67          | 10,933.62        |              |
| 2020-21 | 2,33,241.93                     | 10,328.67         | 12,757.30        |              |

Source: Finance Accounts of respective years

## 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 Public debt.

**Table 2.37** shows the debt sustainability of the State according to these indicators for the period 2016-17 to 2020-21.

|  |          |          |          |          |                        | (₹ in crore) |
|--|----------|----------|----------|----------|------------------------|--------------|
| Debt Sustainability indicators                                       | 2016-17  | 2017-18  | 2018-19  | 2019-20  | 2020-21                |              |
| Outstanding Public Debt  | 1,22,308 | 1,38,424 | 1,57,398 | 1,80,829 | 2,33,242 <sup>26</sup> |              |
| Rate of growth of Outstanding Public Debt (percentage)               | 25.59    | 13.18    | 13.71    | 14.89    | 28.98                  |              |
| Gross State Domestic Product (GSDP)                                  | 6,49,823 | 7,26,338 | 8,13,820 | 9,37,405 | 9,17,555               |              |
| Rate of growth of GSDP (percentage)                                  | 20.10    | 11.80    | 12.00    | 15.20    | (-)2.10                |              |
| Public Debt/GSDP ( <i>per cent</i> )                                 | 18.82    | 19.06    | 19.34    | 19.29    | 24.92 <sup>27</sup>    |              |
| Receipts under Public Debt   | 29,847   | 21,892   | 32,497   | 34,364   | 65,171                 |              |
| Repayment of Public Debt   | 4,925    | 5,776    | 13,524   | 10,934   | 12,757                 |              |
| Interest Payment   | 7,923    | 9,964    | 11,483   | 12,755   | 13,987                 |              |
| Average interest rate on Outstanding Public Debt ( <i>per cent</i> ) | 7.21     | 7.64     | 7.76     | 7.54     | 6.83 <sup>28</sup>     |              |
| Interest Payments/Revenue Receipts Ratio                             | 6.43     | 7.39     | 7.71     | 8.64     | 9.56                   |              |
| Percentage of Debt repayment to Debt receipt                         | 16.50    | 26.38    | 41.62    | 31.82    | 19.57                  |              |

<sup>26</sup> Includes back to back loan of ₹4,542 crore in lieu of GST compensation shortfall.

<sup>27</sup> Public debt/GSDP ratio has been calculated on Outstanding Public Debt of ₹2,28,700 crore after excluding the amount of back to back loan (₹4,542 crore) from the Outstanding Public Debt ₹2,33,242 crore.

<sup>28</sup> Average interest rate calculated on Outstanding Public Debt after excluding the back to back loan of ₹4,542 crore.

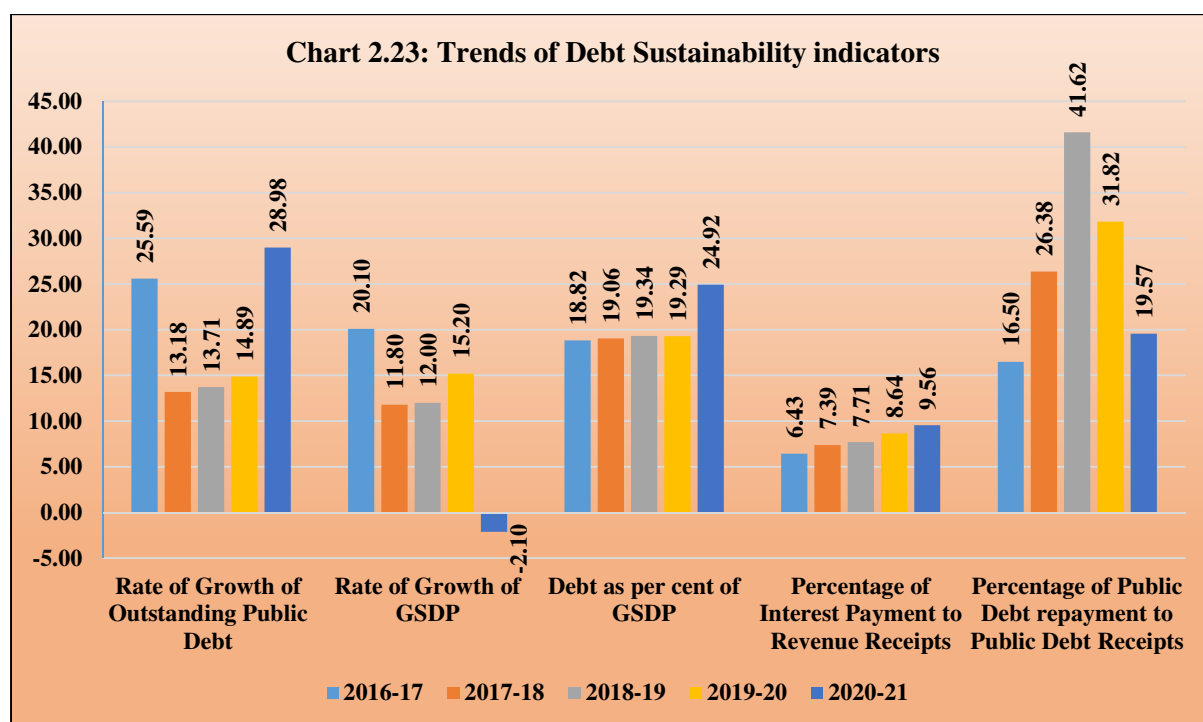
| (₹ in crore)  |         |         |         |         |         |
|---|---------|---------|---------|---------|---------|
| Debt Sustainability indicators                                      | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| Net Debt available to the State <sup>#</sup>                        | 24,922  | 16,116  | 18,973  | 23,430  | 52,414  |
| Net Debt available as <i>per cent</i> to Debt Receipts <sup>#</sup> | 83.50   | 73.62   | 58.38   | 68.18   | 80.43   |

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.

It can be seen from **Table 2.37** that receipts under Public debt increased by 89.65 *per cent* during the year 2020-21 over the previous year. Interest payment to Revenue receipts ratio increased from 6.43 *per cent* in 2016-17 to 9.56 *per cent* in 2020-21.

**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

Note: Debt/GSDP ratio has been calculated on outstanding public debt of ₹2,28,700 crore after excluding the amount of back to back loan (₹4,542 crore) from the total public outstanding debt of ₹2,33,242 crore.

The Outstanding Public Debt steadily increased over the years from ₹1,22,308 crore in 2016-17 to ₹2,33,242 crore at the end of 2020-21. These liabilities increased by 28.98 *per cent* during 2020-21 as against 14.89 *per cent* in 2019-20. However, Outstanding Public Debt during 2020-21 also included ₹4,542 crore received as back to back loan from Government of India in lieu of GST compensation shortfall with no repayment liability for the State. Excluding this back to back loan, the state's Public debt growth rate during 2020-21 was 26.47 *per cent*.

The increase in Outstanding Public Debt during 2020-21 over the previous year was mainly under Market Loans (by ₹38,773 crore). Total Fiscal Liabilities (Public Debt and other



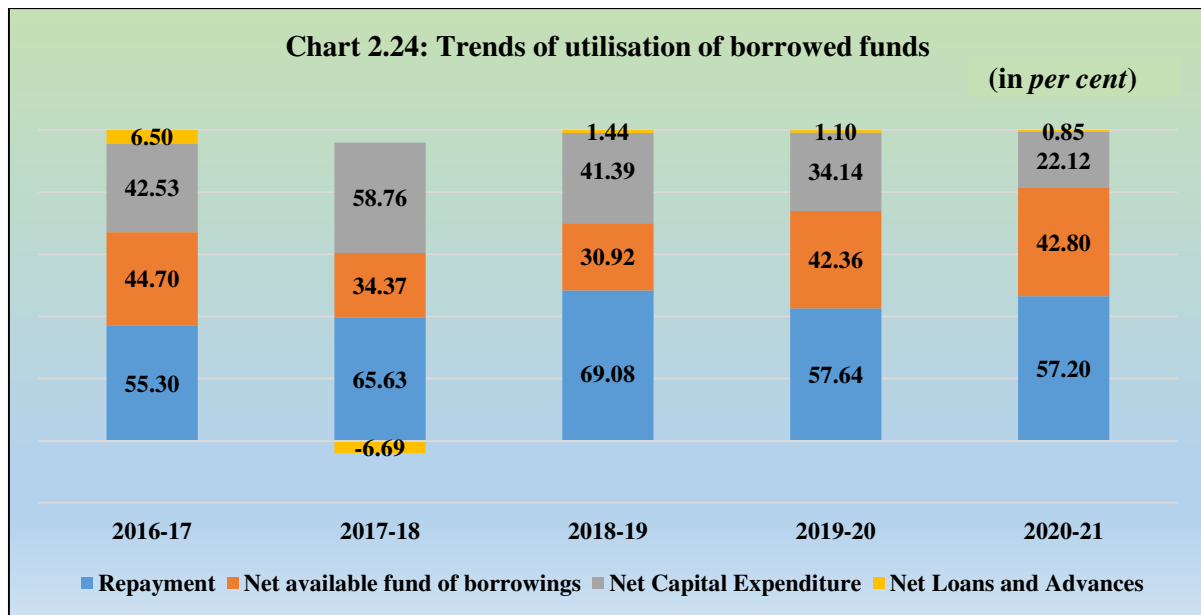
liabilities) constituted 31.03<sup>29</sup> per cent of GSDP at the end of 2020-21 and were beyond the limit prescribed by XV Finance Commission and MTFPS under Fiscal Responsibility Budget Management (not exceeding 28.83 per cent of GSDP). The growing volume of debt has also resulted in increasing liability 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 2016-21 are given in **Table 2.38** and **Chart 2.24**:

| Particular   | ₹ in crore) |             |           |           |             |
|--|-------------|-------------|-----------|-----------|-------------|
|  | 2016-17     | 2017-18     | 2018-19   | 2019-20   | 2020-21     |
| Total Borrowings (Public Debt and Other Obligations)               | 64,105.57   | 52,578.89   | 71,062.85 | 85,612.99 | 1,37,196.38 |
| Repayment of earlier borrowings (Principal)                        | 35,448.03   | 34,505.58   | 49,086.80 | 49,350.88 | 78,469.58   |
| Net available fund of borrowings                                   | 28,657.54   | 18,073.31   | 21,976.05 | 36,262.11 | 58,726.80   |
| Net Capital Expenditure  | 27,261.84   | 30,893.87   | 29,411.17 | 29,227.82 | 30,341.31   |
| Net Loans and Advances   | 4,168.22    | (-3,519.33) | 1,019.78  | 941.30    | 1,172.00    |
| Portion of Revenue Expenditure met out of net available borrowings | NIL         | NIL         | NIL       | 6,092.99  | 27,213.49   |

Source: Finance Accounts of the respective years



Source: Finance Accounts of the respective years

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 2016-21, leaving limited funds for development activities.

<sup>29</sup> Percentage has been calculated on the amount of public debt and other liabilities of ₹2,84,756 crore excluding back to back loan of ₹4,542 crore in lieu of GST compensation shortfall.

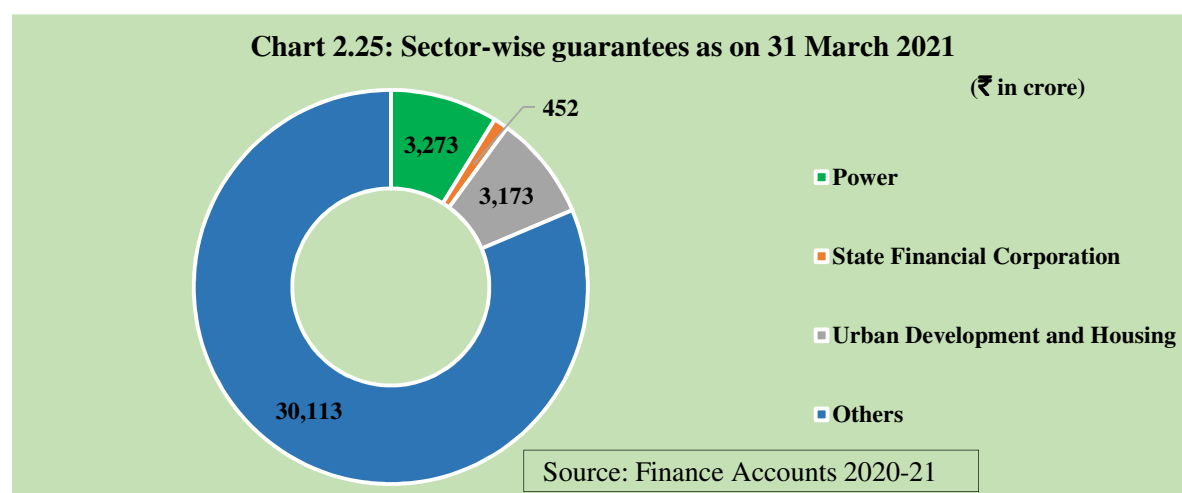
### 2.13.2 Status of Guarantees - Contingent Liabilities

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 Fiscal Responsibility Budget Management Act<sup>30</sup>. Guarantees given by the State Government during 2016-21 are shown in **Table 2.39** below:

| Guarantees  | 2016-17     |         |          |          |          | 2017-18 |         |         |         |         | 2018-19 |         |         |         |         | 2019-20 |         |         |         |         | 2020-21 |         |         |         |         |  |  |  |  |  |
|---|-------------|---------|----------|----------|----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|--|--|--|--|--|
|   |             |         |          |          |          |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |  |  |  |  |  |
|   | ₹ in crore) |         |          |          |          |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |  |  |  |  |  |
|   | 2016-17     | 2017-18 | 2018-19  | 2019-20  | 2020-21  | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |  |  |  |  |  |
| Ceiling applicable to the outstanding amount of guarantees, including interest (Criteria) | 84,409      | 98,646  | 1,07,900 | 1,19,114 | 1,18,115 |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |  |  |  |  |  |
| Outstanding amount of guarantees including interest                                       | 33,397      | 14,003  | 30,763   | 30,930   | 37,010   |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |  |  |  |  |  |

Source: Finance Accounts of the respective years

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 2021 is shown in **Chart 2.25**.



GoMP did not pay any amount towards guarantees on account of default by the borrowers during 2020-21. The composition of the maximum amount guaranteed was towards six<sup>31</sup> entities of Power Sector (₹9,596 crore), six<sup>32</sup> institutions of Urban Development and Housing (₹7,477 crore), five<sup>33</sup> institutions of Other Sectors (₹34,788 crore), State Financial Corporation (₹1,150 crore) and Co-operatives (₹1,453 crore).

Guarantee fee is charged from the principal debtors unless exempted specifically. During 2020-21, GoMP received ₹26.59 crore as guarantee fees out of the total receivable of ₹64.54 crore.

<sup>30</sup> Total guarantees should not exceed 80 per cent of the total revenue receipts in the preceding year.

<sup>31</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>32</sup> Nagar Nigam, Nagar Palika, State Development Agency, M.P. Urban Development Company Ltd, Nagar Parishad, M.P. Police Housing Corporation Ltd.

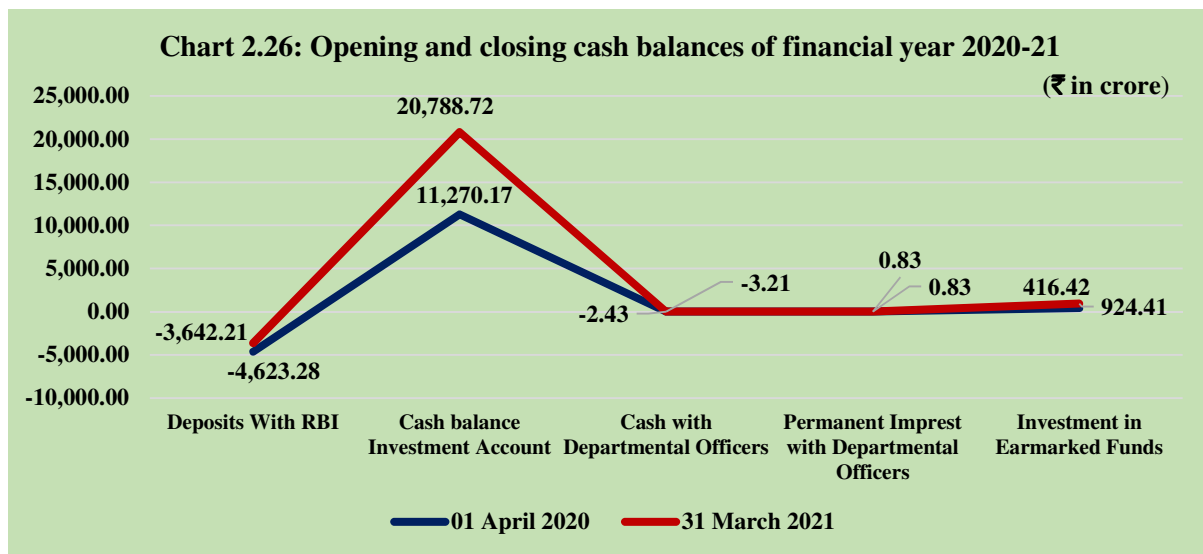
<sup>33</sup> M.P. Industrial Policy and Investment Promotional Department, M.P. Khadi Gramoudyog Board, M.P. Food, Civil Supplies and Consumer Protection Department, Public Works Department, Higher Education.

### 2.13.3 Management of Cash Balances

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 Ways And Means advances to the State Government was ₹1,600 crore with effect from 1 February 2016 and the limit of Special Ways And Means advances is revised by the bank 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 2020 and 31 March 2021 are shown in **Chart 2.26**:



Source: Finance Accounts 2020-21

The State Government maintained the minimum daily cash balance with the RBI during 2020-21 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 2.40** depicts the cash balances and investments made out of these by the State Government during the year:

| Table 2.40: Cash balances and their investment |                                    |                                     |
|--|------------------------------------|-------------------------------------|
| Particulars                                    | Opening balance as on 1 April 2020 | Closing balance as on 31 March 2021 |
| <b>(a) General Cash Balance</b>                |                                    |                                     |
| Cash in Treasuries                             | --                                 | --                                  |
| Deposits with Reserve Bank of India            | (-)4,623.28 <sup>34</sup>          | (-)3,642.21 <sup>35</sup>           |

<sup>34</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.

<sup>35</sup> At the close of March 2021 there was a net difference of ₹57.97 crore (Credit) between the figures reflected in Accounts of Accountant General ₹3,642.21 crore (Credit) and those intimated by RBI ₹3,584.24 crore (Debit) – under "Deposits with Reserve Bank". The difference under Deposits with Reserve Bank is due to misreporting of transactions by Agency Bank to RBI and Treasury Officers in the accounts.

| Table 2.40: Cash balances and their investment             |                                    |                                     |
|--|------------------------------------|-------------------------------------|
| Particulars  | Opening balance as on 1 April 2020 | Closing balance as on 31 March 2021 |
| Remittances in transit - local                             | --                                 | --                                  |
| <b>Total</b>   | <b>(-)4,623.28</b>                 | <b>(-)3,642.21</b>                  |
| <b>Investments held in Cash Balance Investment account</b> | <b>11,270.17</b>                   | <b>20,788.72</b>                    |
| <b>Total (a)</b>   | <b>6,646.89</b>                    | <b>17,146.51</b>                    |
| <b>(b) Other Cash Balances and Investments</b>             |                                    |                                     |
| Departmental cash balances                                 | (-)3.21                            | (-)2.43                             |
| Permanent imprest  | 0.83                               | 0.83                                |
| Investment out of earmarked funds                          | 416.42                             | 924.41                              |
| <b>Total (b)</b>   | <b>414.04</b>                      | <b>922.81</b>                       |
| <b>Grand Total (a)+(b)</b>                                 | <b>7,060.93</b>                    | <b>18,069.32</b>                    |
| <b>Interest realised</b>                                   | <b>145.29</b>                      | <b>144.73</b>                       |

Source: Finance Accounts 2020-21

Cash Balances of the State Government at the end of the current year increased significantly by ₹11,008 crore, from ₹7,061 crore in 2019-20 to ₹18,069 crore in 2020-21. This was mainly due to increase in investment in Treasury Bills by ₹9,519 crore from ₹11,270 crore in 2019-20 to ₹20,789 crore in 2020-21.

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 2020-21 from the investments made in GoI Securities and Treasury Bills. Out of the investment of ₹924.41 crore in earmarked funds, ₹916.77 crore was invested in the Guarantee Redemption Fund at the end of the year.

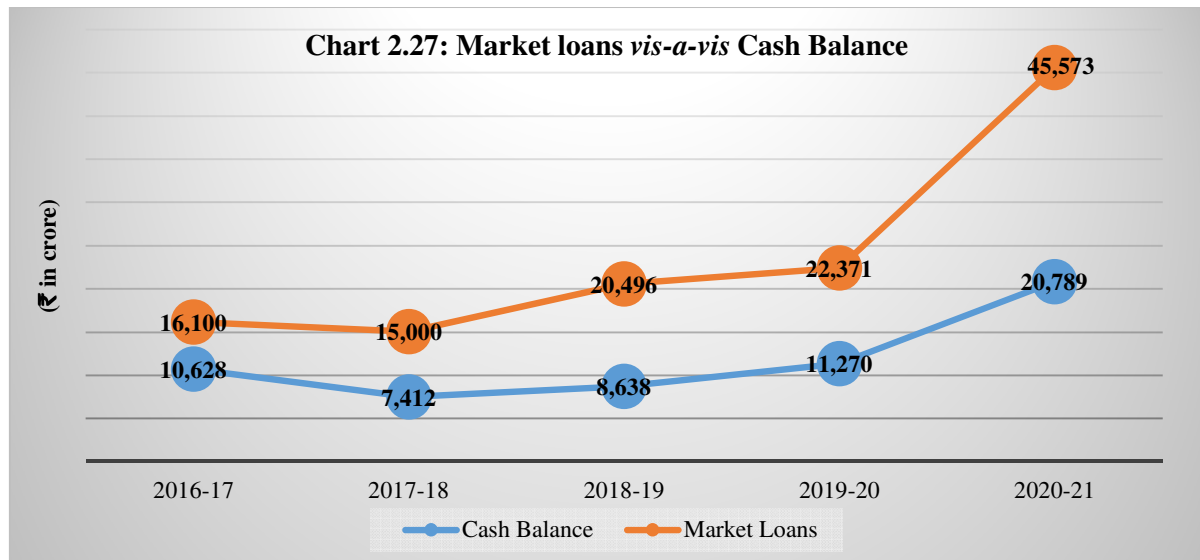
The interest earned for the entire period from 2016-17 to 2020-21 is given in **Table 2.41**:

| Table 2.41: Cash Balance Investment Account (Major Head-8673) |                 |                 |                           |                 |
|---|-----------------|-----------------|---------------------------|-----------------|
|   |                 |                 |                           | (₹ in crore)    |
| Year  | Opening Balance | Closing Balance | Increase (+)/ decrease(-) | Interest earned |
| 2016-17   | 9,485.24        | 10,628.22       | 1,143.64                  | 426.89          |
| 2017-18   | 10,628.22       | 7,412.19        | (-)3,216.03               | 491.39          |
| 2018-19   | 7,412.19        | 8,638.46        | 956.27                    | 146.45          |
| 2019-20   | 8,638.46        | 11,270.17       | 2,631.71                  | 145.29          |
| 2020-21   | 11,270.17       | 20,788.72       | 9,518.55                  | 144.73          |

Source: Finance Accounts of respective years

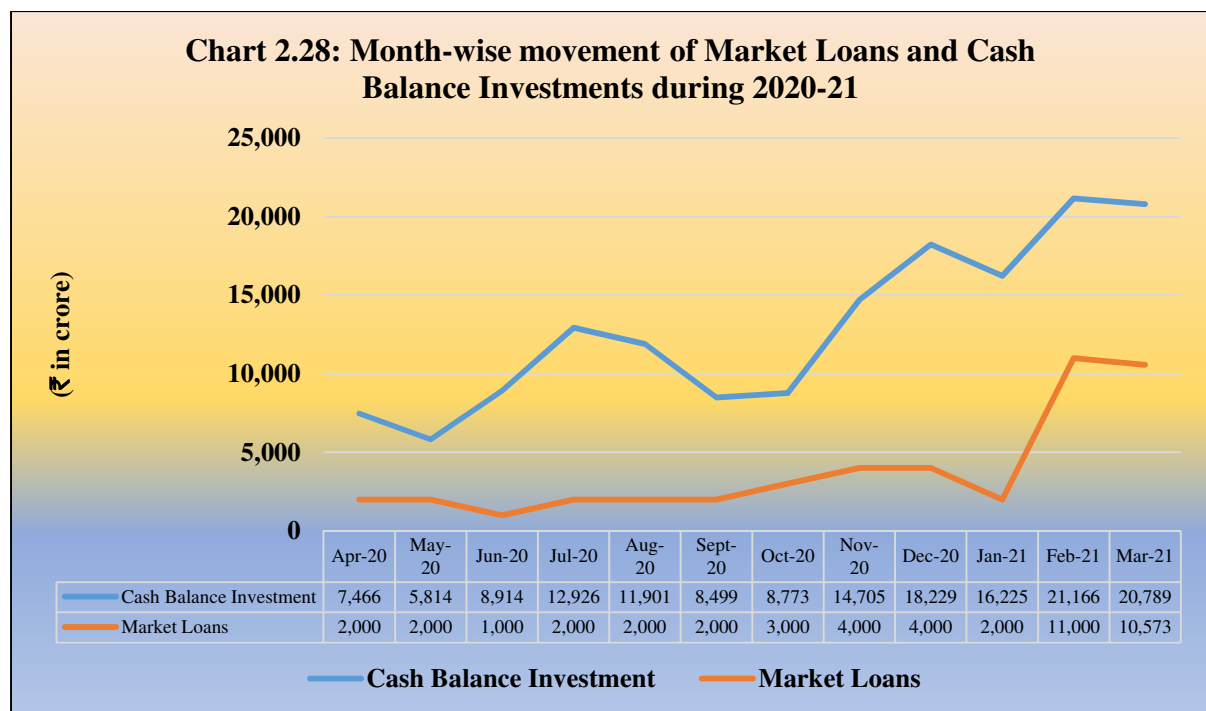
The trend analysis of the closing balance of cash balance investment of the State Government during 2016-21 show an increase by ₹10,160.50 crore with inter year fluctuation from ₹10,628.22 crore as on 31 March 2017 to ₹20,788.72 crore as on 31 March 2021.

**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 2016-21. 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 2020-21.



Source: Monthly Civil Accounts 2020-21

Month-wise cash balance investment by State Government ranged between ₹5,814 crore to ₹21,166 crore while Market Loans ranged between ₹1,000 crore to ₹11,000 crore from April 2020 to March 2021. Further, in 2020-21 the interest payment on borrowings by the State Government was ₹15,918 crore, whereas interest received on cash balance investment was ₹144.73 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

*The State could not achieve any of the three key fiscal targets i.e., maintenance of Revenue Surplus, targets of Fiscal Deficit to GSDP and total outstanding liabilities to GSDP. For the second consecutive year, the State registered a Revenue Deficit (₹18,356 crore). Both Own Tax Revenue and Non-Tax Revenue decreased in comparison to preceding year. The State received compensation towards revenue loss due to GST implementation.*

*The investment held in 'Cash Balance Investment Account' by the State Government stood at ₹7,060.93 crore and ₹18,069.32 crore at the end of 2019-20 and 2020-21 respectively. Keeping the huge amount in the Cash Balance Investment Account at lower rate of interest while borrowing at higher rate has financial implications. 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.*

*Due to low economic activity during Covid Pandemic, the Revenue Deficit of state increased and hence Fiscal Deficit also increased. State Government borrowing from market loans and loans from GoI increased by ₹28,063 crore from ₹20,197 crore in 2019-20 to ₹48,260 crore in 2020-21. The State Government met the three per cent limit of Guarantee Redemption Fund and loan repayment criteria but it did not honour its commitment/obligation made in its MoU with GoI and the DISCOMs under the UDAY Scheme.*

## 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 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;
- iii) State Government needs to honour its commitment/obligation made in the tripartite Memorandum of Understanding with the Government of India and the DISCOMs with regard to the debt of the latter.

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**Chapter 3**

**Budgetary Management**

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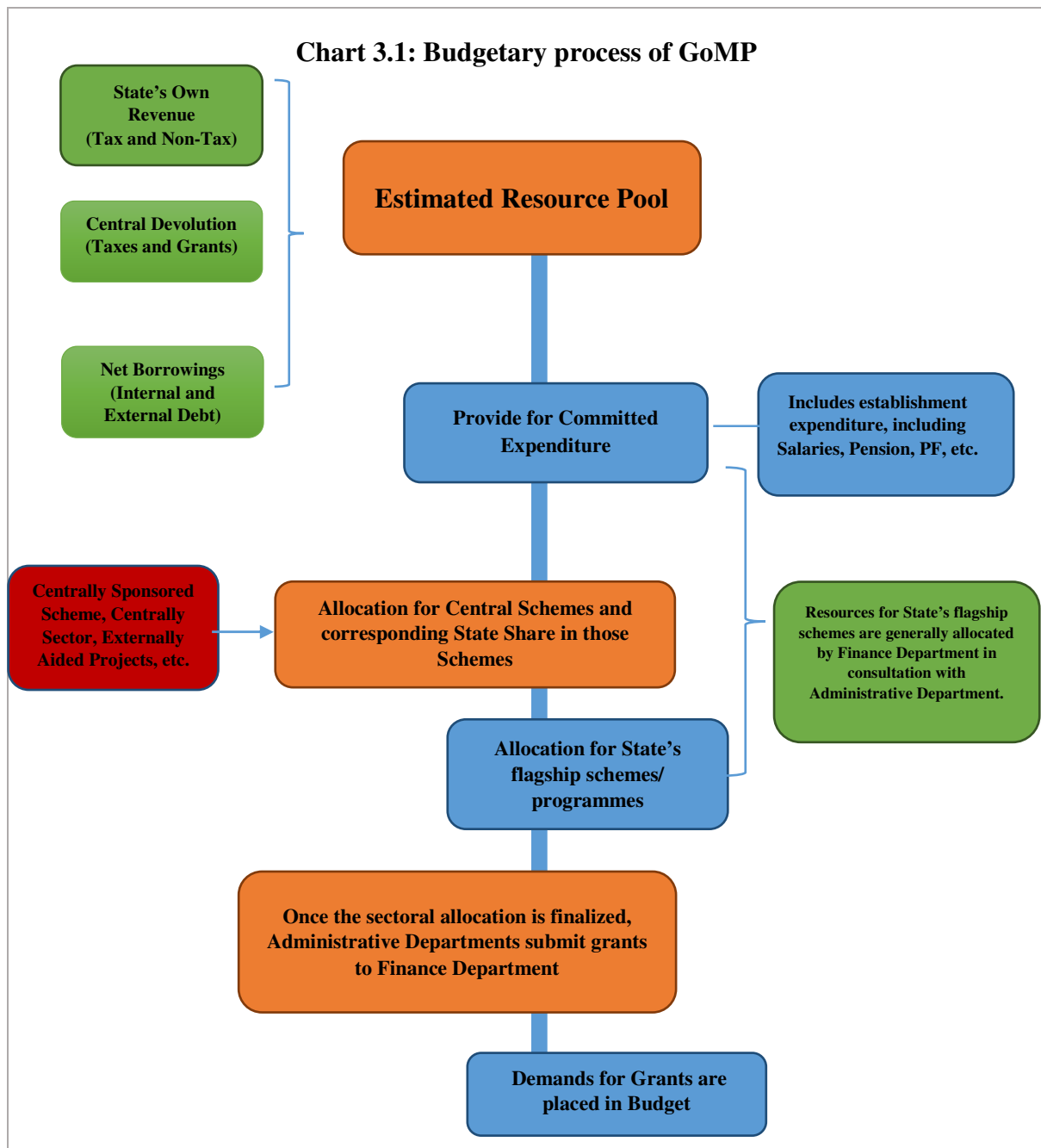
## Chapter 3-Budgetary Management

### 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:

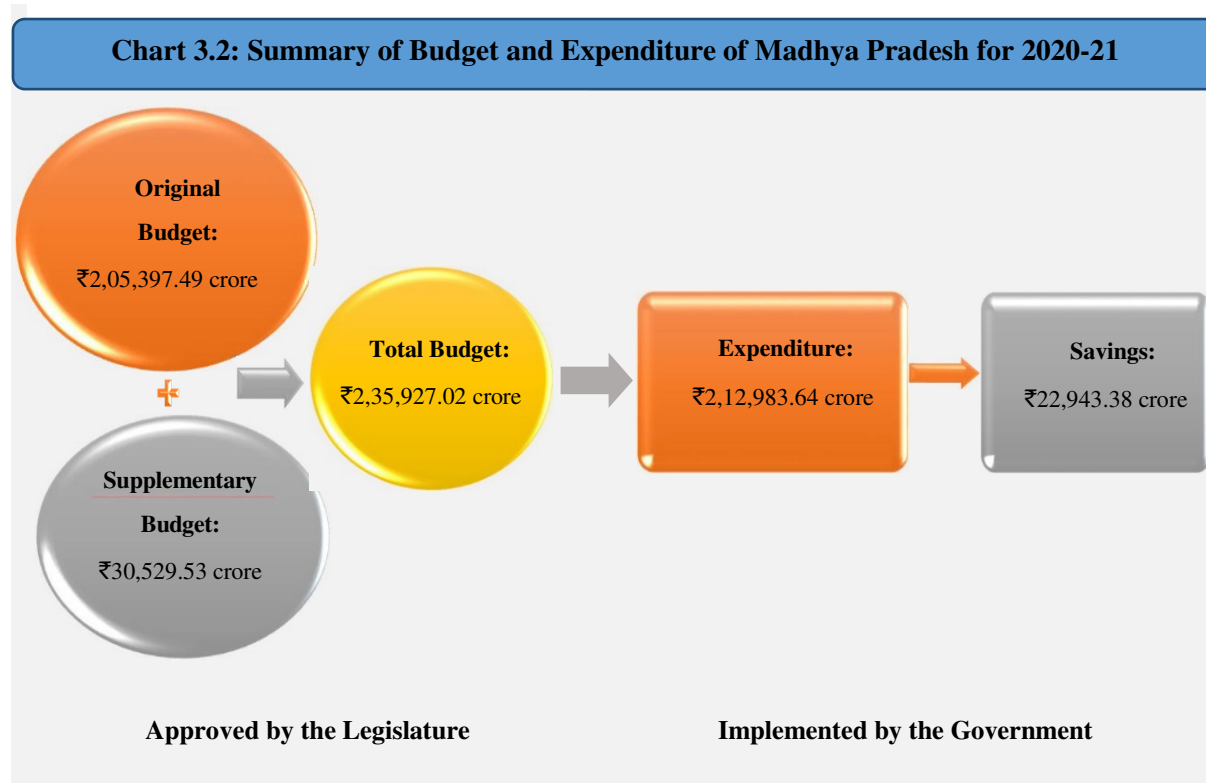


State Government secures legislative approval for expenditure out of the Consolidated Fund of the State by presenting its annual Budget and 70 Demands for Grants/Appropriations. Normally, every Department has one Demand for Grant, to ensure that the Head of the Department takes responsibility for the 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.

Normally, the budget of Madhya Pradesh is passed in the month of February-March of every financial year but the State Government came up with Vote on Account through an ordinance on 28 March 2020 for first four months instead of regular budget. Further, two supplementary bills were brought on 11 January 2021 and 12 March 2021 respectively.

The total amount approved by the State Legislature, including the original and supplementary budgets, expenditure and savings during the year 2020-21 is given in **Chart 3.2** below:



Source: Appropriation Accounts 2020-21

### 3.1.2 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 Appropriation Charged for different purposes, as specified in the schedules appended to the Appropriation Acts.

A summarised position of total budget provision, disbursement and saving/excess with its further bifurcation into voted/charged is given in **Table 3.1**.

| <b>Table 3.1: Total Budget Provision and Disbursement into Charged and Voted during 2016-21</b> |                        |           |               |           |                                   |                        |
|---|------------------------|-----------|---------------|-----------|-----------------------------------|------------------------|
| (₹ in crore)  |                        |           |               |           |                                   |                        |
| Year  | Total Budget Provision |           | Disbursements |           | Saving(-)/Excess(+)<br>(Per cent) |                        |
|   | Voted                  | Charged   | Voted         | Charged   | Voted                             | Charged                |
| 2016-17   | 1,80,559.19            | 20,959.33 | 1,45,627.37   | 15,465.52 | (-)34,931.82<br>(19.35)           | (-)5,493.81<br>(26.21) |
| 2017-18   | 1,83,449.30            | 23,020.25 | 1,54,183.67   | 17,948.74 | (-)29,265.63<br>(15.95)           | (-)5,071.51<br>(22.03) |
| 2018-19   | 2,10,639.84            | 27,662.83 | 1,59,729.03   | 28,101.14 | (-)50,910.81<br>(24.17)           | (+)438.31<br>(1.58)    |
| 2019-20   | 2,24,923.47            | 32,001.93 | 1,68,171.91   | 26,621.87 | (-)56,751.56<br>(25.23)           | (-)5,380.06<br>(16.81) |
| 2020-21   | 2,00,259.26            | 35,667.76 | 1,82,689.33   | 30,294.31 | (-)17,569.93<br>(8.77)            | (-)5,373.45<br>(15.06) |

Source: Appropriation Accounts of respective years

It can be seen from the table that the savings in Voted Budget was around nine *per cent* whereas the savings in Charged Budget was more than 15 *per cent*.

## 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 2020-21 against 70 Grants/Appropriations is given below in **Table 3.2**.

| Table 3.2: Summarised position of Expenditure vis-à-vis Budget Provision |                               |                      |                   |                          |                    |  |                                   |                                       |
|--|-------------------------------|----------------------|-------------------|--------------------------|--------------------|--|-----------------------------------|---------------------------------------|
| (₹ in crore)   |                               |                      |                   |                          |                    |  |                                   |                                       |
| Voted/<br>Charged  | Nature<br>of Expen-<br>diture | Budget<br>(Original) | Budget<br>(Supp.) | Total<br>Budget<br>(O+S) | Expen-<br>diture   | Excess (+)/<br>Savings (-)<br>(per cent) | Surrender<br>Amount<br>(per cent) | Not Surrender<br>Amount<br>(per cent) |
| Voted  | Revenue                       | 1,38,859.52          | 25,439.24         | 1,64,298.76              | 1,51,120.77        | (-) 13,177.99<br>(8.02)                  | 6,237.75<br>(47.33)               | 6,940.24<br>(52.67)                   |
|  | Capital<br>Outlay             | 29,883.35            | 4,362.13          | 34,245.48                | 30,338.49          | (-) 3,906.99<br>(11.40)                  | 3,012.28<br>(77.10)               | 894.71<br>(22.90)                     |
|  | Loans and<br>Advances         | 1,536.40             | 178.62            | 1,715.02                 | 1,230.07           | (-) 484.95<br>(28.28)                    | 382.21<br>(78.81)                 | 102.74<br>(21.19)                     |
|  | <b>Total Voted</b>            | <b>1,70,279.27</b>   | <b>29,979.99</b>  | <b>2,00,259.26</b>       | <b>1,82,689.33</b> | <b>(-) 17,569.93</b><br>(8.77)           | <b>9,632.24</b><br><b>(54.82)</b> | <b>7,937.69</b><br><b>(45.18)</b>     |
| Charged  | Revenue<br>Expenditure        | 18,505.49            | 549.54            | 19,055.03                | 17,518.96          | (-) 1,536.07<br>(8.06)                   | 79.28<br>(5.16)                   | 1,456.79<br>(94.84)                   |
|  | Capital                       | 266.60               | Nil               | 266.60                   | 18.05              | (-) 248.55<br>(93.23)                    | 235.91<br>(94.91)                 | 12.64<br>(5.09)                       |
|  | Public Debt                   | 16,346.13            | Nil               | 16,346.13                | 12,757.30          | (-) 3,588.83<br>(21.96)                  | Nil                               | 3,588.83<br>(100.00)                  |
|  | <b>Total<br/>Charged</b>      | <b>35,118.22</b>     | <b>549.54</b>     | <b>35,667.76</b>         | <b>30,294.31</b>   | <b>(-) 5,373.45</b><br>(15.06)           | <b>315.19</b><br><b>(5.87)</b>    | <b>5,058.26</b><br><b>(94.13)</b>     |
| <b>Grand Total</b>   |                               | <b>2,05,397.49</b>   | <b>30,529.53</b>  | <b>2,35,927.02</b>       | <b>2,12,983.64</b> | <b>(-) 22,943.38</b><br>(9.72)           | <b>9,947.43</b><br><b>(43.36)</b> | <b>12,995.95</b><br><b>(56.64)</b>    |

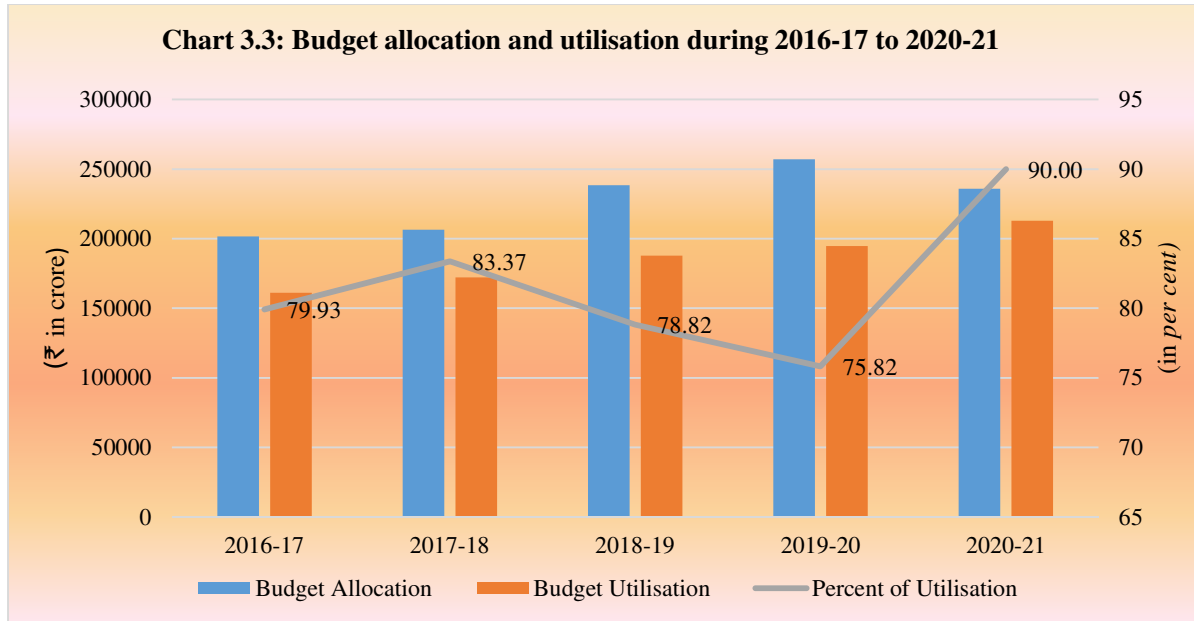
Source: VLC Data and Appropriation Accounts 2020-21

Note: Figures in bracket indicates percentage of Savings and Surrenders

An overall saving of ₹22,943.38 crore was on account of saving of ₹14,714.06 crore in 67 Grants and 47 Appropriations under Revenue section, and a saving of ₹4,155.54 crore in 55 Grants and four Appropriations under Capital section. This resulted in overall savings of 9.72 per cent of total Grants and Appropriations of the amount saved, ₹12,995.95 crore was allowed to lapse and Departments surrendered ₹8,337.02 crore (83.81 per cent of total surrendered amount of ₹9,947.43 crore) on the last day of the financial year. The reasons for Savings/Excess (Detailed Appropriation Accounts) in various schemes during the financial year were sought from the Departmental Controlling Officers requesting them to explain the significant variations. However, only partial replies were received from the Department. It raises questions that the State Government prepared an inflated budget or its Departments have not done the ground work to utilize the allocated funds within the envisaged timeframe.

### 3.2.3 Utilisation of Budgeted Funds

Utilisation of budget by the State Government which had fallen to 76 per cent of the budgeted funds improved to 90 per cent in 2020-21 as given in **Chart 3.3** below:



Source: Appropriation Accounts of the respective years

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

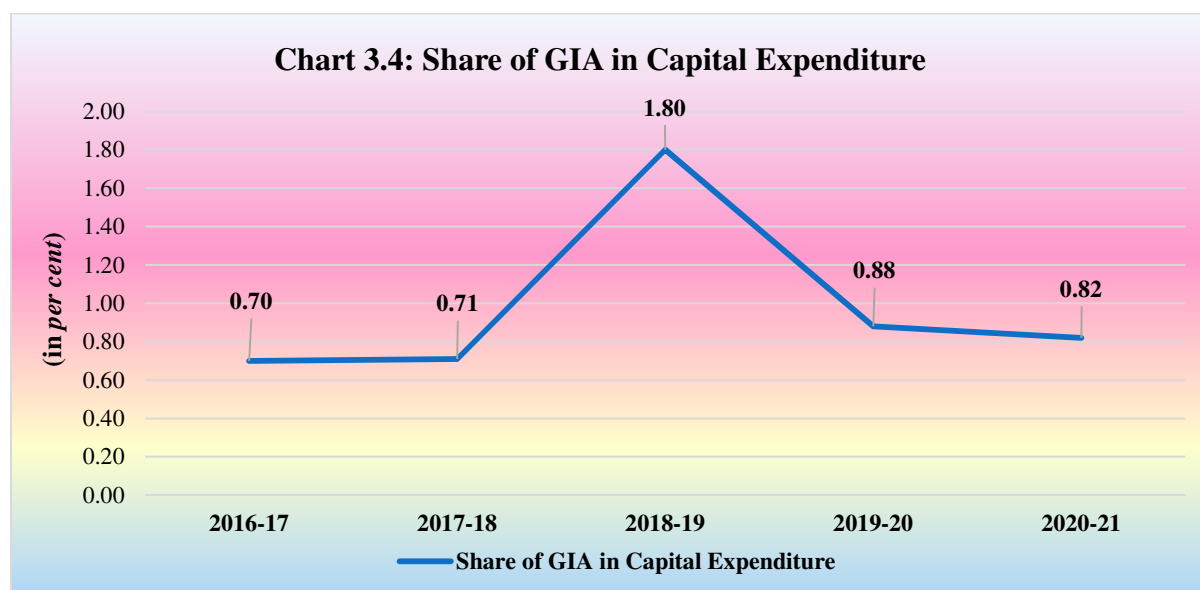
#### 3.3.1 Misclassification of Expenditure

The Indian Government Accounting Standard-2 was notified by the GOI in 2011 for accounting and classification of Grants-in-Aid received or given by both Central as well as State Governments. As per Indian Government Accounting Standard-2, Grants-in-aid are payments in the nature of assistance, donations or contributions made by one Government to another Government, body, institutions or individual. Further, expenditure on Grants-in-Aid is recorded as Revenue Expenditure in the books of the grantor and as Revenue Receipts in the books of the recipient. 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.

Details of the extent of classification of GIA as Capital Expenditure instead of Revenue Expenditure by the State Government during 2016-21 as well as the impact of non-compliance with the provisions of IGAS-2 by the State Government in absolute terms during the same period are given in **Table 3.3**, whereas **Chart 3.4** highlights the share of Grants-in-Aid in Capital Expenditure.

| <b>Table 3.3: Extent of classification of GIA as Capital Expenditure</b>                                     |                     |         |         |          |           |
|--|---------------------|---------|---------|----------|-----------|
|  | <b>(₹ in crore)</b> |         |         |          |           |
|  | 2016-17             | 2017-18 | 2018-19 | 2019-20  | 2020-21   |
| GIA booked as Capital Expenditure  | 201                 | 233     | 541     | 257      | 250       |
| Total Capital Expenditure  | 28,662              | 32,588  | 29,999  | 29,241   | 30,357    |
| Share of GIA in Capital Expenditure (In per cent)  | 0.70                | 0.71    | 1.80    | 0.88     | 0.82      |
| Revenue Deficit (-)/Revenue Surplus (+)  | 7,781               | 4,629   | 6,744   | (-)2,801 | (-)18,356 |
| Impact on Revenue Deficit(-)/ Revenue Surplus (+), if expenditure from GIA is treated as Revenue Expenditure | 7,580               | 4,396   | 6,203   | (-)3,058 | (-)18,606 |

Source: Finance Accounts of respective years



Source: Finance Accounts of respective years

However, during 2020-21, an amount of ₹1,318.65 crore was misclassified by the State Government as Capital Expenditure instead of accounting for it under Revenue Expenditure. Out of this, ₹250.27 crore pertains to Grants-in-Aid and ₹1,068.38 crore pertains to other expenditure. Due to this, Revenue Expenditure was understated by ₹1,318.65 crore, and Capital expenditure was overstated by ₹1,318.65 crore. Details are given in *Appendix 3.1*.

Similarly, an amount of ₹79.52 crore was incorrectly budgeted and expended (for 'Machinery' and 'Major Works') as Revenue Expenditure instead of Capital Expenditure by the State Government, due to which Revenue Expenditure was overstated by ₹79.52 crore and Capital Expenditure was understated by ₹79.52 crore. Details are given in *Appendix 3.2*.

### 3.4 Unnecessary 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 and March, 2021 of ₹30,529.53 crore in 47 Grants and three Appropriations for the year 2020-21. Our analysis of utilisation of these supplementary provisions showed that a provision of only ₹23,905.58 crore was required in 21 Grants where the final expenditure exceeded the original budget provision as detailed in *Appendix 3.3*. Supplementary provisions amounting to ₹6,623.94 crore proved unnecessary as the expenditure was not even up to the level of the original provision as detailed in *Appendix 3.4*. In nine Grants and one Appropriation where there were significant savings of ₹100 crore and above out of original budget provision, and yet supplementary provision was obtained, are detailed below in **Table 3.4**.

| Table 3.4: Cases where supplementary provision obtained where savings were ₹100 crore and above out of original budget provision |  |            |                    |                    |                                   |                         |
|--|--|------------|--------------------|--------------------|-----------------------------------|-------------------------|
| (₹ in crore)   |  |            |                    |                    |                                   |                         |
| Sl. No.  | Number and name of the Grant/Appropriation   | RV/ CV/ RC | Original provision | Actual expenditure | Savings out of original provision | Supplementary provision |
| 1  | 1-General Administration                     | RV         | 635.16             | 431.70             | 203.46                            | 47.36                   |
| 2  | 3-Police                                     | RV         | 7,323.10           | 6,687.12           | 635.98                            | 30.00                   |
| 3  | 12-Energy                                    | CV         | 1,120.57           | 507.51             | 613.06                            | 38.62                   |
| 4  | 19-Public Health and Family Welfare          | RV         | 7,230.87           | 7,080.76           | 150.11                            | 157.84                  |
| 5  | 27-School Education (Primary Education)      | RV         | 17,702.97          | 17,588.07          | 114.90                            | 856.41                  |
| 6  | 29-Law and Legislative Affairs               | RV         | 1,693.68           | 1,263.37           | 430.31                            | 7.00                    |
| 7  | 33-Tribal Welfare                            | CV         | 1,098.79           | 664.32             | 434.47                            | 12.25                   |
| 8  | 33-Tribal Welfare                            | RV         | 7,862.99           | 6,194.50           | 1,668.49                          | 20.88                   |
| 9  | 50-Horticulture and Food Processing          | RV         | 513.41             | 402.16             | 111.25                            | 28.86                   |
| 10   | 55-Women and Child Development               | RV         | 4,991.43           | 4,797.44           | 193.99                            | 136.85                  |
| 11   | CH I-Interest Payments and Servicing of Debt | RC         | 16,460.21          | 15,917.87          | 542.34                            | 549.10                  |
| <b>Total</b>   |  |            | <b>66,633.18</b>   | <b>61,534.82</b>   | <b>5,098.36</b>                   | <b>1,885.17</b>         |

Source: Appropriation Accounts 2020-21

Abbreviation: Revenue Voted (RV), Revenue Charged (RC), Capital Voted (CV)

As can be seen from the above **Table 3.4**, the Supplementary provision made in Grant No. 19 Public Health and Family Welfare Scheme under scheme National Health Security Scheme, National Health Mission and in Grant No. 27 School Education (Primary Education) under Re-imbursment of tuition fees to Non-Government Schools under Right to Education (R.T.E.), Samagra Shiksha Abhiyan and Supply of Uniform free of cost remained unspent. It shows that Supplementary Grants by the State Government made in the month of January and March were without adequate assessment of requirement and monitoring by the Administration which reflects poor budget management.

### 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 2020-21, re-appropriation was done in a total of 88 Sub-heads pertaining to 31 Grants as detailed in **Appendix 3.5**. In 33 Sub-heads pertaining to 17 Grants, even after re-appropriation of ₹3,595.98 crore, excess expenditure of ₹596.66 crore was incurred. In the remaining 55 Sub-heads pertaining to 23 Grants, where ₹1,067.70 crore were re-appropriated, the final savings in the same Sub-heads were ₹490.50 crore. In one Major-Head 2245 alone, pertaining to Grant No. 58 Expenditure on Relief on Account of Natural Calamities and Drought Prone Area, the re-appropriation of ₹1,013.63 crore proved injudicious as the actual

expenditure was more than the original and supplementary provisions by ₹159.79 crore. The increase was attributed to purchasing of equipment for corona pandemic, providing relief to flood victims, purchasing of disaster related equipment, loss of crops due to insects and relief to snake bite victims. The Government should re-appropriate in a way that there should not be excess expenditure in any scheme.

### 3.5.1 Inadequate Re-appropriation against the allotted Budget

We also noted re-appropriation/surrender against the allotted budget in 10 schemes under eight Grants resulting in excess total budget amounting to (-)₹31.24 crore. Grant-wise summary of cases where excessive re-appropriation was made against the allotted budget are detailed in **Table 3.5**.

| Table 3.5: Inadequate Re-appropriation against the allotted Budget |           |  |                              |                   |                                |                 |             |                  |
|--|-----------|--|------------------------------|-------------------|--------------------------------|-----------------|-------------|------------------|
| (₹ in crore)   |           |  |                              |                   |                                |                 |             |                  |
| Sl. No.  | Grant No. | Name of the Grant  | Heads of Account             | Original Budget   | Re-appropriation and Surrender | Total Budget    | Expenditure | Excess / Savings |
| 1  | 10        | Forest   | 4406-01-101-0101-7882-31-007 | 4.00              | (-)4.50                        | (-)0.50         | 1.50        | (-)2.00          |
| 2  | 23        | Water Resources  | 2700-17-101-0102-2894-19-001 | 0.00 <sup>1</sup> | (-)0.02                        | (-)0.02         | 0.00        | (-)0.02          |
| 3  | 24        | Public Works- Roads and Bridges                                | 5054-03-337-0802-0948-64-001 | 0.00              | (-)29.00                       | (-)29.00        | 0.00        | (-)29.00         |
| 4  | 49        | Scheduled Caste Welfare  | 2225-01-800-0703-0326-26     | 1.00              | (-)1.25                        | (-)0.25         | 0.00        | (-)0.25          |
| 5  | 50        | Horticulture and Food Processing                               | 2401-119-0655-12-001         | 1.79              | (-)2.59                        | (-)0.80         | 0.00        | (-)0.80          |
| 6  | 52        | Medical Education  | 4210-03-105-0701-2064-64-001 | 10.00             | (-)10.18                       | (-)0.18         | 1.00        | (-)1.18          |
| 7  | 53        | Financial Assistance to Three Tier Panchayati Raj Institutions | 2851-196-0101-3777-11-001    | 0.12              | (-)0.21                        | (-)0.09         | 0.02        | (-)0.11          |
| 8  | 55        | Women and Child Development                                    | 2235-02-001-9041-12-001      | 0.40              | (-)0.51                        | (-)0.11         | 0.00        | (-)0.11          |
| 9  | 55        | Women and Child Development                                    | 2235-02-001-9041-12-003      | 0.55              | (-)0.82                        | (-)0.27         | 0.00        | (-)0.27          |
| 10   | 55        | Women and Child Development                                    | 2235-02-001-9041-12-006      | 0.04              | (-)0.06                        | (-)0.02         | 0.00        | (-)0.02          |
| <b>Total</b>   |           |  |                              | <b>17.90</b>      | <b>(-)49.14</b>                | <b>(-)31.24</b> | <b>2.52</b> | <b>(-)33.76</b>  |

Source: Detailed Appropriation Account 2020-21

As per letter of Director of Budget (January 2020), the discrepancy had occurred as the budget estimate for the financial year 2020-21 was not passed in the State legislature in March 2020. The budget for the first quarter of financial year 2020-21 was brought through vote on account.

<sup>1</sup> ₹10,000



### 3.5.2 Substantial surrenders

During 2020-21, substantial surrenders, i.e. 50 *per cent* or more, amounting to ₹3,602.03 crore (80.67 *per cent* of Original Budget provision of ₹4,464.91 crore) were made in 125 Sub-heads pertaining to 31 Grants, which included 100 *per cent* surrender in 47 Sub-heads (₹1,234.18 crore) pertaining to 15 Grants as detailed in **Appendix 3.6**. In, Grants pertaining to Energy, Tribal Welfare, Expenditure on Relief on Account of Natural Calamities and Drought Prone Area and Externally Aided Projects pertaining to Rural Development Department, there were substantial surrenders exceeding ₹300 crore and above in each Grant, due to certain reasons like less demand received, non-receiving of proposal and non-drawal by DDOs, *etc.*

### 3.5.3 Anticipated savings not surrendered

During 2020-21, total savings against budget estimates were ₹22,943.38 crore. There were 106 cases in which savings were ₹ one crore and above in each case, with the total amounting to ₹20,884.30 crore. Out of this, an amount of ₹13,001.77 crore was not surrendered (**Appendix 3.7**). This amounted to 62.26 *per cent* of the savings of above 106 cases (i.e. ₹20,884.30 crore) and 56.67 *per cent* of the total savings (i.e. ₹22,943.38 crore).

In 36 out of the total cases amounting to savings of ₹22,943.38 crore, no part of the savings in each case was surrendered by the respective Departments though savings of ₹5,018.36 crore occurred. Details are given in **Appendix 3.8**.

It was observed that the total surrendered amount on 31 March 2021 was more than the savings in five Grants under Revenue Voted Section and in six Grants under Capital Voted section.

In Grant No. 23 Water Resources, as on 31 March 2021, the savings were ₹18.34 crore. However, the Department surrendered ₹33.05 crore in Capital Voted Section. Similarly, in Grant No. 33 Tribal Welfare under Revenue Voted section, savings were ₹1,689.35 crore and the surrendered amount was ₹1,748.14 crore, while under Capital Voted section savings were ₹446.72 crore and surrendered amount was ₹597.48 crore. This has happened due to non-reconciliation of Departmental figures with figures of the O/o PAG (A&E)-I, Madhya Pradesh.

### 3.5.4 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.

We noticed that 21 sanctions for surrender amounting to ₹1,214.93 crore and 39 sanctions for re-appropriation amounting to ₹6,779.57 crore, pertaining to a total of 30 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 BCOs to Finance Department by 15 January (para 26.9 of MPBM), so that they could be utilised where additional funds are required. Summary of cases pertaining to Grants/Appropriation with savings of ₹10 crore and above and also more than 20 per cent of budget provision, is given in **Table 3.6** below and detailed in **Appendix 3.10**.

| Table 3.6 : Cases pertaining to Grants/Appropriations with savings ranging ₹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/Appropriations | Total Budget     | Actual Expenditure | Savings          | Percentage of savings w.r.t. Total Grant | Surrendered Amount |
| 1  | 10 crore to < 100 crore  | 20        | 19                                    | 2,103.87         | 1,166.04           | 937.83           | 44.58                                    | 508.14             |
| 2  | 100 crore to < 500 crore | 11        | 11                                    | 7,051.71         | 4,067.35           | 2,984.36         | 42.32                                    | 2,327.37           |
| 3  | Above 500 crore          | 4         | 4                                     | 26,520.47        | 19,820.91          | 6,699.56         | 25.26                                    | 3,169.51           |
| <b>Total</b>   |                          | <b>35</b> | <b>34</b>                             | <b>35,676.05</b> | <b>25,054.30</b>   | <b>10,621.75</b> | <b>29.77</b>                             | <b>6,005.02</b>    |

Source: Appropriation Accounts 2020-21

From the above Table, it is evident that during the year 2020-21, there were 35 cases involving savings of ₹10,621.75 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 ₹10,621.75 crore, ₹6,005.02 crore was surrendered during the financial year.

**Appendix 3.10** provides detailed Grant wise analysis of savings ranging from ₹10 crores to ₹3,588.83 crores in 35 cases. In 13 cases, pertaining to 11 Grants under Revenue section and 22 cases pertaining to 21 Grants and one Appropriation under Capital Section, savings range between ₹10 crore and ₹500 crore.

Out of the Grants mentioned in **Appendix 3.10**, Savings under Revenue Voted Head of account exceeding ₹100 crore and above occurred in five Grants under Grant No. 1-General Administration, 29-Law and Legislative Affairs, 38-Ayush, 50-Horticulture and Food Processing and 33-Tribal Welfare.

Similarly, savings under the Capital Voted Head of account exceeding ₹100 crore and above occurred in seven Grants under Grant No. 33-Tribal Welfare, 35-Micro, Small and Medium Enterprises, 47-Technical Education, Skill Development and Employment, 52-Medical Education, 58-Expenditure on Relief on account of Natural Calamities and Drought prone area, 12-Energy and 59-Externally Aided Projects pertaining to Rural Development Department and in two appropriation *i.e.* in Grant No. 24-Public Works-Roads and Bridges and CH-II Charged Appropriation-Public Debt.

Huge savings of ₹500 crore and above had occurred in one Grant during 2019-20 and 2020-21 i.e. Grant No. 12 Energy (Capital Voted) as detailed in **Table 3.7** below:

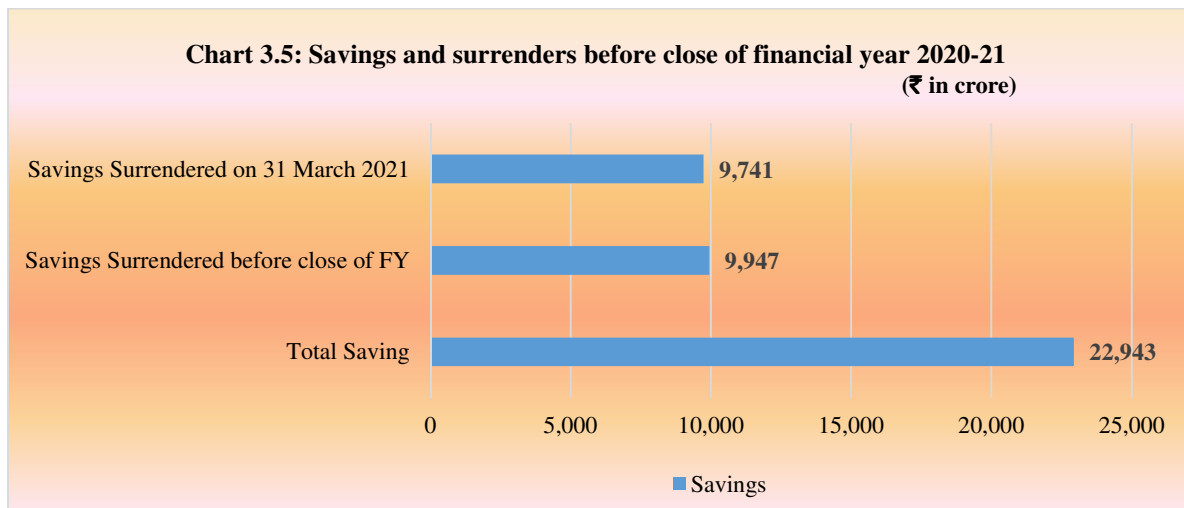
| <b>(₹ in crore)</b> |           |                        |                                |                   |
|---------------------|-----------|------------------------|--------------------------------|-------------------|
| Sl. No.             | Grant No. | Name of the Grant      | Savings (exceeding ₹500 crore) |                   |
|                     |           |                        | 2019-20                        | 2020-21           |
| 1                   | 12        | Energy (Capital Voted) | 1,162.30<br>(65.67)            | 651.68<br>(56.22) |

Source: Appropriation Accounts of respective years

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

As per the reasons provided by the Departments, large savings were attributed to less demands received from planning in-charge, non-payment of pay increments, bills not passed by the Treasury which was included in the Detailed Head, non-receipt of Travelling bills and cases of medical advances not received.

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



Source: Appropriation Accounts 2020-21

### 3.6.1 Expenditure without Budget Provision

No money shall be withdrawn from the Consolidated Fund of the State except under appropriation made by law passed in accordance with the provisions of Article 204 of the Constitution. Expenditure on a new scheme should not be incurred without provision of funds except after obtaining additional funds by re-appropriation, supplementary grant or appropriation or an advance from the Contingency Fund of the State

Audit scrutiny revealed that in two cases, expenditure of ₹2.91 crore was incurred without budget provision. Head of Account-wise details are given below in **Table 3.8**.

| Table 3.8: Expenditure without Budget Provision during 2020-21 |           |   |                                       |     |                 |                                |              |             |             |
|--|-----------|---|---------------------------------------|-----|-----------------|--------------------------------|--------------|-------------|-------------|
| (₹ in crore)   |           |   |                                       |     |                 |                                |              |             |             |
| Sl. No.  | Grant No. | Name of the Grant   | Heads of Account (upto Detailed Head) | V/C | Original Budget | Re-appropriation and Surrender | Total Budget | Expenditure | Excess      |
| 1  | CH-I      | Charged Appropriation- Interest Payments and Servicing of Debt                            | 2049-04-104-0471-52-001               | C   | 0.00            | 0.00                           | 0.00         | 2.78        | 2.78        |
| 2  | 40        | Other Expenditure pertaining to School Education Department (Excluding Primary Education) | 4202-01-202-0101-6007-64-001          | V   | 0.00            | 0.00                           | 0.00         | 0.13        | 0.13        |
| <b>Total</b>   |           |   |                                       |     |                 | <b>0.00</b>                    | <b>0.00</b>  | <b>2.91</b> | <b>2.91</b> |

Source: Appropriation Account 2020-21

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

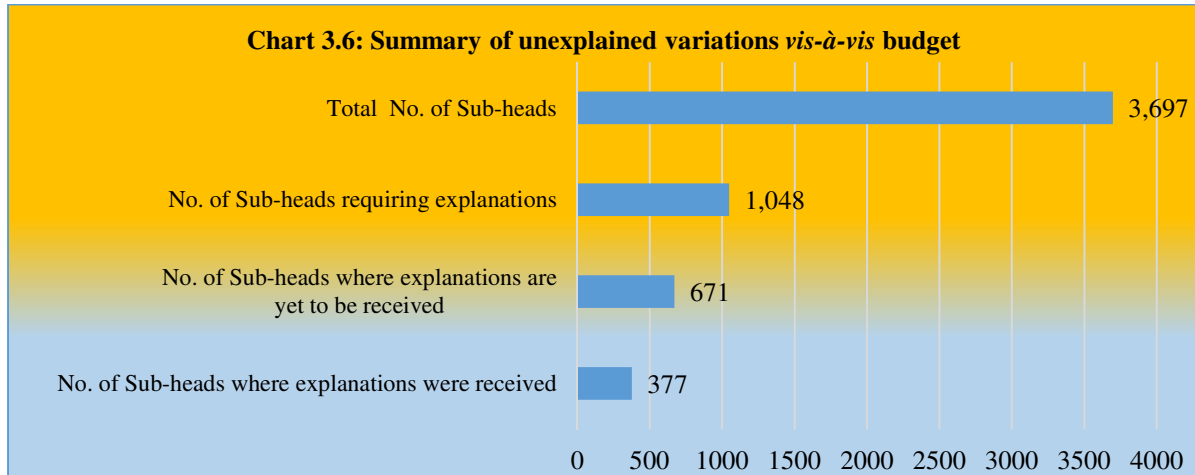
Apart from showing the expenditure against the approved budget, Appropriation Accounts also provide explanation for cases where the expenditure varies significantly from the budgeted provision (Original *plus* Supplementary). The limit beyond which such variation at the Sub-Head/Sub-Sub-Head level (unit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

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:               <ol style="list-style-type: none"> <li>Not less than ₹40 lakh in case the total provision exceeds ₹30 crore,</li> <li>Not less than ₹20 lakh in case the total provision is between ₹10 crore and ₹30 crore, or</li> <li>Not less than ₹10 lakh in case the total provision is less than ₹10 crore.</li> </ol> </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:               <ol style="list-style-type: none"> <li>Excess in each Sub-head is more than ₹40 lakh where total provision exceeds ₹30 crore,</li> <li>Excess in each Sub-head is more than ₹20 lakh where total provision is between ₹10 crore and ₹30 crore, or</li> <li>Excess in each Sub-head is more than ₹10 lakh where total provision is less than ₹10 crore.</li> </ol> </li> </ul> |

Source: Appropriation Accounts 2020-21

Audit of Appropriation Accounts for the year 2020-21 and an analysis of the underlying accounting data revealed that in all 70 Grants/Appropriations, reasons for variation from budget were required. However, in respect of 25 Grants/Appropriations, reasons were not furnished by the Controlling Officers of Government Departments. Partial response was received in respect of the remaining 45 Grants/Appropriations. In terms of the Sub-heads involved, out of total 3,697 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 2020-21

During 2020-21, out of the total number of sub-heads 3,697, in 159 Sub-heads, expenditure of ₹44,932.25 crore occurred against the total budget allotted of ₹38,201.06 crore resulting in excess expenditure of ₹6,731.19 crore, where as in 113 sub heads under 33 Grants, the surrender and re-appropriation was done without proper/adequate analysis and estimation due to which the excess expenditure occurred in sub heads. Details are given in **Appendix 3.12**. Absence of explanation of excess expenditure and reasons for variation between the budget allocation and its utilisation, limits legislative control over budget as a means of ensuring financial accountability of the Government.

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

During 2020-21, out of 70 Grants/Appropriations, savings were noticed in two Grants where utilisation of budget was less than 50 per cent and provisions were ₹100 crore or more. Utilisation of budgetary allocation in these two Grants for the period 2016-21 is shown in **Table 3.9** below:

| Table 3.9: Grants/Appropriations where utilisation of budget was less than 50 per cent against budget provisions were ₹100 crore or more |   |                          |                          |                          |                          |                          |              |                |                           |
|--|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------|----------------|---------------------------|
| (₹ in crore)   |   |                          |                          |                          |                          |                          |              |                |                           |
| Sl. No.  | Grant   | 2016-17<br>(in per cent) | 2017-18<br>(in per cent) | 2018-19<br>(in per cent) | 2019-20<br>(in per cent) | 2020-21<br>(in per cent) | No. of Years | Budget 2020-21 | Total Budget (five Years) |
| 1  | 59-Externally Aided Projects pertaining to Rural Development Department | 0.00                     | 100.00                   | 80.00                    | 80.38                    | 31.96                    | 2            | 1,131.28       | 3,731.28                  |
| 2  | 63-Minority Welfare   | 67.49                    | 66.16                    | 52.73                    | 38.12                    | 11.57                    | 2            | 119.28         | 233.92                    |

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

The low utilisation of budget during 2020-21 in Grant No. 59 was attributed to less demand received from planning in-charge and in case of Grant No. 63, reasons for low utilisation were not provided by the Department concerned.

### 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 ₹1,668.08 crore covering 11 Grants and seven Appropriations pertaining to the period 2011-19. Details are given in **Appendix 3.13**.

During 2020-21, excess expenditure of ₹9.92 crore was incurred under Grant No. 20 Public Health Engineering (Revenue Voted) as discussed in **Paragraph 3.8.1**. The excess expenditure incurred during the year also 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.

#### 3.8.1 Excess expenditure by Public Health Engineering

During 2020-21, in Grant No. 20 Public Health Engineering, the budget provision was of ₹537.80 crore and the expenditure incurred was ₹547.72 crore resulting in excess expenditure of ₹9.92 crore under Revenue Voted section. Schemes where excess expenditure were incurred are given in **Table 3.10** below:

| Table 3.10: Excess expenditure in Grant No. 20 Public Health Engineering |   |   |                      |              |
|--|---|---|----------------------|--------------|
| (₹ in crore)   |   |   |                      |              |
| Sl. No.  | Heads of Account up to Detail Head and Name of Scheme                           | Total Budget Provision (Org.+ Supp.+ Re-app.) | Expenditure Incurred | Excess       |
| 1  | 2215-01-001-2714-Administration   | 392.78  | 413.82               | 21.04        |
| 2  | 2215-01-101-5300-Maintenance of Water Supply Scheme of Local Bodies Institution | 0.54  | 1.29                 | 0.75         |
| 3  | 2215-01-101-01-0545-Establishment and Maintenance of State Water Supply Houses  | 0.31  | 0.41                 | 0.10         |
| <b>Total</b>   |   | <b>393.63</b>                                 | <b>415.52</b>        | <b>21.89</b> |

Source: Appropriation Accounts 2020-21

We observed that in Grant No. 20 Public Health Engineering under Revenue Voted excess expenditure of ₹9.92 crore occurred against the total allotted budget in various schemes which seems to be unrealistic. Reasons of excess expenditure have not been intimated by the department concerned.

### 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 2020-21, in 31 cases (where surrender was more than ₹15 crore and also more than 50 per cent of budget provision), lump sum provision of ₹4,133.79 crore was made in the estimates. Out of this, a sum of ₹3,346.79 crore (80.96 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 under seven Grants are tabulated below while complete details are given in *Appendix 3.14*.

| Table 3.11: Details of Lump sum provision above ₹100 crore or more |                                 |   |                         |                    |           |
|--|---------------------------------|---|-------------------------|--------------------|-----------|
| (₹ in crore)   |                                 |   |                         |                    |           |
| Grant No.  | Name of the Grant               | Heads of Account  | Total Provision (O + S) | Amount Surrendered | Surrender |
| 12   | Energy                          | 4801-02-190-0101-6323- 2*660 Megawatt Shri Singaji Thermal Power Project                        | 150.00                  | 120.00             | 80.00 %   |
|  |                                 | 6801-205-1201-9655- Loan for Smart Meter and Skada Scheme                                       | 330.00                  | 330.00             | 100.00 %  |
| 24   | Public Works- Roads and Bridges | 5054-80-800-0101-3115- Compensation for Land Acquisition  | 152.50                  | 134.09             | 87.93 %   |
| 33   | Tribal Welfare                  | 2225-02-800-0802-6500- Development of Special Backward Tribes                                   | 140.00                  | 91.82              | 65.59 %   |
|  |                                 | 4225-02-277-0802-7881- Miscellaneous Development Works in Tribal Sub-plan Area, Article-275 (1) | 430.60                  | 275.02             | 63.87 %   |

| Table 3.11: Details of Lump sum provision above ₹100 crore or more |   |  |                         |                    |              |
|--|---|--|-------------------------|--------------------|--------------|
|  |   |  |                         |                    | (₹ in crore) |
| Grant No.  | Name of the Grant   | Heads of Account   | Total Provision (O + S) | Amount Surrendered | Surrender    |
|  |   | 4225-02-800-0602-5211- Local Development Programme Under I.T.D.P/MADA POCKET/CLUSTER | 382.08                  | 300.33             | 78.60 %      |
| 35   | Micro, Small and Medium Enterprises   | 4851-101-0101-5380- Land Acquisition Compensation for Auto Testing Track             | 168.00                  | 167.12             | 99.48 %      |
| 49   | Scheduled Caste Welfare   | 4225-01-800-0603-4722- Development of Scheduled Caste/Scheduled Tribes Colonies      | 101.97                  | 53.68              | 52.64 %      |
| 58   | Expenditure on Relief on Account of Natural Calamities and Drought Prone Area | 4059-80-800-6276- Disaster Management Planning                                       | 485.40                  | 485.40             | 100.00 %     |
| 59   | Externally Aided Projects pertaining to Rural Development Department          | 4515-800-1203-0654- Chief Minister Rural Road Scheme (Externally Aided)              | 176.00                  | 109.56             | 62.25 %      |
|  |   | 4515-800-1202-0654- Chief Minister Rural Road Scheme (Externally Aided)              | 253.00                  | 140.06             | 55.36 %      |
|  |   | 4515-800-1201-0654- Chief Minister Rural Road Scheme (Externally Aided)              | 702.28                  | 520.06             | 74.05 %      |

Source: Appropriation Accounts 2020-21

Major Grants where lump sum provision were made during the year were Energy, Tribal Welfare and Externally Aided Projects pertaining to Rural Development Department involving 13 Cases out of the total 31 cases and constituted 65.07 per cent of the total amount of lump sum provisions. The amount unutilised was ₹2,012.85 crore (74.84 per cent) for these three Departments due to non-receipt of proposal from the Company, less demand received from the planning in-charge, non-drawals by DDOs' and non-receiving of approval from the Finance Department to release funds.

### 3.10 Unutilised provisions under schemes

During 2020-21, in 38 cases, the entire provision made under various schemes (₹10 crore or more in each case) aggregating ₹6,588.77 crore remained unutilised as detailed in **Appendix 3.15**. Significant cases out of these, where the unutilised budget provision was ₹50 crore or more, are detailed in **Table 3.12** below. The major Grants/Appropriations where provisions remain unutilised to the extent of ₹5,627.00 crore were interest payments and Servicing of Debt, Public Debt, Finance, Financial Assistance to three Tier Panchayati Raj Institutions and Financial Assistance to Urban Bodies.



| Table 3.12: Schemes in which provision above ₹50 crore or more remained unutilised |           |  |  |                         |             |                         |
|--|-----------|--|--|-------------------------|-------------|-------------------------|
| (₹ in crore)   |           |  |  |                         |             |                         |
| Sl. No.  | Grant No. | Name of the Grant/ Appropriation                               | Name of Scheme   | Total Provision (O + S) | Expenditure | Saving                  |
| 1  | CH-II     | Charged Appropriation-Public Debt                              | 6003-110-0637-66-Ways and Means Advances   | 2,000.00                | 0.00        | 2,000.00 (100 %)        |
| 2  | CH-II     | Charged Appropriation-Public Debt                              | 6003-110-0779-66-Advances for Recoupment of Short fall   | 1,992.00                | 0.00        | 1,992.00 (100 %)        |
| 3  | CH-I      | Charged Appropriation-Interest Payments and Servicing of Debt  | 2049-01-101-9324-52-001-8.37 Percent Madhya Pradesh State Development Loan, 2028                 | 67.01                   | 0.00        | 67.01 (100 %)           |
| 4  | CH-I      | Charged Appropriation-Interest Payments and Servicing of Debt  | 2049-60-701-0716-52-001-Miscellaneous Loans Payment  | 114.38                  | 0.00        | 114.38 (100 %)          |
| 5  | 6         | Finance  | 2054-095-5329-53-Payment of pending Duties   | 100.00                  | 0.00        | 100.00 (100 %)          |
| 6  | 49        | Scheduled Caste Welfare  | 2225-01-277-0803-7764-41-001-Post Matric Scholarships (Colleges and Others)                      | 50.00                   | 0.00        | 50.00 (100 %)           |
| 7  | 53        | Financial Assistance to three Tier Panchayati Raj Institutions | 2515-198-0101-1221-42-009-Grant to Local Body as per Recommendation of XIV Finance Commission    | 607.56                  | 0.00        | 607.56 (100 %)          |
| 8  | 53        | Financial Assistance to three Tier Panchayati Raj Institutions | 2515-198-0102-1221-42-009-Grant to Local Body as per Recommendation of XIV Finance Commission    | 229.08                  | 0.00        | 229.08 (100 %)          |
| 9  | 53        | Financial Assistance to three Tier Panchayati Raj Institutions | 2515-198-0103-1221-42-009-Grant to Local Body as per Recommendation of XIV Finance Commission    | 159.36                  | 0.00        | 159.36 (100 %)          |
| 10   | 63        | Minority Welfare   | 4225-03-800-0701-5617-64-002-Development Programmes in Mass Minority Districts                   | 93.20                   | 0.00        | 93.20 (100 %)           |
| 11   | 64        | Financial Assistance to Urban Bodies                           | 2217-05-191-1325-42-007-General Compliance Grant as per Recommendation of XIV Finance Commission | 360.00                  | 0.00        | 360.00 (100 %)          |
| 12   | 64        | Financial Assistance to Urban Bodies                           | 2217-05-192-1325-42-007-General Compliance Grant as per Recommendation of XIV Finance Commission | 180.00                  | 0.00        | 180.00 (100 %)          |
| 13   | 64        | Financial Assistance to Urban Bodies                           | 2217-05-193-1325-42-007-General Compliance Grant as per Recommendation of XIV Finance Commission | 62.00                   | 0.00        | 62.00 (100 %)           |
| <b>Total</b>   |           |  |  | <b>6,014.59</b>         | <b>0.00</b> | <b>6,014.59 (100 %)</b> |

Source: Appropriation Accounts 2020-21 and VLC Data furnished by O/o PAG (A&E)-I, Madhya Pradesh, Gwalior

Specific reasons for non-utilisation of the entire provision were not intimated by concerned BCOs, which indicates unrealistic budget estimation.

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

According to Paras 30.1 and 30.2 of Madhya Pradesh Budget Manual, 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 also a comparison and analysis for the last three years.

It was observed that there were savings of ₹10 crore and above in 17 schemes started newly during 2020-21, as shown in **Table 3.13**:

| Table 3.13: Schemes in which budget provision was ₹10 crore or more |           |  |   |                            |                 |                               |
|---|-----------|--|---|----------------------------|-----------------|-------------------------------|
| (₹ in crore)  |           |  |   |                            |                 |                               |
| Sl. No.   | Grant No. | Name of the Grant/ Appropriation   | Name of Scheme  | Total Provision (Original) | Expenditure     | Saving (in per cent)          |
| 1   | 4         | Other Expenditure relating to Home Department  | 3454-01-800-9504-Census 2021  | 29.31                      | 11.72           | 17.59<br>(60.01 %)            |
| 2   | 10        | Forest   | 4406-01-800-9664-CAMPA Compensatory Afforestation                                       | 78.08                      | 67.82           | 10.26<br>(13.14 %)            |
| 3   | 10        | Forest   | 4406-01-800-9668-CAMPA interest   | 48.69                      | 0.30            | 48.39<br>(99.38 %)            |
| 4   | 12        | Energy   | 4801-02-190-9654-Subscription of smart reader and scada scheme                          | 20.00                      | 0.00            | 20.00<br>(100.00 %)           |
| 5   | 12        | Energy   | 4801-05-190-9656-Gandhi Sagar Water Electricity Home Life Extension                     | 50.00                      | 0.00            | 50.00<br>(100.00 %)           |
| 6   | 12        | Energy   | 6801-205-9655-Loan for smart reader and scada scheme                                    | 330.00                     | 0.00            | 330.00<br>(100.00 %)          |
| 7   | 29        | Law and Legislative Work   | 2014-103-9634-Foundation of Fast Track Court under Pacts Act                            | 32.77                      | 12.77           | 20.00<br>(61.03 %)            |
| 8   | 33        | Tribal welfare   | 2225-02-277-9673-Integrated Hostel Operation  | 113.22                     | 21.45           | 91.77<br>(81.05 %)            |
| 9   | 40        | Other Expenditure pertaining to School Education department (Excluding Primary School) | 4202-02-103-9516-C M Rise   | 20.00                      | 0.00            | 20.00<br>(100.00 %)           |
| 10  | 64        | Financial Aid to Urban Bodies  | 2217-05-191-9638-Grant to local bodies as per recommendation of XV Finance Commission   | 990.00                     | 595.00          | 395.00<br>(39.90 %)           |
| 11  | 64        | Financial Aid to Urban Bodies  | 2217-05-191-9640-Grant to million cities as per recommendation of XV Finance Commission | 598.00                     | 448.50          | 149.50<br>(25.00 %)           |
| <b>Total</b>  |           |  |   | <b>2,310.07</b>            | <b>1,157.56</b> | <b>1,152.51<br/>(49.89 %)</b> |

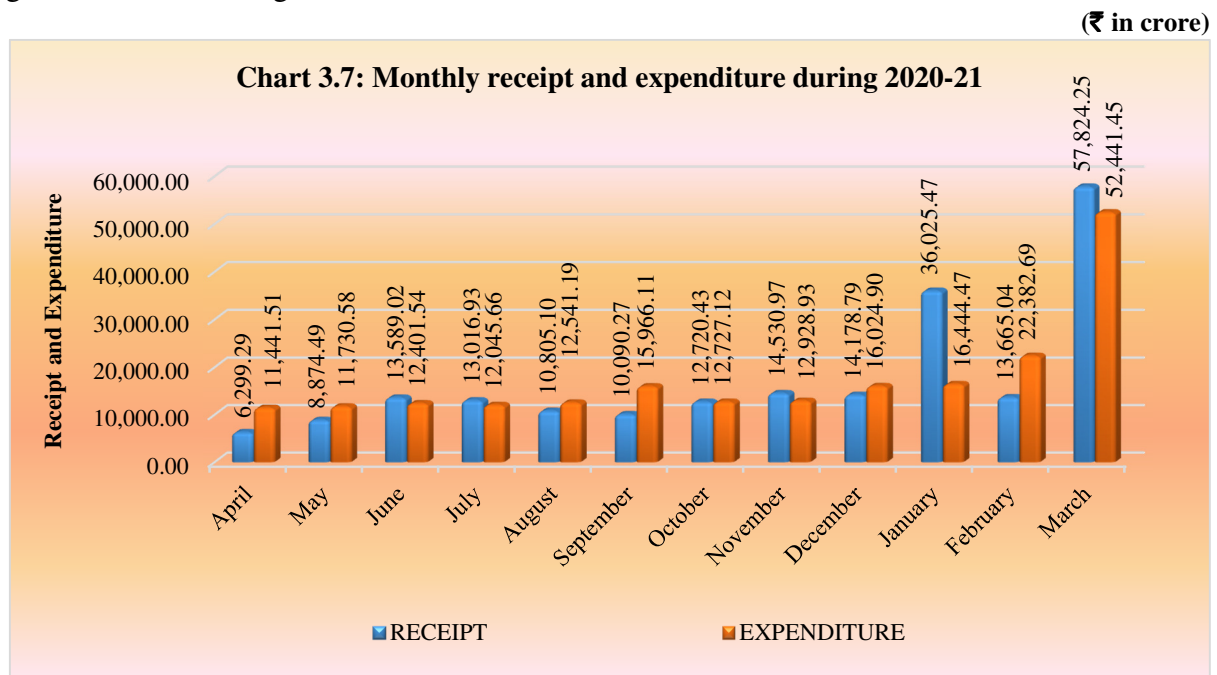
Source: Finance Accounts 2020-21

It can be seen from the above **Table 3.13** that substantial savings in newly started schemes during 2020-21 were mainly in three Grants, *i.e.* Grant No. 10 Forest, Major Head 4406 (Capital Outlay on Forestry and Wild Life), Grant No. 33 Tribal Welfare, Major Head 2225 (Welfare of Scheduled Castes, Scheduled tribes, Other Backward classes and minorities) and Grant No. 64 Financial aid to Urban bodies, Major Head 2217 (Urban Development). The savings are indicative of possible lack of planning, unrealistic estimation of the anticipated expenditure and inadequate budgetary monitoring.

### 3.12 Rush of Expenditure

As per Para 26.13 of the Madhya Pradesh Budget Manual, a rush of expenditure particularly in the closing months of the financial year, is regarded as breach of financial regularity. Further, as per the standing orders of Finance Department, the Administrative Departments should target their annual expenditure during four quarters in the first two quarters upto 45 *per cent*, in the third quarter 25 *per cent* and in the last quarter 30 *per cent* of the total expenditure for effective budget execution.

The monthly flow of receipts in to the State exchequer and disbursements during 2020-21 is given in the following **Chart 3.7**.



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

As can be seen from the Chart above, the receipts were paced more or less evenly across all the month except in January and March. In the month of January there was a sudden rise because of huge receipts received under Internal Debt of the State and Grants in Aid from Central Government. Similarly, in the month of March there was also a sudden rise due to more receipts received in Central Goods and Service tax, Corporation Tax, Tax on Income other than Corporation Tax, Stamps and Registration Fees, Tax on Sales and Trade and Internal Debt of the State during the financial year 2020-21.

The State Government incurred an expenditure of ₹52,441.44 crore, constituting about 25.08 per cent of the total expenditure of ₹2,09,076.14 crore<sup>2</sup>, in March 2021 alone, of this, 100 per cent expenditure was incurred in 21 cases<sup>3</sup> of 15 Grants/Appropriations amounting to ₹8,827.34 crore during March 2021. Details are given in **Table 3.14**. Further it was also observed that during 2020-21, in 70 cases (32 Grants/Appropriation) more than the 50 per cent of the total expenditure was incurred in March 2021 as detailed in **Appendix 3.16**.

| <b>Table 3.14: Quantum of Expenditure in March</b> |  |            |  |                                    |                   |   |               |
|--|--|------------|--|------------------------------------|-------------------|---|---------------|
| (₹ in crore)                                       |  |            |  |                                    |                   |   |               |
| Sl. No.  | Grant number and name  | Scheme No. | Expenditure incurred during Jan-March 2021 | Expenditure incurred in March 2021 | Total Expenditure | Percentage of total expenditure incurred during |               |
|  |  |            |  |                                    |                   | Jan-March 2021                                  | March 2021    |
| 1  | CH II-Public Debt  | 5436       | 600.00                                     | 600.00                             | 600.00            | 100.00  | 100.00        |
| 2  | CH II-Public Debt  | 6881       | 2,500.00                                   | 2,500.00                           | 2,500.00          | 100.00  | 100.00        |
| 3  | CH II-Public Debt  | 6880       | 700.00                                     | 700.00                             | 700.00            | 100.00  | 100.00        |
| 4  | CH I-Interest Payment and Servicing of Debt                    | 6881       | 104.50                                     | 104.50                             | 104.50            | 100.00  | 100.00        |
| 5  | 3-Police   | 1416       | 40.00                                      | 40.00                              | 40.00             | 100.00  | 100.00        |
| 6  | 6-Finance  | 6857       | 42.72                                      | 42.72                              | 42.72             | 100.00  | 100.00        |
| 7  | 6-Finance  | 5329       | 31.35                                      | 31.35                              | 31.35             | 100.00  | 100.00        |
| 8  | 7-Commercial Tax   | 0817       | 600.00                                     | 600.00                             | 600.00            | 100.00  | 100.00        |
| 9  | 12-Energy  | 1284       | 33.46                                      | 33.46                              | 33.46             | 100.00  | 100.00        |
| 10   | 12-Energy  | 7255       | 38.62                                      | 38.62                              | 38.62             | 100.00  | 100.00        |
| 11   | 12-Energy  | 3218       | 1,065.00                                   | 1,065.00                           | 1,065.00          | 100.00  | 100.00        |
| 12   | 13-Farmer Welfare and Agriculture Development                  | 7847       | 2,000.00                                   | 2,000.00                           | 2,000.00          | 100.00  | 100.00        |
| 13   | 16-Fishermen Welfare and Fisheries Development                 | 7579       | 34.52                                      | 34.52                              | 34.52             | 100.00  | 100.00        |
| 14   | 19-Public Health and Family Welfare                            | 7659       | 22.47                                      | 22.47                              | 22.47             | 100.00  | 100.00        |
| 15   | 25-Mineral Resources   | 6606       | 719.44                                     | 719.44                             | 719.44            | 100.00  | 100.00        |
| 16   | 27-School Education (Primary Education)                        | 6716       | 68.00                                      | 68.00                              | 68.00             | 100.00  | 100.00        |
| 17   | 33-Tribal Welfare  | 8844       | 22.81                                      | 22.81                              | 22.81             | 100.00  | 100.00        |
| 18   | 44-Higher Education  | 6283       | 30.41                                      | 30.41                              | 30.41             | 100.00  | 100.00        |
| 19   | 53-Finance Assistance to Three Tier Panchayti Raj Institutions | 0647       | 119.49                                     | 119.49                             | 119.49            | 100.00  | 100.00        |
| 20   | 53-Finance Assistance to Three Tier Panchayti Raj Institutions | 6093       | 35.00                                      | 35.00                              | 35.00             | 100.00  | 100.00        |
| 21   | 57-Environment   | 7051       | 19.55                                      | 19.55                              | 19.55             | 100.00  | 100.00        |
| <b>Total</b>                                       |  |            | <b>8,827.34</b>                            | <b>8,827.34</b>                    | <b>8,827.34</b>   | <b>100.00</b>                                   | <b>100.00</b> |

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

<sup>2</sup> Including expenditure on public debt

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

As can be seen from **Table 3.15** below, during the financial year 2020-21, there were five cases where more than 50 *per cent* of the expenditure was incurred in March 2021. Out of these five cases, Grant No. 25 Mineral Resources and Grant No. 58 Expenditure on Relief on Account of Natural Calamities and Drought Prone Area huge expenditure was incurred in March 2021 whereas in Grant No. 61 Expenditure pertaining to Bundelkhand Package and Grant No. 68 Public Asset Management was allotted mainly through supplementary provision.

| <b>Table 3.15: Grants with more than 50 per cent of expenditure in March alone</b> |           |   |         |         |          |          |          |                      |   |
|--|-----------|---|---------|---------|----------|----------|----------|----------------------|---|
| (₹ 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  | 11.15   | 9.93    | 10.57    | 728.91   | 760.56   | 723.60               | 95.14   |
| 2  | 57        | Environment   | 0.00    | 11.25   | 2.68     | 27.09    | 41.02    | 27.09                | 66.04   |
| 3  | 58        | Expenditure on Relief on Account of Natural Calamities and Drought Prone Area | 386.27  | 481.82  | 1,389.81 | 6,519.86 | 8,777.76 | 6,000.37             | 68.36   |
| 4  | 61        | Expenditure pertaining to Bundelkhand Package                                 | 0.00    | 0.00    | 0.00     | 1.11     | 1.11     | 1.10                 | 99.10   |
| 5  | 68        | Public Asset Management   | 0.00    | 0.00    | 0.00     | 0.40     | 0.40     | 0.40                 | 100.00  |

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

### 3.13 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 3.16** shows details of budgetary provision under Gender Budget during 2016-21:

| Table 3.16: Provision under Gender Budget during 2016-21 |          |          |          |          |          |
|--|----------|----------|----------|----------|----------|
| (₹ in crore)   |          |          |          |          |          |
|  | 2016-17  | 2017-18  | 2018-19  | 2019-20  | 2020-21  |
| Gender Budget  | 43,208   | 47,009   | 52,344   | 58,309   | 55,244   |
| Total Budget   | 2,01,519 | 2,06,470 | 2,38,303 | 2,56,925 | 2,35,927 |

Source: Budget Books and Appropriation Accounts of respective years

Budget allocation under Gender Budget decreased by ₹3,065 crore from ₹58,309 crore in 2019-20 to ₹55,244 crore in 2020-21. Year-wise allocation and expenditure in respect of categories 1 and 2 for the period 2016-21 are given in Table 3.17:

| Table 3.17: Gender Budgetary allocations during 2016-21 |            |             |                                     |            |             |                                     |
|---|------------|-------------|-------------------------------------|------------|-------------|-------------------------------------|
| (₹ in crore)  |            |             |                                     |            |             |                                     |
| Year  | Category 1 |             |                                     | Category 2 |             |                                     |
|   | Outlay     | Expenditure | Percentage of expenditure to outlay | Outlay     | Expenditure | Percentage of expenditure to outlay |
| 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   | 1,611.02    | 59.78                               | 55,614.20  | 50,571.92   | 90.93                               |
| 2020-21   | 3,375.37   | NA*         | -                                   | 51,868.72  | NA*         | -                                   |

Source: Information provided by Finance Department, GoMP

\*NA- Information not provided by Finance Department

The State Government has not reported on the performance of Gender Budget during 2020-21 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.

### 3.14 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 3.18 shows details of provision under Farmer Welfare and Agriculture Development made by the State during 2016-21.

| Table 3.18: Budgetary allocation of Agriculture Budget vis-à-vis Farmers Welfare and Agriculture Development Grant during 2016-21 |         |         |         |         |         |
|---|---------|---------|---------|---------|---------|
| (₹ in crore)  |         |         |         |         |         |
|   | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| Farmers Welfare and Agriculture Development (Grant No. 13)  | 4,161   | 8,383   | 16,865  | 22,609  | 14,062  |
| Agriculture Budget  | 26,050  | 33,564  | 37,499  | 46,560  | 26,265  |

Source: Budget Books and Appropriation Accounts of respective years

Budgetary allocation decreased by ₹20,295 crore from ₹46,560 crore in 2019-20 to ₹26,265 crore in 2020-21. Year-wise allocation and expenditure in Farmers Welfare and Agriculture Development (Grant No. 13) during 2016-21 are given in **Table 3.19**:

| (₹ in crore) |                   |             |                   |
|--------------|-------------------|-------------|-------------------|
| Year         | Budget Allocation | Expenditure | Saving (Per cent) |
| 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)     |
| 2020-21      | 14,062            | 13,542      | 520 (3.70)        |

Source: Appropriation Accounts of respective years

As can be seen from the above Tables, there were substantial savings under Gran No. 13 during 2016-20, ranging from 26.77 per cent to 42.21 per cent. The condition improved during 2020-21 with savings of only 3.70 per cent in comparison to the previous years but still it 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.

### 3.15 Environment Budget

The National Environment policy (NEP), 2006 is intended to emphasize on conservation, prevention of degradation and equity of Natural Resources. During the financial year 2020-21, Environment Budget was introduced by Madhya Pradesh State Government under Grant No. 57. The Budget includes the data relating to Environment, Waste management, Prevention and Control of Pollution, Environment Research and Education, Environmental Protection, etc. rendered by the State Government.

During 2020-21, budget allocation of ₹41.37 crore was made under Grant No. 57 Environment, against which expenditure of ₹41.02 crore was incurred resulting in saving of ₹0.35 crore and no part of it was surrendered. Budget allocation and Expenditure incurred during 2020-21 by the State Government under Grant No. 57 Environment is shown below in **Table 3.20**.

| (₹ in crore) |                       |  |                              |              |             |   |
|--------------|-----------------------|--|------------------------------|--------------|-------------|---|
| Sl. No.      | Grant Number and Name | Head of account up to minor head and name of Scheme  | Total Budget Provision (O+S) | Expenditure  | Saving      | Percentage of utilisation w.r.t. Total Budget Provision |
| 1            | 57-Environment        | 2215-02-800-Other Expenditure  | 1.35                         | 1.35         | 0.00        | 100.00  |
| 2            |                       | 2217-05-191-Assistance to Local Bodies Corporations, Urban Development Authorities, Improvement of City Bodies, etc. | 33.45                        | 33.45        | 0.00        | 100.00  |
| 3            |                       | 2215-02-106-Prevention of Air and Water Pollution  | 6.30                         | 6.00         | 0.30        | 95.24   |
| 4            |                       | 4217-01-051-Construction   | 0.27                         | 0.22         | 0.05        | 81.48   |
| <b>Total</b> |                       |  | <b>41.37</b>                 | <b>41.02</b> | <b>0.35</b> | <b>99.15</b>  |

Source: Finance Accounts 2020-21

### 3.16 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 2020-21, we selected two Grants, *i.e.* Grant No. 6 Finance and Grant No. 58 Expenditure on Relief on Account of Natural Calamities and Drought Prone Area, for detailed scrutiny to review compliance with prescribed budgetary procedures, monitoring of funds, control mechanisms and implementation of schemes within these grants.

#### 3.16.1 Grant No. 6 Finance

Secretary, Finance Department, Bhopal, Director Pension, Bhopal, Commissioner, Institutional Finance, Bhopal, Director, Treasury and Accounts, Bhopal, Director, Local Fund Audit, Bhopal, Principal Accountant General (A&E)-I, Gwalior and Director, Financial Management Information System, Bhopal are the Budget Controlling Officers (BCOs) pertaining to Grant No. 6 Finance.

##### 3.16.1.1 Summarised position of Budget and Expenditure

The details of amount budgeted for and the expenditure incurred under the Grant No. 6 during 2020-21 is summarised below in **Table 3.21**.

| (₹ in crore)      |                               |                           |                               |                  |                               |                 |
|-------------------|-------------------------------|---------------------------|-------------------------------|------------------|-------------------------------|-----------------|
| Section           | Total Budget                  |                           | Expenditure                   |                  | Savings                       |                 |
|                   | As per Appropriation Accounts | Actual Allocation to BCOs | As per Appropriation Accounts | As per BCOs      | As per Appropriation Accounts | As per BCOs     |
| Revenue (Voted)   | 17,296.23                     | 17,296.23                 | 14,960.16                     | 14,917.76        | 2,336.07                      | 2,378.47        |
| Revenue (Charged) | 330.05                        | 329.99                    | 5.46                          | 5.46             | 324.59                        | 324.53          |
| Capital (Voted)   | 130.70                        | 126.98                    | 44.79                         | 45.04            | 85.91                         | 81.94           |
| <b>Total</b>      | <b>17,756.98</b>              | <b>17,753.20</b>          | <b>15,010.41</b>              | <b>14,968.26</b> | <b>2,746.57</b>               | <b>2,784.94</b> |

Source: Appropriation Accounts 2020-21 and information furnished by the BCOs

As per Appropriation Accounts 2020-21 against the total provision of ₹17,296.23 crore under Revenue (Voted) Section, expenditure of ₹14,960.16 crore was incurred resulting in unspent amount of ₹2,336.07 crore (13.51 *per cent*). Similarly, against the total provision of ₹130.70 crore under Capital (Voted) Section, expenditure of ₹44.79 crore was incurred resulting in unspent amount of ₹85.91 crore (65.73 *per cent*). Also against total provision of ₹330.05 crore under Revenue (Charged) Section, expenditure of only ₹5.46 crore was incurred resulting in unspent amount of ₹324.59 crore (98.35 *per cent*). 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.

### 3.16.1.2 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 2020-21, there were persistent savings of ₹10 crore to ₹50 crore ranging between 48 *per cent* and 100 *per cent* of the total budget provision in two schemes of Major Head 6075 as shown in **Table 3.22**.

| (₹ in crore) |   |                   |                 |                 |                 |
|--------------|---|-------------------|-----------------|-----------------|-----------------|
| Sl. No.      | Major Head /Scheme Name   | Amount of savings |                 |                 |                 |
|              |   | 2017-18           | 2018-19         | 2019-20         | 2020-21         |
| 1            | 06-6075-00-800-9999-6787-V-66-000<br>Provision for settlement of Guaranteed Loan  | 51.31<br>(100%)   | 40.00<br>(100%) | 50.00<br>(100%) | 24.23<br>(48%)  |
| 2            | 06-6075-00-800-9999-6788-V-66-000<br>Provision for settlement of S.L.R. Bonds issued by undertakings and subordinate institutions of State Government | 25.00<br>(100%)   | 10.00<br>(100%) | 10.00<br>(100%) | 10.00<br>(100%) |

Source: Appropriation Accounts of respective years

Persistent savings are indicative of unrealistic budgetary allocation, sub-optimal utilisation of budgeted funds and inadequate monitoring of resource utilization. This also shows that budget allocations were made without considering the previous years' trends in expenditure. Secretary, Finance Department, in reply stated (September 2021) that provisions were made to make payment in anticipation of any circumstances *viz.* (i) if the Guarantees are invoked, (ii) as the SLR bonds are wound up, if any case of such pending dues arises.

Reply is not acceptable as savings were persisting during the last four years ranging between 48 *per cent* and 100 *per cent*.

### 3.16.1.3 Non-utilisation of entire provision

During 2020-21, in one case under Director, Treasury and Accounts, Bhopal where provision was ₹100 crore or more, the entire provision ₹100.00 crore remained unutilised as detailed in **Table 3.23**.

| (₹ in crore) |   |                                   |                               |                 |                  |             |               |               |             |
|--------------|---|-----------------------------------|-------------------------------|-----------------|------------------|-------------|---------------|---------------|-------------|
| Sl. No.      | BCO   | Scheme head                       | Nomenclature                  | Original Budget | Re-appropriation | Surrender   | Total Budget  | Savings       | Expenditure |
| 1            | Director, Treasury and Accounts, Bhopal (BCO Code 0405) | 06-2054-00-095-9999-5329-C-53-000 | 5329-Payment of Pending Bills | 100.00          | 0.00             | 0.00        | 100.00        | 100.00        | 0.00        |
| <b>Total</b> |   |                                   |                               | <b>100.00</b>   | <b>0.00</b>      | <b>0.00</b> | <b>100.00</b> | <b>100.00</b> | <b>0.00</b> |

Source: Information furnished by the BCO

The Director, Treasury and Accounts, Bhopal in its reply stated that allotment of ₹100 crore was received for payment of pending dues in emergent circumstances and during financial year 2020-21 appointment of Contract Employees could not be done due to Covid-19 and hence the allotment remained unspent.

The unspent amount should be surrendered within prescribed time.

#### **3.16.1.4 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 Officer to the Finance Department by 15 January for each financial year so that resources can be allocated by the Finance Department to other Demands of Grants.

In 42 Detailed heads pertaining to six schemes savings aggregating ₹15.34 crore (20.34 per cent) out of total provision of ₹75.40 crore were surrendered in the end of March 2021, leaving no scope for utilising the funds for other programmes. Details are shown in **Appendix 3.17**.

The Commissioner, Institutional Finance, Bhopal in its reply stated (September 2021) that savings were due to non-submission of bills in various schemes and non-sanction of government to invest in Share Capital of Regional Rural Banks whereas BCO (Director, Local Fund Audit, Bhopal) replied (September 2021) that savings were due to non-surrender of funds in anticipation of budget demand from subordinate offices up-to year end. Fact remains that surrenders were not made within prescribed time.

#### **3.16.2 Grant No. 58 Expenditure on Relief on Account of Natural Calamities and Drought Prone Area**

We reviewed (July 2021) the budgetary procedure and control over expenditure pertaining to Grant No. 58 Expenditure on Relief on Account of Natural Calamities and Drought Prone Area. The Relief Commissioner, Rahat Bhawan, Bhopal and Commandant General (Home Guard), Jabalpur are the Budget Controlling Officers (BCOs) of Grant No. 58.

##### **3.16.2.1 Summarised position of Budget and Expenditure**

The details of amount budgeted for and the expenditure incurred under Grant No. 58 during 2020-21 is summarised below in **Table 3.24**:

| Section           | Original Budget   | Supplementary Budget | Total Budget     | Budget released to BCOs | Expenditure                   |                       | Savings                       |                 |
|-------------------|-------------------|----------------------|------------------|-------------------------|-------------------------------|-----------------------|-------------------------------|-----------------|
|                   |                   |                      |                  |                         | As per Appropriation Accounts | As per BCOs           | As per Appropriation Accounts | As per BCOs     |
| Revenue (Voted)   | 4,962.18          | 4,792.00             | 9,754.18         | 9,754.18                | 8,777.75                      | 8,722.26 <sup>4</sup> | 976.43                        | 1,031.92        |
| Revenue (Charged) | 0.00 <sup>5</sup> | 0.00                 | 0.00             | 0.00                    | 0.00                          | 0.00                  | 0.00                          | 0.00            |
| Capital (Voted)   | 1.00              | 485.40               | 486.40           | 455.33                  | 0.00                          | 0.00                  | 486.40                        | 455.33          |
| <b>Total</b>      | <b>4,963.18</b>   | <b>5,277.40</b>      | <b>10,240.58</b> | <b>10,209.51</b>        | <b>8,777.75</b>               | <b>8,722.26</b>       | <b>1,462.83</b>               | <b>1,487.25</b> |

Source: Appropriation Accounts 2020-21 and information furnished by the BCOs

As per Appropriation Accounts 2020-21, against the provision of ₹10,240.58 crore, an expenditure of ₹8,777.75 crore was incurred resulting in unspent provision of ₹1,462.83 crore (14.28 per cent). Further, as per the records of BCOs, against the total budget of ₹10,209.51 crore released, an expenditure of ₹8,722.26 crore was incurred which includes an amount of ₹4,318.79 crore transfer to State Disaster Response Fund (SDRF) resulting in an unspent amount of ₹1,487.25 crore (14.56 per cent). Out of the total savings of ₹1,487.25 crore, at BCOs level only ₹1,223.24 crore, viz. 82.30 per cent of the total savings, was surrendered on 31 March 2021, instead of by 15 January as stipulated in para 26.9 of the Madhya Pradesh Budget Manual Volume-I. Delay in surrender had left no scope for utilising these funds in other development programmes.

Further, there was a difference of ₹55.49 crore in savings in Revenue section as per Appropriation Accounts and as per BCOs records.

During 2020-21, it was observed that under Capital Voted section department has proposed supplementary provision of ₹485.40 crore under the head 4059-80-800-6276-64-001 for preparation of Disaster Management Plans. Finance Department had released ₹454.33 crore for this scheme, however, no amount was spent out of the allocated fund resulting in unnecessary supplementary provision.

Department attributed the reason for savings as non-issuance of final guidelines on mitigation by Government of India (GoI).

Reply is not acceptable as Department had proposed supplementary provision without obtaining the final guidelines on mitigation from the Government of India as a result these funds were barred from being utilised for other development purposes.

### 3.16.2.2 Persistent savings

We observed that in violation of paras 30.1 and 30.2 of Madhya Pradesh Budget Manual, during the last five years from 2016-17 to 2020-21, there were persistent savings of ₹ one crore and above in six schemes ranging between two per cent and 100 per cent of the total budget allotment as shown in **Table 3.25** below:

<sup>4</sup> Also includes amount of ₹4,318.79 crore transferred to State Disaster Response Fund (SDRF).

<sup>5</sup> ₹10,000

| Table 3.25: Schemes indicating persistent savings during 2016-21 |  |   |                     |                  |                  |                  |
|--|--|---|---------------------|------------------|------------------|------------------|
| (₹ in crore)   |  |   |                     |                  |                  |                  |
| Sl. No.  | Scheme Name  | Amount of Savings<br>(Per cent to total budget allotment in the scheme) |                     |                  |                  |                  |
|  |  | 2016-17   | 2017-18             | 2018-19          | 2019-20          | 2020-21          |
| 1  | 6422-Aid for crop damage due to drought and other works                          | 12.18<br>(2.00)   | 1,026.65<br>(57.00) | 16.82<br>(2.00)  | 4.76<br>(9.00)   | 22.56<br>(99.00) |
| 2  | 6434-Drinking water supply in rural area   | 10.04<br>(69.00)  | 5.82<br>(62.00)     | 1.37<br>(59.00)  | 3.61<br>(72.00)  | 10.51<br>(96.00) |
| 3  | 0096-Relief to outbreak of fire  | 17.36<br>(48.00)  | 7.48<br>(21.00)     | 4.52<br>(13.00)  | 3.02<br>(9.00)   | 26.18<br>(60.00) |
| 4  | 6436-Disaster related training and purchase of equipment's                       | 5.36<br>(77.00)   | 5.13<br>(81.00)     | 2.35<br>(52.00)  | 1.76<br>(2.00)   | 13.30<br>(11.00) |
| 5  | 7021-Relief Assistance for loss due to Pala                                      | 7.35<br>(98.00)   | 128.07<br>(100.00)  | 6.18<br>(16.00)  | 3.38<br>(35.00)  | 88.79<br>(99.00) |
| 6  | 2750-Loans and advance less for water scarcity arising out of natural calamities | 3.00<br>(100.00)  | 1.00<br>(100.00)    | 1.00<br>(100.00) | 1.00<br>(100.00) | 1.00<br>(100.00) |

Source: Information furnished by BCOs

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

### 3.16.2.3 Substantial Savings

The main objective of the schemes under Grant No. 58 is to provide relief to victims of natural disasters and drought. During 2020-21, there were substantial savings of ₹1,483.20 crore in 11 schemes, where savings were ₹10 crore or more ranging between 1.68 per cent and 100 per cent of the total budget allotment. The details are shown in Table 3.26.

| Table 3.26: List of schemes indicating Substantial savings during 2020-21 |  |                        |                  |                 |                         |             |         |                       |
|---|--|------------------------|------------------|-----------------|-------------------------|-------------|---------|-----------------------|
| (₹ in crore)  |  |                        |                  |                 |                         |             |         |                       |
| Sl. No.   | Scheme   | Budget provision (O+S) | Re-appropriation | Total provision | Budget released to BCOs | Expenditure | Savings | Savings (in per cent) |
| 1   | 2245-80-001-6276-51-For preparation of disaster management plans           | 485.40                 | 0.00             | 485.40          | 485.40                  | 23.73       | 461.67  | 95.11                 |
| 2   | 4059-80-800-6276-64-001-For preparation of disaster management plans       | 485.40                 | 0.00             | 485.40          | 454.33                  | 0.00        | 454.33  | 100.00                |
| 3   | 2245-80-800-7249-42-007-Crop loss due to pest infestation                  | 1,066.18               | 1,204.00         | 2,270.18        | 2,270.18                | 2,118.62    | 151.55  | 6.68                  |
| 4   | 2245-02-101-2018-42-007-Relief to flood and heavy rain victims             | 913.30                 | 156.00           | 1,069.30        | 1,069.30                | 931.83      | 137.47  | 12.86                 |
| 5   | 2245-02-101-0747-42-007-Relief to hail victims                             | 146.80                 | 162.00           | 308.80          | 308.80                  | 206.70      | 102.09  | 33.06                 |
| 6   | 2245-80-800-7021-42-007-Relief Assistance for loss due to Pala             | 100.00                 | (-)10.00         | 90.00           | 90.00                   | 1.21        | 88.79   | 98.65                 |
| 7   | 2245-01-101-0096-42-007-Relief to outbreak of fire                         | 43.92                  | 0.00             | 43.92           | 43.92                   | 17.74       | 26.18   | 59.61                 |
| 8   | 2245-01-101-6422-42-007-Aid for crop damage due to drought and other works | 263.83                 | (-)241.00        | 22.83           | 22.83                   | 0.27        | 22.56   | 98.80                 |
| 9   | 2245-80-800-5504-51-Financial aid for disaster                             | 1,080.00               | (-)202.00        | 878.00          | 878.00                  | 863.25      | 14.75   | 1.68                  |

| <b>(₹ in crore)</b> |  |                        |                  |                 |                         |                 |                 |                       |
|---------------------|--|------------------------|------------------|-----------------|-------------------------|-----------------|-----------------|-----------------------|
| Sl. No.             | Scheme   | Budget provision (O+S) | Re-appropriation | Total provision | Budget released to BCOs | Expenditure     | Savings         | Savings (in per cent) |
|                     | under R.B.C. 6-4   |                        |                  |                 |                         |                 |                 |                       |
| 10                  | 2245-80-102-6436-51- Disaster related training and purchase of equipment's | 5.23                   | 115.00           | 120.23          | 120.23                  | 106.93          | 13.30           | 11.06                 |
| 11                  | 2245-01-102-6434-42-007- Drinking water supply in rural area               | 11.00                  | 0.00             | 11.00           | 11.00                   | 0.49            | 10.51           | 95.56                 |
| <b>Total</b>        |  | <b>4,601.06</b>        | <b>1,184.00</b>  | <b>5,785.06</b> | <b>5,753.99</b>         | <b>4,270.77</b> | <b>1,483.20</b> | <b>25.78</b>          |

Source: Information furnished by BCOs

On being asked about the reasons for savings, Department replied (July 2021) that expenditure related to natural disaster cannot be accurately predicted. With regard to scheme 6276 for preparation of disaster management plans, Department attributed the reasons for savings as non-issuance of final guidelines on mitigation by Government of India.

Reasons cited by the Department are not acceptable as savings of ₹4,869 crore also occurred under these schemes during 2019-20 which indicates that trends in previous years were not kept in view while preparing the budget estimates. Scheme 6276 came into existence from the financial year 2020-21 with the objective of preparing a disaster management plan to mitigate the unforeseen natural calamities. Around 97 per cent savings in this scheme had defeated the purpose of the scheme.

#### **3.16.2.4 Substantial savings in activities i.e., grants-in-aid for victims of drought, hailstorm, flood and heavy rain fall**

The main purpose of Grant No. 58 is to provide grants-in-aid as relief to victims of outbreak of fire, drought, hailstorm and flood/heavy rain *etc.* However, we observed huge savings in Grants-in-aid. Details are given in below **Table 3.27**:

| <b>(₹ in crore)</b>          |  |             |         |                       |
|------------------------------|--|-------------|---------|-----------------------|
| Activity                     | Total provision (including supplementary and re-appropriation) | Expenditure | Savings | Savings (in per cent) |
| Object head-42-Grants-in-aid | 3,829.19   | 3,289.01    | 540.18  | 14.11                 |

Source: information furnished by BCOs

In-depth analysis of this activity revealed that savings mainly occurred in the following seven schemes as detailed in below **Table 3.28**:

| <b>(₹ in crore)</b>          |   |                         |             |                                |                       |
|------------------------------|---|-------------------------|-------------|--------------------------------|-----------------------|
| Activity                     | Scheme head                                 | Budget released to BCOs | Expenditure | Savings out of released budget | Savings (in per cent) |
| Object head-42-Grants-in-aid | 7249-Crop loss due to pest infestation      | 2,270.18                | 2,118.62    | 151.55                         | 6.68                  |
|                              | 2018-Relief to flood and heavy rain victims | 1,069.30                | 931.83      | 137.47                         | 12.86                 |
|                              | 0747-Relief to hail victims                 | 308.80                  | 206.70      | 102.09                         | 33.06                 |
|                              | 7021-Relief Assistance for loss due to      | 90.00                   | 1.21        | 88.79                          | 98.65                 |

| Table 3.28: Substantial savings in Grants-in-Aid |   |                         |             |                                |                       |
|--|---|-------------------------|-------------|--------------------------------|-----------------------|
| (₹ in crore)                                     |   |                         |             |                                |                       |
| Activity   | Scheme head   | Budget released to BCOs | Expenditure | Savings out of released budget | Savings (in per cent) |
|  | Pala  |                         |             |                                |                       |
|  | 0096-Relief to outbreak of fire                         | 43.92                   | 17.74       | 26.18                          | 59.61                 |
|  | 6422-Aid for crop damage due to drought and other works | 22.83                   | 0.27        | 22.56                          | 98.80                 |
|  | 6434-Drinking water supply in rural area                | 11.00                   | 0.49        | 10.51                          | 95.56                 |

Source: information furnished by BCOs

All the above seven schemes aim at providing immediate financial relief to the victims of natural calamities and disasters and savings under these schemes indicate either improper budgeting or serious negligence in implementing the scheme.

### 3.17 Conclusion

*Excess expenditure of ₹1,668.08 crore pertaining to 11 Grants and seven Appropriations for the years 2011-19 was yet to be regularised as per the Article 205 of the Constitution of India.*

*Supplementary Grants/Appropriations and Excessive/Unnecessary/Inadequate Re-appropriation of funds were obtained without adequate justification which shows lack of coordination between the Finance and the line Departments.*

*Savings during the year accounted for about one tenth of the budget, however, the Controlling Officers did not surrender the funds on time. Departments were not cautioned against persistent savings; nor were their budgets varied in accordance with their ability to absorb the allocations.*

*Out of total 3,697 sub-heads, explanation for variations in expenditure with reference to approved budgetary allocations, were required in 1,048 sub-heads, but the required explanations were received in only 377 cases (35.97 per cent).*

### 3.18 Recommendations

- i) The State Government should formulate realistic budget based on reliable assumptions of the needs of the Departments and their capacity to utilise the allocated resources.
- ii) The State Government should ensure that the excess expenditure over the past years should be regularised by the State Legislature at the earliest on priority basis.
- iii) The State Government should ensure that the unnecessary supplementary provisions and injudicious re-appropriation/surrender are avoided.
- iv) 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.

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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 Government of Madhya Pradesh 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 it, and performs the functions assigned to it under the Building and Other Construction Workers (Regulation of Employment and Condition of Service) Act 1996. The Board had fixed cess at the rate of one *per cent* of cost of construction to be collected from the employers for utilising it in implementation of its schemes. Various Government Departments collect the cess and must remit the same to the Board within one month of collection/ deduction.

#### 4.2.1 Accounting of Cess

The Government of India enacted the Building and Other Construction Workers Welfare Cess Act, 1996 (Cess Act) to levy and collect cess for providing benefits to the workers. Amount of labour cess is deposited in the bank accounts of Madhya Pradesh Building and Other Construction Workers Welfare Board via various means like Demand Draft, e-treasury challans, RTGS, NEFT, online payment gateway of Board, *etc.*

Section 27(1) of Building and Other Construction Workers Welfare Act requires the Board to maintain proper accounts and other relevant records and prepare an annual statement of accounts, 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 2016-21 are given in **Table 4.1**.

| <b>Table 4.1: Details of receipts and expenditure of cess during 2016-21</b> |                 |                          |                      |                      |                |                       |             |                 |  |
|--|-----------------|--------------------------|----------------------|----------------------|----------------|-----------------------|-------------|-----------------|--|
| (₹ in crore)   |                 |                          |                      |                      |                |                       |             |                 |  |
| Year   | Opening Balance | Amount of cess collected | Registration charges | Interest on deposits | Capital Amount | Total funds available | Expenditure | Closing Balance | Percentage of utilisation of available funds |
| 2016-17  | 1,499.60        | 368.29                   | 0.00                 | 93.59                | 0.19           | 1,961.67              | 168.07      | 1,793.60        | 8.57   |
| 2017-18  | 1,793.60        | 377.80                   | 0.00                 | 116.29               | 0.11           | 2,287.80              | 261.70      | 2,026.10        | 11.44  |
| 2018-19  | 2,026.10        | 548.32                   | 0.00                 | 112.93               | 7.59           | 2,694.94              | 314.15      | 2,380.79        | 11.66  |
| 2019-20  | 2,380.79        | 565.38                   | 0.00                 | 147.91               | (-6.84)        | 3,087.24              | 584.43      | 2,502.81        | 18.93  |
| 2020-21  | 2,502.81        | 437.39                   | 0.00                 | 139.29               | 0.00           | 3,079.49              | 453.09      | 2,626.40        | 14.71  |

Source: Information provided by Madhya Pradesh Building and other Construction Workers Welfare Board, Bhopal

#### 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 of the construction workers from the BOCW Welfare Fund. Details of expenditure in this regard during 2016-21 are given in **Table 4.2**:

| <b>Table 4.2: Expenditure on schemes against available funds</b> |                 |                              |           |                 |                    |                    |                 |
|--|-----------------|------------------------------|-----------|-----------------|--------------------|--------------------|-----------------|
| (₹ in crore)   |                 |                              |           |                 |                    |                    |                 |
| Year   | Available funds | Budget allotment for schemes |           | Scheme operated |                    | Registered workers | Workers covered |
|  |                 | No. of schemes               | Allotment | No. of schemes  | Actual Expenditure |                    |                 |
| 2016-17  | 1,961.67        | 26                           | 151.60    | 24              | 240.06             | 25,28,255          | 4,25,448        |
| 2017-18  | 2,287.80        | 24                           | 233.10    | 21              | 287.98             | 25,87,175          | 4,98,182        |
| 2018-19  | 2,694.94        | 24                           | 76.01     | 24              | 316.83             | 12,19,230          | 3,63,289        |
| 2019-20  | 3,087.24        | 24                           | 304.84    | 24              | 350.16             | 13,12,673          | 1,75,702        |
| 2020-21  | 3,079.49        | 19                           | 258.55    | 19              | 279.85             | 10,99,497          | 56,318          |

Source: Information provided by Madhya Pradesh Building and other Construction Workers Welfare Board, Bhopal

As is evident from the above Table, the Board could utilise only 9.09 *per cent* of the available funds and only 5.12 *per cent* of the registered workers were benefited under various schemes, *viz.* education scholarship, accommodation, medical aid, *etc.* during 2020-21.

For most of the schemes which the Building and Other Construction Workers Welfare Board is operating for the welfare of construction workers, corresponding schemes also exists that are being operated by the State Government. Hence, the 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 cess amounting to ₹2,946.70 crore during the period 2011-12 to 2020-21. However, an amount of ₹8.47 crore was pending transfer since one to nine years. The details are given in **Table 4.3** below:

| (₹ in lakh)    |                          |                              |                                  |
|----------------|--------------------------|------------------------------|----------------------------------|
| Financial Year | Amount of Cess collected | Amount credited to the Board | Amount not credited to the Board |
| 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                             |
| 2020-21        | 43,752.35                | 43,752.35                    | 0.00                             |
| <b>Total</b>   | <b>2,94,670.33</b>       | <b>2,93,823.12</b>           | <b>847.21</b>                    |

Source: Information provided by Madhya Pradesh Building and other Construction Workers Welfare Board, Bhopal

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

Due to non-transfer of Workers' Welfare Cess amount, the Board incurred loss of interest on the non-transferred amount.

### 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 Zila Parishad Fund, Panchayat Samiti Fund and Gram Panchayat 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 2016-17 to 2020-21 is given in **Table 4.4:**

|  |                 | (₹ in lakh) |          |          |          |          |
|--|-----------------|-------------|----------|----------|----------|----------|
|  |                 | 2016-17     | 2017-18  | 2018-19  | 2019-20  | 2020-21  |
| District Funds<br><b>8448-101</b>          | Opening Balance | 1.08        | 1.08     | 396.87   | 1,258.94 | 1,258.94 |
|  | Receipts        | --          | 395.79   | 862.07   | --       | 87.65    |
|  | Expenditure     | --          | --       | --       | --       | --       |
|  | Closing Balance | 1.08        | 396.87   | 1,258.94 | 1,258.94 | 1,346.59 |
| Municipal Funds-<br><b>8448-102</b>        | Opening Balance | 0.64        | 24.04    | 47.45    | 1,479.55 | 1,993.32 |
|  | Receipts        | 23.40       | 23.41    | 1,432.10 | 513.77   | 971.38   |
|  | Expenditure     | --          | --       | --       | --       | --       |
|  | Closing Balance | 24.04       | 47.45    | 1,479.55 | 1,993.32 | 2,964.70 |
| Panchayat Bodies Funds-<br><b>8448-109</b> | Opening Balance | 671.36      | 672.15   | 1,331.54 | 1,332.75 | 1,361.40 |
|  | Receipts        | 0.79        | 659.39   | 1.21     | 28.65    | 0.01     |
|  | Expenditure     | --          | --       | --       | --       | --       |
|  | Closing Balance | 672.15      | 1,331.54 | 1,332.75 | 1,361.40 | 1,361.41 |

| Table 4.4: Deposit of Local Funds |                 |             |             |             |             |             |
|-----------------------------------|-----------------|-------------|-------------|-------------|-------------|-------------|
|                                   |                 |             |             |             |             | (₹ in lakh) |
|                                   |                 | 2016-17     | 2017-18     | 2018-19     | 2019-20     | 2020-21     |
| Other Funds-<br>8448-120          | Opening Balance | 1,40,713.78 | 2,57,070.72 | 4,19,882.11 | 5,48,203.10 | 6,95,251.96 |
|                                   | Receipts        | 1,31,089.35 | 1,72,949.57 | 1,71,789.38 | 1,98,276.57 | 2,55,156.85 |
|                                   | Expenditure     | 14,732.41   | 10,138.18   | 43,468.39   | 51,227.71   | 1,138.46    |
|                                   | Closing Balance | 2,57,070.72 | 4,19,882.11 | 5,48,203.10 | 6,95,251.96 | 9,49,270.35 |

Source: Finance Accounts of the respective years

As can be seen from the above Table, no expenditure is being done from the Major Heads 8448-101-District Funds, 8448-102-Municipal Funds and 8448-109-Panchayat Bodies Funds in the last five years but funds are continuously being deposited in these heads.

#### 4.4 Delay in Submission of Utilisation Certificates

The State Financial Rules provide that every order sanctioning a grant would specify its objective clearly, as well as the time limit within which the grant is to be spent. The departmental officers drawing the Grants-in-Aid would be primarily responsible for certifying to the Accountant General, where necessary, the fulfillment of the conditions attached to the grant and submission of certificate (Utilisation Certificate) in such form and at such interval as may be agreed between the Accountant General (Accounts and Entitlement) and the Head of the Department concerned.

In terms of Rule 179 and 182 of the Madhya Pradesh Financial Code, Utilisation Certificates in respect of Grants-in-Aid received by the grantee should be furnished by the grantee to the authority that sanctioned it on or before 1 June every year, following from the date of receipt of grant or before applying for a further grant on the same object, whichever is earlier. To the extent of non-submission of Utilisation Certificates, there is no assurance that the amount shown in Finance Accounts had reached the beneficiaries and thus the expenditure cannot be vouched as correct or final.

As on 31 March 2021, a total of 19,604 Utilisation Certificates 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 Utilisation Certificates is given in **Table 4.5**:

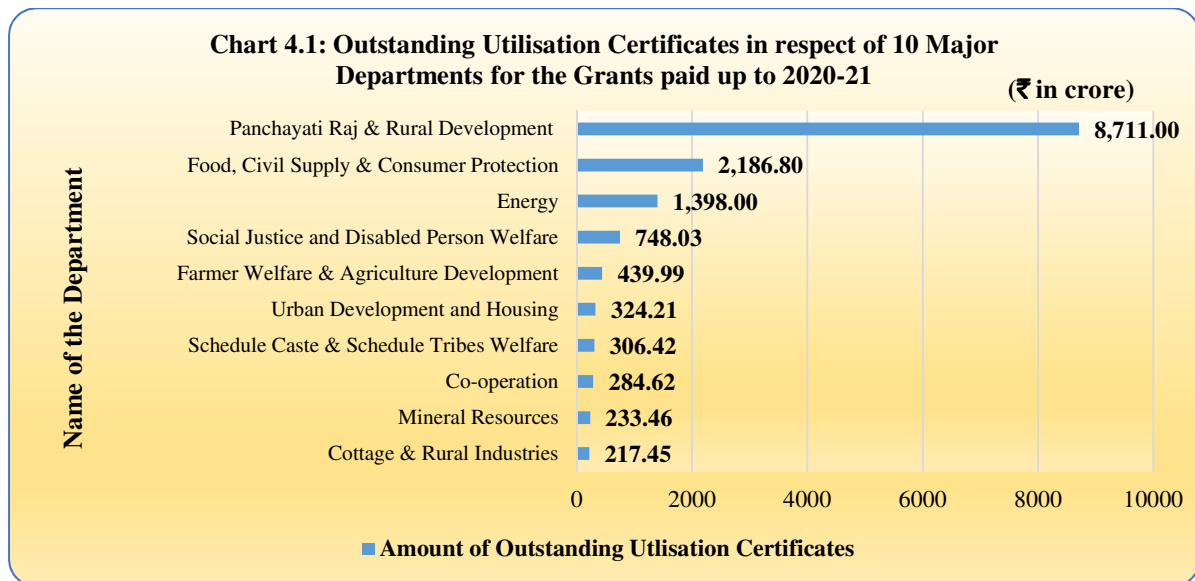
| Table 4.5: Year-wise breakup of pending Utilisation Certificates |                                    |                  |
|--|------------------------------------|------------------|
|  |                                    | (₹ in crore)     |
| Year   | Number of Utilisation Certificates | Amount           |
| 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                                  | 0.00             |
| 2018-19  | 20                                 | 479.56           |
| 2019-20  | 18                                 | 1,406.31         |
| 2020-21  | 0                                  | 0.00             |
| <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

As can be seen from the above Table, the outstanding Utilisation Certificates for the year 2020-21 is Nil. This is because the State Government discontinued sending of all physical vouchers to the Principal Accountant General's Office since 1 October 2019. The State

Government has replaced the physical vouchers with e-vouchers and e-challans, which are made available to the Principal Accountant General's Office through Integrated Financial Management Information System. But documents in support of the vouchers were not being uploaded in the Integrated Financial Management Information System, due to which identification of conditional and unconditional grants was not possible, thereby affecting the requirement/monitoring of Utilisation Certificates. Further, **Table 4.5** also reveals that 85 per cent amount of outstanding Utilisation Certificates pertain to the period prior to 2014-15.

Department-wise break-up of outstanding Utilisation Certificates for the grants paid up to the year 2020-21 is given in **Appendix 4.1**. The Departmental authorities have not yet explained as to how an amount of ₹15,541.32 crore was spent over the years. It is therefore 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 Utilisation Certificates may affect receipt of performance grants from GoI. Status of outstanding Utilisation Certificates in respect of 10 Major Departments is given in **Chart 4.1**:



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

In the absence of the Utilisation Certificates, 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 Utilisation Certificates 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.

#### 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 the Government. These grants are also recorded in Voucher Level Computerisation system of the Office of the Principal Accountant General (A&E)-I and submission of UCs is monitored against outstanding amount for 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 ₹34,137.57 crore (53.11 per cent of total grants-in-aid ₹64,270.95 crore) during the year 2020-21 as having been disbursed to Grantee Institutions of type “Others”. Details of total funds released to Grantee Institutions as “Others” during the years 2016-21 is given in **Table 4.6:**

| (₹ in crore)                      |           |           |           |           |           |
|-----------------------------------|-----------|-----------|-----------|-----------|-----------|
| Name of Grantee                   | 2016-17   | 2017-18   | 2018-19   | 2019-20   | 2020-21   |
| Others                            | 12,147.25 | 9,024.21  | 12,451.13 | 36,343.51 | 34,137.57 |
| Total Grants-in-Aid               | 49,980.15 | 53,454.99 | 54,428.05 | 65,258.33 | 64,270.95 |
| Percentage of others to total GIA | 24.30     | 16.88     | 22.88     | 55.69     | 53.11     |

Source: Finance Accounts of the respective years

As can be seen from the above Table, a significant portion of total Grants-in-Aid is being disbursed to Grantee Institutions of type “Others” during 2016-21. The percentage of funds disbursed to Grantee Institution as “Others” during 2016-21 varies from 16.88 per cent to 55.69 per cent.

#### 4.6 Funds Transferred Directly to State Implementing Agencies

The Government of India schemes are implemented by the State Implementing Agencies. In April 2014, the Government of India decided that all assistance to implementing agencies under Centrally Sponsored Schemes would be provided through the State Government. Thus the Annual Finance Accounts of the State would provide a complete picture of all the resources under the control of the State Government. However, Government of India released ₹27.09 crore directly to Implementing Agencies in Madhya Pradesh during 2020-21 as against ₹22.93 crore in 2019-20, an increase of 18.14 per cent.

Details of funds transferred directly to State Implementing Agencies in respect of the Centrally Sponsored Schemes during the year 2020-21 are shown in **Table 4.7:**

| (₹ in lakh) |  |  |   |
|-------------|--|--|---|
| Sl. No.     | Name of the Schemes of Government of India             | Name of the Implementing Agencies  | Government of India releases during 2020-21 |
| 1           | Integrated Scheme on Agriculture Census and Statistics | Rajmata Vijayaraje Scindia Krishi Vishwa Vidyalaya (RVSKVV) (State Govt PSU)   | 7.49  |
| 2           | Sub-Mission on Seed and Planting Material              | Madhya Pradesh Rajya Beej Evam Farm Vikas Nigam (MPBEEJNIGAM) (State Govt PSU) | 197.17                                      |
| 3           | Biodiversity Conservation                              | Environment Planning & Coordination Organisation (EPCO) ( State Govt PSU)      | 62.00                                       |
| 4           | Rashtriya Gokul Mission                                | M.P. Rajya Pashudhan Evam Kukkut Vikas Nigam-(MPLPDC) (State Govt PSU)         | 2,113.44                                    |

| <b>(₹ in lakh)</b> |  |  |   |
|--------------------|--|--|---|
| Sl. No.            | Name of the Schemes of Government of India                   | Name of the Implementing Agencies  | Government of India releases during 2020-21 |
| 5                  | PM Formalization of Micro Food Processing Enterprises PM-FME | Madhya Pradesh State Agro-Industries Development Corporation Limited-(MPSAIDC) (State Govt PSU)  | 300.00                                      |
| 6                  | Paramparagat Krishi Vikas Yojana                             | Biocert International Private Limited, Best Recognition Private Limited (Private Sector Company) | 28.73                                       |
| <b>Total</b>       |  |  | <b>2,708.83</b>                             |

Source: Finance Accounts 2020-21

As can be seen from the above Table, 78 *per cent* of the total amount was released to Madhya Pradesh Rajya Pashudhan Evam Kukkat Vikas Nigam under Rashtriya Gokul Mission.

## 4.7 Personal Deposit Accounts

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. The unspent balances in PD Accounts are required to 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.

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 Accounts under the Public Account to avoid lapse of grant at the end of the financial year.

The status of Personal Deposit Accounts from 2018-21 is given in **Table 4.8**:

| <b>(₹ in crore)</b> |                 |          |                          |                         |                             |                                 |                 |          |
|---------------------|-----------------|----------|--------------------------|-------------------------|-----------------------------|---------------------------------|-----------------|----------|
| Year                | Opening Balance |          | Addition during the year | Receipt during the year | Expenditure during the year | Accounts closed during the year | Closing Balance |          |
|                     | Number          | Amount   |                          |                         |                             |                                 | Number          | Amount   |
| 2018-19             | 847             | 5,370.06 | 168                      | 4,868.83                | 6,300.41                    | 284                             | 731             | 3,938.48 |
| 2019-20             | 731             | 3,938.48 | 70                       | 9,267.05                | 6,936.83                    | 0                               | 801             | 6,268.70 |
| 2020-21             | 801             | 6,268.70 | 23                       | 7,561.86                | 8,867.97                    | 8                               | 816             | 4,962.59 |

Source: Finance Accounts 2020-21

Analysis of above table revealed that, Out of 816 Personal Deposit Accounts as on 31 March 2021, 252 Personal Deposit Accounts had negative balances (amounting to ₹2,113.74 crore) and 216 Personal Deposit Accounts involving ₹82.66 crore (159 Personal Deposit Accounts with ₹319.61 crore and 57 Personal Deposit Accounts with (-) ₹236.95 crore) were inoperative for more than three years. The details of inoperative Personal Deposit Accounts are given in **Appendix 4.2**. The closing balance in PD accounts

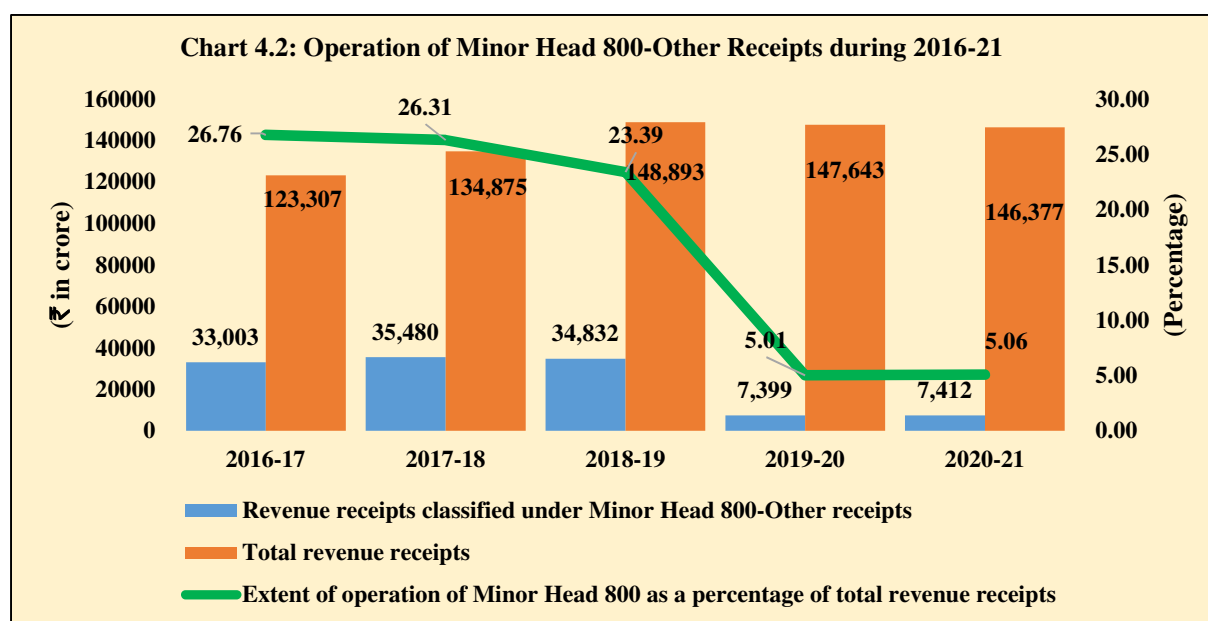
indicated that the administrators did not close the PD accounts by minus debit to the relevant service head at the close of financial year. Non transfer of unspent balances lying in the PD accounts to Consolidated Fund of the State entails the risk of misuse of public fund, fraud and misappropriation.

#### 4.8 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. Indiscriminate booking of receipts and expenditure under Minor Head 800 affects transparency and nature of transactions, and renders the accounts opaque.

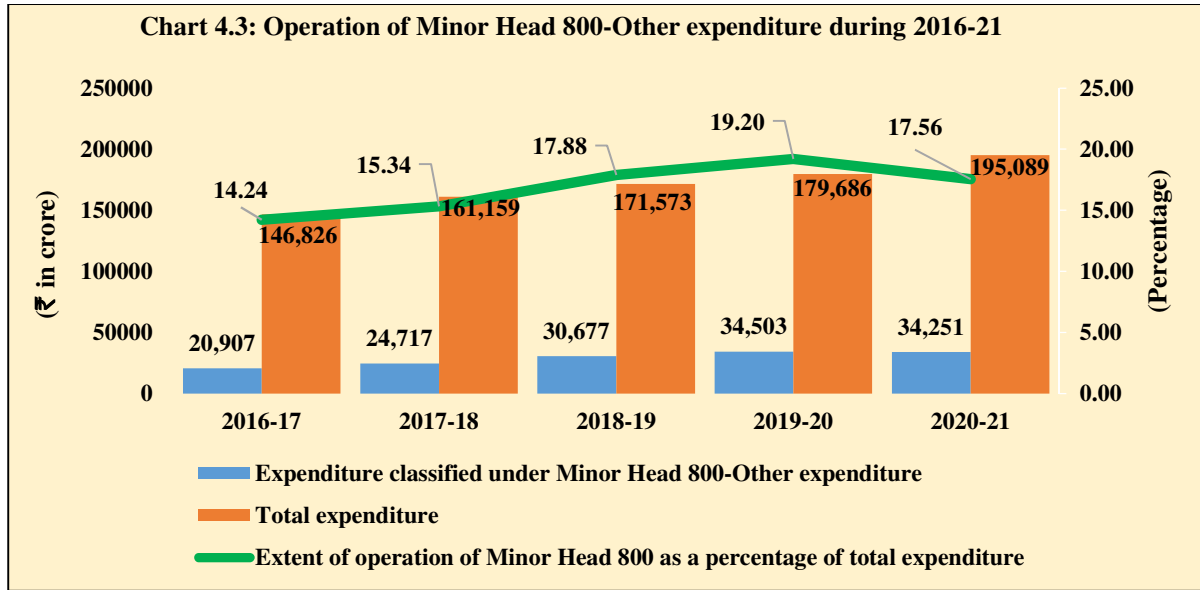
Receipts of ₹7,412.29 crore, representing 5.06 per cent of the total Revenue Receipts were recorded under 50 Revenue Heads, and classified under the Minor Head '800-Other Receipts' in the Accounts during 2020-21. Similarly, expenditure of ₹34,251.39 crore constituting 17.56 per cent of the total expenditure were recorded under various Major Heads, and classified under the Minor Head '800-Other Expenditure' under 43 Revenue and 26 Capital Major Heads of Accounts during 2020-21.

The extent of operation of Minor Head 800 for receipts and expenditure, as a percentage of Total Receipts and Expenditure during 2016-21, is given in **Charts 4.2** and **4.3**:



Source: Finance Accounts of the respective years





Source: Finance Accounts of the respective years

We noted with satisfaction that there is a substantial reduction of the operation of this Minor Head in Receipts during the last two years. However, there was no significant reduction in expenditure. The fact that such substantial proportion of receipts and expenditure are booked under the Minor Head 800 is a cause of serious concern, since it severely impacts transparency of accounts.

Instances where a substantial portion (50 per cent or more of the total receipts/expenditure under the Major Head concerned) of the receipts/expenditure have been 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 per cent                        | 119.17              | 0801, 0059                               | 359.81              | 2250, 2852, 4070, 4408, 5055, 5475             |
| Between 75 per cent and 99 per cent | 282.06              | 0408, 0235, 0435, 0217, 0702, 0220, 0852 | 12,491.67           | 2702, 4701, 4700, 5053, 2705, 4705, 4515, 4711 |
| Between 50 per cent and 74 per cent | 1,449.43            | 0515, 0403, 0070, 0401, 0700, 0029, 0202 | 9,260.03            | 4875, 2217, 2245, 2029, 2851, 2204, 4403, 4406 |
| Less than 50 per cent               | 5,561.63            | Other Major Heads                        | 12,139.88           | Other Major Heads                              |
| <b>Total</b>                        | <b>7,412.29</b>     |  | <b>34,251.39</b>    |  |

Source: Finance Accounts 2020-21

We noted that the Departments resort to the use of Minor Head 800 for the purpose of expediency. For instance, an expenditure of ₹32 crore was booked under Minor head 800- 'Other expenditure' to Madhya Pradesh Metro Rail Company Limited and ₹889.20 crore was booked under Minor head 800- 'Other expenditure' to Madhya Pradesh Power Management Company Limited as investment under Major Head 4217-Capital Outlay on Urban Development and 2801-Power respectively. These amounts should have been classified under Minor Head 190-Investment in Public Sector and other undertakings.

## 4.9 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 head of accounts 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  | 2018-19           |             | 2019-20             |             | 2020-21             |             |
|   | Dr.               | Cr.         | Dr.                 | Cr.         | Dr.                 | Cr.         |
| <b>8658 - Suspense Accounts</b>                                 |                   |             |                     |             |                     |             |
| 101 – Pay and Accounts Office Suspense                          | 112.16            | 118.53      | 48.60               | 47.70       | 394.24              | 93.49       |
| <b>Net</b>  | <b>Cr. 6.37</b>   |             | <b>Dr. 0.90</b>     |             | <b>Dr. 300.75</b>   |             |
| 102 - Suspense Account (Civil)                                  | 0.83              | 0.64        | 0.19                | 0.01        | 0.19                | 0.01        |
| <b>Net</b>  | <b>Dr. 0.19</b>   |             | <b>Dr. 0.18</b>     |             | <b>Dr. 0.18</b>     |             |
| 107 - Cash Settlement Suspense Account                          | 141.60            | 28.05       | 141.60              | 28.05       | 141.60              | 28.05       |
| <b>Net</b>  | <b>Dr. 113.55</b> |             | <b>Dr. 113.55</b>   |             | <b>Dr. 113.55</b>   |             |
| 110 - Reserve Bank Suspense – Central Account Office            | 719.31            | 13.87       | 1,810.57            | 3.82        | 1,365.14            | 4.59        |
| <b>Net</b>  | <b>Dr. 705.44</b> |             | <b>Dr. 1,806.75</b> |             | <b>Dr. 1,360.55</b> |             |
| 112 - Tax Deducted at Source (TDS) Suspense                     | ---               | 401.51      | ---                 | 177.45      | -297.06             | 233.26      |
| <b>Net</b>  | <b>Cr. 401.51</b> |             | <b>Cr. 177.45</b>   |             | <b>Cr. 530.32</b>   |             |
| 113-Provident Fund Suspense                                     | 14.56             | --          | 14.55               | --          | 12.40               | --          |
| <b>Net</b>  | <b>Dr. 14.56</b>  |             | <b>Dr. 14.55</b>    |             | <b>Dr. 12.40</b>    |             |
| 123 - AIS Officers Group Insurance Scheme                       | 2.70              | 13.22       | 3.06                | 13.88       | 3.69                | 14.57       |
| <b>Net</b>  | <b>Cr. 10.52</b>  |             | <b>Cr. 10.82</b>    |             | <b>Cr. 10.88</b>    |             |
| 129-Material Purchase Settlement suspense Account               | 36.10             | 223.11      | 36.10               | 223.11      | 36.10               | 223.11      |
| <b>Net</b>  | <b>Cr. 187.01</b> |             | <b>Cr. 187.01</b>   |             | <b>Cr. 187.01</b>   |             |
| 139-GST-Tax Deducted at Source Suspense                         | --                | --          | 77.21               | 96.16       | 341.66              | 394.91      |
| <b>Net</b>  | <b>Nil</b>        |             | <b>Cr. 18.95</b>    |             | <b>Cr. 53.25</b>    |             |
| <b>8782-Cash Remittances</b>                                    |                   |             |                     |             |                     |             |
| 102 – Public Works  | 1,21,170.94       | 1,24,873.37 | 1,38,040.17         | 1,42,048.94 | 1,52,426.98         | 1,57,465.68 |

| Table 4.10: Balances under Suspense and Remittance Heads |                     |          |                     |          |                     |          |
|--|---------------------|----------|---------------------|----------|---------------------|----------|
| (₹ in crore)   |                     |          |                     |          |                     |          |
| Major/Minor Head   | 2018-19             |          | 2019-20             |          | 2020-21             |          |
| Remittances  |                     |          |                     |          |                     |          |
| <b>Net</b>   | <b>Cr. 3,702.43</b> |          | <b>Cr. 4,008.77</b> |          | <b>Cr. 5,038.70</b> |          |
| 103 - Forest Remittances                                 | 4,483.09            | 4,605.35 | 4,492.03            | 4,607.38 | 4,499.40            | 4,572.31 |
| <b>Net</b>   | <b>Cr. 122.26</b>   |          | <b>Cr. 115.35</b>   |          | <b>Cr. 72.91</b>    |          |
| 110-Miscellaneous Remittances                            | 8,046.85            | 7,109.51 | 8,554.27            | 7,287.74 | 8,708.39            | 7,417.03 |
| <b>Net</b>   | <b>Dr. 937.34</b>   |          | <b>Dr. 1,266.53</b> |          | <b>Dr. 1,291.36</b> |          |

Source: Finance Accounts of the respective years

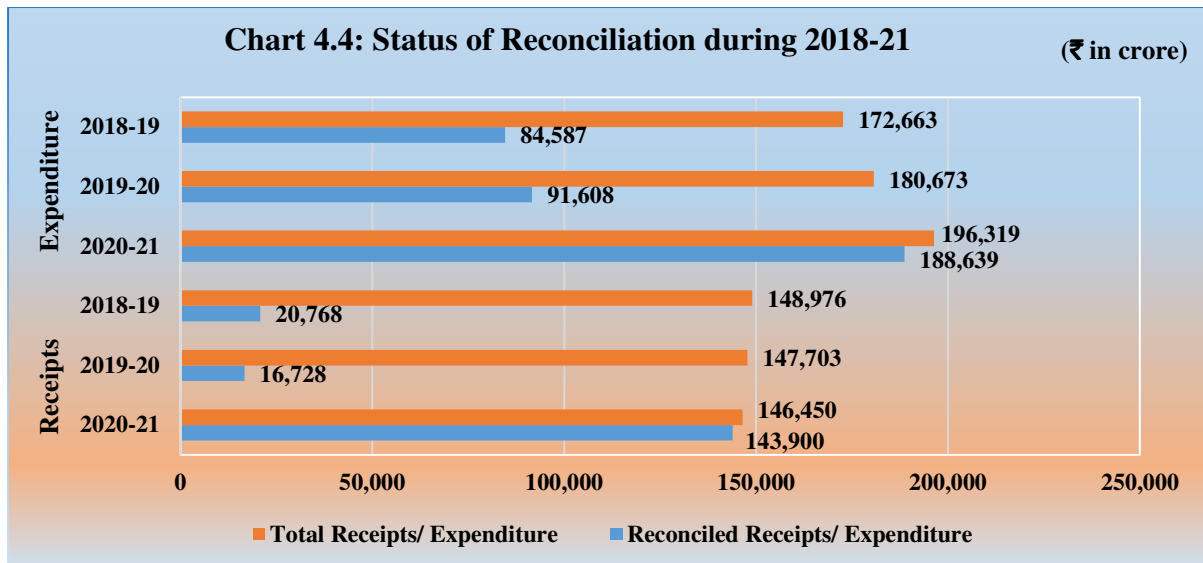
The above Table reflects the net balances under Suspense and Remittance Heads. If the amounts under these suspense heads remain unadjusted, the balances under these heads get accumulated resulting in understatement of Government's receipts and payments. Further, non-clearance of outstanding balances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

#### 4.10 Reconciliation of Accounts

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.

During 2020-21, Directorate of Treasuries and Accounts has reconciled expenditure of ₹1,88,639.25 crore (96.09 per cent of the total expenditure of ₹1,96,319.10 crore under Revenue and Capital Expenditure) and receipt of ₹1,43,900.26 crore (98.26 per cent of total receipts of ₹1,46,449.57 crore under Revenue and Miscellaneous Capital Receipts).

The status of reconciliation of receipts and expenditure figures during the last three-year period 2018-21 is shown in **Chart 4.4**:



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

Owing to online reconciliation by Directorate of Treasury and Accounts since 2019-20, we noted significant improvement in the reconciliation process.

## 4.11 Reconciliation of Cash Balances

As on 31 March 2021, there was a difference of ₹57.97 crore (Cr) between the Cash Balance of the State Government as per the Books of Accounts of the Principal Accountant General (A&E) (₹3,642.21 crore (Cr)) and the Cash Balance as reported by the Reserve Bank of India (₹3,584.24 crore (Dr)). The corresponding bank scrolls are being furnished by the bank branches to the Treasuries as required under the directives of RBI. The difference of ₹57.97 crore was due to incorrect reporting by Agency Bank and Treasury Officers. The date-wise monthly sheets along with pension payment scroll are also being furnished by the bank branches to the Treasuries.

## 4.12 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 2021, 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 2020-21 are given in **Table 4.11**:

| IGAS   | Essence of IGAS  | Status             | Impact of non-compliance  |
|--|--|--------------------|---|
| <b>IGAS 1</b><br><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. | Partially Complied | State Government disclosed in final accounts the maximum amount guaranteed during the year 2020-21, along with additions during the year, discharged, invoked and outstanding as of end of March 2021.  |
| <b>IGAS 2</b><br><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       | State Government classified GIA amounting to ₹333.00 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><br><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”, “Interest payment in arrears”, “Cases of a loan having been sanctioned as Loan in Perpetuity” “Repayment in arrears from loanee entities”, “Fresh Loans and Advances made during the year” and “Disclosures indicating extraordinary transactions relating to Loans and Advances” were not made in the Finance Accounts, as the information was not provided by the State Government. It is therefore not possible to report on these aspects of State finances. |

### 4.12.1 Misclassification of Expenditure in Grants-in-Aid

As per Indian Government Accounting Standard-2 (IGAS-2), expenditure relating to Grants-in-aid should be classified as revenue expenditure even if it involves creation of assets,

except in cases specifically authorized by the President on the advice of the Comptroller and Auditor General of India.

The extent of classification of Grants-in-Aid as Capital Expenditure instead of Revenue Expenditure by the State Government during 2016-21 is given in **Table 4.12:**

| <b>Table 4.12: Extent of classification of Grants-in-Aid as Capital Expenditure</b> |               |               |               |               |               |
|---|---------------|---------------|---------------|---------------|---------------|
|   |               |               |               |               | (₹ in crore)  |
|   | 2016-17       | 2017-18       | 2018-19       | 2019-20       | 2020-21       |
| Grants-in-Aid booked as Capital Expenditure   | 203.02        | 232.95        | 541.41        | 257.04        | 250.27        |
| Grants-in-Aid for creation of capital assets  | 40.81         | 695.61        | 207.95        | 237.64        | 82.73         |
| <b>Total</b>  | <b>243.83</b> | <b>928.56</b> | <b>749.36</b> | <b>494.68</b> | <b>333.00</b> |

Source: Finance Accounts of respective years

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

The 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 the same to the 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 six bodies are given in **Tables 4.13** and **4.14:**

| <b>Table 4.13: Arrears of accounts of Autonomous Bodies/Authorities</b> |  |                        |  |
|---|--|------------------------|--|
| Sl. No.   | Name of Body or Authority  | Accounts pending since | No. of Accounts pending up to F.Y. 2020-21 |
| 1   | Madhya Pradesh Building and Other Construction Workers Welfare Board, Bhopal | 2013-14                | 08   |
| 2   | Madhya Pradesh State Legal Services Authority                                | 2010-11                | 11   |
| 3   | Madhya Pradesh Human Rights Commission, Bhopal                               | 2017-18                | 04   |
| 4   | Madhya Pradesh Khadi and Village Industries Board, Bhopal                    | 2018-19                | 03   |
| 5   | Madhya Pradesh Real State Regulatory Authority                               | 2020-21                | 01   |
| 6   | Madhya Pradesh Housing and Infrastructure Development Board                  | 2020-21                | 01   |

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

| <b>Table 4.14: Cases of adverse opinion</b>   |                       |   |
|---|-----------------------|---|
| Name of Body or Authority   | Type of opinion given | Reasons   |
| <b>Madhya Pradesh Building and Other Construction Workers Welfare Board, Bhopal</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.  |
|   |                       | The Accounts format adopted by Board was not got approved by Finance Department and 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.  |
|   |                       | 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. |

| Name of Body or Authority                           | Type of opinion given | Reasons  |
|---|-----------------------|--|
| <b>Madhya Pradesh State Legal Service Authority</b> | Disclaimer            | The Accounts of the Authority were not maintained in the format approved by the Central Government in consultation with the CAG in February, 2005.   |
|   |                       | The Accounts were maintained on cash basis instead of on accrual basis.  |
|   |                       | 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. In the absence of these ledgers, various figures given in the Accounts could not be verified. |
|   |                       | Accounting Policies and Notes to Accounts were not provided.   |
|   |                       | Physical verification of assets were not being done by the management.   |

#### 4.14 Misappropriations, losses, thefts, etc.

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

The State Government reported 3,250 cases of misappropriation, losses, thefts, etc., involving ₹38.40 crore up to 31 March 2021 on which final action was pending as of June 2021. Major cases relate to Forestry & Wild Life (2,727 cases of ₹16.45 crore), Treasury and Accounts Administration (11 cases of ₹8.30 crore), School Education (99 cases of ₹7.07 crore) and Police Department (295 cases of ₹2.96 crore). Major Head-wise details of cases of misappropriation, losses, thefts, etc. pending recovery as of 31 March 2021 are given in **Table 4.15**:

| 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. |        |   |        |   |        |
|---|---|--------|---|--------|---|--------|---|--------|
|   |   |        | Awaiting departmental and criminal investigation  |        | Departmental action initiated but not finalized |        | Criminal Proceedings finalized but recovery of the amount pending |        |
|   | No. of cases  | Amount | No. of cases  | Amount | No. of cases                                    | Amount | No. of cases  | Amount |
| 2210-Medical and Public Health  | 09  | 48.40  | 09  | 48.40  | 0   | 0.00   | 0   | 0.00   |
| 2211-Family Welfare   | 03  | 47.67  | 03  | 47.67  | 0   | 0.00   | 0   | 0.00   |
| 2054-Treasury and Accounts Administration   | 11  | 830.44 | 11  | 830.44 | 0   | 0.00   | 0   | 0.00   |
| 2014-Administration of 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   | 295   | 295.54 | 238   | 211.27 | 57  | 84.27  | 0   | 0.00   |
| 2225- Welfare of SC/ST/OBC  | 06  | 7.05   | 06  | 7.05   | 0   | 0.00   | 0   | 0.00   |
| 2235-Women and Child Welfare  | 07  | 16.13  | 07  | 16.13  | 0   | 0.00   | 0   | 0.00   |
| 2058-Stationery and Printing  | 02  | 8.58   | 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   |

| 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. |                 |   |                 |   |              |
|--|---|-----------------|---|-----------------|---|-----------------|---|--------------|
|  |   |                 | Awaiting departmental and criminal investigation  |                 | Departmental action initiated but not finalized |                 | Criminal Proceedings finalized but recovery of the amount pending |              |
|  | No. of cases  | Amount          | No. of cases  | Amount          | No. of cases                                    | Amount          | No. of cases  | Amount       |
| 2203- Technical Education                            | 31  | 77.57           | 29  | 70.97           | 02  | 6.6             | 0   | 0.00         |
| 2204-Sports and 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         |
| 2403-Animal Husbandry                                | 16  | 17.24           | 16  | 17.24           | 0   | 0.00            | 0   | 0.00         |
| 2401-Crop Husbandry                                  | 27  | 50.63           | 19  | 18.12           | 06  | 31.67           | 02  | 0.84         |
| 2040-Taxes on sales, trade, etc.                     | 01  | 0.70            | 01  | 0.70            | 0   | 0.00            | 0   | 0.00         |
| 2853-Non-ferrous mining and metallurgical industries | 03  | 4.22            | 02  | 4.22            | 01  | 0.00            | 0   | 0.00         |
| 2406-Forestry and Wild Life                          | 2727  | 1,644.82        | 1171  | 610.15          | 1518  | 1,011.14        | 38  | 23.53        |
| <b>Total</b>   | <b>3250</b>   | <b>3,839.85</b> | <b>1609</b>   | <b>2,517.88</b> | <b>1601</b>                                     | <b>1,297.60</b> | <b>40</b>   | <b>24.37</b> |

Source: Information furnished by Department concerned

As can be seen from the above Table, most of the cases are pending for departmental and criminal investigation. The Department should take prompt action for finalizing the pending case of misappropriation, loss, theft, etc.

#### 4.15 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 2015-20 is given in **Table 4.16**:

| 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 |
|-------------|---|---|---------------------------------|---|-------------------------------------|
| 2015-16     | No paragraph of Audit Report 2015-16 has been selected till date for oral discussion by the PAC |   |                                 |   |                                     |
| 2016-17     | Yes   | 01  | 2021-22                         | 1 para:<br>• 3.6- Submission of false Utilisation Certificates  | -                                   |
| 2017-18     | Yes   | 01  | 2021-22                         | 1 para:<br>• 3.2.2- Unauthorised retention of Government money in bank accounts instead of Personal Deposit Accounts was selected for written reply but PAC has selected this para for oral discussion and discussed. | -                                   |
| 2018-19     | No paragraph of Audit Report 2018-19 has been selected till date for oral discussion by the PAC |   |                                 |   |                                     |
| 2019-20     | SFAR in the State Legislature is tabled on 21.12.2021   |   |                                 |   |                                     |

#### 4.16 Conclusion

*During 2020-21, the closing balance in the Personal Deposit Accounts decreased by 20.84 per cent as compared to 2019-20. Further, 252 PD Accounts had negative balances and 216 PD Accounts involving ₹82.66 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.*

*There is a substantial reduction of the operation of the Minor Head 800 in Receipts during the last two years. However, there was no significant reduction in expenditure.*

*The reconciliation work of departmental figures with those booked by the Office of the Principal Accountant General (A&E) has been initiated online by Directorate of Treasury and Accounts since 2019-20 and reconciled to the extent of 98.26 per cent in respect of receipts and 96.09 per cent in respect of expenditure.*

#### 4.17 Recommendations

- i) State Government should review all the Personal Deposit Accounts and ensure that funds lying idle in these accounts are immediately transferred to the Government account. Further, Government should also disclose details of unspent balances in PD Accounts.
- ii) 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.
- iii) Internal control mechanism needs to be strengthened and the Government needs to ensure that the reconciliation of departmental figures with those booked by the office of the Principal Accountant General (A&E) should be hundred *per cent*, as it has been initiated online since 2019-20, to provide transparency and accuracy in accounting of Government transactions.



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## **Chapter 5**

# **Financial Performance of State Public Sector Undertakings**

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## Chapter 5-Financial Performance of State Public Sector Undertakings

### 5.1 Introduction

This chapter presents the financial performance of State Public Sector Undertakings of the Government of Madhya Pradesh for the year 2020-21. The term State Public Sector Undertakings encompasses the Government Companies (including Government Controlled Other Companies) set up under the Companies Act, 2013 and the Statutory Corporations set up under the statutes enacted by Parliament/ State Legislature.

The financial performance of State Public Sector Undertakings depicted in the report has been taken from their financial statements as well as the information received from the respective State Public Sector Undertakings. Impact of revision of accounts as well as significant comments<sup>1</sup> issued as a result of sole audit /supplementary audit conducted by the Comptroller and Auditor General of India on the financial statements of the State Public Sector Undertakings for the year 2020-21 (or of earlier years which were finalised during the current year) have also been covered in this report.

### 5.2 Definition of Government Companies/Corporations

As defined under Section 2(45) of the Companies Act, 2013, a company is called a Government Company in which not less than 51 *per cent* of paid-up share capital is held by Central Government, or by one or more State Government(s), or partly by Central Government and partly by one or more State Government(s), and includes a company which is subsidiary of a Government Company.

As defined under the Companies (Removal of Difficulties) Seventh Order, 2014 notified (4 September 2014) any other company owned or controlled, directly or indirectly, by the Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments are called Government Controlled Other Company. Further, any Corporation set up under a statute enacted by Parliament/ State Legislature is called a Statutory Corporation.

### 5.3 Mandate of Audit

Audit of Government Companies and Government Controlled Other Companies is conducted by the Comptroller and Auditor General of India under the provisions of Section 143(5) to 143(7) of the Companies Act, 2013 read with Section 19 of Comptroller and Auditor General of India's (Duties, Powers and Conditions of Service) Act, 1971 and the Regulations made there under. Under the Companies Act, 2013, the Comptroller and Auditor General of India appoints the Chartered Accountants as Statutory Auditors for companies and gives directions on the manner in which the accounts are to be audited. In addition, the Comptroller and Auditor General of India have the right to conduct a supplementary audit.

The statutes governing Statutory Corporations require the Comptroller and Auditor General of India to conduct audit of their accounts either as a sole auditor or to conduct

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<sup>1</sup> Based on the certificates finalized/ issued from 1 January 2020 to 30 September 2021.

supplementary audit after the audit is conducted by the Chartered Accountants appointed under the statutes.

## 5.4 State Public Sector Undertakings and their contribution to the Gross State Domestic Product

As on 31 March 2021, there were 70 State Public Sector Undertakings in Madhya Pradesh as detailed in **Appendix 5.1**, including 59 Government Companies, three Statutory Corporations<sup>2</sup> and eight Government Controlled Other Companies<sup>3</sup>. During the year, two Government Companies<sup>4</sup> got dissolved/merged and went out from the purview of audit, whereas one Government Company<sup>5</sup> came under the audit jurisdiction of the Comptroller and Auditor General of India. Further, figures for the year 2018-19 and 2019-20 do not include figures of two companies dissolved/merged during the year 2020-21. None of the companies were listed on the stock exchange. Further, the Government Companies included 15 companies<sup>6</sup>, which had ceased their operations for last three to 31 years.

Out of 70 State Public Sector Undertakings, 55 State Public Sector Undertakings had submitted at least one account for the period 2018-19, 2019-20 and 2020-21 by 30 September 2021. Out of 55 State Public Sector Undertakings, this report covers 39 State Public Sector Undertakings. Thus, this report does not include 31 State Public Sector Undertakings (16 State Public Sector Undertakings whose latest accounts<sup>7</sup> were available but were inactive, and 10 State Public Sector Undertakings which have been inactive for over three to 31 years and five State Public Sector Undertakings of which first accounts are not received).

Based on nature of activities undertaken, these 39 State Public Sector Undertakings (including seven Government Controlled Other Companies) have been categorised into six sectors. The turnover (₹99,211.48 crore) of these 39 State Public Sector Undertakings was 10.81 per cent of the Gross State Domestic Product of Madhya Pradesh (₹9,17,555 crore) for the year 2020-21. Power sector alone accounts for over 82 per cent of the total turnover of the Public Sector Undertakings during 2020-21 as depicted in **Table 5.1**:

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<sup>2</sup> Madhya Pradesh State Road Transport Corporation, Madhya Pradesh State Warehousing and Logistic Corporation and Madhya Pradesh Financial Corporation.

<sup>3</sup> Bhopal Smart City Development Corporation Limited, Jabalpur Smart City Limited, Ujjain Smart City Limited, Gwalior Smart City Development Corporation Limited, Indore Smart City Development Limited, Satna Smart City Development Limited, Sagar Smart City Development Limited and B-Nest Foundation.

<sup>4</sup> Dada Dhuniwale Khandwa Power Limited (DDKPL) got dissolved w.e.f. 02.11.2020 and Madhya Pradesh Rajya Setu Nigam Limited got merged with Public Works Department.

<sup>5</sup> Sagar City Transport Services Limited.

<sup>6</sup> Madhya Pradesh AMRL (Semaria) Coal Company Ltd, Madhya Pradesh AMRL (Morga) Coal Company Ltd, Madhya Pradesh AMRL (Bicharpur) Coal Company Ltd, Madhya Pradesh AMRL (Marki Barka) Coal Company Ltd, Madhya Pradesh Jaypee Coal Ltd, Madhya Pradesh Monnet Mining Company Ltd, Madhya Pradesh Jaypee Coal Fields Ltd, Madhya Pradesh Jaypee Minerals Ltd, Madhya Pradesh Sainik Coal Mining Private Ltd, Madhya Pradesh State Road Transport Corporation, Madhya Pradesh and Maharashtra Minerals and Chemicals Limited, Madhya Pradesh Panchayati Raj Vitta Evam Gramin Vikas Nigam Ltd, Madhya Pradesh Film Development Corporation Ltd, Optel Telecommunication Ltd and Madhya Pradesh Vidyut Yantra Ltd.

<sup>7</sup> Any/all of the accounts for the period 2018-19 to 2020-21.

| Sl. No.      | Name of the Sector     | Number of State Public Sector Undertakings | Turnover for the year (₹ in crore) | Percentage Share of Turnover in Gross State Domestic Product |
|--------------|------------------------|--|------------------------------------|--|
| 1            | Power                  | 07   | 81,962.91                          | 8.93   |
| 2            | Agriculture and Allied | 03   | 997.96                             | 0.11   |
| 3            | Service                | 12   | 15,925.79                          | 1.74   |
| 4            | Infrastructure         | 09   | 79.73                              | 0.01   |
| 5            | Manufacturing          | 06   | 180.07                             | 0.02   |
| 6            | Finance                | 02   | 65.02                              | 0.01   |
| <b>Total</b> |                        | <b>39</b>                                  | <b>99,211.48</b>                   | <b>10.81</b>   |

Source: Information compiled on the basis of latest financial statements of State Public Sector Undertakings

## 5.5 Audit of State Public Sector Undertakings including Government Companies, Government Controlled Other Companies and Corporations

The Comptroller and Auditor General of India, as per his mandate, conducts supplementary audit of the annual accounts of all the 67 Companies (i.e. 59 Government Companies and eight Government Controlled Other Companies). In case of the three Statutory Corporations, the Comptroller and Auditor General of India is the sole auditor for Madhya Pradesh State Road Transport Corporation whereas in respect of Madhya Pradesh Warehousing and Logistics Corporation and Madhya Pradesh Financial Corporation, the audit is conducted by the Chartered Accountants appointed under the respective statutes and thereafter, supplementary audit is conducted by the Comptroller and Auditor General of India.

The status of accounts of these 70 State Public Sector Undertakings, based on their latest finalized financial statements, which were received till 30 September 2021, is detailed in **Table 5.2** and the company wise pendency of the accounts is depicted in **Appendix 5.2**.

| Nature of State Government Public Sector Undertakings    | Total Number | Number of State Public Sector Undertakings of which accounts received during the reporting period <sup>8</sup> |                      |                      |           | Number of State Public Sector Undertakings of which accounts are in arrear (total accounts in arrear) as on 30 September 2021 |
|--|--------------|--|----------------------|----------------------|-----------|---|
|  |              | Accounts for 2020-21   | Accounts for 2019-20 | Accounts for 2018-19 | Total     |   |
| Government Companies                                     | 59           | 09   | 31                   | 16                   | 56        | 50(202) <sup>9</sup>  |
| Statutory Corporations                                   | 03           | 01   | 02                   | 00                   | 03        | 02(14)  |
| <b>Total</b>   | <b>62</b>    | <b>10</b>  | <b>33</b>            | <b>16</b>            | <b>59</b> | <b>52 (216)</b>   |
| Government Controlled Other Companies                    | 08           | 00   | 04                   | 03                   | 07        | 08(13)  |
| <b>Total State Government Public Sector Undertakings</b> | <b>70</b>    | <b>10</b>  | <b>37</b>            | <b>19</b>            | <b>66</b> | <b>60 (229)</b>   |

Source: Information furnished by the State Public Sector Undertakings

<sup>8</sup> Due date for conduct of Annual General Meeting for 2020-21 was extended by two months (i.e. by 30 November 2021) beyond normal due date (i.e. by 30 September 2021) by ROC, Ministry of Corporate affairs in view of Covid-19 pandemic.

<sup>9</sup> Including 15 Public Sector Undertakings, which ceased their operations for last three to 31 years.

The summary of financial performance based on the latest finalised accounts of 39 State Public Sector Undertakings, covered in this Report is detailed in **Table 5.3**.

| <b>Table 5.3: Summary of financial performance of State Public Sector Undertakings covered in this Report (Government Companies and Statutory Corporations)</b> |                  |
|---|------------------|
| <b>I. Total number of State Public Sector Undertakings, whose</b>   | <b>32</b>        |
| Paid up capital (₹ in crore)  | 46,463.79        |
| Long term Loans (₹ in crore)  | 54,775.22        |
| Total Assets (₹ in crore)   | 1,65,203.70      |
| Net worth (₹ in crore)  | (-)3,617.21      |
| <b>II. Financial performance</b>  |                  |
| Profit earning (in numbers)   | 17               |
| Net profit (₹ in crore)   | 670.97           |
| Dividend declared/paid (in six) (₹ in crore)  | 25.29            |
| Loss making (in numbers)  | 12               |
| Net loss (₹ in crore)   | (-)4,008.64      |
| No Profit No Loss (in numbers)  | 03 <sup>10</sup> |
| First Accounts Not Received (in numbers)  | 04 <sup>11</sup> |
| <b>Government Controlled Other Companies</b>  |                  |
| <b>I. Total number of State Public Sector Undertakings, whose</b>   | <b>07</b>        |
| Paid up capital (₹ in crore)  | 1,040.20         |
| Long term Loans (₹ in crore)  | --               |
| Total Assets (₹ in crore)   | 3,535.44         |
| Net worth (₹ in crore)  | 1,267.95         |
| <b>II. Financial performance</b>  |                  |
| Profit earning (in numbers)   | 01               |
| Net profit (₹ in crore)   | 0.32             |
| Dividend declared/paid  | --               |
| Loss making (in numbers)  | 02               |
| Net loss (₹ in crore)   | (-)0.38          |
| No Profit No Loss   | 04 <sup>12</sup> |
| First Accounts Not Received   | 01 <sup>13</sup> |

## 5.6 Investment in State Public Sector Undertakings and Budgetary Support

### 5.6.1 Equity holding and loans

The Government investment in the 70 State Public Sector Undertakings- equity and loans for the three year period ended 31 March 2021 is given in **Table 5.4**:

<sup>10</sup> Madhya Pradesh Power Management Company Limited (MPPMCL), Bhopal Electronics Manufacturing Park Limited, Jabalpur Electronics Manufacturing Park Limited.

<sup>11</sup> Burhanpur City Transport Services, Sagar City Transport Services Limited, Ratlam Bus Services Limited and Singrauli Airport Company Limited.

<sup>12</sup> Ujjain Smart City Limited, Bhopal Smart City Development Corporation Limited, Gwalior Smart City Development Corporation Limited and Satna Smart City Limited.

<sup>13</sup> B-Nest Foundation.

| Sources of investment                                       | As on 31 March 2019 |                  |                    | As on 31 March 2020 <sup>14</sup> |                  |                    | As on 31 March 2021 |                  |                    |
|---|---------------------|------------------|--------------------|-----------------------------------|------------------|--------------------|---------------------|------------------|--------------------|
|   | Equity              | Long Term Loans  | Total              | Equity                            | Long Term Loans  | Total              | Equity              | Long Term Loans  | Total              |
| <b>State Government</b>                                     | 27,054.68           | 30,880.33        | 57,935.01          | 28,502.37                         | 31,382.78        | 59,885.15          | 30,244.60           | 31,820.52        | 62,065.12          |
| <b>Central Government</b>                                   | 45.79               | 0.00             | 45.79              | 45.79                             | 0.00             | 45.79              | 221.88              | 0.00             | 221.88             |
| <b>Others</b>   | 19,259.28           | 24,831.09        | 44,090.37          | 19,276.31                         | 24,247.83        | 43,524.14          | 19,327.67           | 24,538.08        | 43,865.75          |
| <b>Total</b>  | <b>46,359.75</b>    | <b>55,711.42</b> | <b>1,02,071.17</b> | <b>47,824.47</b>                  | <b>55,630.61</b> | <b>1,03,455.08</b> | <b>49,794.15</b>    | <b>56,358.60</b> | <b>1,06,152.75</b> |
| Share of State Government in Total Investment (in per cent) | 58.36               | 55.43            | 56.76              | 59.60                             | 56.41            | 57.89              | 60.74               | 56.46            | 58.47              |

Source: Compiled from latest financial statements received as on 30 September 2021 and information provided by State Public Sector Undertakings

The total investment in these State Public Sector Undertakings marginally increased by four *per cent* in 2019-21. Over the years, investment in equity is being raised to bring it closer to the loan component. During 2019-20, the Long Term loans in these State Public Sector Undertakings registered a marginal decrease. Out of the total loans of State Public Sector Undertakings as on 31 March 2021, loans from State Government was ₹31,820.52 crore (56.46 *per cent*).

During 2020-21, Equity investment registered a net increase of ₹1,742.23 crore of which over 88.50 *per cent* was in Narmada Basin Project Company Limited. The details are given in **Table 5.5**:

| Name of the State Government Public Sector Undertakings      | Amount          |
|--|-----------------|
| Madhya Pradesh Metro Rail Company limited                    | 146.09          |
| Madhya Pradesh State Tourism Development Corporation limited | 53.56           |
| Narmada Basin Projects Company limited                       | 1,542.58        |
| <b>Total</b>   | <b>1,742.23</b> |

Source: Information received from State Public Sector Undertakings up to 30 September 2021.

## 5.6.2 Adequacy of Assets

In order to be considered solvent, the value of an entity's assets must be greater than the sum of its long-term loans/debts. As on 31 March 2021, out of the 39 State Public Sector Undertakings covered in this Report, one Public Sector Undertaking does not meet this criterion as depicted in **Table 5.6**:

<sup>14</sup> Figures for the year 2018-19 and 2019-20 do not consist figures of two-company wound up during the year 2020-21.

| Type of State Public Sector Undertakings | Positive Coverage                          |                 |              |                               | Negative Coverage                          |                 |              |                               |
|--|--|-----------------|--------------|-------------------------------|--|-----------------|--------------|-------------------------------|
|  | Number of State Public Sector Undertakings | Long Term Loans | Total Assets | Percentage of Assets to Loans | Number of State Public Sector Undertakings | Long Term Loans | Total Assets | Percentage of Assets to Loans |
| Government Companies                     | 13   | 51,713.11       | 1,53,326.57  | 296.49                        | 01 <sup>15</sup>                           | 2,631.70        | 1,802.70     | 68.50                         |
| Statutory Corporations                   | 02   | 1,003.77        | 2,795.35     | 278.49                        | --   | --              | --           | --                            |

Source: Compiled on the basis of latest finalized accounts of State Public Sector Undertakings

In respect of Government Controlled Other Companies, there is no outstanding long-term loan as on 31 March 2021.

### 5.6.3 Information on Subsidy, Grants by Central/State Government

The Government of Madhya Pradesh provides financial support to State Public Sector Undertakings in the form of grants and subsidies through annual budget. In addition, the government provide guarantees for loans raised by the State Public Sector Undertakings for which it charges guarantees commission at the rate of half a *per cent* to one *per cent* per annum. Outstanding guarantees stood at ₹5,297.52 crore in 2020-21. The details are given in **Table 5.7:**

| Sl.No. | Particulars <sup>16</sup> | 2018-19                                 |           | 2019-20                                 |           | 2020-21                                 |           |
|--------|---------------------------|---|-----------|---|-----------|---|-----------|
|        |                           | No. of State Public Sector Undertakings | Amount    | No. of State Public Sector Undertakings | Amount    | No. of State Public Sector Undertakings | Amount    |
| (i)    | Grants/Subsidies provided | 15                                      | 12,926.12 | 12                                      | 20,058.08 | 13                                      | 20,414.17 |
| (ii)   | Guarantees Outstanding    | 9                                       | 9,418.90  | 06                                      | 5,795.61  | 05                                      | 5,297.52  |
| (iii)  | Guarantee Commitment      | 6                                       | 14,019.24 | 03                                      | 5,382.50  | 04                                      | 9,022.50  |

Source: Annual accounts/ information furnished by the State Public Sector Undertakings

## 5.7 Returns from State Public Sector Undertakings

### 5.7.1 Profit earned by State Public Sector Undertakings

The Profit earned by 18 State Public Sector Undertakings out of 39 State Public Sector Undertakings (covered in this Report) was ₹671.29 crore in 2020-21 as compared to 17 State Public Sector Undertakings which earned profit of ₹645.40 crore in 2018-19. Four top State Public Sector Undertakings contributed to 83.83 *per cent* of the total profit in 2020-21. The details are given in **Table 5.8:**

<sup>15</sup> Madhya Pradesh Industrial Development Corporation

<sup>16</sup> Amount represents outgo from State Budget only.



| Table 5.8: Top State Public Sector Undertakings which contributed maximum profit |                   |   |
|--|-------------------|---|
| (₹ in crore)   |                   |   |
| Name of State Public Sector Undertakings   | Net profit earned | Percentage of profit to total State Public Sector Undertakings profit |
| MP Warehousing and Logistic Corporation  | 242.20            | 36.08   |
| Madhya Pradesh Power Generating Company Limited                                  | 192.77            | 28.72   |
| Madhya Pradesh Rajya Van Vikas Nigam Limited                                     | 70.89             | 10.56   |
| Madhya Pradesh State Mining Corporation Limited                                  | 56.91             | 8.48  |
| <b>Total</b>   | <b>562.77</b>     | <b>83.83</b>  |

Source: Information furnished by the State Public Sector Undertakings

## 5.7.2 Dividend paid by State Public Sector Undertakings

All profit making State Public Sector Undertakings are required to pay a minimum return of 20 per cent of the profit after tax.

| Table 5.9: Dividend Payout of State Public Sector Undertakings |  |                     |                              |        |   |       |                             |
|--|--|---------------------|------------------------------|--------|---|-------|-----------------------------|
| (₹ in crore)   |  |                     |                              |        |   |       |                             |
| Year   | Total State Public Sector Undertakings               |                     |                              |        |   |       | Dividend Payout in per cent |
|  | with equity infusion by Government of Madhya Pradesh | Which profit earned | which declared/paid dividend |        |   |       |                             |
| 1  | 2  | 3                   | 4                            | 5      | 6 | 7     | 8=7*100/5                   |
| 2018-19  | 20   | 26,657.98           | 13                           | 583.06 | 7 | 46.62 | 8.00                        |
| 2019-20  | 21   | 28,234.03           | 15                           | 669.75 | 6 | 25.29 | 3.78                        |
| 2020-21  | 21   | 28,287.59           | 15                           | 669.75 | 6 | 25.29 | 3.78                        |

Source: Information furnished by the State Public Sector Undertakings

As can be seen from the above table, out of 39 State Public Sector Undertakings covered in this Report, 15 State Public Sector Undertakings earned an aggregate profit of ₹669.75 crore. Out of 15, only six State Public Sector Undertakings declared/paid dividend. Out of which only four<sup>17</sup> State Public Sector Undertakings paid the minimum return and the remaining two<sup>18</sup> State Public Sector Undertakings did not adhere to the State Government dividend policy.

## 5.8 Debt Servicing

### 5.8.1 Interest Coverage Ratio

Interest coverage ratio is used to determine the ability of a company to pay interest on outstanding debt and is calculated by dividing a company's earnings before Interest and Taxes by interest expenses of the same period. The ratio below one indicates that the company was not generating sufficient revenues to meet its expenses on interest. The number of State Public Sector Undertakings with interest coverage ratio of more than one increased from three in 2018-19 to four in 2020-21 as depicted in **Table 5.10**:

<sup>17</sup> Madhya Pradesh State Mining Corporation limited, Madhya Pradesh State Electronics Development Corporation, Madhya Pradesh State Agro Industries Development Corporation Limited and Madhya Pradesh Laghu Udyog Nigam Limited.

<sup>18</sup> Madhya Pradesh Warehousing Logistic Corporation and Madhya Pradesh Public Health Services Corporation Limited.

| Year    | Interest | Earnings Before interest and tax | Number of State Public Sector Undertakings |  |  |
|---------|----------|----------------------------------|--|--|--|
|         |          |                                  | With liability of loans                    | With interest coverage ratio more than One | With interest coverage ratio less than One |
| 2018-19 | 4,826.96 | -1,978.93                        | 17   | 3  | 14   |
| 2019-20 | 7,236.99 | 3,663.41                         | 17   | 4  | 13   |
| 2020-21 | 7,236.99 | 3,663.41                         | 17   | 4  | 13   |

Source: Compiled on the basis of latest financial statement of State Public Sector Undertakings

Further, the Statutory Auditors reports on the annual accounts of those Government Companies whenever available show that five of these Government Companies defaulted in servicing their debts during 2019-20 as detailed in **Table 5.11** below:

| Sl.No. | Name of the SPSUs   | Source of loan                       | Amount of default |
|--------|---|--------------------------------------|-------------------|
| 1.     | Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited | Government of Madhya Pradesh/ Others | 3,249.73          |
| 2.     | Madhya Pradesh Poorv Kshetra Vidyut Vitaran Company Limited   | Government of Madhya Pradesh/ Others | 4,385.06          |
| 3.     | Madhya Pradesh Madhya Kshetra Vidyut Vitaran Company Limited  | Government of Madhya Pradesh/ Others | 4,933.31          |
| 4.     | Madhya Pradesh Power Generating Company Limited               | Government of Madhya Pradesh/ Others | 748.54            |
| 5.     | Madhya Pradesh Power Transmission Company Limited             | Government of Madhya Pradesh/ Others | 3,873.20          |

Source: Compiled based on Statutory Auditor Report

### 5.8.2 Age wise analysis of Interest outstanding on State Government Loans

As on 31 March 2021, interest amounting to ₹3,350.41 crore was outstanding against four State Public Sector Undertakings on the long term loans provided by the State Government, of which 34.43 per cent was outstanding for more than three years. The details are given in **Table 5.12**:

| Sl. No. | Name of State Public Sector Undertakings                      | Outstanding interest on loans | Outstanding for less than one year | Outstanding for one to three years | Outstanding for more than three years |
|---------|---|-------------------------------|------------------------------------|------------------------------------|---------------------------------------|
| 1       | Madhya Pradesh Plastic Park Development Corporation Limited   | 3.89                          | 0.90                               | 2.23                               | 0.76                                  |
| 2       | DMIC Vikram Udyogpuri Limited                                 | 53.84                         | 19.95                              | 33.89                              | nil                                   |
| 3       | Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited | 3,289.18                      | 643.86                             | 1,493.68                           | 1,151.64                              |
| 4       | Madhya Pradesh Power Management Company Limited               | 3.50                          | 0.42                               | 2.08                               | 1.0                                   |
|         | <b>Grand Total</b>  | <b>3,350.41</b>               | <b>665.13</b>                      | <b>1,531.88</b>                    | <b>1,153.40</b>                       |

Source: Information received from State Public Sector Undertakings

## 5.9 Operating Efficiency of Government Companies

### 5.9.1 Profit earned (analysis of profit reporting from operating activities/other income)

Out of 39 State Public Sector Undertakings covered in this Report, 18 State Public Sector Undertakings earned profit. Out of the 18 profit earning State Public Sector Undertakings, nine State Public Sector Undertakings earned profit only from their operations<sup>19</sup> and nine State Public Sector Undertakings earned profit only from other/extraordinary income as detailed in *Appendix 5.3*.

### 5.9.2 Return on Capital Employed

Return on Capital Employed measures a company's profitability and the efficiency with which its capital is employed. Return on Capital Employed is calculated by dividing a company's earnings before interest and taxes by the capital employed<sup>20</sup>. The details of Return on Capital Employed of 39 working State Public Sector Undertakings during the period 2018-19 to 2020-21 are given in **Table 5.13**.

| (₹ in crore)                 |                |                                       |                                  |                  |  |
|------------------------------|----------------|---------------------------------------|----------------------------------|------------------|--|
|                              | Year           | No of State Public Sector Enterprises | Earnings Before Interest and Tax | Capital Employed | Return on Capital Employed (in per cent) |
| <b>Government Companies</b>  |                |                                       |                                  |                  |  |
| Profit earning               | 2018-19        | 20                                    | 3,475.30                         | 28,371.81        | 12.25                                    |
|                              | 2019-20        | 17                                    | 4,027.28                         | 26,367.14        | 15.27                                    |
|                              | 2020-21        | 17                                    | 4,027.28                         | 26,367.14        | 15.27                                    |
| Loss incurring               | 2018-19        | 6                                     | -3,991.91                        | 1,469.44         | -271.66                                  |
|                              | 2019-20        | 13                                    | -348.96                          | 4,525.85         | -7.71                                    |
|                              | 2020-21        | 13                                    | -348.96                          | 4,525.85         | -7.71                                    |
| No profit / No loss          | 2018-19        | 9                                     | 154.88                           | 636.02           | 24.35                                    |
|                              | 2019-20        | 7                                     | 209.56                           | 1,015.63         | 20.63                                    |
|                              | 2020-21        | 7                                     | 209.56                           | 1,015.63         | 20.63                                    |
| <b>Statutory Corporation</b> |                |                                       |                                  |                  |  |
| Profit earning               | 2018-19        | 1                                     | 221.72                           | 989.85           | 22.40                                    |
|                              | 2019-20        | 1                                     | 353.87                           | 1,213.62         | 29.16                                    |
|                              | 2020-21        | 1                                     | 353.87                           | 1,213.62         | 29.16                                    |
| Loss incurring               | 2018-19        | 1                                     | 15.04                            | 1,174.87         | 1.28                                     |
|                              | 2019-20        | 1                                     | 25.41                            | 855.25           | 2.97                                     |
|                              | 2020-21        | 1                                     | 25.41                            | 855.25           | 2.97                                     |
| No profit / No loss          | 2018-19        | --                                    | --                               | --               | --                                       |
|                              | 2019-20        | --                                    | --                               | --               | --                                       |
|                              | 2020-21        | --                                    | --                               | --               | --                                       |
| <b>Total</b>                 | <b>2018-19</b> | <b>37</b>                             | <b>-124.97</b>                   | <b>32,641.99</b> | <b>-0.38</b>                             |
|                              | <b>2019-20</b> | <b>39</b>                             | <b>4,057.60</b>                  | <b>32,965.98</b> | <b>12.31</b>                             |
|                              | <b>2020-21</b> | <b>39</b>                             | <b>4,057.60</b>                  | <b>32,965.98</b> | <b>12.31</b>                             |

Source: Compiled on the basis of latest financial statement of State Public Sector Undertaking

As can be seen from the above table, Return on Capital Employed (RoCE) in 39 State Public Sector Enterprises is on an upward trend from (-)0.38 per cent to 12.31 per cent during the period 2018-21. Further, the RoCE of 14 out of 39 State Public Sector Undertakings (all the

<sup>19</sup> Profit from Operating activities = Turnover – Total expenditure.

<sup>20</sup> Capital Employed = Paid up Share capital + Free Reserves and surplus + Long-term loans – Accumulated losses – Deferred Revenue Expenditure.

seven<sup>21</sup> Power Sector PSUs and seven<sup>22</sup> non Power Sector PSUs) which generate their own revenue and run on commercial line was positive (11.26 per cent) for the year 2019-20 and 2020-21. The RoCE of the remaining 25 PSUs in Non-Power Sector which run on non-commercial line was positive (22.13 per cent) for the year 2019-20 and 2020-21. Out of the 14 PSUs running on commercial line, four<sup>23</sup> PSUs (Government Companies) incurred losses during 2018-21.

### 5.9.3 Rate of Real Return on Investment

As on 31 March 2021, total investment of State Government in 39 State Public Sector Undertakings on the basis of historical cost<sup>24</sup> stood at ₹59,280.25 crore as depicted in **Table 5.14**.

| (₹ in crore)                                 |  |  |  |  |                                    |                                   |
|--|--|--|--|--|------------------------------------|-----------------------------------|
| Year   | Funds invested by State Government in Equity and Long term loans | Funds invested by Central Government in Equity and Long term loans | Funds invested by Others in Equity and Long term loans | Total investment in Equity and Long term loans | Total Earnings/Losses for the year | Rate of Real Return (in per cent) |
| <b>Government Companies</b>                  |  |  |  |  |                                    |                                   |
| 2018-19                                      | 56,309.26  | 3.26   | 41,799.65  | 98,112.17                                      | -6,707.79                          | -6.84                             |
| 2019-20                                      | 58,400.97  | 3.26   | 41,158.29  | 99,562.52                                      | -3,541.98                          | -3.56                             |
| 2020-21                                      | 58,892.27  | 3.26   | 41,498.90  | 1,00,394.43                                    | -3,541.98                          | -3.53                             |
| <b>Statutory Corporations</b>                |  |  |  |  |                                    |                                   |
| 2018-19                                      | 387.98   | 0  | 521.87   | 909.85   | 98.07                              | 10.78                             |
| 2019-20                                      | 387.98   | 0  | 456.60   | 1,559.74                                       | 204.31                             | 13.10                             |
| 2020-21                                      | 387.98   | 0  | 456.60   | 844.58   | 204.31                             | 24.19                             |
| <b>Government Controlled other Companies</b> |  |  |  |  |                                    |                                   |
| 2018-19                                      | 0.00   | 0.00   | 1,040.20   | 1,040.20                                       | -4.33                              | -0.42                             |
| 2019-20                                      | 0.00   | 0.00   | 1,040.20   | 1,040.20                                       | -0.06                              | -0.01                             |
| 2020-21                                      | 0.00   | 0.00   | 1,040.20   | 1,040.20                                       | -0.06                              | -0.01                             |
| <b>Grand Total</b>                           |  |  |  |  |                                    |                                   |
| 2018-19                                      | 56,697.24  | 3.26   | 43,361.72  | 1,00,062.22                                    | -6,614.05                          | -6.61                             |
| 2019-20                                      | 58,788.95  | 3.26   | 42,655.09  | 1,02,162.46                                    | -3,337.73                          | -3.27                             |
| 2020-21                                      | 59,280.25  | 3.26   | 42,995.70  | 1,02,279.21                                    | -3,337.73                          | -3.26                             |

On the basis of historical cost, the State Government investment increased from ₹56,697.24 crore in 2018-19 to ₹59,280.25 crore in 2020-21. Further, return on investment also increased by 3.35 per cent.

### 5.9.4 Return on Investment on the basis of Present Value of Investment

Traditional calculation of return based only on historical cost of investment may not be a correct indicator of the adequacy of the return on the investment since such calculations

<sup>21</sup> MP Power Generating Company Limited, MP Power Transmission Company Limited, MP Power Management Company Limited, MP Urja Vikas Nigam Limited, MP Poorva Kshetra Vidyut Vitran Company Limited, MP Paschim Kshetra Vidyut Vitran Company Limited, MP Madhya Kshetra Vidyut Vitran Company Limited.

<sup>22</sup> MP Rajya Van Vikas Nigam Limited, MP State Tourism Development Corporation Limited, MP Hotel Corporation Limited, MP State Mining Corporation Limited, MP Jal Nigam Maryadit, MP Warehousing and Logistics Corporation, MP Financial Corporation.

<sup>23</sup> Madhya Pradesh Poorv Kshetra Vidyut Vitaran Company Limited, Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited, Madhya Pradesh Madhya Kshetra Vidyut Vitaran Company Limited and MP Jal Nigam Maryadit.

<sup>24</sup> In the case of State Public Sector Undertakings formed due to demerger, the initial investment in equity and loans was considered at the carrying amounts as on the date of their incorporation. Further, apportionment of assets and liabilities between the successor demerged State Public Sector Undertakings resulted in a Reorganisation/ Demerger Adjustment Reserve (surplus/deficit), which was considered as investment of the State Government.

ignore the present value of money. Therefore, real return on investment has also been calculated after considering the Present Value of money.

The Present Value of the State Government investments in these State Public Sector Undertakings was computed on the following assumptions:

- Loans have been considered as fund infusion by the State Government. However, in case of repayment of loans by the State Public Sector Undertakings, the Present Value was calculated on the reduced balances of loans over the period. The funds made available in the form of grant/ subsidy have not been reckoned as investment except capital grant since they do not qualify to be considered as investment.
- The average rate of interest on government borrowings for the concerned financial year<sup>25</sup> was adopted as discount rate for arriving at Present Value since they represent the cost incurred by the Government towards investment of funds for the year and therefore considered as the minimum expected rate of return on investments made by the Government.

Further, consolidated position of Present Value of the State Government investment relating to these State Public Sector Undertakings for the same period is indicated in **Table 5.15**:

| Financial year | Present value of total investment at the beginning of the year | Equity infused by the State Government during the year | Interest free/ defaulted Loan and capital grants given by the state government during the year | Total investment during the year | Average rate of interest on government borrowings (in %) | Total investment at the end of the year | Present value of total investment at the end of the year | Minimum expected return to recover cost of funds for the year | Total Earnings for the year |
|----------------|--|--|--|----------------------------------|--|---|--|---|-----------------------------|
| i              | ii   | iii  | iv   | v=iii+iv                         | vi   | vii=ii+v                                | viii={vii*(1+vi)/100}                                    | ix={vii*vi/100}   | x                           |
| 2000-01        | 2,768.70   | -474.85  | 81.39  | -393.46                          | 9.94   | 2,375.24                                | 2,611.34   | 236.10  | -1367.9                     |
| 2001-02        | 2,611.34   | -4.1   | 166.55   | 162.45                           | 9.19   | 2,773.79                                | 3,028.70   | 254.91  | -1,458.22                   |
| 2002-03        | 3,028.70   | -44.11   | -1,858.41  | -1,902.52                        | 8.81   | 1,126.18                                | 1,225.40   | 99.22   | -1,467.75                   |
| 2003-04        | 1,225.40   | 2.04   | -47.4  | -45.36                           | 9.41   | 1,180.04                                | 1,291.08   | 111.04  | -156.8                      |
| 2004-05        | 1,291.08   | 12.3   | 682.04   | 694.34                           | 8.96   | 1,985.42                                | 2,163.31   | 177.89  | 182.14                      |
| 2005-06        | 2,163.31   | 3,961.12   | 3,821.87   | 7,782.99                         | 7.33   | 9,946.30                                | 10,675.37  | 729.06  | 1,282.23                    |
| 2006-07        | 10,675.37  | 337.13   | 198.39   | 535.52                           | 7.86   | 11,210.89                               | 12,092.06  | 881.18  | 648.34                      |
| 2007-08        | 12,092.06  | 839.11   | -3,798.42  | -2,959.31                        | 7.72   | 9,132.75                                | 9,837.80   | 705.05  | -1,638.53                   |
| 2008-09        | 9,837.80   | 2,065.09   | 1,139.66   | 3,204.75                         | 7.24   | 13,042.55                               | 13,986.83  | 944.28  | -3,151.13                   |
| 2009-10        | 13,986.83  | 2,665.40   | 1,530.74   | 4,196.14                         | 6.94   | 18,182.97                               | 19,444.87  | 1,261.90  | -3,491.41                   |
| 2010-11        | 19,444.87  | -87.86   | 1,279.52   | 1,191.66                         | 7.07   | 20,636.53                               | 22,095.53  | 1,459.00  | -2,005.80                   |
| 2011-12        | 22,095.53  | 1,027.28   | 5,038.49   | 6,065.77                         | 6.91   | 28,161.30                               | 30,107.25  | 1,945.95  | -2,313.02                   |
| 2012-13        | 30,107.25  | 938.46   | 6,685.95   | 7,624.41                         | 6.75   | 37,731.66                               | 40,278.54  | 2,546.89  | -4,059.11                   |

<sup>25</sup> The average rate of interest on Government borrowings was adopted from the Reports of the Comptroller and Auditor General of India on State Finances (Government of Madhya Pradesh) for the concerned year.

| Financial year | Present value of total investment at the beginning of the year | Equity infused by the State Government during the year | Interest free/ defaulted Loan and capital grants given by the state government during the year | Total investment during the year | Average rate of interest on government borrowings (in %) | Total investment at the end of the year | Present value of total investment at the end of the year | Minimum expected return to recover cost of funds for the year | Total Earnings for the year |
|----------------|--|--|--|----------------------------------|--|---|--|---|-----------------------------|
| i              | ii   | iii  | iv   | v=iii+iv                         | vi   | vii=ii+v                                | viii={vii*(1+vi)/100}                                    | ix={vii*vi/100}   | x                           |
| 2013-14        | 40,278.54  | 923.44   | 3,833.47   | 4,756.91                         | 6.69   | 45,035.45                               | 48,048.32  | 3,012.87  | -5,910.12                   |
| 2014-15        | 48,048.32  | 1,298.63   | 9,474.37   | 10,773.00                        | 6.73   | 58,821.32                               | 62,780.00  | 3,958.68  | -6,263.86                   |
| 2015-16        | 62,780.00  | 678.95   | 2,399.57   | 3,078.52                         | 6.86   | 65,858.52                               | 70,376.41  | 4,517.89  | -4,627.30                   |
| 2016-17        | 70,376.41  | 146.2  | 4,610.38   | 4,756.58                         | 6.72   | 75,132.99                               | 80,181.93  | 5,048.94  | -5,202.73                   |
| 2017-18        | 80,181.93  | 5,073.94   | -7,602.08  | -2,528.14                        | 6.67   | 77,653.79                               | 82,833.30  | 5,179.51  | -4,001.19                   |
| 2018-19        | 82,833.30  | 1,863.90   | 1,084.32   | 2,948.22                         | 6.92   | 85,781.52                               | 91,717.60  | 5,936.08  | -6,614.05                   |
| 2019-20        | 91,717.60  | 1,447.69   | 502.45   | 1,950.14                         | 6.69   | 93,667.74                               | 99,934.11  | 6,266.37  | -3,337.73                   |
| 2020-21        | 99,934.11  | 1,742.23   | 437.74   | 2,179.97                         | 6.12   | 1,02,114.08                             | 1,08,363.46  | 6,249.38  | -3,337.73                   |
| <b>Total</b>   |  | <b>24,411.99</b>                                       | <b>29,660.59</b>   | <b>54,072.58</b>                 |  |   |  |   |                             |

Investment by the State Government in these State Public Sector Undertakings at the end of twenty years increased to ₹56,841.28 crore in 2020-21 from ₹2,768.70 crore over the period 2000-21 as the State Government infused funds in form of equity and loan totaling to ₹54,072.58 crore which have yielded negative returns throughout the period. During the period 2014-15 to 2020-21, the negative earnings have gradually come down by nearly 50 per cent.

## 5.10 State Public Sector Undertakings incurring losses

### 5.10.1 Losses incurred

There were 14 State Public Sector Undertakings that incurred losses as per their latest finalised accounts. The losses incurred by these State Public Sector Undertakings decreased to ₹4,009.02 crore as per their latest finalised accounts from ₹7,259.45 crore in 2018-19 as given in **Table 5.16** below:

| Year   | No. of loss making State Public Sector Undertakings | Net Loss for the year | Accumulated loss | Net worth  |
|--|---|-----------------------|------------------|------------|
| <b>Government Companies</b>                  |   |                       |                  |            |
| 2018-19                                      | 9   | -7,196.27             | -51,002.56       | -32,558.15 |
| 2019-20                                      | 11  | -3,970.75             | -52,983.52       | -34,126.92 |
| 2020-21                                      | 11  | -3,970.75             | -52,983.52       | -34,076.56 |
| <b>Statutory Corporation</b>                 |   |                       |                  |            |
| 2018-19                                      | 1   | -58.45                | 12.09            | 436.29     |
| 2019-20                                      | 1   | -37.89                | 12.09            | -424.83    |
| 2020-21                                      | 1   | -37.89                | 12.09            | -424.83    |
| <b>Government Controlled other Companies</b> |   |                       |                  |            |
| 2018-19                                      | 2   | -4.73                 | -5.90            | 394.10     |
| 2019-20                                      | 2   | -0.38                 | -0.16            | 239.94     |
| 2020-21                                      | 2   | -0.38                 | -0.16            | 239.94     |
| <b>Total</b>                                 |   |                       |                  |            |

| Table 5.16: Number of State Public Sector Undertakings that incurred losses during 2018-19 to 2020-21 |   |                       |                  |            |
|---|---|-----------------------|------------------|------------|
| (₹ in crore)  |   |                       |                  |            |
| Year  | No. of loss making State Public Sector Undertakings | Net Loss for the year | Accumulated loss | Net worth  |
| 2018-19   | 12  | -7,259.45             | -50,996.37       | -31,727.76 |
| 2019-20   | 14  | -4,009.02             | -52,971.59       | -33,462.15 |
| 2020-21   | 14  | -4,009.02             | -52,971.59       | -33,411.79 |

In 2020-21, out of total loss of ₹4,009.02 crore incurred by 14 State Public Sector Undertakings, loss of ₹3949.49 crore was contributed by three power sector State Public Sector Undertakings<sup>26</sup>.

### 5.10.2 Erosion of Capital in State Public Sector Undertakings

Net worth means the sum total of the paid-up capital and free reserves and surplus minus accumulated losses and deferred revenue expenditure. Essentially it is a measure of what an entity is worth to the owners. A negative net worth indicates that the entire investment by the owners has been wiped out by accumulated losses and deferred revenue expenditure.

As on 31 March 2021, there were 14 State Public Sector Undertakings with accumulated losses of ₹56,031.89 crore. Of these 14 State Public Sector Undertakings, 10 State Public Sector Undertakings incurred losses amounting to ₹3,968.99 crore during 2020-21 and four State Public Sector Undertakings had not incurred loss, even though they had accumulated loss of ₹3,018.04 crore as per their latest finalised accounts.

The net worth of three out of 14 State Public Sector Undertakings had been completely eroded by accumulated loss and their net worth was either zero or negative. The net worth of these three State Public Sector Undertakings was (-)₹34,954.30 crore against equity investment of ₹17,765.68 crore as on 31 March 2021. In three State Public Sector Undertakings whose capital had been eroded, State Government loans outstanding as on 31 March 2021 amounted to ₹25,549.19 crore.

## 5.11 Oversight role of Comptroller and Auditor General of India

### 5.11.1 Audit of State Public Sector Undertakings

The financial statements of the Government Companies (as defined in Section 2 (45) of the Companies Act, 2013) are audited by Statutory Auditors, who are appointed by the Comptroller and Auditor General of India as per the provisions of Section 139 (5) or (7) of the Companies Act, 2013. The Statutory Auditors submit a copy of the Audit Report to the Comptroller and Auditor General of India including, among other things, financial statements of the Company under Section 143 (5) of the Companies Act, 2013. These financial statements are also subject to supplementary audit by the Comptroller and Auditor General of India within sixty days from the date of receipt of the audit report under the provisions of Section 143 (6) of the Companies Act, 2013.

Audit of Statutory Corporations is governed by their respective legislations. Out of three Statutory Corporations, the Comptroller and Auditor General of India is sole auditor for Madhya Pradesh State Road Transport Corporation. In respect of Madhya Pradesh Warehousing and Logistics Corporation and Madhya Pradesh Financial Corporation, the

<sup>26</sup> Madhya Pradesh Poorv Kshetra Vidyut Vitaran Company Limited (MPPoKVVCL), Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited (MPPaKVVCL) and Madhya Pradesh Madhya Kshetra Vidyut Vitaran Company Limited (MPMKVVCL).

audit is conducted by Chartered Accountants and supplementary audit is conducted by the Comptroller and Auditor General of India.

Further, as per sub-Section 7 of Section 143 of the Companies Act, 2013, Comptroller and Auditor General of India may, in case of any Company covered under sub-Section (5) or sub-Section (7) of Section 139, if considered necessary, by an order, cause test audit to be conducted of the accounts of such Company and the provisions of Section 19(A) of the Comptroller and Auditor General of India's (Duties, Powers and Conditions of Service) Act, 1971 shall apply to the report of such test Audit. Thus, a Government Company or any other Company owned or controlled, directly or indirectly, by the Central Government, or by any State Government or Governments, or partly by Central Government and partly by one or more State Governments, is subject to audit by the Comptroller and Auditor General of India.

### **5.11.2 Appointment of Statutory Auditors of State Public Sector Undertakings by Comptroller and Auditor General of India**

The Comptroller and Auditor General of India appoints the statutory auditors of a Government Company and Government Controlled Other Company under Section 139 (5) and (7) of the Companies Act, 2013 (Act). Sections 139 (5) of the Act, provides that the statutory auditors in case of a Government Company or Government Controlled Other Company are to be appointed by the Comptroller and Auditor General of India within a period of 180 days from the commencement of the financial year. Section 139 (7) of the Act provides that in case of a Government Company or Government Controlled Other Company, the first auditor is to be appointed by the Comptroller and Auditor General of India within sixty days from the date of registration of the company and in case Comptroller and Auditor General of India does not appoint such auditor within the said period, the Board of Directors of the Company or the members of the Company have to appoint such auditor.

The Statutory Auditors of all the State Public Sector Undertakings for the year 2020-21 were appointed by the Comptroller and Auditor General of India during August 2020 except the companies which came under the ambit of Comptroller and Auditor General of India for the first time in 2020-21.

## **5.12 Submission of accounts by State Public Sector Undertakings**

### **5.12.1 Need for timely submission**

According to Section 395 of the Companies Act 2013, Annual Report on the working and affairs of a Government Company, is to be prepared within three months of its Annual General Meeting (AGM) and as soon as may be after such preparation laid before the House or both Houses of the State Legislature together with a copy of the Audit Report and any comments upon or supplement to the Audit Report, made by the CAG. Almost similar provisions exist in the respective Acts regulating Statutory Corporations. This mechanism provides the necessary legislative control over the utilisation of public funds invested in the Companies and Corporations from the Consolidated Fund of State.

### **5.12.2 Timeliness in preparation of accounts by State Public Sector Undertakings**

Section 96 of the Companies Act, 2013 requires every company to hold Annual General Meeting of the shareholders once in every calendar year. It is also stated that not more than



15 months shall elapse between the date of one Annual General Meeting and that of the next. The section further provides that in case of the first annual general meeting, it shall be held within a period of nine months from the date of closing of the first financial year of the company and in any other case, within a period of six months, from the date of closing of the financial year. Accordingly, the Companies were required to hold Annual General Meeting up to 30 September 2021<sup>27</sup> for the financial year 2020-21.

Further, Section 129 of the Act stipulates that the audited Financial Statement for the financial year has to be placed in the said Annual General Meeting for their consideration. Section 129 (7) of the Act 2013 also provides for levy of penalty like fine and imprisonment on the persons including directors of the company responsible for non-compliance with the provisions of Section 129 of the Act.

As of 31 March 2021, there were 59 Government Companies, eight Government Controlled Other Companies and three Statutory Corporations under the purview of Comptroller and Auditor General of India's audit. Of these, accounts for the year 2020-21 were due from 50 Government Companies, all eight Government Controlled Other Companies and two Statutory Corporations.

Out of 70, accounts of 60 Companies/corporations were in arrears (50 Government Companies, all eight Government Controlled Other Companies and two Corporations) for various reasons. Only nine Government Companies<sup>28</sup> and one Statutory Corporation<sup>29</sup> submitted its account (2020-21) for audit by Comptroller and Auditor General of India on or before 30 November 2021. Status of arrear of accounts is given in **Table 5.17**:

| Particulars   | State Public Sector Undertakings |                                       |                       |       |
|---|----------------------------------|---------------------------------------|-----------------------|-------|
|   | Government Companies             | Government Controlled Other Companies | Statutory Corporation | Total |
| Total number of Companies under the purview of Comptroller and Auditor General of India's Audit as on 31 March 2021                     | 59                               | 8                                     | 3                     | 70    |
| Number of companies which presented the accounts (2020-21) for the Comptroller and Auditor General of India's audit by 30 November 2021 | 9                                | -                                     | 1                     | 10    |

The break-up of arrears of 50 Government companies, eight Government Controlled Other Companies and two statutory corporations are detailed in **Table 5.18** below:

<sup>27</sup> Due date of conduct of AGM was extended by two months (i.e by 30 November 2021) beyond normal due date (i.e by 30 September 2021) by ROC, Ministry of Corporate Affairs in view of covid-19 pandemic.

<sup>28</sup> Shri Singaji Power Project Limited, MP Plastic City Development Corporation Limited, MP Jaypee Mineral Limited, MP Jaypee Coal Limited, MP Jaypee Coal Field Limited, MP Monnet Mining Company Limited, MP Sainik Coal Mining Private Limited, MP Madhya Kshetra Vidyut Vitran Company Limited and MP Paschim Kshetra Vidyut Vitran Company Limited.

<sup>29</sup> Madhya Pradesh Finance Corporation.

| Particulars                   | State Public Sector Undertakings   |  |                                  | Total |
|-------------------------------|------------------------------------|--|----------------------------------|-------|
|                               | Account of Government Companies    | Account of Government Controlled Other Companies | Account of Statutory Corporation |       |
| Number of accounts in arrears | 202                                | 13   | 14                               | 229   |
| Extent of arrear              | Up to 31 years                     | Up to 3 years                                    | Up to 13 years                   |       |
| Break-up of Arrears           | (i) Under Liquidation              | 68   | --                               | 68    |
|                               | (ii) Non-functional                | 23   | --                               | 36    |
|                               | (iii) First Accounts not submitted | 20   | 3                                | 23    |
|                               | (iv) Others                        | 91   | 10                               | 102   |

## **5.13 Comptroller and Auditor General of India's oversight-Audit of accounts and supplementary audit**

### **5.13.1 Financial reporting framework**

The Companies are required to prepare the financial statements in the format laid down in Schedule III to the Companies Act, 2013 and in adherence to the mandatory Accounting Standards prescribed by the Central Government, in consultation with National Advisory Committee on Accounting Standards. The Listed Companies and the Companies having net worth of more than ₹250 crore are required to comply with the Indian Accounting Standards. Further parent, subsidiary, associate and joint venture of aforesaid companies are also required to comply with Indian Accounting Standards. The Companies not covered by the above shall continue to apply Accounting Standards. Out of the 67 State Public Sector Undertakings, 29 State Public Sector Undertakings follow the Indian Accounting Standards while the remaining prepare their accounts as per Accounting Standards.

The Statutory Corporations are required to prepare their accounts in the format prescribed under the rules, framed in consultation with the Comptroller and Auditor General of India and any other specific provision relating to accounts in the act governing such corporations.

### **5.13.2 Supplementary Audit of accounts of State Public Sector Undertakings**

The prime responsibility for preparation of financial statements in accordance with the financial reporting framework prescribed under the Companies Act, 2013 or other relevant Act is of the management of an entity.

The statutory auditors appointed by the Comptroller and Auditor General of India are responsible for expressing an opinion on the financial statements under Section 143 of the Companies Act, 2013 based on independent audit in accordance with the Standard Auditing Practices of Institute of Chartered Accountants of India and directions given by the Comptroller and Auditor General of India. The statutory auditors are required to submit the Audit Report to the Comptroller and Auditor General of India under Section 143 of the Companies Act, 2013. The Statutory Auditors reported that 11 companies as detailed in **Appendix 5.4** did not comply with mandatory Accounting Standards/Indian Accounting Standards.

The certified accounts of selected Government Companies along with the report of the statutory auditors are reviewed by Comptroller and Auditor General of India by carrying out a

supplementary audit. Based on such review, significant audit observations, if any, are reported under Section 143 (6) of the Companies Act, 2013 to be placed before the Annual General Meeting.

## 5.14 Result of Comptroller and Auditor General of India's oversight role

### 5.14.1 Audit of accounts of State Public Sector Undertakings under Section 143 of the Companies Act, 2013

During the period under review (January 2020 to September 2021), 83<sup>30</sup> financial statement were received for audit (**Table 5.19**) of which 73 pertained to the previous year. The status of the financial statements received, reviewed and comments issued is given in the **Table 5.19** below:

| Particulars of Financial Statement | Financial Year 2020-21 |                                     |                       |       | Previous Years     |                                     |                       |       |
|------------------------------------|------------------------|-------------------------------------|-----------------------|-------|--------------------|-------------------------------------|-----------------------|-------|
|                                    | Government company     | Government Controlled Other Company | Statutory corporation | Total | Government company | Government Controlled Other Company | Statutory Corporation | Total |
| Received                           | 9                      |                                     | 1                     | 10    | 63                 | 8                                   | 2                     | 73    |
| Not Reviewed                       | 5                      |                                     | --                    | 5     | 17                 | --                                  | --                    | 17    |
| Reviewed                           | --                     |                                     | 1                     | 1     | 46 <sup>31</sup>   | 7                                   | 2                     | 55    |
| Audit in progress*                 | 4                      |                                     | --                    | 4     | --                 | 1                                   | --                    | 1     |
| Nil comment issued                 | --                     |                                     | --                    | --    | 10                 | 0                                   | 0                     | 10    |
| Comments issued <sup>32</sup>      | --                     |                                     | --                    | --    | 20                 | 4                                   | 1                     | 25    |

\*As on 30 September 2021

Out of 83 financial statements received, 56 financial statements were reviewed and for 22 financial statements, Non Review Certificate were issued. Out of 56 financial statements which were reviewed, comments were issued on 25 financial statements (**Appendix 5.5**), nil comments were issued on 10 financial statements, and on the 10 financial statements of one company<sup>33</sup> Disclaimer of opinion was issued.

### 5.14.2 Significant comments of the Comptroller and Auditor General of India issued as supplement to the Statutory Auditors' reports

Subsequent to the audit of the financial statements by the Statutory Auditors, the Comptroller and Auditor General of India conducted supplementary audit of the financial statements of the State Public Sector Undertakings received during the reporting period (January 2020 to September 2021). Some of the significant comments on the financial statements of Government Companies and Government controlled other Companies are listed below:

<sup>30</sup> Due date of conduct of AGM was extended by two months (i.e by 30 November 2021) beyond normal due date (i.e by 30 September 2021) by ROC, Ministry of Corporate Affairs in view of covid-19 pandemic. Thus, for the year 2020-21, due to two months' extension for the status of financial statements due date was taken as 30 Nov 2021.

<sup>31</sup> Including accounts under finalisation

<sup>32</sup> Including Disclaimer of Opinion

<sup>33</sup> M.P and Maharashtra Mineral and Chemicals Limited (for the FY 1992-93 to 2001-02)

### Comments on Profitability

| Sl. No. | Name of Company   | Comment   |
|---------|---|---|
| 1.      | Madhya Pradesh Power Transmission Company Limited (2019-20)             | The incentive charges include ₹21.65 crore transmission charges and ₹14.51 crore incentive charges being billed and claimed by the Company from its five long term consumers towards enhanced transmission capacity (16,576.18MW), in excess of ₹2,746.96 crore of fixed charge recoverable for earlier transmission capacity of 16,496.18MW as allowed by Madhya Pradesh Electricity Regulatory Commission (MPERC) vide Multi Year Tariff (MYT) order dated 26.04.2017. The Company in non-compliance to its Significant Accounting Policy xix (Revenue Recognition) and MPERC order dated 26.04.2017 resorted to excess billing of transmission and incentive charges on provisional basis for the year 2019-20 based on Annual Fixed Cost approved by the MPERC for FY 2018-19 resulting in overstatement of transmission charges and incentive charges by ₹21.65 crore and ₹14.51 crore respectively, Trade Receivables by ₹36.16 crore and overstatement of profit to the same extent. |
| 2.      | Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited (2019-20) | Contingent Assets included interest of ₹76.12 crore paid to Rural Electrification Corporation on behalf of Government of Madhya Pradesh which was receivable from State Government under the tripartite agreement. Non accounting as receivable (Current Asset) from GoMP resulted in overstatement of Interest expenses by ₹76.12 crore, and understatement Profit for the year, extent and understatement of Other Current Assets by ₹76.12 crore as at 31 March 2020.  |
| 3.      | Madhya Pradesh Rajya Van Vikas Nigam Limited (2018-19)                  | Exploitation, Conversion and Transportation of forest produce does not include ₹1.61 crore spent for the 6 <sup>th</sup> cleaning towards Crop-II which should have been debited to forest department expense Account resulting in understatement of Expense and overstatement of profit to the extent of ₹1.61 crore.  |
| 4.      | Madhya Pradesh Jal Nigam Maryadit (2018-19)                             | The Company revised the basis of receipts of Supervision and Quality Control (SQC) charges for execution of Government scheme from lower of eight <i>per cent</i> of the project expenditure or actual SQC expenditure incurred by the Company to claiming SQC receipts based on net expenditure subject to six <i>per cent</i> of the expenditure incurred by the Company resulting in under-recovery of SQC receipts from the State Government by ₹5.17 crore during current year and ₹3.75 crore during previous years. This resulted in understatement of 'Other Income' by ₹5.17 crore, Reserves and Surplus by ₹3.75 crore and overstatement of Non-Current Liabilities by ₹8.92 crore.   |
| 5.      | Madhya Pradesh State Civil Supplies Corporation Limited (2017-18)       | Employee benefit expenses included ₹4.74 crore paid to CIPET (Central Institute of Plastics Engineering and Technology), Bhopal for Quality Test of bags and to 'Pinnacle Tele Services Private Limited' for SMS service instead of procurement expenses resulting in overstatement of "Employees Benefits Expenses" by ₹4.74 crore and understatement of the "Procurement expenses" to the same extent.  |

### Comments on Financial Position

| Sl. No. | Name of Company   | Comments   |
|---------|---|--|
| 1.      | Madhya Pradesh Poorv Kshetra Vidyut Vitaran Company Limited (2019-20) | Current assets did not include, amount receivable from Government ₹57.25 crore being interest paid by the Company to the Rural Electrification Corporation on behalf of Government of Madhya Pradesh under the tripartite agreement resulting in understatement of Current Assets and overstatement of loss to the extent of ₹57.25 crore as on 31.3.2020. |
| 2.      | Jabalpur Smart City Limited (2019-20)                                 | Jabalpur Smart City Ltd (JSCL) did not capitalize entrance building/admin building at Dumna Nature reserve completed in December 2019 resulting in overstatement CWIP (Note-3B) and understatement of property, plant and equipment (Note 3A) by ₹4.36 crore.  |
| 3.      | Madhya Pradesh Police Housing and Infrastructure                      | Amount Receivable from Government included ₹61.64 crore payable within 12 months after 31 March 2017 towards repayment of loan to HUDCO resulting in overstatement of long-term borrowings by ₹61.64   |

| Sl. No. | Name of Company  | Comments  |
|---------|--|---|
|         | Development Corporation Limited (2016-17)              | crore and corresponding understatement of Short Term Borrowings.  |
| 4.      | Sagar Smart City Limited (2018-19)                     | Other Non-current liabilities did not include grant of ₹31 crore sanctioned by Government of India for the year 2018-19 and received in April 2019 i.e. before the date of finalization of the financial statements resulting in understatement of Other Non-Current Liabilities and Other Current Assets (grant receivable) by ₹31 crore.<br>Capital Work in Progress include ₹2.58 crore pertaining to pre incorporation expenses of the Company which should have been charged off to the Profit and Loss Account resulting in overstatement of Capital work in progress by ₹2.58 crore and understatement of the loss to the same extent. |
| 5.      | Madhya Pradesh Metro Rail Company Limited (2017-18)    | Capital Work in Progress did not include ₹2.25 crore in respect of bills received in March 2018 for the work done from January 2018 to March 2018 resulting in understatement of Capital Work in Progress and Current Liabilities by ₹2.25 crore .  |
| 6.      | Madhya Pradesh Tourism Board (2017-18)                 | The Board did not capitalise fixed assets amounting to ₹2.86 crore, put to use during 2017-18 but exhibited only ₹2.30 crore under Long Term loans and Advances as Advance to Madhya Pradesh State Tourism Development Corporation Limited and balance ₹0.56 crore being the current liability not provided for during the year. This resulted in understatement of Fixed Assets and Current Liabilities by ₹2.86 crore and ₹0.56 crore respectively, understatement of Depreciation and Deficit for the year by ₹22.92 lakh each and overstatement of Long-Term loans and Advances by ₹2.30 crore.   |
| 7.      | Madhya Pradesh Rajya Van Vikas Nigam Limited (2018-19) | Non-Current Liabilities did not include ₹10.00 Crore towards pay arrears payable to the employee of the company for the period 01.01.2016 to 31.03.2018 in three instalments approved in 184 <sup>th</sup> meeting (June 2018) by the Board of Directors. Non-provision of the same resulted in understatement of Non-Current Liabilities by ₹10.00 Crore and overstatement of profit for the year to the same extent.  |

### 5.15 Non-compliance with provisions of Accounting Standards/Indian Accounting Standards

In exercise of the powers conferred by Section 469 of the Companies Act, 2013, read with Section 129 (1), Section 132 and Section 133 of the said Act, the Central Government prescribed Accounting Standards. Besides these, the Central Government notified 42 Indian Accounting Standards through Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016. Three Indian Accounting Standards namely Indian Accounting Standards 11, 17 and 18 have been withdrawn after the notification of Indian Accounting Standard 115 and 116.

During the course of supplementary audit carried out between January 2020 and September 2021, the Comptroller and Auditor General of India observed that the following companies had also not complied with the Accounting Standards/Indian Accounting Standards which were not reported by their statutory auditors:

| Accounting Standards/ Indian Accounting Standards  | Name of the Company  | Deviation  |
|--|--|--|
| <b>Indian Accounting Standard 8:</b> Accounting policies, changes in accounting estimates and errors | Madhya Pradesh Poorv Kshetra Vidyut Vitaran Company Limited (2019-20)<br>Madhya Pradesh Madhya Kshetra Vidyut Vitran Company Limited (2019-20) | The Company neither disclosed significant accounting policy pertaining to accounting of power purchase costs nor the accounting practice followed by it during the year. |
| <b>Accounting Standards 4:</b> Contingencies and Events Occurring After the Balance Sheet Date       | Madhya Pradesh State Industrial Corporation (2015-16)  | Non-disclosure of the fact of amalgamation of the Corporation in to Madhya Pradesh Industrial Development Corporation  |

## 5.16 Management Letters

One of the objectives of financial audit is to establish communication on audit matters arising from the audit of financial statements between the auditor and those charged with the responsibility of governance of the corporate entity.

The material observations on the financial statements of State Public Sector Undertakings were reported as comments by the Comptroller and Auditor General of India under Section 143 (5) of the Companies Act, 2013. Besides these comments, irregularities or deficiencies observed by Comptroller and Auditor General of India in the financial reports or in the reporting process, were also communicated to the management through a 'Management Letter' for taking corrective action. These deficiencies generally related to application and interpretation of accounting policies and practices, adjustments arising out of audit that could have a significant effect on the financial statements and inadequate or non-disclosure of certain information on which management of the concerned State Public Sector Undertakings gave assurances that corrective action would be taken in the subsequent year.

During the period under review, Comptroller and Auditor General of India issued 27 'Management Letters' to State Public Sector Undertakings. The broad nature of irregularities in financial statements of Companies/Corporations highlighted in these Management Letters is shown in **Appendix 5.6**.

## 5.17 Conclusion

*As on 31 March 2021, there were 70 State Public Sector Undertakings including three Statutory Corporations and eight Government Controlled other Companies. Out of 70, there are 31 inactive State Public Sector Undertakings. These State Public Sector Undertakings are inactive from three to 31 years. Thus, only 39 PSUs, which furnished information/accounts to Audit, were considered for analysis of financial performance.*

*During 2020-21, these 39 PSUs registered turnover of ₹99,211.48 crore, which was equal to 10.81 per cent of the GSDP of Madhya Pradesh. The contribution of Power sector PSUs alone accounts for over 82 per cent of the total turnover of PSUs during 2020-21.*

*The investment of the state Government in equity and long-term loans in 70 PSUs was ₹62,065.12 crore against total investment of ₹1,06,152.75 crore at the end of 31 March 2021. The outstanding long-term loans of these PSUs as on 31 March 2021 increased to ₹31,820.52 crore from ₹31,382.78 crore during the previous year (2019-20).*

*The Profit earned by 18 State Public Sector Undertakings out of 39 State Public Sector Undertakings (covered in this Report) was ₹671.29 crore in 2020-21 as compared to 17 State Public Sector Undertakings which earned profit of ₹645.40 crore in 2018-19. Major profit contributed by Madhya Pradesh warehousing and Logistic corporation (₹242.20 crore) and Madhya Pradesh Power Generating Company Limited (₹192.77 crore). Out of the total loss of ₹4,009.02 crore incurred by 14 State Public Sector Undertakings, major loss incurred by Madhya Pradesh Madhya Kshetra Vidyut Vitran Company Limited, Madhya Pradesh Poorv Kshetra Vidyut Vitran Company Limited and Madhya Pradesh Paschim Kshetra Vidyut Vitran Company Limited.*

Out of 70, accounts of 60 Companies/corporations were in arrears (50 Government Companies, all eight Government Controlled other Companies and two Corporations) for various reasons for the year 2020-21. State Public Sector Undertakings were not adhering with the prescribed timeline regarding submission of their Financial Statements as per the Companies Act, 2013. As a result, 229 accounts of 60 State Public Sector Undertakings were in arrears.

### 5.18 Recommendations

- i) Government of Madhya Pradesh may review the functioning of all loss making PSUs and take necessary steps to improve their financial performance.
- ii) Government may issue necessary instructions to Administrative Departments to set targets for individual PSUs to furnish the accounts in time and to strictly monitor the clearance of arrears, and take steps expeditiously in order to liquidate the arrears in finalisation of accounts.
- iii) Government may review the inactive Government Companies and take appropriate decision on their revival/winding up.



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

Bhopal  
The 22 April 2022

*Countersigned*



(GIRISH CHANDRA MURMU)  
Comptroller and Auditor General of India

New Delhi  
The 27 April 2022





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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  |                              |                         | Figures            |
|-------------|---|---|------------------------------|-------------------------|--------------------|
| Sl. No.     | Particulars   |   |                              | Figures                 |                    |
| 1           | Area  |   |                              | 3,08,245 sq km          |                    |
| 2           | Population  |   |                              |                         |                    |
|             | a.  | As per 2001 Census  |                              | 6.03 crore              |                    |
|             | b.  | As per 2011 Census  |                              | 7.33 crore              |                    |
| 3           | a.  | Density of Population (2001 Census)<br>(All India Density = 325 persons per sq. km) |                              | 196 persons per sq km   |                    |
|             | b.  | Density of Population (2011 Census)<br>(All India Density = 382 persons per sq. km) |                              | 236 persons per sq km   |                    |
| 4           | Population below poverty line (All India Average = 21.92 per cent)                              |   |                              | 31.93 per cent          |                    |
| 5           | a.  | Literacy (as per 2001 Census) (All India Average = 64.80 per cent)                  |                              | 63.74 per cent          |                    |
|             | b.  | Literacy (as per 2011 Census) (All India Average = 73.00 per cent)                  |                              | 69.30 per cent          |                    |
| 6           | Infant mortality (per 1000 live births)<br>(All India Average = 30 per 1000 live births) (2019) |   |                              | 50 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) 2020-21 at current price                                    |   |                              | ₹9,17,555 crore         |                    |
| 9           | Gross State Domestic Product (GSDP) 2020-21 at constant price                                   |   |                              | ₹5,60,845 crore         |                    |
| 10          | Per Capita GSDP CAGR (2011-12 to 2020-21)   |   | Madhya Pradesh               | 10.74 per cent          |                    |
|             |   |   | All India (Inclusive of UTs) | 8.08 per cent           |                    |
| 11          | GSDP CAGR (2011-12 to 2020-21)  |   | Madhya Pradesh               | 12.59 per cent          |                    |
|             |   |   | All India (Inclusive of UTs) | 9.48 per cent           |                    |
| 12          | Decadal Population Growth (2011 to 2021)  |   | Madhya Pradesh               | 16.05 per cent          |                    |
|             |   |   | All India (Inclusive of UTs) | 12.30 per cent          |                    |
| B           |   | Financial Data  |                              |                         |                    |
|             |   | Growth rate   |                              |                         | (in per cent)      |
| Particulars |   | 2011-12 to 2014-15  | 2015-16 to 2018-19           | 2018-19 to 2019-20      | 2019-20 to 2020-21 |
| a           | Revenue Receipts  | 13.49   | 11.85                        | 2.08                    | -4.56              |
| b           | Own Tax Revenue   | 11.86   | 11.04                        | 2.12                    | -4.43              |
| c           | Non Tax Revenue   | 14.75   | 10.88                        | 23.38                   | -35.60             |
| d           | State's shares in Union Taxes & Duties  | 9.78  | 14.48                        | -13.86                  | -8.60              |
| e           | Grants-in-aids from GoI   | 24.44   | 10.20                        | 21.23                   | 18.54              |
| f           | Total Receipts  | 14.32   | 11.15                        | 7.82                    | 7.44               |
| g           | Revenue Expenditure   | 15.32   | 12.05                        | 5.92                    | 5.63               |
| h           | Capital Expenditure   | 13.26   | 3.45                         | -5.55                   | -2.36              |
| i           | Disbursement of Loans & Advances  | -9.35   | -21.58                       | -12.69                  | 2.31               |
| j           | Total Expenditure   | 14.99   | 10.54                        | 4.16                    | 4.54               |
| k           | Revenue Expenditure on Education  | 13.36   | 8.91                         | 11.55                   | -1.19              |
| l           | Revenue Expenditure on Health & Family Welfare  | 18.74   | 13.51                        | 10.09                   | 14.51              |
| m           | Revenue Expenditure on Salary & Wages   | 10.09   | 10.33                        | 9.07                    | 2.27               |
| n           | Revenue Expenditure on Pension  | 12.99   | 15.32                        | 10.46                   | 6.02               |
| o           | Revenue Expenditure on Subsidies  | 20.67   | 4.69                         | -2.13                   | 6.55               |

Source: Information provided by Economic Advisor

**Appendix 2.1**  
**Time series data on the State Government Finances**  
(Reference: Paragraphs 2.6.2, 2.10.1 and 2.13.2; Pages 25, 35 and 60)

(₹ in crore)

|  | 2016-17             | 2017-18             | 2018-19             | 2019-20             | 2020-21             |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Part A. Receipts</b>  |                     |                     |                     |                     |                     |
| <b>1. Revenue Receipts</b>                                       | <b>1,23,307</b>     | <b>1,34,875</b>     | <b>1,48,893</b>     | <b>1,47,643</b>     | <b>1,46,377</b>     |
| <b>(i) Tax Revenue</b>   | <b>44,194(36)</b>   | <b>44,811(33)</b>   | <b>50,882(34)</b>   | <b>55,824(38)</b>   | <b>54,459(37)</b>   |
| State Goods and Service Tax                                      | --                  | 8,696 (19)          | 18,508(36)          | 20,448(37)          | 17,258(32)          |
| Taxes on Sales, Trade etc.                                       | 22,561(51)          | 14,984(33)          | 9,903(20)           | 11,258(20)          | 13,296(24)          |
| State Excise   | 7,533(17)           | 8,245(18)           | 9,542(19)           | 10,829(19)          | 9,526(17)           |
| Taxes on Vehicles  | 2,252(5)            | 2,692(6)            | 3,008(6)            | 3,251(6)            | 2,749(5)            |
| Stamps and Registration fees                                     | 3,925(9)            | 4,789(11)           | 5,278(10)           | 5,569(10)           | 6,817(13)           |
| Land Revenue   | 407(1)              | 491(1)              | 384(1)              | 562(1)              | 504(1)              |
| Taxes on Goods and Passengers                                    | 3,805(9)            | 1,159(3)            | 118(0)              | 145(0)              | 75(0)               |
| Other Taxes  | 3,711(8)            | 3,755(8)            | 4,141(8)            | 3,762(7)            | 4,234(8)            |
| <b>(ii) Non-Tax Revenue</b>                                      | <b>9,086(7)</b>     | <b>9,061(7)</b>     | <b>11,899(8)</b>    | <b>10,349(7)</b>    | <b>9,902(7)</b>     |
| <b>(iii) State's Share of Union Taxes and Duties</b>             | <b>46,064(37)</b>   | <b>50,853(38)</b>   | <b>57,487(39)</b>   | <b>49,518(34)</b>   | <b>46,914(32)</b>   |
| <b>(iv) Grants-in-Aid from Government of India</b>               | <b>23,963(20)</b>   | <b>30,150(22)</b>   | <b>28,625(19)</b>   | <b>31,952(22)</b>   | <b>35,102(24)</b>   |
| <b>2. Miscellaneous Capital Receipts</b>                         | <b>24</b>           | <b>19</b>           | <b>13</b>           | <b>14</b>           | <b>14</b>           |
| <b>2A. Inter-State Settlement</b>                                | <b>0</b>            | <b>0</b>            | <b>0</b>            | <b>(-)-0.25</b>     | <b>(-)-0.02</b>     |
| <b>3. Recoveries of Loans and Advances</b>                       | <b>772</b>          | <b>5,070</b>        | <b>70</b>           | <b>46</b>           | <b>58</b>           |
| <b>4. Total Revenue and Non-Debt Capital Receipts (1+2+2A+3)</b> | <b>1,24,103</b>     | <b>1,39,964</b>     | <b>1,48,976</b>     | <b>1,47,703</b>     | <b>1,46,449</b>     |
| <b>5. Public Debt Receipts</b>                                   | <b>29,847</b>       | <b>21,892</b>       | <b>32,497</b>       | <b>34,364</b>       | <b>65,171</b>       |
| Internal Debt (excluding Ways and Means Advances and Overdrafts) | 28,581              | 19,975              | 25,325              | 29,496              | 54,242              |
| Net transactions under Ways and Means Advances and Overdrafts    | --                  | --                  | 3,376               | --                  | --                  |
| Loans and Advances from Government of India                      | 1,266               | 1,917               | 3,796               | 4,868               | 10,929 <sup>1</sup> |
| <b>6. Total Receipts in the Consolidated Fund (4+5)</b>          | <b>1,53,950</b>     | <b>1,61,856</b>     | <b>1,81,473</b>     | <b>1,82,067</b>     | <b>2,11,620</b>     |
| <b>7. Contingency Fund Receipts</b>                              | <b>--</b>           | <b>--</b>           | <b>--</b>           | <b>--</b>           | <b>--</b>           |
| <b>8. Public Account Receipts</b>                                | <b>1,61,079</b>     | <b>1,71,665</b>     | <b>1,86,344</b>     | <b>2,00,611</b>     | <b>2,35,479</b>     |
| <b>9. Total Receipts of the State (6+7+8)</b>                    | <b>3,15,029</b>     | <b>3,33,521</b>     | <b>3,67,817</b>     | <b>3,82,678</b>     | <b>4,47,099</b>     |
| <b>Part B. Expenditure/Disbursement</b>                          |                     |                     |                     |                     |                     |
| <b>10. Revenue Expenditure</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> | <b>1,64,733(84)</b> |
| General Services (including interest payments)                   | 27,903(23)          | 32,100(25)          | 38,112(27)          | 39,827(26)          | 47,885(29)          |
| Social Services  | 47,942(40)          | 58,346(45)          | 58,707(41)          | 64,224(43)          | 68,757(42)          |
| Economic Services  | 36,885(31)          | 32,735(25)          | 37,658(27)          | 40,493(27)          | 42,191(25)          |
| Grants-in-Aid and Contributions                                  | 6,807(6)            | 7,065(5)            | 7,672(5)            | 5,900(4)            | 5,900(4)            |
| <b>11. Capital Expenditure</b>                                   | <b>27,288(18)</b>   | <b>30,913(19)</b>   | <b>29,424(17)</b>   | <b>29,241(16)</b>   | <b>30,356(15)</b>   |
| General Services   | 698(3)              | 743(3)              | 723(3)              | 982(3)              | 974(3)              |
| Social Services  | 3,285(12)           | 5,358(17)           | 5,719(19)           | 6,922(24)           | 8,132(27)           |
| Economic Services  | 23,305(85)          | 24,812(80)          | 22,982(78)          | 21,337(73)          | 21,250(70)          |
| <b>12. Disbursement of Loans and Advances</b>                    | <b>4,941(3)</b>     | <b>1,550(1)</b>     | <b>1,090(1)</b>     | <b>987(1)</b>       | <b>1,230(1)</b>     |

<sup>1</sup> Includes back to back loan in lieu of GST compensation shortfall of ₹4,542 crore.

|   | 2016-17              | 2017-18         | 2018-19         | 2019-20         | 2020-21               |
|---|----------------------|-----------------|-----------------|-----------------|-----------------------|
| <b>13. Inter-State Settlement</b>                                 | <b>1</b>             | <b>0</b>        | <b>1</b>        | <b>(-0.62)</b>  | <b>(-)0.25</b>        |
| <b>14. Total Expenditure (10+11+12+13)</b>                        | <b>1,51,767</b>      | <b>1,62,709</b> | <b>1,72,664</b> | <b>1,80,672</b> | <b>1,96,319</b>       |
| <b>15. Repayments of Public Debt</b>                              | <b>4,925</b>         | <b>5,776</b>    | <b>13,524</b>   | <b>10,934</b>   | <b>12,757</b>         |
| Internal Debt (excluding Ways and Means Advances and Overdrafts)  | 3,908                | 4,683           | 8,999           | 9,713           | 11,315                |
| Net transactions under Ways and Means Advances and Overdraft      | --                   | --              | 3,376           | --              | --                    |
| Loans and Advances from Government of India                       | 1,017                | 1,093           | 1,149           | 1,221           | 1,442                 |
| <b>16. Appropriation to Contingency Fund</b>                      | <b>--</b>            | <b>--</b>       | <b>--</b>       | <b>--</b>       | <b>--</b>             |
| <b>17. Total disbursement out of Consolidated Fund (14+15+16)</b> | <b>1,56,692</b>      | <b>1,68,485</b> | <b>1,86,188</b> | <b>1,91,606</b> | <b>2,09,076</b>       |
| <b>18. Contingency Fund disbursements</b>                         | <b>--</b>            | <b>--</b>       | <b>--</b>       | <b>--</b>       | <b>--</b>             |
| <b>19. Public Account disbursements</b>                           | <b>1,58,256</b>      | <b>1,68,893</b> | <b>1,83,377</b> | <b>1,89,401</b> | <b>2,27,522</b>       |
| <b>20. Total disbursement by the State (17+18+19)</b>             | <b>3,14,948</b>      | <b>3,37,378</b> | <b>3,69,565</b> | <b>3,81,007</b> | <b>4,36,598</b>       |
| <b>Part C. Deficits</b>   |                      |                 |                 |                 |                       |
| 21. Revenue Deficit(-)/Revenue Surplus(+) (1-10)                  | 7,781 <sup>2</sup>   | 4,629           | 6,744           | -2,801          | -18,356               |
| 22. Fiscal Deficit (-)/Fiscal Surplus(+) (4-14)                   | -20,304 <sup>3</sup> | -22,745         | -23,688         | -32,970         | -49,870               |
| 23. Primary Deficit(-)/Surplus(+) (22+24)                         | -11,225 <sup>4</sup> | -11,700         | -10,992         | -18,753         | -33,952               |
| <b>Part D. Other data</b>   |                      |                 |                 |                 |                       |
| 24. Interest Payments (included in revenue expenditure)           | 9,079                | 11,045          | 12,696          | 14,217          | 15,918                |
| 25. Financial Assistance to local bodies etc.                     | 32,379               | 36,462          | 36,735          | 28,659          | 30,101                |
| 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>5</sup>              | 6,49,823             | 7,26,338        | 8,13,820        | 9,37,405        | 9,17,555              |
| 29. Outstanding Fiscal liabilities (year-end)                     | 1,55,800             | 1,72,363        | 1,94,309        | 2,30,572        | 2,89,298 <sup>6</sup> |
| 30. Outstanding guarantees (year-end) (including interest)        | 33,397               | 14,003          | 30,763          | 30,930          | 37,010                |
| 31. Maximum amount guaranteed (year-end)                          | 40,395               | 31,653          | 55,640          | 43,017          | 54,464                |
| 32. Number of incomplete projects                                 | 242                  | -               | 55              | 81              | 72                    |
| 33. Capital blocked in incomplete projects                        | 8,607                | -               | 2,951           | 29,606          | 15,461                |

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

<sup>3</sup> Excludes impact of UDAY. On including impact of UDAY, Fiscal Deficit would be ₹27,664 crore.

<sup>4</sup> Excludes impact of UDAY. On including impact of UDAY, Primary Deficit would be ₹18,585 crore.

<sup>5</sup> Revised GSDP figures as communicated by the Government adopted for the year 2016-17 to 2019-20.

<sup>6</sup> Includes back to back loan in lieu of GST compensation shortfall of ₹4,542 crore.

|  | 2016-17          | 2017-18          | 2018-19          | 2019-20          | 2020-21            |
|--|------------------|------------------|------------------|------------------|--------------------|
| <b>Part E. Fiscal Health Indicators</b>  |                  |                  |                  |                  |                    |
| <b>I Resource Mobilization</b>   |                  |                  |                  |                  |                    |
| Own Tax Revenue/GSDP<br>(per cent)   | 6.80             | 6.17             | 6.25             | 5.96             | 5.94               |
| Own Non-Tax Revenue/GSDP<br>(per cent)   | 1.40             | 1.25             | 1.46             | 1.10             | 1.08               |
| Central Transfers <sup>7</sup> /GSDP<br>(per cent)                                     | 10.78            | 11.15            | 10.58            | 8.69             | 8.94               |
| Revenue Buoyancy with<br>reference to State's own taxes                                | 1.70             | 6.70             | 0.77             | -0.09            | 0.35               |
| <b>II Expenditure Management</b>   |                  |                  |                  |                  |                    |
| Total Expenditure/GSDP<br>(per cent)   | 23.36            | 22.40            | 21.22            | 19.27            | 21.40              |
| Total Expenditure/Revenue<br>Receipts (per cent)                                       | 123.08           | 120.64           | 115.97           | 122.37           | 134.12             |
| Revenue Expenditure/Total<br>Expenditure<br>(per cent)                                 | 78.76            | 80.05            | 82.33            | 83.27            | 83.91              |
| Expenditure on General<br>Services/Total Expenditure<br>(per cent)                     | 18.85            | 20.19            | 22.49            | 22.59            | 24.88              |
| Expenditure on Social<br>Services/Total Expenditure<br>(per cent)                      | 33.75            | 39.15            | 37.31            | 39.38            | 39.17              |
| Expenditure on Economic<br>Services/Total Expenditure<br>(per cent)                    | 39.66            | 35.37            | 35.12            | 34.22            | 32.32              |
| Capital Expenditure/Total<br>Expenditure (per cent)                                    | 17.98            | 19.00            | 17.04            | 16.18            | 15.46              |
| Capital Expenditure on Social<br>and Economic Services/Total<br>Expenditure (per cent) | 17.52            | 18.54            | 16.62            | 15.64            | 14.97              |
| <b>III Management of Fiscal Imbalances</b>   |                  |                  |                  |                  |                    |
| Revenue Deficit(-)<br>/Surplus(+)/GSDP (per cent)                                      | 1.20             | 0.64             | 0.83             | -0.30            | -2.00              |
| Fiscal Deficit(-)/GSDP (per cent)  | -3.12            | -3.13            | -2.91            | -3.52            | -5.44              |
| Primary Deficit(-)<br>/Surplus(+)/GSDP (per cent)                                      | -1.73            | -1.61            | -1.35            | -2.00            | -3.70              |
| Revenue Deficit/Fiscal Deficit   | NA               | NA               | NA               | 0.08             | 0.37               |
| Primary Revenue Balance/GSDP<br>(per cent)   | 17.00            | 16.41            | 15.91            | 14.53            | 16.22              |
| <b>IV Management of Fiscal Liabilities</b>   |                  |                  |                  |                  |                    |
| Fiscal Liabilities/GSDP<br>(per cent)  | 23.98            | 23.73            | 23.88            | 24.60            | 31.03 <sup>8</sup> |
| Fiscal Liabilities/RR (per cent)   | 126.35           | 127.79           | 130.50           | 156.17           | 197.64             |
| <b>V Other Fiscal Health Indicators</b>  |                  |                  |                  |                  |                    |
| Return on Investment (per cent<br>in bracket)  | 231.50<br>(1.06) | 622.36<br>(2.11) | 347.26<br>(0.99) | 475.96<br>(1.31) | 288.44<br>(0.74)   |
| Ratio of Financial Assets to<br>Liabilities  | 0.68             | 0.67             | 0.68             | 0.74             | 0.86               |

<sup>7</sup> Central Transfers comprising of Share of Union Taxes/Duties and Grants from GoI.

<sup>8</sup> Debt/GSDP ratio has been calculated on total outstanding debt of ₹2,84,756 crore after excluding the amount of back to back loan (₹4,542 crore) from the total outstanding debt ₹2,89,298 crore.

**Appendix 3.1**  
**Statement of misclassification of Revenue Expenditure under the Capital section**  
(Reference: Paragraph 3.3.1; Page 70)

(₹ 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 | 20.95                  | 16.12         |
| 2   | 23        | 4700 - Capital Outlay on Major Irrigation            | 44.11                  | 37.59         |
| 3   | 48        | 4700 - Capital Outlay on Major Irrigation            | 130.22                 | 109.32        |
| 4   | 48        | 4701 - Capital Outlay on Medium Irrigation           | 5.69                   | 5.43          |
| 5   | 48        | 4801 - Capital Outlay on Power Projects              | 66.98                  | 57.14         |
| <b>Total (Object Head 11-Salary)</b>                    |           |  | <b>267.95</b>          | <b>225.60</b> |
| <b>Object Head 12-Wages</b>                             |           |  |                        |               |
| 6   | 10        | 4406 - Capital Outlay on Forestry and Wild Life      | 485.12                 | 516.04        |
| 7   | 20        | 4215 - Capital Outlay on Water supply and Sanitation | 7.00                   | 6.04          |
| 8   | 23        | 4700 - Capital Outlay on Major Irrigation            | 21.10                  | 26.62         |
| 9   | 23        | 4701 - Capital Outlay on Medium Irrigation           | 6.97                   | 5.44          |
| 10  | 23        | 4702 - Capital Outlay on Minor Irrigation            | 0.15                   | 0.24          |
| 11  | 48        | 4700 - Capital Outlay on Major Irrigation            | 35.68                  | 33.41         |
| 12  | 48        | 4701 - Capital Outlay on Medium Irrigation           | 3.88                   | 3.47          |
| 13  | 48        | 4801 - Capital Outlay on Power Projects              | 12.74                  | 9.98          |
| 14  | 61        | 4406 - Capital Outlay on Forestry and Wild Life      | 2.55                   | 1.11          |
| <b>Total (Object Head 12-Wages)</b>                     |           |  | <b>575.19</b>          | <b>602.35</b> |
| <b>Object Head 21-Travelling Allowance</b>              |           |  |                        |               |
| 15  | 23        | 4700 - Capital Outlay on Major Irrigation            | 0.42                   | 0.20          |
| 16  | 48        | 4700 - Capital Outlay on Major Irrigation            | 2.32                   | 0.74          |
| 17  | 48        | 4801 - Capital Outlay on Power Projects              | 0.97                   | 0.28          |
| 18  | -         | Other Major Heads under Various Grants               | 0.38                   | 0.05          |
| <b>Total (Object Head 21-Travelling Allowance)</b>      |           |  | <b>4.09</b>            | <b>1.27</b>   |
| <b>Object Head 22-Office Expenses</b>                   |           |  |                        |               |
| 19  | 10        | 4406 - Capital Outlay on Forestry and Wild Life      | 8.95                   | 9.76          |
| 20  | 20        | 4215 - Capital Outlay on Water supply and Sanitation | 0.48                   | 0.09          |
| 21  | 23        | 4700 - Capital Outlay on Major Irrigation            | 0.47                   | 0.13          |
| 22  | 48        | 4700 - Capital Outlay on Major Irrigation            | 2.23                   | 1.55          |
| 23  | 48        | 4701 - Capital Outlay on Medium Irrigation           | 0.14                   | 0.08          |
| 24  | 48        | 4801 - Capital Outlay on Power Projects              | 4.29                   | 2.51          |
| 25  | 52        | 4210 - Capital Outlay on Medical and Public Health   | 0.12                   | 0.07          |
| 26  | -         | Other Major Heads under Various Grants               | 0.14                   | 0.09          |
| <b>Total (Object Head 22-Office Expenses)</b>           |           |  | <b>16.81</b>           | <b>14.28</b>  |
| <b>Object Head 24-Examination and Training</b>          |           |  |                        |               |
| 27  | 10        | 4406 - Capital Outlay on Forestry and Wild Life      | 8.66                   | 8.05          |
| 28  | 48        | 4801 - Capital Outlay on Power Projects              | 0.07                   | 0.02          |
| <b>Total (Object Head 24-Examination and Training)</b>  |           |  | <b>8.73</b>            | <b>8.07</b>   |
| <b>Object Head 31-Payment for Professional Services</b> |           |  |                        |               |

| Sl. No.  | Grant No. | Major Head  | Budget Provision (O+S) | Expenditure     |
|--|-----------|---|------------------------|-----------------|
| 29   | 10        | 4406 - Capital Outlay on Forestry and Wild Life             | 60.16                  | 17.72           |
| 30   | 23        | 4700 - Capital Outlay on Major Irrigation                   | 0.25                   | 0.02            |
| 31   | 48        | 4700 - Capital Outlay on Major Irrigation                   | 5.29                   | 5.03            |
| 32   | 48        | 4701 - Capital Outlay on Medium Irrigation                  | 0.27                   | 0.22            |
| 33   | 48        | 4801 - Capital Outlay on Power Projects                     | 6.67                   | 5.03            |
| <b>Total (Object Head 31-Payment for Professional Services)</b>            |           |   | <b>72.63</b>           | <b>28.01</b>    |
| <b>Object Head 33-Maintenance</b>  |           |   |                        |                 |
| 34   | 14        | 4403 - Capital Outlay on Animal Husbandry                   | 0.44                   | 0.43            |
| 35   | 20        | 4215 - Capital Outlay on Water supply and Sanitation        | 0.65                   | 0.18            |
| 36   | 23        | 4701 - Capital Outlay on Medium Irrigation                  | 0.03                   | 0.03            |
| 37   | 48        | 4700 - Capital Outlay on Major Irrigation                   | 59.94                  | 62.02           |
| 38   | 48        | 4701 - Capital Outlay on Medium Irrigation                  | 0.33                   | 2.04            |
| 39   | 48        | 4801 - Capital Outlay on Power Projects                     | 7.53                   | 7.00            |
| <b>Total (Object Head 33-Maintenance)</b>                                  |           |   | <b>68.93</b>           | <b>71.71</b>    |
| <b>Object Head 35-Advertisement and Publicity</b>                          |           |   |                        |                 |
| 40   | 10        | 4406 - Capital Outlay on Forestry and Wild Life             | 0.15                   | 0.11            |
| 41   | 20        | 4215 - Capital Outlay on Water supply and Sanitation        | 9.00                   | 3.18            |
| <b>Total (Object Head 35-Advertisement and Publicity)</b>                  |           |   | <b>9.15</b>            | <b>3.29</b>     |
| <b>Object Head 42-Grants-in-Aid</b>  |           |   |                        |                 |
| 42   | 10        | 4406 - Capital Outlay on Forestry and Wild Life             | 60.00                  | 27.16           |
| 43   | 14        | 4403 - Capital Outlay on Animal Husbandry                   | 0.15                   | 0.10            |
| 44   | 20        | 4215 - Capital Outlay on Water supply and Sanitation        | 3.00                   | 3.00            |
| 45   | 30        | 4515 - Capital Outlay on Other Rural Development Programmes | 220.00                 | 220.00          |
| <b>Total (Object Head 42-Grants-in-Aid)</b>                                |           |   | <b>283.15</b>          | <b>250.27</b>   |
| <b>Object Head 43-Contributions</b>  |           |   |                        |                 |
| 46   | 48        | 4700 - Capital Outlay on Major Irrigation                   | 5.00                   | 4.00            |
| 47   | 48        | 4801 - Capital Outlay on Power Projects                     | 2.92                   | 2.10            |
| <b>Total (Object Head 43-Contributions)</b>                                |           |   | <b>7.92</b>            | <b>6.10</b>     |
| <b>Object Head 44-Subsidies</b>  |           |   |                        |                 |
| 48   | 24        | 5054 - Capital Outlay on Roads and Bridges                  | 24.00                  | 24.00           |
| <b>Total (Object Head 44-Subsidies)</b>                                    |           |   | <b>24.00</b>           | <b>24.00</b>    |
| <b>Object Head 45-Grants-in-Aid for Creation of Capital Assets</b>         |           |   |                        |                 |
| 49   | 24        | 5054 - Capital Outlay on Roads and Bridges                  | 40.00                  | 40.00           |
| 50   | 44        | 4202 - Capital Outlay on Education, Sports, Art and Culture | 188.00                 | 42.73           |
| <b>Total (Object Head 45-Grants-in-Aid for Creation of Capital Assets)</b> |           |   | <b>228.00</b>          | <b>82.73</b>    |
| <b>Object Head 53-Payment of Decretal Charges</b>                          |           |   |                        |                 |
| 51   | 23        | 4701 - Capital Outlay on Medium Irrigation                  | 1.00                   | 0.95            |
| 52   | 48        | 4700 - Capital Outlay on Major Irrigation                   | 0.60                   | 0.02            |
| <b>Total (Object Head 53-Payment of Decretal Charges)</b>                  |           |   | <b>1.60</b>            | <b>0.97</b>     |
| <b>Grand Total</b>   |           |   | <b>1,568.15</b>        | <b>1,318.65</b> |

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



**Appendix 3.2**  
**Statement of misclassification of Capital Expenditure under the Revenue section**  
(Reference: Paragraph 3.3.1; Page 70)

(₹ in crore)

| Sl. No.                                   | Grant No. | Major Head                             | Budget Provision (O+S) | Expenditure  |
|---|-----------|--|------------------------|--------------|
| <b>Object Head 63-Machinery</b>           |           |  |                        |              |
| 1   | 1         | 2015-Elections                         | 6.00                   | 4.80         |
| 2   | 3         | 2055-Police                            | 4.20                   | 2.47         |
| 3   | 5         | 2056-Jails                             | 5.52                   | 2.65         |
| 4   | 8         | 2029-Land Revenue                      | 6.08                   | 5.44         |
| 5   | 10        | 2406-Forestry and Wild Life            | 0.23                   | 0.16         |
| 6   | 13        | 2401-Crop Husbandry                    | 41.88                  | 38.08        |
| 7   | 14        | 2403-Animal Husbandry                  | 0.30                   | 0.07         |
| 8   | 19        | 2210-Medical and Public Health         | 9.04                   | 8.02         |
| 9   | 32        | 2220-Information and Publicity         | 0.38                   | 0.36         |
| 10  | 38        | 2210-Medical and Public Health         | 0.17                   | 0.06         |
| 11  | 39        | 3475-Other General Economic Services   | 0.32                   | 0.24         |
| 12  | 44        | 2202-General Education                 | 6.39                   | 10.82        |
| 13  | 50        | 2401-Crop Husbandry                    | 0.07                   | 0.06         |
| 14  | 56        | 2851-Village and Small Industries      | 2.35                   | 1.06         |
| 15  | 64        | 2217-Urban Development                 | 4.50                   | 4.50         |
| 16  | -         | Other Major Heads under Various Grants | 1.18                   | 0.11         |
| <b>Total (Object Head 63-Machinery)</b>   |           |  | <b>88.61</b>           | <b>78.91</b> |
| <b>Object Head 64-Major Works</b>         |           |  |                        |              |
| 17  | 8         | 2029-Land Revenue                      | 0.50                   | 0.28         |
| 18  | 39        | 3475-Other General Economic Services   | 0.36                   | 0.33         |
| <b>Total (Object Head 64-Major Works)</b> |           |  | <b>0.86</b>            | <b>0.61</b>  |
| <b>Grand Total</b>                        |           |  | <b>89.47</b>           | <b>79.52</b> |

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

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

(₹ in crore)

| Sl. No. | Grant No. | Nomenclature   | RV/<br>CV/<br>CC/<br>RC | Original Budget | Supplementary Budget | Total Budget | Actual Expenditure | Excess Expenditure/<br>Saving | Actual Supplementary Requirement |
|---------|-----------|--|-------------------------|-----------------|----------------------|--------------|--------------------|-------------------------------|----------------------------------|
| 1       | 4         | Other Expenditure pertaining to Home Department                          | CV                      | 0.00            | 0.58                 | 0.58         | 0.20               | 0.38                          | 0.20                             |
| 2       | 7         | Commercial Tax   | RV                      | 3,200.81        | 516.18               | 3,716.99     | 3,281.17           | 435.82                        | 80.36                            |
| 3       | 8         | Land Revenue and District Administration                                 | RV                      | 1,901.47        | 1,600.06             | 3,501.53     | 3,184.71           | 316.82                        | 1,283.24                         |
| 4       | 12        | Energy   | RV                      | 4,790.62        | 5,526.38             | 10,317.00    | 10,311.03          | 5.97                          | 5,520.41                         |
| 5       | 13        | Farmers Welfare and Agriculture Development                              | RV                      | 10,461.37       | 3,600.85             | 14,062.21    | 13,542.47          | 519.75                        | 3,081.10                         |
| 6       | 16        | Fisherman Welfare and Fisheries Development                              | RV                      | 89.63           | 37.89                | 127.52       | 112.43             | 15.09                         | 22.81                            |
| 7       | 18        | Labour   | RV                      | 813.04          | 162.50               | 975.54       | 938.05             | 37.49                         | 125.01                           |
| 8       | 22        | Urban Development and Housing  | CV                      | 1,525.90        | 291.98               | 1,817.88     | 1,800.20           | 17.68                         | 274.30                           |
| 9       | 22        | Urban Development and Housing  | RV                      | 2,052.96        | 1,821.68             | 3,874.64     | 3,856.66           | 17.97                         | 1,803.70                         |
| 10      | 23        | Water Resources  | CV                      | 4,881.40        | 335.00               | 5,216.40     | 5,198.06           | 18.34                         | 316.66                           |
| 11      | 24        | Public Works-Roads and Bridges   | CV                      | 5,009.52        | 418.00               | 5,427.52     | 5,395.53           | 31.99                         | 386.01                           |
| 12      | 48        | Narmada Valley Development   | CV                      | 2,398.94        | 2,680.02             | 5,078.96     | 5,019.52           | 59.43                         | 2,620.59                         |
| 13      | 49        | Scheduled Caste Welfare  | RV                      | 984.08          | 251.12               | 1,235.20     | 1,112.11           | 123.09                        | 128.03                           |
| 14      | 53        | Financial Assistance to Three Tier Panchayati Raj Institutions           | RV                      | 15,721.48       | 4,516.97             | 20,238.46    | 19,949.41          | 289.05                        | 4,227.93                         |
| 15      | 57        | Environment  | RV                      | 21.00           | 20.10                | 41.10        | 40.80              | 0.30                          | 19.80                            |
| 16      | 58        | Expenditure on Relief on Account of Natural Calamities and Drought Prone | RV                      | 4,962.18        | 4,792.00             | 9,754.18     | 8,777.76           | 976.43                        | 3,815.57                         |

| Sl. No.      | Grant No. | Nomenclature                                  | RV/<br>CV/<br>CC/<br>RC | Original Budget  | Supplementary Budget | Total Budget     | Actual Expenditure | Excess Expenditure/<br>Saving | Actual Supplementary Requirement |
|--------------|-----------|---|-------------------------|------------------|----------------------|------------------|--------------------|-------------------------------|----------------------------------|
|              |           | Area  |                         |                  |                      |                  |                    |                               |                                  |
| 17           | 60        | Expenditure pertaining to District Projects   | CV                      | 543.75           | 107.05               | 650.80           | 593.22             | 57.58                         | 49.47                            |
| 18           | 60        | Expenditure pertaining to District Projects   | RV                      | 44.65            | 4.79                 | 49.44            | 45.70              | 3.74                          | 1.05                             |
| 19           | 61        | Expenditure pertaining to Bundelkhand Package | CV                      | 0.00             | 4.50                 | 4.50             | 1.11               | 3.39                          | 1.11                             |
| 20           | 64        | Financial Assistance to Urban Bodies          | CV                      | 59.00            | 25.00                | 84.00            | 76.00              | 8.00                          | 17.00                            |
| 21           | 65        | Aviation                                      | RV                      | 24.76            | 7.52                 | 32.28            | 25.10              | 7.18                          | 0.34                             |
| 22           | 66        | Welfare of Backward Classes                   | RV                      | 745.89           | 156.30               | 902.19           | 876.40             | 25.79                         | 130.51                           |
| 23           | 68        | Public Asset Management                       | RV                      | 0.00             | 4.00                 | 4.00             | 0.40               | 3.60                          | 0.40                             |
| <b>Total</b> |           |   |                         | <b>60,232.46</b> | <b>26,880.47</b>     | <b>87,112.93</b> | <b>84,138.04</b>   | <b>2,974.89</b>               | <b>23,905.58</b>                 |

Source: Appropriation Accounts 2020-21

**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  | CV          | 67.87           | 2.14                 | 60.87              | 2.14                                |
| 2       | 1         | General Administration  | RC          | 59.01           | 0.24                 | 27.81              | 0.24                                |
| 3       | 1         | General Administration  | RV          | 635.16          | 47.36                | 431.70             | 47.36                               |
| 4       | 2         | Other expenditure pertaining to General Administration Department | RV          | 95.66           | 38.28                | 82.38              | 38.28                               |
| 5       | 3         | Police  | RV          | 7,323.10        | 30.00                | 6,687.12           | 30.00                               |
| 6       | 4         | Other expenditure pertaining to Home Department                   | CV          | 0.00            | 0.58                 | 0.20               | 0.38                                |
| 7       | 5         | Jail  | RV          | 411.98          | 10.00                | 395.96             | 10.00                               |
| 8       | 7         | Commercial Tax  | RV          | 3,200.81        | 516.18               | 3,281.17           | 435.82                              |
| 9       | 8         | Land Revenue and District Administration                          | CV          | 171.10          | 1.63                 | 131.67             | 1.63                                |
| 10      | 8         | Land Revenue and District Administration                          | RV          | 1,901.47        | 1,600.06             | 3,184.71           | 316.82                              |
| 11      | 10        | Forest  | RC          | 0.26            | 0.20                 | 0.24               | 0.20                                |
| 12      | 10        | Forest  | RV          | 1,684.43        | 71.96                | 1,587.81           | 71.96                               |
| 13      | 12        | Energy  | CV          | 1,120.57        | 38.62                | 507.51             | 38.62                               |
| 14      | 12        | Energy  | RV          | 4,790.62        | 5,526.38             | 10,311.03          | 5.97                                |
| 15      | 13        | Farmers Welfare and Agriculture Development                       | RV          | 10,461.37       | 3,600.85             | 13,542.47          | 519.75                              |
| 16      | 14        | Animal Husbandry  | RV          | 894.20          | 40.20                | 842.01             | 40.20                               |
| 17      | 16        | Fisherman Welfare and Fisheries Development                       | RV          | 89.63           | 37.89                | 112.43             | 15.09                               |
| 18      | 18        | Labour  | RV          | 813.04          | 162.50               | 938.05             | 37.49                               |
| 19      | 19        | Public Health and Family Welfare                                  | RV          | 7,230.87        | 157.84               | 7,080.76           | 157.84                              |
| 20      | 22        | Urban Development and Housing                                     | CV          | 1,525.90        | 291.98               | 1,800.20           | 17.68                               |
| 21      | 22        | Urban Development and Housing                                     | RV          | 2,052.96        | 1,821.68             | 3,856.66           | 17.97                               |
| 22      | 23        | Water Resources   | CV          | 4,881.40        | 335.00               | 5,198.06           | 18.34                               |
| 23      | 24        | Public Works-Roads and Bridges                                    | CV          | 5,009.52        | 418.00               | 5,395.53           | 31.99                               |
| 24      | 24        | Public Works-Roads and Bridges                                    | RV          | 1,158.14        | 121.00               | 1,072.60           | 121.00                              |
| 25      | 25        | Mineral Resources   | RV          | 47.76           | 1.20                 | 40.34              | 1.20                                |
| 26      | 26        | Culture   | RV          | 131.58          | 10.00                | 128.99             | 10.00                               |
| 27      | 27        | School Education (Primary Education)                              | RV          | 17,702.97       | 856.41               | 17,588.07          | 856.41                              |
| 28      | 29        | Law and Legislative Affairs                                       | RV          | 1,693.68        | 7.00                 | 1,263.37           | 7.00                                |
| 29      | 31        | Planning, Economics   | RV          | 99.08           | 6.00                 | 79.40              | 6.00                                |

| Sl. No. | Grant No. | Nomenclature  | RV/CV/CC/RC | Original Budget | Supplementary Budget | Actual Expenditure | Supplementary Provision Unnecessary |
|---------|-----------|---|-------------|-----------------|----------------------|--------------------|-------------------------------------|
|         |           | and Statistics  |             |                 |                      |                    |                                     |
| 30      | 32        | Public Relations  | RV          | 345.37          | 5.00                 | 330.94             | 5.00                                |
| 31      | 33        | Tribal Welfare  | CV          | 1,098.79        | 12.25                | 664.32             | 12.25                               |
| 32      | 33        | Tribal Welfare  | RV          | 7,862.99        | 20.88                | 6,194.50           | 20.88                               |
| 33      | 34        | Social Justice and Disabled Person Welfare                                    | RV          | 737.29          | 0.95                 | 668.90             | 0.95                                |
| 34      | 38        | Ayush   | RV          | 453.80          | 89.64                | 417.39             | 89.64                               |
| 35      | 39        | Food, Civil Supplies and Consumer Protection                                  | RV          | 878.53          | 0.10                 | 863.99             | 0.10                                |
| 36      | 42        | Bhopal Gas Tragedy Relief and Rehabilitation                                  | RV          | 113.04          | 12.00                | 105.10             | 12.00                               |
| 37      | 44        | Higher Education  | CV          | 535.84          | 5.00                 | 448.51             | 5.00                                |
| 38      | 47        | Technical Education, Skill Development and Employment                         | RV          | 886.82          | 18.91                | 788.58             | 18.91                               |
| 39      | 48        | Narmada Valley Development  | CV          | 2,398.94        | 2,680.02             | 5,019.52           | 59.43                               |
| 40      | 49        | Scheduled Caste Welfare   | RV          | 984.08          | 251.12               | 1,112.11           | 123.09                              |
| 41      | 50        | Horticulture and Food Processing  | CV          | 68.00           | 5.00                 | 4.82               | 5.00                                |
| 42      | 50        | Horticulture and Food Processing  | RV          | 513.41          | 28.86                | 402.16             | 28.86                               |
| 43      | 51        | Spirituality  | RV          | 48.14           | 2.00                 | 39.21              | 2.00                                |
| 44      | 53        | Financial Assistance to Three Tier Panchayati Raj Institutions                | RV          | 15,721.48       | 4,516.97             | 19,949.41          | 289.05                              |
| 45      | 55        | Women and Child Development   | RV          | 4,991.43        | 136.85               | 4,797.44           | 136.85                              |
| 46      | 57        | Environment   | RV          | 21.00           | 20.10                | 40.80              | 0.30                                |
| 47      | 58        | Expenditure on Relief on Account of Natural Calamities and Drought prone area | CV          | 1.00            | 485.40               | 0.00               | 485.40                              |
| 48      | 58        | Expenditure on Relief on Account of Natural Calamities and Drought prone area | RV          | 4,962.18        | 4,792.00             | 8,777.76           | 976.43                              |
| 49      | 60        | Expenditure pertaining to District Projects                                   | CV          | 543.75          | 107.05               | 593.22             | 57.58                               |
| 50      | 60        | Expenditure pertaining to District Projects                                   | RV          | 44.65           | 4.79                 | 45.70              | 3.74                                |
| 51      | 61        | Expenditure pertaining to Bundelkhand Package                                 | CV          | 0.00            | 4.50                 | 1.11               | 3.39                                |
| 52      | 63        | Minority Welfare  | CV          | 6.00            | 95.08                | 5.40               | 95.08                               |
| 53      | 63        | Minority Welfare  | RV          | 17.42           | 0.79                 | 8.40               | 0.79                                |
| 54      | 64        | Financial Assistance to Urban Bodies  | CV          | 59.00           | 25.00                | 76.00              | 8.00                                |
| 55      | 64        | Financial Assistance to Urban Bodies  | RV          | 7,080.88        | 707.67               | 6,990.35           | 707.67                              |

| Sl. No.      | Grant No. | Nomenclature                            | RV/CV/CC/RC | Original Budget    | Supplementary Budget | Actual Expenditure | Supplementary Provision Unnecessary |
|--------------|-----------|---|-------------|--------------------|----------------------|--------------------|-------------------------------------|
| 56           | 65        | Aviation                                | CV          | 62.00              | 33.50                | 60.17              | 33.50                               |
| 57           | 65        | Aviation                                | RV          | 24.76              | 7.52                 | 25.10              | 7.18                                |
| 58           | 66        | Welfare of Backward Classes             | RV          | 745.89             | 156.30               | 876.40             | 25.79                               |
| 59           | 68        | Public Asset Management                 | RV          | 0.00               | 4.00                 | 0.40               | 3.60                                |
| 60           | CH-I      | Interest Payments and Servicing of Debt | RC          | 16,460.21          | 549.10               | 15,917.87          | 549.10                              |
| <b>Total</b> |           |   |             | <b>1,42,920.83</b> | <b>30,529.53</b>     | <b>1,60,854.70</b> | <b>6,623.94</b>                     |

Source: Appropriation Accounts 2020-21

**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<br>O:Original<br>S:Supplementary<br>R:Reappropriation/<br>Surrender | Actual Expenditure | Final Saving (-)/<br>Excess (+) |
|---------|-----------|---|--|---|--------------------|---------------------------------|
| 1       | 1         | General Administration  | 2013-800-9939-Grant –in-aid by Ministries                  | (O)3.00<br>(R)3.32<br>6.32  | 5.53               | (-) 0.79                        |
| 2       | 1         | General Administration  | 2012-03-090-4330-Governor-Secretariat (Charged)            | (O)7.14<br>(S)Token<br>(R)0.16<br>7.30  | 5.58               | (-) 1.72                        |
| 3       | 2         | Other expenditure pertaining to General Administration Department | 2053-800-4062- Visits of V.I.Ps.                           | (O) 1.05<br>(R) 1.00<br>2.05  | 1.60               | (-) 0.45                        |
| 4       | 3         | Police  | 4055-211-0101-3059-Chief Minister Police Housing Plan      | (O) 197.64<br>(R) 20.28<br>217.92   | 247.92             | (+) 30.00                       |
| 5       | 6         | Finance   | 2071-01-104-9998-Madhya Pradesh                            | (O) 582.85<br>(R) 1,450.00<br>2,032.85  | 2,309.01           | (+) 2,76.16                     |
| 6       | 6         | Finance   | 2071-01-115-9998-Madhya Pradesh                            | (O) 248.24<br>(R) 415.00<br>663.24  | 487.98             | (-) 1,75.26                     |
| 7       | 6         | Finance   | 2071-01-115-9999-Composite State of Madhya Pradesh         | (O) 236.15<br>(R) 100.00<br>336.15  | 326.70             | (-) 9.45                        |
| 8       | 7         | Commercial Tax  | 2039-001-0123-1470-Establishment of District Workers       | (O) 151.86<br>(R) 1.76<br>153.62  | 133.24             | (-) 20.38                       |
| 9       | 7         | Commercial Tax  | 2039-001-0101-8808-Works Related to Information Technology | (O) 7.87<br>(R) 3.20<br>11.07   | 4.30               | (-) 6.77                        |
| 10      | 7         | Commercial Tax  | 2039-104-1111-Purchase of Excise Material                  | (O) 1.00<br>(R) 25.00<br>26.00  | 20.01              | (-) 5.99                        |
| 11      | 8         | Land Revenue and District Administration                          | 2053-093-1509-District Establishment                       | (O) 314.01<br>(R) 0.75<br>314.76  | 259.66             | (-) 55.11                       |

| Sl. No. | Grant No. | Name of the Grant                                   | Heads of account   | Provision<br>O:Original<br>S:Supplementary<br>R:Reappropriation/<br>Surrender | Actual Expenditure | Final Saving (-)/<br>Excess (+) |
|---------|-----------|---|--|---|--------------------|---------------------------------|
| 12      | 8         | Land Revenue and District Administration            | 2053-101-0452-Commissioner   | (O) 27.42<br>(R) 0.08<br>27.50  | 20.99              | (-) 6.51                        |
| 13      | 10        | Forest  | 2406-01-800-0101-3896- Compensation to Person Killed by Wild Animals                           | (O) 9.08<br>(R) 2.43<br>11.51   | 10.30              | (-) 1.20                        |
| 14      | 10        | Forest  | 4406-01-800-9667-Campa Net Present Value   | (O) 270.70<br>(R) 69.06<br>339.76   | 309.02             | (-) 30.74                       |
| 15      | 15        | Denotified, Nomadic And Semi-Nomadic Tribes Welfare | 2225-01-789-001-7216- Denotified Caste-Head quarter  | (O) 1.04<br>(R) 0.03<br>1.07  | 0.61               | (-) 0.46                        |
| 16      | 16        | Fisherman Welfare and Fisheries Development         | 2405-001-2304-Direction and Administration   | (O) 8.44<br>(R) 0.39<br>8.83  | 7.75               | (-) 1.08                        |
| 17      | 17        | Co-operation  | 2425-107-0102-2341-Chief Minister Loan Clearance Scheme  | (O) 19.02<br>(R) 5.80<br>24.83  | 47.07              | (+) 22.24                       |
| 18      | 19        | Public Health and Family Welfare                    | 4210-01-110-0103-7648-Construction Buildings of Hospital and Dispensaries                      | (O) 3.30<br>(R) 7.00<br>10.30   | 10.15              | (-) 0.15                        |
| 19      | 19        | Public Health and Family Welfare                    | 4210-01-110-0102-7648-Construction Buildings of Hospital and Dispensaries                      | (O) 3.00<br>(R) 5.60<br>8.60  | 7.53               | (-) 1.07                        |
| 20      | 19        | Public Health and Family Welfare                    | 4210-01-110-0101-7648-Construction Buildings of Hospital and Dispensaries                      | (O) 14.50<br>(R) 4.00<br>18.50  | 18.14              | (-) 0.36                        |
| 21      | 19        | Public Health and Family Welfare                    | 4210-02-104-0103-5056- Construction of Building of Community Health/Sub Health/Primary Centers | (O) 12.00<br>(R) 2.00<br>14.00  | 13.40              | (-) 0.60                        |
| 22      | 23        | Water Resources                                     | 2705-800-0701-3701-State Level Ayacut Cell   | (O) 9.74<br>(R) 1.26<br>11.00   | 6.99               | (-) 4.01                        |
| 23      | 23        | Water Resources                                     | 2700-33-101-0101-3300- Circle Establishment  | (O) 0.82<br>(R) 0.27<br>1.10  | 1.21               | (+) 0.11                        |



| Sl. No. | Grant No. | Name of the Grant              | Heads of account  | Provision<br>O:Original<br>S:Supplementary<br>R:Reappropriation/<br>Surrender | Actual Expenditure | Final Saving (-)/<br>Excess (+) |
|---------|-----------|--------------------------------|---|---|--------------------|---------------------------------|
| 24      | 23        | Water Resources                | 2700-33-101-0101-3556- Headquarter Establishment Unit-1   | (O) 1.62<br>(R) 0.26<br>1.88  | 2.19               | (+) 0.31                        |
| 25      | 23        | Water Resources                | 2701-80-800-0102-2250-Canals and Tanks  | (O) 17.55<br>(R) 7.38<br>24.94  | 26.99              | (+) 2.05                        |
| 26      | 23        | Water Resources                | 4700-13-800-0103-2884- Canal and Appurtenent Work   | (O) 50.00<br>(R) 39.41<br>89.41   | 91.12              | (+) 1.71                        |
| 27      | 23        | Water Resources                | 4700-18-800-1401-6596- Reforms, Re-Inforcement and Re-establishment                                 | (O) 16.00<br>(R) 2.64<br>18.64  | 28.89              | (+) 10.25                       |
| 28      | 23        | Water Resources                | 4701-50-800-0101-2884- Canal and Appurtenent Work   | (O) 175.00<br>(R) 103.58<br>278.58  | 277.58             | (-) 1.00                        |
| 29      | 23        | Water Resources                | 4700-83-800-0801-2884- Canal and Appurtenent Work   | (S) 25.00<br>(R) 45.00<br>70.00   | 45.00              | (-) 25.00                       |
| 30      | 23        | Water Resources                | 4700-84-800-1201-2884- Canal and Appurtenent Work   | (O) 550.00<br>(R) 216.60<br>766.60  | 818.78             | (+) 52.18                       |
| 31      | 23        | Water Resources                | 4701-25-800-0102-3366- Construction of Medium Projects  | (O) 6.46<br>(R) 2.92<br>9.38  | 9.31               | (-) 0.07                        |
| 32      | 23        | Water Resources                | 4701-80-800-0101-3368- Construction Work of Medium Irrigation Scheme                                | (O) 12.73<br>(R) 4.50<br>17.23  | 19.34              | (+) 2.11                        |
| 33      | 24        | Public Works-Roads and Bridges | 3054-03-337-0101-0134- Maintenance and Repairs - Ordinary Repairs                                   | (O) 14.48<br>(R) 5.00<br>19.48  | 6.06               | (-) 13.42                       |
| 34      | 24        | Public Works-Roads and Bridges | 3054-03-337-0101-0134- Maintenance and Repairs - Ordinary Repairs                                   | (O) 20.00<br>(S) 15.00<br>(R) 8.95<br>43.95                                   | 43.98              | (+) 0.03                        |
| 35      | 24        | Public Works-Roads and Bridges | 3054-04-800-0101-7081- Renovation, up-gradation and Bituminisation of main District Roads and other | (O) 105.00<br>(S) 50.00<br>(R) 35.00<br>190.00                                | 190.52             | (+) 0.52                        |

| Sl. No. | Grant No. | Name of the Grant                    | Heads of account   | Provision<br>O:Original<br>S:Supplementary<br>R:Reappropriation/<br>Surrender | Actual Expenditure | Final Saving (-)/<br>Excess (+) |
|---------|-----------|--------------------------------------|--|---|--------------------|---------------------------------|
| 36      | 26        | Culture                              | 4202-04-800-0701-6941- Upgradation of Ravindra Bhawan Campus   | (O) 5.00<br>(R) 3.99<br>8.99  | 7.99               | (-) 1.00                        |
| 37      | 27        | School Education (Primary Education) | 2202-01-101-0701-1502- District Education and Training Institute-Basic Minimum Services                        | (O) 16.48<br>(R) 3.83<br>20.31  | 20.64              | (+) 0.33                        |
| 38      | 30        | Rural Development                    | 2515-001-0103-1033-Block Development Offices   | (O) 11.79<br>(R) 2.21<br>14.00  | 13.97              | (-) 0.03                        |
| 39      | 30        | Rural Development                    | 2515-001-0102-1033-Block Development Offices   | (O) 18.21<br>(R) 3.15<br>21.36  | 21.38              | (+) 0.02                        |
| 40      | 33        | Tribal Welfare                       | 2225-02-102-0102-2326- P.V.T.G. Food Grant Scheme  | (O) 218.00<br>(R) 93.33<br>311.33   | 312.12             | (+) 0.79                        |
| 41      | 33        | Tribal Welfare                       | 2225-03-277-0802-2676- 11 <sup>th</sup> and 12 <sup>th</sup> College Scholarship                               | (O) 172.50<br>(R) 41.35<br>213.85   | 214.06             | (+) 0.21                        |
| 42      | 33        | Tribal Welfare                       | 2225-02-277-0102-0671- Grant to Voluntary Organisations for Education and Development-Other Welfare Tendencies | (O) 33.00<br>(R) 48.51<br>81.51   | 88.75              | (+) 7.25                        |
| 43      | 33        | Tribal Welfare                       | 2225-02-277-0102-1868- Technical Education Board (MAPSET)  | (O) 0.44<br>(R) 0.41<br>0.85  | 0.89               | (+) 0.04                        |
| 44      | 33        | Tribal Welfare                       | 2225-02-277-0102-7763- Housing Assistance to Scheduled Caste/Scheduled Tribe Students                          | (O) 115.00<br>(R) 14.63<br>129.63   | 129.65             | (+) 0.02                        |
| 45      | 33        | Tribal Welfare                       | 2225-02-800-0702-5191- Relief Under Scheduled Caste and Tribe Atyachar Nivaran (Contingency Scheme) Rule 2015  | (O) 28.65<br>(R) 7.93<br>36.58  | 36.63              | (+) 0.05                        |

| Sl. No. | Grant No. | Name of the Grant   | Heads of account  | Provision<br>O:Original<br>S:Supplementary<br>R:Reappropriation/<br>Surrender | Actual Expenditure | Final Saving (-)/<br>Excess (+) |
|---------|-----------|---|---|---|--------------------|---------------------------------|
| 46      | 34        | Social Justice and Disabled Person Welfare  | 2235-02-800-0101-6692- Chief Minister Marriage Plan   | (O) 11.59<br>(R) 5.14<br>16.73  | 16.78              | (+) 0.05                        |
| 47      | 36        | Transport   | 5055-800-0101-1231-M.P. Intercity Transport Authority   | (O) 0.00<br>(S) Token<br>(R) 3.17<br>3.17                                     | 2.65               | (-) 0.51                        |
| 48      | 38        | Ayush   | 2210-05-101-0103-0469- Ayurvedic College  | (O) 9.18<br>(R) 2.92<br>12.10   | 11.65              | (-) 0.45                        |
| 49      | 38        | Ayush   | 2210-05-101-0102-0469- Ayurvedic College  | (O) 16.66<br>(R) 4.64<br>21.31  | 20.51              | (-) 0.80                        |
| 50      | 39        | Food, Civil Supplies and Consumer Protection  | 2408-01-102-0103-9087- Grant from State Government on Purchase of Sugar by Open Tender Policy | (O) 0.22<br>(R) 0.51<br>0.73  | 1.13               | (+) 0.40                        |
| 51      | 39        | Food, Civil Supplies and Consumer Protection  | 2408-01-102-0102-9087- Grant from State Government on Purchase of Sugar by open tender policy | (O) 0.30<br>(R) 1.64<br>1.94  | 1.54               | (-) 0.40                        |
| 52      | 40        | Other expenditure pertaining to School Education Department (excluding Primary Education) | 2202-02-109-0103-6007- Establishment and operation of Model Schools                           | (O) 3.28<br>(R) 1.12<br>4.40  | 2.10               | (-) 2.30                        |
| 53      | 40        | Other expenditure pertaining to School Education Department (excluding Primary Education) | 2202-02-109-0102-6007- Establishment and operation of Model Schools                           | (O) 5.12<br>(R) 1.61<br>6.73  | 3.09               | (-) 3.64                        |
| 54      | 40        | Other expenditure pertaining to School Education Department (excluding Primary Education) | 2202-02-109-0101-0816- Establishment and operation of Hostels                                 | (O) 1.16<br>(R) 5.21<br>6.37  | 4.77               | (-) 1.60                        |
| 55      | 40        | Other expenditure pertaining to School Education Department (excluding Primary Education) | 2202-02-109-0101-5732- Grant to Sainik School Rewa  | (O) 1.58<br>(R) 1.70<br>3.28  | 3.24               | (-) 0.04                        |

| Sl. No. | Grant No. | Name of the Grant   | Heads of account  | Provision<br>O:Original<br>S:Supplementary<br>R:Reappropriation/<br>Surrender | Actual Expenditure | Final Saving (-)/<br>Excess (+) |
|---------|-----------|---|---|---|--------------------|---------------------------------|
| 56      | 40        | Other expenditure pertaining to School Education Department (excluding Primary Education) | 2202-02-109-0101-6007- Establishment and operation of Model Schools                   | (O) 4.43<br>(R) 4.27<br>8.70  | 5.67               | (-) 3.02                        |
| 57      | 40        | Other expenditure pertaining to School Education Department (excluding Primary Education) | 2202-02-109-0101-6493- Special Training for Entrance in Professional Colleges         | (O) 1.00<br>(R) 1.53<br>2.54  | 2.51               | (-) 0.03                        |
| 58      | 40        | Other expenditure pertaining to School Education Department (excluding Primary Education) | 4202-01-202-0101-6970- Construction and Expansion of Government School/Hostel/Library | (O) 150.00<br>(R) 20.00<br>170.00   | 172.88             | (+) 2.88                        |
| 59      | 43        | Sports and Youth Welfare  | 2204-800-0103-4938- Grant to Yuva Sandhi  | (O) 0.50<br>(R) 0.04<br>0.54  | 0.70               | (+) 0.16                        |
| 60      | 43        | Sports and Youth Welfare  | 2204-800-0102-4938- Grant to Yuva Sandhi  | (O) 0.78<br>(R) 0.55<br>1.33  | 1.60               | (+) 0.27                        |
| 61      | 44        | Higher Education  | 2202-03-103-1203-7464- Improvement in MP Higher Education                             | (O) 0.69<br>(R) 2.25<br>2.94  | 2.90               | (-) 0.04                        |
| 62      | 44        | Higher Education  | 2202-03-103-1202-7464- Improvement in MP Higher Education                             | (O) 0.16<br>(R) 1.07<br>1.23  | 0.84               | (-) 0.39                        |
| 63      | 44        | Higher Education  | 2202-03-103-1201-7464- Improvement in MP Higher Education                             | (O) 6.82<br>(R) 10.98<br>17.80  | 16.90              | (-) 0.90                        |
| 64      | 44        | Higher Education  | 2202-03-103-0103-0798- Arts, Science and Commerce colleges                            | (O) 210.64<br>(R) 74.15<br>284.79   | 279.81             | (-) 4.98                        |
| 65      | 44        | Higher Education  | 2202-03-103-0103-4699- Supply of Books/Stationery etc. for Students                   | (O) 2.20<br>(R) 2.55<br>4.75  | 4.72               | (-) 0.03                        |
| 66      | 44        | Higher Education  | 2202-03-103-0102-0798- Arts, Science and Commerce colleges                            | (O) 294.60<br>(R) 70.19<br>364.79   | 360.55             | (-) 4.24                        |
| 67      | 44        | Higher Education  | 2202-03-103-0102-4699- Supply of Books/Stationery etc. for Students                   | (O) 2.40<br>(R) 2.15<br>4.55  | 4.45               | (-) 0.10                        |

| Sl. No. | Grant No. | Name of the Grant                                     | Heads of account   | Provision<br>O:Original<br>S:Supplementary<br>R:Reappropriation/<br>Surrender | Actual Expenditure | Final Saving (-)/<br>Excess (+) |
|---------|-----------|---|--|---|--------------------|---------------------------------|
| 68      | 44        | Higher Education                                      | 2202-03-103-0101-0744- Free Educational Scheme to Talented Students for foreign Study          | (O) 0.50<br>(R) 0.50<br>1.00  | 0.93               | (-) 0.07                        |
| 69      | 44        | Higher Education                                      | 4202-01-203-0101-7643- Construction etc. of Government Colleges Buildings                      | (O) 44.81<br>(R) 45.25<br>90.06   | 90.19              | (+) 0.13                        |
| 70      | 47        | Technical Education, Skill Development and Employment | 2203-104-0101-0820-Mukhyamantri Medhavi Vidyarthi Yojna  | (O) 54.30<br>(R) 19.00<br>73.30   | 72.20              | (-) 1.10                        |
| 71      | 47        | Technical Education, Skill Development and Employment | 2230-03-003-0101-0740- Mukhyamantri Kaushal Samvardhan   | (O) 1.13<br>(R) 4.80<br>5.93  | 1.96               | (-) 3.97                        |
| 72      | 47        | Technical Education, Skill Development and Employment | 2230-03-003-0101-6475- Establishment of Skill Development Centres in Block Development Offices | (O) 0.15<br>(R) 0.85<br>1.00  | 0.85               | (-) 0.15                        |
| 73      | 47        | Technical Education, Skill Development and Employment | 4250-201-0102-6952- Construction of Building for Industrial Training Institutes                | (O) 0.40<br>(R) 1.00<br>1.40  | 0.86               | (-) 0.54                        |
| 74      | 48        | Narmada Valley Development                            | 4700-80-800-1402-1250- Alirajpur Lift Irrigation Project                                       | (O) 5.00<br>(R) 4.26<br>9.26  | 4.26               | (-) 5.00                        |
| 75      | 48        | Narmada Valley Development                            | 4700-80-800-0101-5427- Dahi Udvahan Micro Irrigation Scheme                                    | (O) 28.50<br>(R) 5.16<br>33.66  | 17.50              | (-) 16.15                       |
| 76      | 48        | Narmada Valley Development                            | 4700-80-800-0103-0651- Ujjaini Dewas Ujjain Pipeline Scheme                                    | (O) 5.92<br>(R) 2.68<br>8.60  | 13.56              | (+) 4.96                        |
| 77      | 48        | Narmada Valley Development                            | 4700-80-800-0102-1250- Alirajpur Lift Irrigation Project                                       | (O) 77.00<br>(R) 4.69<br>81.69  | 102.84             | (+) 21.15                       |
| 78      | 52        | Medical Education                                     | 2210-05-796-105-0101-6591- Establishment of University of Medical Science at Jabalpur          | (O) 3.25<br>(R) 0.15<br>3.40  | 0.00               | (-) 3.40                        |
| 79      | 52        | Medical Education                                     | 2210-05-796-105-0527- Nursing College in Indore  | (O) 3.23<br>(R) 0.57<br>3.80  | 4.24               | (+) 0.45                        |

| Sl. No.      | Grant No. | Name of the Grant   | Heads of account  | Provision<br>O:Original<br>S:Supplementary<br>R:Reappropriation/<br>Surrender | Actual Expenditure | Final Saving (-)/<br>Excess (+)  |
|--------------|-----------|---|---|---|--------------------|----------------------------------|
| 80           | 52        | Medical Education   | 2210-05-796-105-0103-9080-<br>Ratlam/Datia/Shivpuri/<br>Chindwara/Satna<br>Medical College,                                       | (O) 28.00<br>(R) 15.00<br>43.00   | 31.03              | (-) 11.97                        |
| 81           | 52        | Medical Education   | 4210-03-796-105-0701-2061- Increase in<br>M.B.B.S. Seats  | (O) 87.64<br>(R) 1.04<br>88.68  | 61.80              | (-) 26.88                        |
| 82           | 52        | Medical Education   | 4210-03-796-105-0101-7296-<br>Construction of Super<br>Specialty Hospital of<br>Two Thousand Beds in<br>Medical College<br>Bhopal | (O) 49.45<br>(R) 15.00<br>64.45   | 59.72              | (-) 4.73                         |
| 83           | 55        | Women and Child Development   | 2235-02-103-0101-5067- Ladli Laxmi<br>Yojna   | (O) 546.89<br>(R) 498.69<br>1,045.58  | 1,045.62           | (+) 0.04                         |
| 84           | 56        | Cottage and Rural Industry  | 2851-103-2542-<br>Supervisory Staff<br>(Regional Office)  | (O) 13.15<br>(R) 0.05<br>13.20  | 11.81              | (-) 1.40                         |
| 85           | 58        | Expenditure on Relief on Account of Natural Calamities and Drought prone area | 2245-80-102-6436-<br>Training Relating to<br>Calamity and Purchase<br>of Equipments   | (O) 5.23<br>(R) 101.70<br>106.93  | 106.95             | (+) 0.03                         |
| 86           | 58        | Expenditure on Relief on Account of Natural Calamities and Drought prone area | 2245-80-800-6097-<br>Financial Assistance<br>for Snakebite  | (O) 100.00<br>(R) 18.92<br>118.92   | 119.24             | (+) 0.32                         |
| 87           | 58        | Expenditure on Relief on Account of Natural Calamities and Drought prone area | 2245-80-800-7249-<br>Loss of Crops form<br>Insect Disease   | (O) 10.18<br>(S) 1,056.00<br>(R) 893.01<br>1,959.19                           | 2,118.62           | (+) 1,59.44                      |
| 88           | 64        | Financial Assistance to Urban Bodies  | 2215-01-789-101-0101-0545-<br>Establishment and<br>Maintenance of State<br>Water Supply Houses                                    | (O) 170.34<br>(R) 5.00<br>175.34  | 146.29             | (-) 29.05                        |
| <b>Total</b> |           |   |   |   |                    | <b>(-) 490.50<br/>(+) 596.66</b> |

Source: Appropriation Accounts 2020-21

**Appendix 3.6**  
**Substantial Surrender 50 per cent and more**  
(Reference: Paragraph 3.5.2; Page 73)

(₹ in crore)

| Sl. No. | Grant No. | Nomenclature  | Heads of account   | Budget (O+S)                    | Amount Surrendered | Surrender (in per cent) |
|---------|-----------|---|--|---------------------------------|--------------------|-------------------------|
| 1       | 1         | General Administration  | 2015-101-8808- Works Related to Information Technology                     | (O) 0.65                        | 0.48               | 73.07                   |
|         |           |   | 2052-091-5377- Madhya Lok Office Mumbai                                    | (O) 0.86                        | 0.62               | 71.97                   |
|         |           |   | 2052-091-9414- Establishment of Special Commissioner                       | (O) 1.22                        | 0.80               | 65.91                   |
|         |           |   | 2051-102-8808-Works Related to Information Technology                      | (O) 0.18                        | 0.13               | 72.12                   |
| 2       | 2         | Other expenditure pertaining to General Administration Department | 2235-60-107-4674- Allowance and Gratuities to Freedom Figher               | (O) 24.00                       | 23.97              | 99.88                   |
|         |           |   | 2235-60-200-5710- Loknayak Jaiprakash Samman Nidhi                         | (O) 40.00<br>(S) 38.12<br>78.12 | 76.88              | 98.41                   |
| 3       | 3         | Police  | 2055-110-9070- Village Defence Societies                                   | (O) 2.77                        | 1.39               | 50.04                   |
|         |           |   | 2055-115-0101-7348- Crime and Criminal Addressing Device and Management    | (O) 5.24                        | 5.24               | 100.00                  |
|         |           |   | 2055-116-0801-5430- Upgradation of Forensic Science Lab                    | (O) 1.38                        | 1.25               | 90.64                   |
|         |           |   | 2055-800-1309- Security Arrangement for High Court and Subordinate Courts  | (O) 1.35                        | 0.77               | 56.91                   |
|         |           |   | 2055-800-6329- Expenditure on New Recruitment Process                      | (O) 29.50                       | 29.50              | 100.00                  |
|         |           |   | 2055-800-8333- Expenditure from Road Safety Fund                           | (O) 10.00                       | 8.12               | 81.18                   |
|         |           |   | 2055-800-0101-7344- Protection and Security of Highway                     | (O) 1.50                        | 1.50               | 100.00                  |
|         |           |   | 2070-107-0701-7867- Modernisation of Nagar Sena                            | (O) 2.27                        | 2.27               | 100.00                  |
|         |           |   | 4055-207-4492-Normal Expenditure (Special Police)                          | (O) 1.15                        | 1.01               | 87.64                   |
|         |           |   | 4055-207-0701-2643- Modernisation of Police Force                          | (O) 33.72                       | 23.29              | 69.08                   |
|         |           |   | 4055-208-0102-5385- Establishment of Rani Durgavati Police Training Centre | (O) 2.00                        | 2.00               | 100.00                  |
|         |           |   | 4055-208-0101-5385-  | (O) 3.00                        | 3.00               | 100.00                  |

| Sl. No. | Grant No. | Nomenclature                                    | Heads of account  | Budget (O+S) | Amount Surrendered | Surrender (in per cent) |
|---------|-----------|---|---|--------------|--------------------|-------------------------|
|         |           |   | Establishment of Rani Durgavati Police Training Centre  |              |                    |                         |
| 4       | 4         | Other expenditure pertaining to Home Department | 2235-60-200-0101-7331- Disaster Management Capacity Development                                 | (O) 1.45     | 0.86               | 59.39                   |
|         |           |   | 4235-60-800-1314- Sainik Rest House   | (O) 0.58     | 0.38               | 65.92                   |
| 5       | 6         | Finance   | 2052-091-1349- Lump-sum payment of Higher Education loan  | (O) 0.50     | 0.50               | 100.00                  |
|         |           |   | 2052-091-0101-5652- M.P.Project Development Fund Scheme   | (O) 0.75     | 0.75               | 100.00                  |
| 6       | 7         | Commercial Tax                                  | 4059-01-051-0101-6739- Construction of Headquarters Building for Inspector General of Registrar | (O) 4.30     | 4.17               | 96.88                   |
|         |           |   | 4059-01-051-0101-7382- Construction and Extension of Office Building District/Sub Registrar     | (O) 3.22     | 3.22               | 100.00                  |
| 7       | 8         | Land Revenue and District Administration        | 2029-103-0101-5390- Prime Minister Kisan Award Fund Scheme                                      | (O) 10.00    | 8.46               | 84.64                   |
|         |           |   | 2052-099-3657- Board of Revenue   | (O) 1.88     | 1.02               | 54.48                   |
|         |           |   | 4058-103-0101-3427- Purchase of machines and printing machines equipments                       | (O) 6.12     | 3.65               | 59.58                   |
|         |           |   | 4070-800-6846- Land Management  | (O) 25.00    | 19.00              | 76.00                   |
| 8       | 12        | Energy  | 4801-02-190-0101-5332- Current Electricity of Madhya Pradesh Power Generating Company           | (O) 36.00    | 36.00              | 100.00                  |
|         |           |   | 4801-02-190-0101-6323- 2*660 Megawatt Shri Singaji Thermal Power Project                        | (O) 150.00   | 120.00             | 80.00                   |
|         |           |   | 6801-190-0101-5336- Renovation and Modernisation Work of Vidhut Grah                            | (O) 20.00    | 20.00              | 100.00                  |
|         |           |   | 6801-205-1201-9655- Loan for Smart Meter and Skada Scheme                                       | (O) 330.00   | 330.00             | 100.00                  |
|         |           |   | 4801-02-190-0101-9656- Gandhi Sagar Hydro Electric House Life Extension                         | (O) 20.00    | 20.00              | 100.00                  |
|         |           |   | 4801-05-190-0410-9654- Share Capital for Skada Scheme and Smart Meter                           | (O) 50.00    | 50.00              | 100.00                  |



| Sl. No. | Grant No. | Nomenclature                                | Heads of account  | Budget (O+S)                  | Amount Surrendered         | Surrender (in per cent)  |
|---------|-----------|---|---|-------------------------------|----------------------------|--|
| 9       | 13        | Farmers Welfare and Agriculture Development | 2401-102-0703-7243- Agriculture Forestry Sub mission  | (O) 1.60                      | 1.00                       | 62.49  |
|         |           |   | 2401-102-0703-7497-Sub-Mission Rainfed Area Development   | (O) 1.68                      | 1.52                       | 90.26  |
|         |           |   | 2401-102-0702-7497-Sub-Mission Rainfed Area Development   | (O) 2.17                      | 1.81                       | 83.09  |
|         |           |   | 2401-102-0701-7497-Sub-Mission Rainfed Area Development   | (O) 5.62                      | 4.63                       | 82.32  |
|         |           |   | 2401-108-0702-7500- National Oil Seed and Oil Palm Mission Under National Food Security Mission | (O) 4.54<br>(S) 7.21<br>11.76 | 7.92                       | 67.36  |
|         |           |   | 2401-109-0703-7494-Sub mission on seed and planning Material                                    | (O) 4.94<br>(S) 2.72<br>7.66  | 3.83                       | 50.03  |
|         |           |   | 10  | 21                            | Public Services Management | 2053-093-0101-6483- Atal Bihari Bajpai Good Governance and Policy Analysis Institute |
| 11      | 22        | Urban Development and Housing               | 2059-80-001-3296- Expenditure of Circle establishment (R.A.B.S.P.R)                             | (O) 0.10                      | 0.10                       | 100.00   |
|         |           |   | 4070-800-2633- Fire Brigade Services  | (O) 0.28                      | 0.28                       | 100.00   |
|         |           |   | 4217-051-0101-0284- Non residential building  | 5.50                          | 4.08                       | 74.09  |
|         |           |   | 4217-01-050-0101-3115- Payment for Land Acquisition   | (O) 10.00                     | 5.28                       | 52.78  |
| 12      | 24        | Public Works- Roads and Bridges             | 5054-80-800-0103-3115- Compensation for Land Acquisition  | (O) 42.50                     | 42.46                      | 99.92  |
|         |           |   | 5054-80-800-0102-3115- Compensation for Land Acquisition  | (O) 55.00                     | 53.44                      | 97.17  |
|         |           |   | 5054-80-800-0101-3115- Compensation for Land Acquisition  | (O) 152.50                    | 134.09                     | 87.93  |
| 13      | 27        | School Education (Primary Education)        | 2202-01-101-0101-0729- Scout Guide Activities   | (O) 0.80                      | 0.80                       | 100.00   |
|         |           |   | 2202-01-101-0101-0730- Furniture in Secondary Schools   | (O) 1.00                      | 1.00                       | 100.00   |
|         |           |   | 2202-01-108-0103-2267- Supply of Text Books Free of Cost  | (O) 1.01                      | 1.01                       | 100.00   |
|         |           |   | 2202-01-108-0102-2267-  | (O) 1.45                      | 1.45                       | 100.00   |

| Sl. No. | Grant No. | Nomenclature                | Heads of account   | Budget (O+S)                 | Amount Surrendered | Surrender (in per cent) |
|---------|-----------|-----------------------------|--|------------------------------|--------------------|-------------------------|
|         |           |                             | Supply of Text Books Free of Cost  |                              |                    |                         |
|         |           |                             | 2202-01-108-0101-2267- Supply of Text Books Free of Cost                                       | (O) 3.84                     | 3.84               | 100.00                  |
|         |           |                             | 2202-02-101-0101-1233- Upgradation of Current Schools in to English Medium School              | (O) 0.60                     | 0.60               | 100.00                  |
|         |           |                             | 2202-02-105-0703-7657- Reading Writing Mission   | (O) 1.48                     | 1.48               | 100.00                  |
|         |           |                             | 2202-02-105-0702-7657- Reading Writing Mission   | (O) 0.79                     | 0.79               | 100.00                  |
|         |           |                             | 2202-02-105-0701-7657- Reading Writing Mission   | (O) 5.14                     | 5.14               | 100.00                  |
|         |           |                             | 2202-03-103-0101-2071- Raja Ram Mohan Roy Library  | (O) 0.80                     | 0.80               | 100.00                  |
|         |           |                             | 2202-03-103-0101-7616- Evaluation in Schools   | (O) 1.00                     | 1.00               | 100.00                  |
|         |           |                             | 4202-01-201-0103-2068- Infrastructure Protection and Development of Primary and Medium Schools | (O) 6.40                     | 6.40               | 100.00                  |
|         |           |                             | 4202-01-201-0103-5658- Hostel Building Construction, Infrastructure Protection and Development | (O) 1.60                     | 1.60               | 100.00                  |
|         |           |                             | 4202-01-201-0102-5658- Hostel Building Construction, Infrastructure Protection and Development | (O) 2.30                     | 2.30               | 100.00                  |
|         |           |                             | 4202-01-201-0101-2068- Infrastructure Protection and Development of Primary and Medium Schools | (O) 24.40                    | 24.40              | 100.00                  |
|         |           |                             | 4202-01-201-0101-5658- Hostel Building Construction, Infrastructure Protection and Development | (O) 6.10                     | 4.41               | 72.27                   |
| 14      | 28        | State Legislature           | 011-02-101-6801- Purchase of Laptop for honourable members of Legislative Assembly             | (O) 0.75                     | 0.50               | 66.08                   |
| 15      | 29        | Law and Legislative Affairs | 2014-103-0701-9634- Establishment of fastrack courts under poxo act                            | (O) 32.77<br>(S) Token 32.77 | 19.69              | 60.09                   |
|         |           |                             | 2014-105-0101-1486- Upgradation of Facilities of Stake Holders                                 | (O) 2.50                     | 2.50               | 100.00                  |
|         |           |                             | 2014-114-6251- Payment of fee and other Payments to Advocates of High                          | (O) 1.16                     | 0.71               | 61.31                   |

| Sl. No. | Grant No. | Nomenclature                               | Heads of account   | Budget (O+S) | Amount Surrendered | Surrender (in per cent) |
|---------|-----------|--|--|--------------|--------------------|-------------------------|
|         |           |  | Courts/Supreme Courts  |              |                    |                         |
|         |           |  | 2052-800-1950-Reorganisation of State Law Commission   | (O) 2.75     | 2.14               | 77.98                   |
|         |           |  | 2235-60-200-0102-5136-Grant to State Legal Service Authority                                   | (O) 1.40     | 1.18               | 84.08                   |
|         |           |  | 2235-60-200-0101-5104-Permanent Public Court   | (O) 0.90     | 0.79               | 87.67                   |
|         |           |  | 2014-102-0101-0573- High Court (Charged)   | (O) 6.00     | 4.18               | 69.67                   |
|         |           |  | 2015-106-4006- Charges for Conduct of Election of State Legislature                            | (O) 0.17     | 0.17               | 98.47                   |
| 16      | 33        | Tribal Welfare                             | 2225-02-001-0802-5155-Monitoring and Evaluation of Schemes Article-275 (1)                     | (O) 6.40     | 5.49               | 85.76                   |
|         |           |  | 2225-02-800-0802-3728-Promotion Research, Training and Development of Tribal Culture           | (O) 8.25     | 7.43               | 90.11                   |
|         |           |  | 2225-02-800-0802-6500-Development of Special Backward Tribes                                   | (O) 140.00   | 91.82              | 65.59                   |
|         |           |  | 2225-02-800-0602-5211-Local Development Programme Under I.T.D.P/MADA POCKET/CLUSTER            | (O) 4.00     | 3.51               | 87.66                   |
|         |           |  | 2225-02-800-0102-4719-Assistance Scheme for Scheduled Caste/ Scheduled Tribe                   | (O) 1.00     | 0.90               | 89.79                   |
|         |           |  | 2225-02-800-0102-8808-Works related to Information Technology                                  | (O) 9.45     | 7.07               | 74.84                   |
|         |           |  | 2225-02-800-0102-9819-Special Backward Tribal Group Agency                                     | (O) 1.00     | 0.77               | 76.54                   |
|         |           |  | 4225-02-277-0802-7881-Miscellaneous Development Works in Tribal Sub-plan Area, Article-275 (1) | (O) 430.60   | 275.02             | 63.87                   |
|         |           |  | 4225-02-800-0602-5211-Local Development Programme Under I.T.D.P/MADA POCKET/CLUSTER            | (O) 382.08   | 300.33             | 78.60                   |
| 17      | 34        | Social Justice and Disabled Person Welfare | 2235-02-101-0102-0079-Schools and Institutions for Blind Deaf and Dumb                         | (O) 1.94     | 1.00               | 51.44                   |
|         |           |  | 2235-02-101-0101-2084-I.T.I Training to Deaf   | (O) 2.00     | 1.70               | 84.79                   |

| Sl. No. | Grant No. | Nomenclature                                 | Heads of account  | Budget (O+S)                 | Amount Surrendered | Surrender (in per cent) |
|---------|-----------|--|---|------------------------------|--------------------|-------------------------|
|         |           |  | disabled  |                              |                    |                         |
|         |           |  | 2235-02-104-0801-9642-Senior Citizen Welfare Program  | (O) 1.50                     | 1.46               | 97.25                   |
|         |           |  | 2235-02-800-0801-9477-National Action Plan to Reduce Drug Addiction   | (O) 2.47                     | 1.99               | 80.65                   |
| 18      | 35        | Micro, Small and Medium Enterprises          | 4851-101-0101-5380- Land Acquisition Compensation for Auto Testing Track  | (O) 168.00                   | 167.12             | 99.48                   |
| 19      | 37        | Tourism                                      | 3452-80-001-0101-2529-Directorate of Tourism  | (O) 0.94                     | 0.58               | 61.97                   |
| 20      | 39        | Food, Civil Supplies and Consumer Protection | 5475-800-6113-Strengthening of Divisional Office  | (O) 1.94                     | 1.47               | 75.81                   |
| 21      | 42        | Bhopal Gas Tragedy Relief and Rehabilitation | 4235-01-796-201-0101-3171- Claims Directorate Connected to Bhopal Gas Tragedy   | (O) 0.11                     | 0.11               | 100.00                  |
| 22      | 44        | Higher Education                             | 2202-03-107-0101-5766-Incentive Scheme  | (O) 0.50                     | 0.50               | 99.96                   |
|         |           |  | 4202-03-102-0101-2329-Grant to National Law University, Jabalpur  | (O) 0.00<br>(S) 5.00<br>5.00 | 5.00               | 100.00                  |
| 23      | 48        | Narmada Valley Development                   | 2801-01-001-0101-5018-Bargi Canal Bedpower House  | (O) 1.09                     | 0.67               | 61.61                   |
| 24      | 49        | Scheduled Caste Welfare                      | 2225-01-277-0103-7562-Excellent Senior Hostel   | (O) 14.99                    | 8.14               | 54.34                   |
|         |           |  | 2225-01-800-0103-6102-Scheduled Caste Service Prize, Award and Honour   | (O) 0.40                     | 0.40               | 100.00                  |
|         |           |  | 4225-01-800-0603-4722-Development of Scheduled Caste/Scheduled Tribes Colonies  | (O) 101.97                   | 53.68              | 52.64                   |
| 25      | 50        | Horticulture and Food Processing             | 2401-119-0702-5116-National Horticulture Mission  | (O) 7.00                     | 6.52               | 93.10                   |
|         |           |  | 2401-119-0103-6496-Incentive Scheme of Infrastructure Development of Integrated Cold Storage Series under Horticulture post Crop Management | (O) 5.85                     | 3.42               | 58.45                   |
|         |           |  | 2401-119-0102-6496-Incentive Scheme of Infrastructure Development of Integrated Cold Storage Series under Horticulture post Crop Management | (O) 8.42                     | 4.71               | 56.00                   |
|         |           |  | 2401-119-0101-5153-   | (O) 31.83                    | 21.88              | 68.74                   |

| Sl. No. | Grant No. | Nomenclature   | Heads of account   | Budget (O+S) | Amount Surrendered | Surrender (in per cent) |
|---------|-----------|--|--|--------------|--------------------|-------------------------|
|         |           |  | Scheme for Development of Food Processing Industries under Industries Promotion Policy   |              |                    |                         |
|         |           |  | 2401-119-0101-6496- Incentive Scheme of Infrastructure Development of Integrated Cold Storage Series under Horticulture post Crop Management | (O) 22.32    | 12.62              | 56.53                   |
|         |           |  | 4401-119-0103-5474- Chief Minister Horticulture and Food Processing Scheme   | (O) 10.88    | 10.88              | 100.00                  |
|         |           |  | 4401-119-0102-5474- Chief Minister Horticulture and Food Processing Scheme   | (O) 15.64    | 15.64              | 100.00                  |
|         |           |  | 4401-119-0101-5474- Chief Minister Horticulture and Food Processing Scheme   | (O) 41.48    | 41.48              | 100.00                  |
| 26      | 53        | Financial Assistance to Three Tier Panchayati Raj Institutions | 4515-789-198-0703-6099- Construction of Mid-Day Meal Kitchen Shed  | (O) 10.00    | 10.00              | 100.00                  |
|         |           |  | 4515-789-198-0702-6099- Construction of Mid-Day Meal Kitchen Shed  | (O) 16.00    | 16.00              | 100.00                  |
|         |           |  | 4515-789-198-0701-6099- Construction of Mid-Day Meal Kitchen Shed  | (O) 35.00    | 35.00              | 100.00                  |
| 27      | 55        | Women and Child Development                                    | 2235-02-103-0801-1071- Women Help line 181   | (O) 0.50     | 0.46               | 92.82                   |
|         |           |  | 2235-02-103-0701-1326- Swadhar Greh  | (O) 2.50     | 1.28               | 51.35                   |
|         |           |  | 2235-02-103-0701-2375- Safe City Programme   | (O) 1.75     | 1.15               | 65.89                   |
|         |           |  | 2235-02-800-0101-3457- Mukhya Mantri Mahila Sashaktikaran Yojna (Schemes under women welfare trust)  | (O) 0.91     | 0.48               | 53.11                   |
|         |           |  | 4235-02-102-0701-0658- Anganwadi Services  | (O) 51.00    | 51.00              | 100.00                  |
|         |           |  | 4235-02-800-0701-5608- Construction of buildings for women rest house  | (O) 5.00     | 4.00               | 80.00                   |
| 28      | 56        | Cottage and Rural Industry                                     | 2851-107-0103-3777- Development Works of Sericulture Industry  | (O) 1.43     | 0.85               | 59.58                   |
|         |           |  | 2851-107-0102-2731- Research and Training  | (O) 0.27     | 0.14               | 51.95                   |
|         |           |  | 4851-107-0101-6336- Irrigation Facilities and other Construction Works at Sericulture Centres  | (O) 1.37     | 0.70               | 50.70                   |

| Sl. No.      | Grant No. | Nomenclature  | Heads of account   | Budget (O+S)    | Amount Surrendered | Surrender (in per cent) |
|--------------|-----------|---|--|-----------------|--------------------|-------------------------|
| 29           | 58        | Expenditure on Relief on Account of Natural Calamities and Drought prone area | 2245-01-102-6434- Drinking Water Transport in Rural Areas                                | (O) 11.00       | 10.51              | 95.56                   |
|              |           |   | 4059-80-800-6276- Disaster Management Planning   | (O) 485.40      | 485.40             | 100.00                  |
|              |           |   | 6245-01-800-2750- Loans and Advance for Water Scarcity Arising out of Natural Calamities | (O) 1.00        | 1.00               | 100.00                  |
| 30           | 59        | Externally Aided Projects pertaining to Rural Development Department          | 4515-800-1203-0654- Chief Minister Rural Road Scheme (Externally Aided)                  | (O) 176.00      | 109.56             | 62.25                   |
|              |           |   | 4515-800-1202-0654- Chief Minister Rural Road Scheme (Externally Aided)                  | (O) 253.00      | 140.06             | 55.36                   |
|              |           |   | 4515-800-1201-0654- Chief Minister Rural Road Scheme (Externally Aided)                  | (O) 702.28      | 520.06             | 74.05                   |
| 31           | 63        | Minority Welfare  | 2225-03-800-0801-2082- Provide Madarsa/Education to Minorities                           | (O) 1.80        | 1.80               | 100.00                  |
|              |           |   | 2225-03-800-0101-5180- Employment Training to Unemployed Youth                           | (O) 0.55        | 0.55               | 100.00                  |
|              |           |   | 2225-03-800-0101-6626- Minority Service State Award                                      | (O) 0.46        | 0.46               | 100.00                  |
| <b>Total</b> |           |   |  | <b>4,464.91</b> | <b>3,602.03</b>    | <b>80.67</b>            |

Source: Appropriation Accounts 2020-21

**Appendix 3.7**  
**Anticipated Savings not Surrendered**  
(Reference: Paragraph 3.5.3; Page 73)

(₹ in crore)

| Sl. No. | Grant No. | Nomenclature  | RV/CV/CC/RC | Savings  | Total Surrendered | Savings not Surrendered |
|---------|-----------|---|-------------|----------|-------------------|-------------------------|
| 1       | CH-II     | Charged Appropriation- Public Debt                                | CC          | 3,588.83 | 0.00              | 3,588.83                |
| 2       | CH-I      | Charged Appropriation- Interest Payments and Servicing of Debt    | RC          | 1,091.44 | 4.15              | 1,087.30                |
| 3       | 1         | General Administration  | RV          | 250.82   | 169.24            | 81.59                   |
| 4       | 1         | General Administration  | RC          | 31.44    | 28.37             | 3.07                    |
| 5       | 1         | General Administration  | CV          | 9.13     | 6.75              | 2.39                    |
| 6       | 2         | Other expenditure pertaining to General Administration Department | RV          | 51.55    | 100.86            | (-) 49.30               |
| 7       | 3         | Police  | RV          | 665.98   | 670.39            | (-) 4.41                |
| 8       | 3         | Police  | CV          | 54.91    | 55.08             | (-) 0.17                |
| 9       | 4         | Other expenditure pertaining to Home Department                   | RV          | 43.02    | 7.95              | 35.08                   |
| 10      | 5         | Jail  | RV          | 26.02    | 0.00              | 26.02                   |
| 11      | 5         | Jail  | CV          | 2.35     | 0.00              | 2.35                    |
| 12      | 6         | Finance   | RV          | 2,336.07 | 33.50             | 2,302.57                |
| 13      | 6         | Finance   | RC          | 324.60   | 0.06              | 324.54                  |
| 14      | 6         | Finance   | CV          | 85.91    | 3.72              | 82.19                   |
| 15      | 7         | Commercial Tax  | RV          | 435.82   | 13.02             | 422.80                  |
| 16      | 7         | Commercial Tax  | CV          | 15.11    | 7.39              | 7.73                    |
| 17      | 8         | Land Revenue and District Administration                          | RV          | 316.81   | 216.67            | 100.15                  |
| 18      | 8         | Land Revenue and District Administration                          | RC          | 3.03     | 1.03              | 2.00                    |
| 19      | 8         | Land Revenue and District Administration                          | CV          | 41.06    | 23.16             | 17.90                   |
| 20      | 9         | New and Renewable Energy  | RV          | 2.18     | 0.00              | 2.18                    |
| 21      | 10        | Forest  | RV          | 168.58   | 2.06              | 166.52                  |
| 22      | 10        | Forest  | CV          | 117.81   | 0.01              | 117.80                  |
| 23      | 11        | Industrial Policy and Investment Promotion                        | RV          | 1.52     | 1.48              | 0.04                    |
| 24      | 12        | Energy  | RV          | 5.97     | 0.00              | 5.97                    |
| 25      | 13        | Farmers Welfare and Agriculture Development                       | RV          | 519.75   | 518.63            | 1.11                    |
| 26      | 14        | Animal Husbandry  | RV          | 92.39    | 0.00              | 92.39                   |
| 27      | 14        | Animal Husbandry  | CV          | 1.93     | 0.00              | 1.93                    |
| 28      | 15        | Denotified, Nomadic and Semi-Nomadic Tribes Welfare               | RV          | 7.88     | 0.00              | 7.88                    |
| 29      | 16        | Fisherman Welfare and Fisheries Development                       | RV          | 15.09    | 0.00              | 15.09                   |
| 30      | 17        | Co-operation  | RV          | 39.33    | 0.00              | 39.33                   |

| Sl. No. | Grant No. | Nomenclature                                 | RV/CV/CC/RC | Savings  | Total Surrendered | Savings not Surrendered |
|---------|-----------|--|-------------|----------|-------------------|-------------------------|
| 31      | 17        | Co-operation                                 | CV          | 19.64    | 0.00              | 19.64                   |
| 32      | 18        | Labour                                       | RV          | 37.49    | 16.75             | 20.74                   |
| 33      | 19        | Public Health and Family Welfare             | RV          | 307.95   | 3.31              | 304.64                  |
| 34      | 19        | Public Health and Family Welfare             | CV          | 29.15    | 4.67              | 24.47                   |
| 35      | 20        | Public Health Engineering                    | RC          | 4.93     | 0.00              | 4.93                    |
| 36      | 20        | Public Health Engineering                    | CV          | 116.04   | 0.00              | 116.04                  |
| 37      | 21        | Public Services Management                   | RV          | 13.43    | 8.71              | 4.72                    |
| 38      | 21        | Public Services Management                   | CV          | 1.09     | 0.00              | 1.09                    |
| 39      | 22        | Urban Development and Housing                | RV          | 17.97    | 6.49              | 11.48                   |
| 40      | 23        | Water Resources                              | RV          | 129.32   | 113.19            | 16.13                   |
| 41      | 23        | Water Resources                              | CV          | 18.34    | 33.05             | (-) 14.71               |
| 42      | 24        | Public Works-Roads and Bridges               | RV          | 206.54   | 0.00              | 206.54                  |
| 43      | 24        | Public Works-Roads and Bridges               | CV          | 31.99    | 0.00              | 31.99                   |
| 44      | 24        | Public Works-Roads and Bridges               | CC          | 242.64   | 230.00            | 12.64                   |
| 45      | 25        | Mineral Resources                            | RV          | 8.63     | 0.00              | 8.63                    |
| 46      | 25        | Mineral Resources                            | RC          | 30.61    | 0.00              | 30.61                   |
| 47      | 25        | Mineral Resources                            | CV          | 8.22     | 0.00              | 8.22                    |
| 48      | 26        | Culture                                      | RV          | 12.59    | 6.92              | 5.67                    |
| 49      | 26        | Culture                                      | CV          | 4.30     | 0.10              | 4.20                    |
| 50      | 27        | School Education (Primary Education)         | RV          | 971.31   | 62.47             | 908.84                  |
| 51      | 28        | State Legislature                            | RV          | 17.40    | 17.29             | 0.11                    |
| 52      | 29        | Law and Legislative Affairs                  | RV          | 437.32   | 422.14            | 15.18                   |
| 53      | 29        | Law and Legislative Affairs                  | RC          | 45.38    | 44.06             | 1.32                    |
| 54      | 29        | Law and Legislative Affairs                  | CV          | 70.78    | 0.00              | 70.78                   |
| 55      | 30        | Rural Development                            | RV          | 55.33    | 36.26             | 19.07                   |
| 56      | 30        | Rural Development                            | CV          | 81.01    | 64.70             | 16.32                   |
| 57      | 31        | Planning, Economics and Statistics           | RV          | 25.68    | 0.01              | 25.67                   |
| 58      | 32        | Public Relations                             | RV          | 19.43    | 0.00              | 19.43                   |
| 59      | 32        | Public Relations                             | CV          | 4.46     | 0.00              | 4.46                    |
| 60      | 33        | Tribal Welfare                               | RV          | 1,689.35 | 1,748.14          | (-) 58.80               |
| 61      | 33        | Tribal Welfare                               | CV          | 446.72   | 597.48            | (-) 150.76              |
| 62      | 34        | Social Justice and Disabled Person Welfare   | RV          | 69.35    | 72.13             | (-) 2.78                |
| 63      | 35        | Micro, Small and Medium Enterprises          | RV          | 34.26    | 0.00              | 34.26                   |
| 64      | 35        | Micro, Small and Medium Enterprises          | CV          | 168.99   | 167.36            | 1.63                    |
| 65      | 36        | Transport                                    | RV          | 17.59    | 12.29             | 5.30                    |
| 66      | 36        | Transport                                    | CV          | 2.85     | 0.00              | 2.85                    |
| 67      | 38        | Ayush  | RV          | 126.06   | 114.63            | 11.43                   |
| 68      | 39        | Food, Civil Supplies and Consumer Protection | RV          | 14.65    | 2.86              | 11.79                   |



| Sl. No. | Grant No. | Nomenclature  | RV/CV/CC/RC | Savings | Total Surrendered | Savings not Surrendered |
|---------|-----------|---|-------------|---------|-------------------|-------------------------|
| 69      | 39        | Food, Civil Supplies and Consumer Protection  | CV          | 3.17    | 1.47              | 1.70                    |
| 70      | 40        | Other expenditure pertaining to School Education Department (excluding Primary Education) | RV          | 658.40  | 9.02              | 649.38                  |
| 71      | 40        | Other expenditure pertaining to School Education Department (excluding Primary Education) | CV          | 2.21    | 1.46              | 0.75                    |
| 72      | 42        | Bhopal Gas Tragedy Relief and Rehabilitation  | RV          | 19.95   | 19.66             | 0.29                    |
| 73      | 43        | Sports and Youth Welfare  | RV          | 10.06   | 0.00              | 10.06                   |
| 74      | 44        | Higher Education  | RV          | 311.53  | 286.35            | 25.17                   |
| 75      | 44        | Higher Education  | CV          | 92.33   | 92.30             | 0.03                    |
| 76      | 47        | Technical Education, Skill Development and Employment                                     | RV          | 117.16  | 0.00              | 117.16                  |
| 77      | 47        | Technical Education, Skill Development and Employment                                     | CV          | 155.88  | 0.00              | 155.88                  |
| 78      | 48        | Narmada Valley Development  | CV          | 59.43   | 62.93             | (-) 3.50                |
| 79      | 49        | Scheduled Caste Welfare   | RV          | 123.09  | 131.69            | (-) 8.60                |
| 80      | 49        | Scheduled Caste Welfare   | CV          | 92.22   | 93.98             | (-) 1.77                |
| 81      | 50        | Horticulture and Food Processing  | RV          | 140.11  | 140.08            | 0.03                    |
| 82      | 51        | Spirituality  | RV          | 10.94   | 0.00              | 10.94                   |
| 83      | 52        | Medical Education   | RV          | 85.39   | 0.00              | 85.39                   |
| 84      | 52        | Medical Education   | CV          | 204.83  | 0.00              | 204.83                  |
| 85      | 53        | Financial Assistance to Three Tier Panchayati Raj Institutions                            | RV          | 289.05  | 176.19            | 112.86                  |
| 86      | 53        | Financial Assistance to Three Tier Panchayati Raj Institutions                            | CV          | 75.40   | 61.02             | 14.39                   |
| 87      | 55        | Women and Child Development   | RV          | 330.84  | 339.81            | (-) 8.97                |
| 88      | 55        | Women and Child Development   | CV          | 58.18   | 58.26             | (-) 0.08                |
| 89      | 56        | Cottage and Rural Industry  | RV          | 17.05   | 9.03              | 8.02                    |
| 90      | 58        | Expenditure on Relief on Account of Natural Calamities and Drought prone area             | RV          | 976.43  | 736.84            | 239.59                  |
| 91      | 60        | Expenditure pertaining to District Projects   | RV          | 3.74    | 0.04              | 3.70                    |
| 92      | 60        | Expenditure pertaining to District Projects   | CV          | 57.58   | 1.48              | 56.10                   |
| 93      | 61        | Expenditure pertaining to Bundelkhand Package   | CV          | 3.39    | 0.00              | 3.39                    |
| 94      | 62        | Panchayat   | RV          | 20.00   | 0.00              | 20.00                   |
| 95      | 63        | Minority Welfare  | RV          | 9.80    | 6.59              | 3.21                    |
| 96      | 63        | Minority Welfare  | CV          | 95.68   | 2.48              | 93.20                   |
| 97      | 64        | Financial Assistance to Urban bodies  | RV          | 798.20  | 3.31              | 794.88                  |
| 98      | 64        | Financial Assistance to Urban bodies  | CV          | 8.00    | 0.00              | 8.00                    |

| Sl. No.      | Grant No. | Nomenclature                | RV/CV/CC/RC | Savings          | Total Surrendered | Savings not Surrendered |
|--------------|-----------|-----------------------------|-------------|------------------|-------------------|-------------------------|
| 99           | 65        | Aviation                    | RV          | 7.18             | 0.00              | 7.18                    |
| 100          | 65        | Aviation                    | CV          | 35.33            | 0.00              | 35.33                   |
| 101          | 66        | Welfare of Backward Classes | RV          | 25.79            | 0.02              | 25.77                   |
| 102          | 66        | Welfare of Backward Classes | CV          | 11.79            | 0.00              | 11.79                   |
| 103          | 67        | Public Works-Buildings      | RV          | 36.78            | 0.00              | 36.78                   |
| 104          | 67        | Public Works-Buildings      | RC          | 1.54             | 0.00              | 1.54                    |
| 105          | 67        | Public Works-Buildings      | CV          | 47.09            | 0.00              | 47.09                   |
| 106          | 68        | Public Asset Management     | RV          | 3.60             | 0.00              | 3.60                    |
| <b>Total</b> |           |                             |             | <b>20,884.30</b> | <b>7,882.53</b>   | <b>13,001.77</b>        |

Source: Appropriation Accounts 2020-21

**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 3.5.3; Page 73)

| (₹ in crore) |           |   |             |                 |
|--------------|-----------|---|-------------|-----------------|
| Sl. No.      | Grant No. | Nomenclature  | RV/CV/CC/RC | Savings         |
| 1            | CH-II     | Charged Appropriation- Public Debt                    | CC          | 3,588.83        |
| 2            | 5         | Jail  | RV          | 26.02           |
| 3            | 5         | Jail  | CV          | 2.35            |
| 4            | 9         | New and Renewable Energy                              | RV          | 2.18            |
| 5            | 14        | Animal Husbandry                                      | RV          | 92.39           |
| 6            | 15        | Denotified, Nomadic and Semi-Nomadic Tribes Welfare   | RV          | 7.88            |
| 7            | 16        | Fisherman Welfare and Fisheries Development           | RV          | 15.09           |
| 8            | 17        | Co-operation  | RV          | 39.33           |
| 9            | 17        | Co-operation  | CV          | 19.64           |
| 10           | 20        | Public Health Engineering                             | RC          | 4.93            |
| 11           | 20        | Public Health Engineering                             | CV          | 116.04          |
| 12           | 21        | Public Services Management                            | CV          | 1.09            |
| 13           | 24        | Public Works-Roads and Bridges                        | RV          | 206.54          |
| 14           | 24        | Public Works-Roads and Bridges                        | CV          | 31.99           |
| 15           | 25        | Mineral Resources                                     | RV          | 8.63            |
| 16           | 25        | Mineral Resources                                     | RC          | 30.61           |
| 17           | 25        | Mineral Resources                                     | CV          | 8.22            |
| 18           | 32        | Public Relations                                      | RV          | 19.43           |
| 19           | 32        | Public Relations                                      | CV          | 4.46            |
| 20           | 35        | Micro, Small and Medium Enterprises                   | RV          | 34.26           |
| 21           | 36        | Transport   | CV          | 2.85            |
| 22           | 43        | Sports and Youth Welfare                              | RV          | 10.06           |
| 23           | 47        | Technical Education, Skill Development and Employment | RV          | 117.16          |
| 24           | 47        | Technical Education, Skill Development and Employment | CV          | 155.88          |
| 25           | 51        | Spirituality  | RV          | 10.94           |
| 26           | 52        | Medical Education                                     | RV          | 85.39           |
| 27           | 52        | Medical Education                                     | CV          | 204.83          |
| 28           | 62        | Panchayat   | RV          | 20.00           |
| 29           | 64        | Financial Assistance to Urban Bodies                  | CV          | 8.00            |
| 30           | 65        | Aviation  | RV          | 7.18            |
| 31           | 65        | Aviation  | CV          | 35.33           |
| 32           | 66        | Welfare of Backward Classes                           | CV          | 11.79           |
| 33           | 67        | Public Works-Buildings                                | RV          | 36.78           |
| 34           | 67        | Public Works-Buildings                                | RC          | 1.54            |
| 35           | 67        | Public Works-Buildings                                | CV          | 47.09           |
| 36           | 68        | Public Asset Management                               | RV          | 3.60            |
| <b>Total</b> |           |   |             | <b>5,018.36</b> |

Source: Appropriation Accounts 2020-21

**Appendix 3.9 (A)**  
**Surrender orders not accepted by Principal Accountant General**  
 (Reference: Paragraph 3.5.4; Page 74)

(₹ in crore)

| Sl. No.      | Number of Sanctions | Grant/Appropriation No.       | Amount          | Particulars of Irregularities   |
|--------------|---------------------|-------------------------------|-----------------|---|
| 1            | 8                   | 1, 2, 13, 18, 22, 35, 47      | 114.21          | Sanction issued after closing of the Financial Year i.e. 31 March 2021  |
| 2            | 3                   | CH-I, CH-II, 1, 2, 17, 64, 67 | 942.81          | Delayed receipt of sanction in Principal Accountant General (A&E) office after the due date i.e. 30 June 2021 |
| 3            | 6                   | 25, 26, 29, 30, 31, 66        | 157.47          | Non-receipt of complete details in the sanction orders.   |
| 4            | 4                   | 3, 4, 48, 49                  | 0.44            | Due to discrepancy in the sanction letter.  |
| <b>Total</b> |                     |                               | <b>1,214.93</b> |   |

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

**Appendix 3.9 (B)**  
**Re-appropriation orders not accepted by Principal Accountant General**  
(Reference: Paragraph 3.5.4; Page 74)

(₹ in crore)

| Sl. No.      | Number of Sanctions | Grant/Appropriation No.       | Amount          | Particulars of Irregularities   |
|--------------|---------------------|-------------------------------|-----------------|---|
| 1            | 2                   | 7, 43                         | 0.20            | Sanction issued after closing of the Financial Year i.e. 31 March 2021  |
| 2            | 17                  | 1, 2, 27, 40, 42, 52          | 6,671.58        | Delayed receipt of sanction in Principal Accountant General (A&E) office after the due date i.e. 30 June 2021 |
| 3            | 20                  | 1, 10, 20, 22, 25, 26, 29, 52 | 107.79          | Due to discrepancy in the sanction order.   |
| <b>Total</b> |                     |                               | <b>6,779.57</b> |   |

Source: Information furnished by O/o the PAG, (A&E)-I, Madhya Pradesh, 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; Page 74)

(₹ in crore)

| Sl. No.  | Grant No. | Nomenclature  | RV/CV/CC/RC | Total Budget    | Actual Expenditure | Savings       | Savings (in per cent) |
|--|-----------|---|-------------|-----------------|--------------------|---------------|-----------------------|
| <b>Cases where savings ranging between ₹10 crore and ₹100 crore</b>  |           |   |             |                 |                    |               |                       |
| 1  | 1         | General Administration  | RC          | 59.25           | 27.81              | 31.44         | 53.06                 |
| 2  | 2         | Other expenditure pertaining to General Administration Department | RV          | 133.94          | 82.38              | 51.55         | 38.49                 |
| 3  | 4         | Other expenditure pertaining to Home Department                   | RV          | 94.33           | 51.31              | 43.02         | 45.61                 |
| 4  | 6         | Finance   | CV          | 130.70          | 44.79              | 85.91         | 65.73                 |
| 5  | 7         | Commercial Tax  | CV          | 17.02           | 1.91               | 15.11         | 88.78                 |
| 6  | 8         | Land Revenue and District Administration                          | CV          | 172.73          | 131.67             | 41.06         | 23.77                 |
| 7  | 17        | Co-operation  | CV          | 30.27           | 10.62              | 19.64         | 64.91                 |
| 8  | 21        | Public Services Management  | RV          | 60.35           | 46.92              | 13.43         | 22.25                 |
| 9  | 29        | Law and Legislative Affairs                                       | RC          | 170.42          | 125.03             | 45.38         | 26.63                 |
| 10   | 29        | Law and Legislative Affairs                                       | CV          | 220.00          | 149.22             | 70.78         | 32.17                 |
| 11   | 31        | Planning, Economics and Statistics                                | RV          | 105.08          | 79.41              | 25.68         | 24.44                 |
| 12   | 49        | Scheduled Caste Welfare   | CV          | 263.07          | 170.85             | 92.22         | 35.05                 |
| 13   | 50        | Horticulture and Food Processing                                  | CV          | 73.00           | 4.82               | 68.18         | 93.39                 |
| 14   | 51        | Spirituality  | RV          | 50.14           | 39.21              | 10.94         | 21.81                 |
| 15   | 53        | Financial Assistance to Three Tier Panchayati Raj Institutions    | CV          | 116.04          | 40.64              | 75.40         | 64.98                 |
| 16   | 55        | Women and Child Development                                       | CV          | 93.76           | 35.58              | 58.18         | 62.05                 |
| 17   | 63        | Minority Welfare  | CV          | 101.08          | 5.40               | 95.68         | 94.66                 |
| 18   | 65        | Aviation  | CV          | 95.50           | 60.17              | 35.33         | 36.99                 |
| 19   | 66        | Welfare of Backward Classes                                       | CV          | 17.74           | 5.95               | 11.79         | 66.44                 |
| 20   | 67        | Public Works-Buildings  | CV          | 99.44           | 52.35              | 47.09         | 47.36                 |
|  |           | <b>Total</b>  |             | <b>2,103.87</b> | <b>1,166.04</b>    | <b>937.83</b> | <b>44.58</b>          |
| <b>Cases where savings ranging between ₹100 crore and ₹500 crore</b> |           |   |             |                 |                    |               |                       |
| 21   | 1         | General Administration  | RV          | 682.52          | 431.70             | 250.82        | 36.75                 |
| 22   | 6         | Finance   | RC          | 330.05          | 5.46               | 324.60        | 98.35                 |
| 23   | 24        | Public Works-Roads and Bridges                                    | CC          | 255.00          | 12.36              | 242.64        | 95.15                 |
| 24   | 29        | Law and Legislative Affairs                                       | RV          | 1,700.68        | 1,263.37           | 437.31        | 25.71                 |
| 25   | 33        | Tribal Welfare  | CV          | 1,111.04        | 664.32             | 446.72        | 40.21                 |
| 26   | 35        | Micro, Small and Medium Enterprises                               | CV          | 290.50          | 121.51             | 168.99        | 58.17                 |

| Sl. No.   | Grant No. | Nomenclature  | RV/CV/CC/RC | Total Budget     | Actual Expenditure | Savings          | Savings (in per cent) |
|---|-----------|---|-------------|------------------|--------------------|------------------|-----------------------|
| 27  | 38        | Ayush   | RV          | 543.44           | 417.39             | 126.06           | 23.20                 |
| 28  | 47        | Technical Education, Skill Development and Employment                         | CV          | 334.80           | 178.92             | 155.88           | 46.56                 |
| 29  | 50        | Horticulture and Food Processing  | RV          | 542.26           | 402.16             | 140.11           | 25.84                 |
| 30  | 52        | Medical Education   | CV          | 775.00           | 570.17             | 204.83           | 26.43                 |
| 31  | 58        | Expenditure on Relief on account of Natural Calamities and Drought prone area | CV          | 486.40           | 0.00               | 486.40           | 100.00                |
| <b>Total</b>  |           |   |             | <b>7,051.71</b>  | <b>4,067.35</b>    | <b>2,984.36</b>  | <b>42.32</b>          |
| <b>Cases where savings ranging between ₹500 crore and above</b> |           |   |             |                  |                    |                  |                       |
| 32  | CH-II     | Charged Appropriation-Public Debt   |             | 16,346.13        | 12,757.30          | 3,588.83         | 21.96                 |
| 33  | 12        | Energy  | CV          | 1,159.19         | 507.51             | 651.68           | 56.22                 |
| 34  | 33        | Tribal Welfare  | RV          | 7,883.87         | 6,194.50           | 1,689.37         | 21.43                 |
| 35  | 59        | Externally Aided Projects pertaining to Rural Development Department          | CV          | 1,131.28         | 361.60             | 769.68           | 68.04                 |
| <b>Total</b>  |           |   |             | <b>26,520.47</b> | <b>19,820.91</b>   | <b>6,699.56</b>  | <b>25.26</b>          |
| <b>Grand Total</b>  |           |   |             | <b>35,676.05</b> | <b>25,054.30</b>   | <b>10,621.75</b> | <b>29.77</b>          |

Source: Appropriation Accounts 2020-21

**Appendix 3.11**  
**Missing/Incomplete Explanation for Variation from Budget**  
(Reference: Paragraph 3.6.2; Page 77)

(₹ in crore)

| Sl. No. | Grant No. | Nomenclature  | Total Heads | Heads Requiring Explanation | Heads where explanation was given |
|---------|-----------|---|-------------|-----------------------------|-----------------------------------|
| 1       | CH-II     | Public Debt   | 146         | 35                          | -                                 |
| 2       | CH-I      | Interest Payments and Servicing of Debt                           | 44          | 55                          | -                                 |
| 3       | 1         | General Administration  | 60          | 24                          | 9                                 |
| 4       | 2         | Other expenditure pertaining to General Administration Department | 13          | 8                           | 3                                 |
| 5       | 3         | Police  | 97          | -                           | 39                                |
| 6       | 4         | Other expenditure pertaining to Home Department                   | 24          | 8                           | -                                 |
| 7       | 5         | Jail  | 14          | 7                           | 2                                 |
| 8       | 6         | Finance   | 70          | 31                          | 6                                 |
| 9       | 7         | Commercial Tax  | 36          | 11                          | 6                                 |
| 10      | 8         | Land Revenue and District Administration                          | 42          | 11                          | 7                                 |
| 11      | 9         | New and Renewable Energy  | 15          | 3                           | -                                 |
| 12      | 10        | Forest  | 87          | 22                          | 5                                 |
| 13      | 11        | Industrial Policy and Investment Promotion                        | 14          | -                           | -                                 |
| 14      | 12        | Energy  | 48          | 1                           | 5                                 |
| 15      | 13        | Farmers Welfare and Agriculture Development                       | 130         | 22                          | 6                                 |
| 16      | 14        | Animal Husbandry  | 99          | 17                          | 1                                 |
| 17      | 15        | Denotified, Nomadic and Semi-Nomadic Tribes Welfare               | 45          | -                           | 2                                 |
| 18      | 16        | Fisherman Welfare and Fisheries Development                       | 22          | 7                           | 3                                 |
| 19      | 17        | Co-operation  | 40          | 14                          | 4                                 |
| 20      | 18        | Labour  | 18          | 3                           | -                                 |
| 21      | 19        | Public Health and Family Welfare                                  | 135         | 10                          | 10                                |
| 22      | 20        | Public Health Engineering   | 72          | 18                          | 2                                 |
| 23      | 21        | Public Services Management  | 10          | 7                           | -                                 |
| 24      | 22        | Urban Development and Housing                                     | 112         | 13                          | 6                                 |
| 25      | 23        | Water Resources   | 253         | 4                           | 56                                |
| 26      | 24        | Public Works-Roads and Bridges                                    | 83          | 12                          | 3                                 |
| 27      | 25        | Mineral Resources   | 11          | 2                           | 1                                 |
| 28      | 26        | Culture   | 68          | 6                           | 7                                 |
| 29      | 27        | School Education (Primary Education)                              | 68          | 12                          | 19                                |
| 30      | 28        | State Legislature   | 9           | 1                           | 4                                 |
| 31      | 29        | Law and Legislative Affairs                                       | 57          | 20                          | 5                                 |
| 32      | 30        | Rural Development   | 41          | 1                           | 4                                 |
| 33      | 31        | Planning, Economics and Statistics                                | 11          | 5                           | -                                 |
| 34      | 32        | Public Relations  | 59          | 5                           | 1                                 |
| 35      | 33        | Tribal Welfare  | 93          | 14                          | 27                                |
| 36      | 34        | Social Justice and Disabled Person Welfare                        | 80          | 19                          | 1                                 |



| Sl. No.      | Grant No. | Nomenclature  | Total Heads  | Heads Requiring Explanation | Heads where explanation was given |
|--------------|-----------|---|--------------|-----------------------------|-----------------------------------|
| 37           | 35        | Micro, Small and Medium Enterprises   | 37           | 1                           | 8                                 |
| 38           | 36        | Transport   | 8            | 1                           | 5                                 |
| 39           | 37        | Tourism   | 23           | 1                           | -                                 |
| 40           | 38        | Ayush   | 46           | 14                          | -                                 |
| 41           | 39        | Food, Civil Supplies and Consumer Protection  | 64           | 13                          | 3                                 |
| 42           | 40        | Other expenditure pertaining to School Education Department (Excluding Primary Education) | 79           | 24                          | 1                                 |
| 43           | 41        | Overseas Indian   | 1            | 1                           | -                                 |
| 44           | 42        | Bhopal Gas Tragedy Relief and Rehabilitation  | 21           | 2                           | 3                                 |
| 45           | 43        | Sports and Youth Welfare  | 42           | 12                          | 4                                 |
| 46           | 44        | Higher Education  | 107          | 8                           | 20                                |
| 47           | 45        | Minor Irrigation Works  | 1            | -                           | -                                 |
| 48           | 46        | Science and Technology  | 41           | -                           | -                                 |
| 49           | 47        | Technical Education, Skill Development and Employment                                     | 104          | 35                          | 6                                 |
| 50           | 48        | Narmada Valley Development  | 141          | 2                           | 18                                |
| 51           | 49        | Scheduled Caste Welfare   | 53           | 5                           | 9                                 |
| 52           | 50        | Horticulture and Food Processing  | 51           | 15                          | -                                 |
| 53           | 51        | Spirituality  | 22           | 7                           | -                                 |
| 54           | 52        | Medical Education   | 63           | 10                          | 17                                |
| 55           | 53        | Financial Assistance to Three Tier Panchayati Raj Institutions                            | 175          | 20                          | 3                                 |
| 56           | 54        | Agricultural Research and Education   | 6            | -                           | -                                 |
| 57           | 55        | Women and Child Development   | 66           | 7                           | 16                                |
| 58           | 56        | Cottage and Rural Industry  | 69           | -                           | 9                                 |
| 59           | 57        | Environment   | 12           | -                           | -                                 |
| 60           | 58        | Expenditure on Relief on Account of Natural Calamities and Drought prone area             | 27           | 5                           | 7                                 |
| 61           | 59        | Externally Aided Projects pertaining to Rural Development Department                      | 3            | -                           | 3                                 |
| 62           | 60        | Expenditure pertaining to District Projects   | 20           | 4                           | -                                 |
| 63           | 61        | Expenditure pertaining to Bundelkhand Package   | 13           | 2                           | -                                 |
| 64           | 62        | Panchayat   | 5            | 2                           | -                                 |
| 65           | 63        | Minority Welfare  | 18           | 9                           | -                                 |
| 66           | 64        | Financial assistance to Urban Bodies  | 96           | 14                          | 1                                 |
| 67           | 65        | Aviation  | 6            | 4                           | -                                 |
| 68           | 66        | Welfare of Backward Classes   | 24           | 11                          | -                                 |
| 69           | 67        | Public Works-Buildings  | 26           | 13                          | -                                 |
| 70           | 68        | Public Asset Management   | 1            | 1                           | -                                 |
| <b>Total</b> |           |   | <b>3,697</b> | <b>671</b>                  | <b>377</b>                        |

Source: Appropriation Accounts 2020-21

**Appendix 3.12**  
**Excess Expenditure against the allotted Budget**  
(Reference: Paragraph 3.6.2; Page 77)

(₹ in crore)

| Sl. No. | Grant No. | Name of the Grant   | Heads of account  | Provision<br>O: Original<br>S: Supplementary<br>R: Reappropriation/<br>Surrender | Actual Expenditure | Final Saving (-)/<br>Excess(+) |
|---------|-----------|---|---|--|--------------------|--------------------------------|
| 1       | CH-I      | Charged Appropriation-Interest Payments and Servicing of Debt | 2049-01-101-2029-8.27 Percent Madhya Pradesh State Development Loan, 2025   | (O) 124.05   | 186.07             | (+) 62.02                      |
| 2       |           |   | 2049-01-101-5436-7.13 Percent Madhya Pradesh State Development Loan, 2021   | (O) 0.01   | 42.78              | (+) 42.77                      |
| 3       |           |   | 2049-01-101-6876-8.36 Percent Madhya Pradesh State Government Stock, 2021   | (O) 83.90  | 188.40             | (+) 104.50                     |
| 4       |           |   | 2049-01-101-9122-8.25 Percent Madhya Pradesh State Development Loan, 2025   | (O) 82.50  | 123.75             | (+) 41.25                      |
| 5       |           |   | 2049-01-101-9314-8.05 Percent Madhya Pradesh State Development Loan, 2028   | (O) 161.00   | 241.50             | (+) 80.50                      |
| 6       |           |   | 2049-01-101-9318-8.64 Percent Madhya Pradesh State Development Loan, 2033   | (O) 86.40  | 118.45             | (+) 32.05                      |
| 7       |           |   | 2049-01-101-9319-8.64 Percent Madhya Pradesh State Development Loan, 2038   | (O) 28.14  | 35.60              | (+) 7.46                       |
| 8       |           |   | 2049-01-101-9322-8.52 Percent Madhya Pradesh State Development Loan, 2043   | (O) 42.61  | 85.20              | (+) 42.59                      |
| 9       |           |   | 2049-01-101-9325-8.37 Percent Madhya Pradesh State Development Loan, 2028   | (O) 84.61  | 117.18             | (+) 32.57                      |
| 10      |           |   | 2049-01-101-9326-8.27 Percent Madhya Pradesh State Development Loan, 2028   | (O) 83.70  | 117.18             | (+) 33.48                      |
| 11      |           |   | 2049-01-123-5042-Interest on Special Securities Issued to National Small Saving Fund to Central Government by the Government of India | (O) 2,450.00   | 2,451.72           | (+) 1.72                       |
| 12      |           |   | 2049-01-305-2205-Expenditure Incurred in Connection with the Issue  | (O) 5.00   | 6.49               | (+) 1.49                       |

| Sl. No. | Grant No. | Name of the Grant   | Heads of account  | Provision<br>O: Original<br>S: Supplementary<br>R: Reappropriation/<br>Surrender | Actual Expenditure | Final Saving (-)/<br>Excess(+) |
|---------|-----------|---|---|--|--------------------|--------------------------------|
|         |           |   | of New Loans  |  |                    |                                |
| 13      |           |   | 2049-04-104-0471- Interest Loans for Non-Plan Schemes   | (O) 0.00   | 2.78               | (+) 2.78                       |
| 14      |           |   | 2049-03-108-3360- Interest on Madhya Bharat Life Assurance Fund                                   | (O) 3.00   | 11.88              | (+) 8.88                       |
| 15      |           |   | 2049-60-701-6971- Government Employees Group Insurance Scheme-2003 (Interest Saving on Fund)      | (O) 100.00   | 288.82             | (+) 188.82                     |
| 16      |           |   | 2049-60-701-6972- Government Employees Group Insurance Scheme-1985 (Interest Saving on Fund)      | (O) 80.00  | 308.07             | (+) 228.07                     |
| 17      | CH-II     | Charged Appropriation- Public Debt                                | 6003-111-6835- Special Securities Issued to National Small Savings Fund of the Central Government | (O) 2,030.00   | 2,691.75           | (+) 661.75                     |
| 18      |           |   | 6004-02-101-9086- Back to Back Loans for Externally Aided Projects                                | (O) 615.00   | 816.62             | (+) 201.62                     |
| 19      | 1         | General Administration  | 2015-101-8808- Works Related to Information Technology  | (O) 0.65<br>(R) (-) 0.48<br>0.17   | 0.19               | (+) 0.02                       |
| 20      |           |   | 2015-101-6757- Election Expenditure of Local Bodies   | (O) 150.22<br>(S) 25.00<br>(R) (-) 151.17<br>24.05                               | 24.70              | (+) 0.65                       |
| 21      | 2         | Other expenditure pertaining to General Administration Department | 2235-60-107-4674- Allowance and Gratuities to Freedom Fighter                                     | (O) 24.00<br>(R) (-) 23.97<br>0.03   | 18.33              | (+) 18.30                      |
| 22      |           |   | 2235-60-200-5710- Loknayak Jaiprakash Samman Nidhi  | (O) 40.00<br>(S) 38.12<br>(R) (-) 76.88<br>1.24                                  | 43.48              | (+) 42.24                      |
| 23      | 3         | Police  | 2055-116-3593- Medico Legal Institute   | (O) 3.78<br>(R) (-) 0.71<br>3.07   | 3.09               | (+) 0.02                       |
| 24      |           |   | 2070-107-0492- Expenditure on Call Outs   | (O) 374.20<br>(R) (-) 43.25<br>330.95  | 334.71             | (+) 3.76                       |
| 25      |           |   | 2070-107-2710- Office of the Commandant General and Other Subordinate Office                      | (O) 58.61<br>(R) (-) 11.57<br>47.04  | 47.37              | (+) 0.33                       |
| 26      |           |   | 2070-107-0101-7327- Formation of State Disaster Emergency Redemption Force                        | (O) 35.45<br>(R) (-) 7.15<br>28.30   | 28.36              | (+) 0.06                       |
| 27      |           |   | 2055-109-0101-5555- Security of Big Cities and  | (O) 3.26<br>(R) (-) 0.20   | 8.00               | (+) 4.94                       |

| Sl. No. | Grant No. | Name of the Grant                        | Heads of account  | Provision<br>O: Original<br>S: Supplementary<br>R: Reappropriation/<br>Surrender | Actual Expenditure | Final Saving (-)/<br>Excess(+) |
|---------|-----------|--|---|--|--------------------|--------------------------------|
|         |           |  | Sensitive Places  | 3.06   |                    |                                |
| 28      |           |  | 2055-109-4491- General Expenditure (District Establishment)                       | (O) 1.50<br>(R) (-) 0.57<br>0.93   | 1.01               | (+) 0.08                       |
| 29      |           |  | 4055-207-0101-5555- Security of Big Cities and Sensitive Places                   | (O) 21.00<br>(R) (-) 3.19<br>17.81   | 30.43              | (+) 12.62                      |
| 30      |           |  | 4055-211-0101-3059- Chief Minister Police Housing Plan                            | (O) 197.64<br>(R) (+) 20.28<br>217.92  | 247.92             | (+) 30.00                      |
| 31      | 6         | Finance                                  | 2052-091-4296- Directorate of Institutional Finance                               | (O) 6.65<br>(R) (-) 3.00<br>3.65   | 3.66               | (+) 0.01                       |
| 32      |           |  | 2071-01-104-9998- Madhya Pradesh  | (O) 582.85<br>(R) (+) 1,450.00<br>2,032.85                                       | 2,309.01           | (+) 276.16                     |
| 33      |           |  | 2075-797-6857- Transfers to/from Reserve Fund/Deposit Account                     | (O) 1.00   | 42.72              | (+) 41.72                      |
| 34      | 7         | Commercial Tax                           | 2030-01-001-3561- Headquarter Establishment                                       | (O) 7.00<br>(R) (-) 2.05<br>4.95   | 5.08               | (+) 0.13                       |
| 35      | 8         | Land Revenue and District Administration | 2058-001-2286- Office of Controller Government Printing and Stationery            | (O) 3.03<br>(R) (-) 0.81<br>2.22   | 2.28               | (+) 0.06                       |
| 36      |           |  | 2052-099-3657- Board of Revenue   | (O) 1.88<br>(R) (-) 1.02<br>0.86   | 0.96               | (+) 0.10                       |
| 37      | 10        | Forest                                   | 2406-01-004-7781- Purchase of Malik Makbuja Woods                                 | (O) 35.00  | 54.40              | (+) 19.40                      |
| 38      |           |  | 4406-01-800-5399- MP Compensatory Forest Planting Fund Management                 | (O) 100.00<br>(R) (-) 24.55<br>75.45   | 76.71              | (+) 1.26                       |
| 39      | 17        | Co-operation                             | 2425-107-0102-2341- Chief Minister Loan Clearance Scheme                          | (O) 19.03<br>(R) (+) 5.80<br>24.83   | 47.07              | (+) 22.24                      |
| 40      |           |  | 2425-107-0101-2341- Chief Minister Loan Clearance Scheme                          | (O) 44.97  | 84.74              | (+) 39.77                      |
| 41      | 20        | Public Health Engineering                | 2215-01-001-2714- Administration  | (O) 392.78   | 413.82             | (+) 21.04                      |
| 42      |           |  | 2215-01-101-5300- Maintenance of Water Supply Scheme of Local Bodies Institution  | (O) 0.54   | 1.29               | (+) 0.75                       |
| 43      |           |  | 2215-01-101-0101-0545- Establishment and Maintenance of State Water Supply Houses | (O) 0.31   | 0.41               | (+) 0.10                       |
| 44      |           |  | 4215-01-102-1203-2316- Rural Group Water Supply Scheme                            | (O) 140.16   | 205.16             | (+) 65.00                      |
| 45      |           |  | 4215-01-102-1202-2316- Rural Group Water Supply                                   | (O) 192.72   | 262.72             | (+) 70.00                      |

| Sl. No. | Grant No. | Name of the Grant                   | Heads of account  | Provision<br>O: Original<br>S: Supplementary<br>R: Reappropriation/<br>Surrender | Actual Expenditure | Final Saving (-)/<br>Excess(+) |
|---------|-----------|-------------------------------------|---|--|--------------------|--------------------------------|
|         |           |                                     | Scheme  |  |                    |                                |
| 46      |           |                                     | 4215-01-102-1201-2316-<br>Rural Group Water Supply<br>Scheme  | (O) 543.12   | 694.76             | (+) 151.64                     |
| 47      |           |                                     | 4215-01-102-0703-2580-<br>Piped Water Supply<br>Scheme to Villages  | (O) 20.66<br>(R) (+) 9.03<br>29.69   | 29.81              | (+) 0.12                       |
| 48      | 22        | Urban<br>Development<br>and Housing | 2059-80-001-4002-<br>Electrical and Mechanical<br>division and sub-division   | (O) 3.26<br>(R) (-) 0.39<br>2.87   | 2.89               | (+) 0.02                       |
| 49      |           |                                     | 2059-80-001-4025-<br>Maintenance of head of<br>department buildings   | (O) 3.16<br>(R) (-) 0.73<br>2.43   | 2.46               | (+) 0.03                       |
| 50      | 23        | Water<br>Resources                  | 2701-80-001-0275-<br>Abiyana Establishment  | (O) 37.45<br>(R) (-) 4.61<br>32.84   | 32.91              | (+) 0.07                       |
| 51      |           |                                     | 2701-80-001-0101-0814-<br>Executive Establishment (E<br>and M)  | (O) 20.43<br>(R) (-) 3.68<br>16.75   | 16.94              | (+) 0.19                       |
| 52      |           |                                     | 2700-33-101-0101-3300-<br>Circle Establishment  | (O) 0.83<br>(R) (+) 0.27<br>1.10   | 1.21               | (+) 0.11                       |
| 53      |           |                                     | 2700-33-101-0101-3556-<br>Headquarter Establishment<br>Unit-1   | (O) 1.62<br>(R) (+) 0.26<br>1.88   | 2.19               | (+) 0.31                       |
| 54      |           |                                     | 2701-80-800-0102-2250-<br>Canals and Tanks  | (O) 17.56<br>(R) (+) 7.38<br>24.94   | 26.99              | (+) 2.05                       |
| 55      |           |                                     | 2705-800-0701-5734-<br>Project Administrator,<br>Water Resources, Reva<br>Command Area<br>Development and Water<br>Management Call Reva | (O) 0.12   | 0.16               | (+) 0.04                       |
| 56      |           |                                     | 4700-01-800-0101-2897-<br>Dam and Appurtenant<br>Work   | (O) 50.00<br>(R) (-) 48.66<br>1.34   | 2.08               | (+) 0.74                       |
| 57      |           |                                     | 4700-68-800-0101-2884-<br>Canal and Appurtenant<br>Work   | (O) 162.00<br>(R) (-) 111.27<br>50.73  | 55.73              | (+) 5.00                       |
| 58      |           |                                     | 4700-13-800-0103-2884-<br>Canal and Appurtenant<br>Work   | (O) 50.00<br>(R) (+) 39.41<br>89.41  | 91.12              | (+) 1.71                       |
| 59      |           |                                     | 4700-18-800-1401-6596-<br>Reforms, Re-Inforcement<br>and Re-establishment   | (O) 16.00<br>(R) (+) 2.64<br>18.64   | 28.89              | (+) 10.25                      |
| 60      |           |                                     | 4700-84-800-1201-2884-<br>Canal and Appurtenant<br>Work   | (O) 550.00<br>(R) (+) 216.60<br>766.60   | 818.78             | (+) 52.18                      |
| 61      |           |                                     | 4701-80-800-0101-3368-<br>Construction Work of<br>Medium Irrigation Scheme  | (O) 12.73<br>(R) (+) 4.50<br>17.23   | 19.34              | (+) 2.11                       |

| Sl. No. | Grant No. | Name of the Grant                             | Heads of account   | Provision<br>O: Original<br>S: Supplementary<br>R: Reappropriation/<br>Surrender | Actual Expenditure | Final Saving (-)/<br>Excess(+) |
|---------|-----------|---|--|--|--------------------|--------------------------------|
| 62      |           |   | 4701-80-800-0101-5583-<br>Semery Tank  | (O) 1.00<br>(R) (-) 0.13<br>0.87   | 1.87               | (+) 1.00                       |
| 63      | 24        | Public Works-<br>Roads and<br>Bridges         | 3054-03-337-0101-0134-<br>Maintenance and Repairs -<br>Ordinary Repairs                                      | (O) 20.00<br>(S) 15.00<br>(R) (+) 8.95<br>43.95                                  | 43.98              | (+) 0.03                       |
| 64      |           |   | 3054-04-800-0101-7081-<br>Renovation, up-gradation<br>and Bituminisation of main<br>District Roads and other | (O) 105.00<br>(S) 50.00<br>(R) (+) 35.00<br>190.00                               | 190.52             | (+) 0.52                       |
| 65      | 26        | Culture                                       | 2205-102-8458- Swaraj<br>Bhawan  | (O) 2.21<br>(R) (-) 0.70<br>1.51   | 1.54               | (+) 0.03                       |
| 66      |           |   | 2205-103-2304- Direction<br>and Administration   | (O) 14.63<br>(R) (-) 2.53<br>12.10   | 12.12              | (+) 0.02                       |
| 67      |           |   | 2205-107-0101-4283-<br>Museums   | (O) 10.74<br>(R) (-) 1.12<br>9.62  | 9.66               | (+) 0.04                       |
| 68      | 27        | School<br>Education<br>(Primary<br>Education) | 2202-01-101-0701-1502-<br>District Education and<br>Training Institute-Basic<br>Minimum Services             | (O) 16.48<br>(R) (+) 3.83<br>20.31   | 20.64              | (+) 0.33                       |
| 69      |           |   | 2202-01-101-0701-5330-<br>Samagra Shiksha Abhiyaan   | (O) 1,390.00<br>(R) (+) 329.00<br>1,719.00                                       | 2,539.84           | (+) 820.84                     |
| 70      |           |   | 2202-01-101-0101-3491-<br>Middle Schools   | (O) 3,604.74   | 4,033.46           | (+) 428.72                     |
| 71      |           |   | 2202-01-101-0101-4396-<br>Establishment of<br>Government Primary<br>Schools                                  | (O) 6,830.38   | 8,088.45           | (+) 1,258.07                   |
| 72      |           |   | 2202-01-102-0801-6344-<br>Quality Education and<br>Infrastructural<br>Development in Madarsas                | (O) 1.00   | 4.01               | (+) 3.01                       |
| 73      |           |   | 4202-01-201-0701-5330-<br>Samagra Shiksha Abhiyaan   | (O) 204.35   | 231.82             | (+) 27.47                      |
| 74      | 28        | State<br>Legislature                          | 2011-02-101-4007-<br>Members of Legislative<br>Assembly  | (O) 45.99<br>(R) (-) 10.73<br>35.26  | 35.27              | (+) 0.01                       |
| 75      | 29        | Law and<br>Legislative<br>Affairs             | 2015-105-4311- Charges<br>for conduct of election to<br>parliament   | (O) 47.80<br>(R) (-) 27.38<br>20.42  | 20.43              | (+) 0.01                       |
| 76      | 30        | Rural<br>Development                          | 2515-001-0101-1033-<br>Block Development Offices   | (O) 118.57<br>(R) (-) 27.33<br>91.24   | 91.30              | (+) 0.06                       |
| 77      |           |   | 2515-001-0102-1033-<br>Block Development Offices   | (O) 18.21<br>(R) (+) 3.15<br>21.36   | 21.38              | (+) 0.02                       |
| 78      | 33        | Tribal Welfare                                | 2202-01-101-0102-2773-<br>Primary Schools  | (O) 2,822.53<br>(R) (-) 913.26<br>1,909.27                                       | 1,912.66           | (+) 3.39                       |

| Sl. No. | Grant No. | Name of the Grant | Heads of account   | Provision<br>O: Original<br>S: Supplementary<br>R: Reappropriation/<br>Surrender | Actual Expenditure | Final Saving (-)/<br>Excess(+) |
|---------|-----------|-------------------|--|--|--------------------|--------------------------------|
| 79      |           |                   | 2202-02-109-0102-0581-<br>Government High/Higher<br>Secondary Schools  | (O) 672.15<br>(R) (-) 170.97<br>501.18   | 501.59             | (+) 0.41                       |
| 80      |           |                   | 2225-02-001-0102-1481-<br>District Administration  | (O) 100.07<br>(R) (-) 14.17<br>85.90   | 85.92              | (+) 0.02                       |
| 81      |           |                   | 2225-02-277-0102-0494-<br>Ashram   | (O) 160.46<br>(R) (-) 60.99<br>99.47   | 99.83              | (+) 0.36                       |
| 82      |           |                   | 2225-02-277-0102-0495-<br>Junior Hostel  | (O) 87.66<br>(R) (-) 9.70<br>77.96   | 78.08              | (+) 0.12                       |
| 83      |           |                   | 2225-02-800-0334- Tribal<br>Research Institute   | (O) 6.35<br>(R) (-) 1.19<br>5.16   | 5.17               | (+) 0.01                       |
| 84      |           |                   | 2225-02-102-0102-2326-<br>P.V.T.G. Food Grant<br>Scheme  | (O) 218.00<br>(R) (+) 93.33<br>311.33  | 312.12             | (+) 0.79                       |
| 85      |           |                   | 2225-03-277-0802-2676-<br>11th and 12th College<br>Scholarship   | (O) 172.50<br>(R) (+) 41.35<br>213.85  | 214.06             | (+) 0.21                       |
| 86      |           |                   | 2225-02-277-0102-0671-<br>Grant to Voluntary<br>Organisations for Education<br>and Development-Other<br>Welfare Tendencies | (O) 33.00<br>(R) (+) 48.50<br>81.50  | 88.75              | (+) 7.25                       |
| 87      |           |                   | 2225-02-277-0102-1868-<br>Technical Education Board<br>(MAPSET)  | (O) 0.44<br>(R) (+) 0.41<br>0.85   | 0.89               | (+) 0.04                       |
| 88      |           |                   | 2225-02-277-0102-7763-<br>Housing Assistance to<br>Scheduled Caste/Scheduled<br>Tribe Students                             | (O) 115.00<br>(R) (+) 14.63<br>129.63  | 129.65             | (+) 0.02                       |
| 89      |           |                   | 2225-02-800-0702-5191-<br>Relief Under Scheduled<br>Caste and Tribe Atyachar<br>Nivaran (Contingency<br>Scheme) Rule 2015  | (O) 28.65<br>(R) (+) 7.93<br>36.58   | 36.63              | (+) 0.05                       |
| 90      |           |                   | 4225-02-102-0802-7881-<br>Miscellaneous<br>Development Works in<br>Tribal Sub-plan Area,<br>Article-275 (1)                | (O) 50.00<br>(R) (-) 7.23<br>42.77   | 44.11              | (+) 1.34                       |
| 91      |           |                   | 4225-02-277-0802-7881-<br>Miscellaneous<br>Development Works in<br>Tribal Sub-plan Area,<br>Article-275 (1)                | (O) 430.60<br>(R) (-) 275.01<br>155.58   | 285.98             | (+) 130.40                     |
| 92      |           |                   | 4225-02-800-0602-5211-<br>Local Development<br>Programme Under<br>I.T.D.P/MADA<br>POCKET/CLUSTER                           | (O) 382.08<br>(R) (-) 300.33<br>81.75  | 99.66              | (+) 17.91                      |

| Sl. No. | Grant No.   | Name of the Grant   | Heads of account  | Provision<br>O: Original<br>S: Supplementary<br>R: Reappropriation/<br>Surrender | Actual Expenditure                 | Final Saving (-)/<br>Excess(+) |
|---------|---|---|---|--|------------------------------------|--------------------------------|
| 93      |   |   | 4225-02-800-0102-4722-<br>Development of Scheduled<br>Castes/Scheduled Tribes<br>Colonies | (O) 50.00<br>(R) (-) 7.46<br>42.54   | 42.85                              | (+) 0.31                       |
| 94      | 34  | Social Justice<br>and Disabled<br>Person Welfare  | 2235-02-001-2304-<br>Direction and<br>Administration                                      | (O) 47.23<br>(R) (-) 5.05<br>42.18   | 42.35                              | (+) 0.17                       |
| 95      | 2235-02-101-0102-0073-<br>Grant to Blind Deaf and<br>Dumb Schools   |   | (O) 13.41<br>(R) (-) 1.96<br>11.45  | 11.64  | (+) 0.19                           |                                |
| 96      | 2235-02-101-0102-0079-<br>Schools and Institutions for<br>Blind Deaf and Dumb   |   | (O) 1.94<br>(R) (-) 1.00<br>0.94  | 0.95   | (+) 0.01                           |                                |
| 97      | 2235-02-101-0101-0079-<br>Schools and Institutions for<br>Blind Deaf and Dumb   |   | (O) 14.64<br>(R) (-) 2.03<br>12.61  | 12.64  | (+) 0.03                           |                                |
| 98      | 2235-02-200-0795- Kala<br>Pathak  |   | (O) 8.98<br>(R) (-) 1.26<br>7.72  | 7.76   | (+) 0.04                           |                                |
| 99      | 2235-60-102-0702-7084-<br>National Family Support<br>Scheme   |   | (O) 20.25<br>(R) (-) 8.04<br>12.21  | 15.37  | (+) 3.16                           |                                |
| 100     | 2235-02-800-0101-6692-<br>Chief Minister Marriage<br>Plan   |   | (O) 11.59<br>(R) (+) 5.14<br>16.73  | 16.78  | (+) 0.05                           |                                |
| 101     | 36  |   | Transport   | 2041-102-0679-<br>Establishment of check post<br>and flying squad                | (O) 21.14<br>(R) (-) 2.18<br>18.96 | 19.65                          |
| 102     | 39  | Food, Civil<br>Supplies and<br>Consumer<br>Protection   | 2408-01-001-0701-6878-<br>Establishment of Consumer<br>Welfare Fund                       | Token  | 2.50                               | (+) 2.50                       |
| 103     | 2408-01-101-0102-0570-<br>Reimbursement of losses to<br>co-operative societies for<br>sale of food grains under<br>Public Distribution System |   | Token   | 4.84   | (+) 4.84                           |                                |
| 104     | 2408-01-102-0103-9087-<br>Grant from State<br>Government on Purchase of<br>Sugar by Open Tender<br>Policy                                     |   | (O) 0.22<br>(R) (+) 0.51<br>0.73  | 1.13   | (+) 0.40                           |                                |
| 105     | 40  | Other<br>expenditure<br>pertaining to<br>School<br>Education<br>Department<br>(excluding<br>Primary<br>Education) | 2204-102-3755- National<br>Cadet Corps Senior<br>Division                                 | (O) 47.42<br>(R) (-) 9.02<br>38.40   | 38.41                              | (+) 0.01                       |
| 106     | 4202-01-202-0101-6007-<br>Establishment and<br>operation of Model Schools   |   | (O) 0.00  | 0.13   | (+) 0.13                           |                                |
| 107     | 4202-01-202-0101-6970-<br>Construction and<br>Expansion of Government<br>School/Hostel/Library/<br>Residential Buildings                      |   | (O) 150.00<br>(R) (+) 20.00<br>170.00   | 172.88   | (+) 2.88                           |                                |



| Sl. No. | Grant No. | Name of the Grant                            | Heads of account  | Provision<br>O: Original<br>S: Supplementary<br>R: Reappropriation/<br>Surrender | Actual Expenditure  | Final Saving (-)/<br>Excess(+)      |
|---------|-----------|--|---|--|---|-------------------------------------|
| 108     | 42        | Bhopal Gas Tragedy Relief and Rehabilitation | 2235-02-796-001-0101-3171- Claims Directorate Connected to Bhopal Gas Tragedy | (O) 3.11<br>(R) (-) 0.44<br>2.67   | 2.68  | (+) 0.01                            |
| 109     | 43        | Sports and Youth Welfare                     | 2204-800-0103-4938- Grant to Yuva Sandhi                                      | (O) 0.50<br>(R) (+) 0.04<br>0.54   | 0.70  | (+) 0.16                            |
| 110     |           |  | 2204-800-0102-4938- Grant to Yuva Sandhi                                      | (O) 0.78<br>(R) (+) 0.55<br>1.33   | 1.60  | (+) 0.27                            |
| 111     |           |  | 2204-800-0102-6239- Sport Material to Sport Training Centerv                  | (O) 0.03   | 0.23  | (+) 0.20                            |
| 112     |           |  | 2204-800-0103-6239- Sport Material to Sport Training Center                   | (O) 0.06   | 0.30  | (+) 0.24                            |
| 113     |           |  | 2204-800-0101-6239- Sport Material to Sport Training Center                   | (O) 0.38   | 0.81  | (+) 0.43                            |
| 114     |           |  | 2204-800-0102-6703- Construction of Stadium and Sports Infrastructure         | (O) 0.24   | 0.39  | (+) 0.15                            |
| 115     |           |  | 2204-800-0103-6703- Construction of Stadium and Sports Infrastructure         | (O) 0.45   | 0.85  | (+) 0.40                            |
| 116     |           |  | 2204-800-0101-8841- Stadium etc. Development Improvment of Basic Facilities   | (O) 4.68<br>(R) (+) 0.01<br>4.69   | 6.88  | (+) 2.19                            |
| 117     |           |  | 44  | Higher Education   | 4202-01-203-0101-7643- Construction etc. of Government Colleges Buildings | (O) 44.81<br>(R) (+) 45.25<br>90.06 |
| 118     | 48        | Narmada Valley Development                   | 2801-01-001-0101-5018- Bargi Canal Bedpower House                             | (O) 1.09<br>(R) (-) 0.67<br>0.42   | 0.62  | (+) 0.20                            |
| 119     |           |  | 4700-43-001-0101-2428- Execution Establishment (Unit-I & Unit-II)             | (O) 56.61<br>(R) (-) 8.76<br>47.84   | 52.33   | (+) 4.49                            |
| 120     |           |  | 4700-51-001-3296- Expenditure on Establishment of Circle (R.A.B.S.P.R.)       | (O) 1.54<br>(R) (-) 0.46<br>1.08   | 1.12  | (+) 0.04                            |
| 121     |           |  | 4700-80-001-0101-2433- Executive Establishment                                | (O) 1.80<br>(R) (-) 0.39<br>1.41   | 1.47  | (+) 0.06                            |
| 122     |           |  | 4701-11-001-0102-4653- Establishment (Man Project)                            | (O) 4.22<br>(R) (-) 0.73<br>3.49   | 3.58  | (+) 0.09                            |
| 123     |           |  | 4700-80-800-0103-0651- Ujjaini Dewas Ujjain Pipline Scheme                    | (O) 5.92<br>(R) (+) 2.68<br>8.60   | 13.56   | (+) 4.96                            |

| Sl. No. | Grant No.  | Name of the Grant  | Heads of account   | Provision<br>O: Original<br>S: Supplementary<br>R: Reappropriation/<br>Surrender | Actual Expenditure               | Final Saving (-)/<br>Excess(+) |          |
|---------|--|--|--|--|----------------------------------|--------------------------------|----------|
| 124     |  |  | 4700-80-800-0102-1250-<br>Alirajpur Lift Irrigation<br>Project   | (O) 77.00<br>(R) (+) 4.69<br>81.69   | 102.84                           | (+) 21.15                      |          |
| 125     | 49   | Scheduled Caste<br>Welfare   | 2225-01-001-2294-<br>Establishment of<br>Directorate   | (O) 7.36<br>(R) (-) 1.53<br>5.83   | 5.85                             | (+) 0.02                       |          |
| 126     | 2225-01-277-0803-7764-<br>Post Matric Scholarships<br>(Colleges and Others)  |  | (O) 140.00<br>(S) 50.00<br>(R) (-) 36.54<br>153.46   | 154.51   | (+) 1.05                         |                                |          |
| 127     | 2225-01-277-0103-7562-<br>Excellent Senior Hostel  |  | (O) 14.98<br>(R) (-) 8.14<br>6.84  | 6.99   | (+) 0.15                         |                                |          |
| 128     | 2225-01-800-0803-1213-<br>Prime Minister Model<br>Village Scheme   |  | (O) 40.00<br>(S) 50.00<br>(R) (-) 26.13<br>63.87   | 67.42  | (+) 3.55                         |                                |          |
| 129     | 2801-06-800-0603-5084-<br>Extension of Electrical<br>Lines up to the well of<br>SC/ST Cultivators                              |  | (O) 20.00<br>(R) (-) 9.49<br>10.51   | 10.67  | (+) 0.16                         |                                |          |
| 130     | 2225-01-277-0103-8801-<br>Reimbursement of Fees to<br>S.C./S.T. Student Studying<br>in Military School/Private<br>Institutions |  | (O) 4.70<br>(R) (+) 7.02<br>11.72  | 11.84  | (+) 0.12                         |                                |          |
| 131     | 2225-01-800-0103-7763-<br>Housing Assistance to<br>Scheduled Caste/Scheduled<br>Tribe Students                                 |  | (O) 75.00<br>(R) (-) 2.72<br>72.28   | 90.49  | (+) 18.21                        |                                |          |
| 132     | 4225-01-800-0103-4722-<br>Development of Scheduled<br>Caste/Scheduled Tribes<br>Colonies                                       |  | (O) 80.00<br>(R) (-) 14.35<br>65.65  | 67.52  | (+) 1.87                         |                                |          |
| 133     | 50   |  | Horticulture and<br>Food Processing  | 2401-119-0702-5116-<br>National Horticulture<br>Mission                          | (O) 7.00<br>(R) (-) 6.52<br>0.48 | 3.91                           | (+) 3.43 |
| 134     | 52   |  | Medical<br>Education   | 2210-05-796-105-0527-<br>Nursing College in Indore                               | (O) 3.23<br>(R) (+) 0.57<br>3.80 | 4.24                           | (+) 0.44 |
| 135     | 4210-03-796-105-0701-<br>1211- Establishment of<br>Super Specialist Hospital<br>under P.M.S.S.Y. Campus                        | (O) 10.00  |  | 24.93  | (+) 14.93                        |                                |          |
| 136     | 53   | Financial<br>Assistance to<br>Three Tier<br>Panchayati Raj<br>Institutions | 2225-01-789-196-0103-<br>8805- State Government<br>Scheduled Castes/Tribe<br>Scholarship (Class 9th and<br>10th) | (O) 23.10  | 33.10                            | (+) 10.00                      |          |
| 137     | 2505-01-789-198-0703-<br>6923- National Rural<br>Employment Guarantee<br>Scheme  |  | (O) 800.00<br>(R) (+) 155.00<br>955.00   | 1,061.01   | (+) 106.01                       |                                |          |

| Sl. No. | Grant No. | Name of the Grant           | Heads of account   | Provision<br>O: Original<br>S: Supplementary<br>R: Reappropriation/<br>Surrender | Actual Expenditure | Final Saving (-)/<br>Excess(+) |
|---------|-----------|-----------------------------|--|--|--------------------|--------------------------------|
| 138     |           |                             | 2505-01-789-198-0702-6923- National Rural Employment Guarantee Scheme                                      | (O) 750.00<br>(R) (+) 137.50<br>887.50   | 1,083.98           | (+) 196.48                     |
| 139     |           |                             | 2515-789-198-1303-9638- Grant to Local Bodies as per the Recommendation of the 15th Finance Commission     | (O) 578.08   | 737.44             | (+) 159.36                     |
| 140     |           |                             | 2515-789-198-1301-9638- Grant to Local Bodies as per the Recommendation of the 15th Finance Commission     | (O) 1,722.68   | 2,330.24           | (+) 607.56                     |
| 141     |           |                             | 2515-789-198-0701-0647- Village Swaraj Campaign  | (O) 48.31  | 67.46              | (+) 19.15                      |
| 142     | 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) 112.16<br>(R) (-) 84.80<br>27.36   | 27.42              | (+) 0.06                       |
| 143     |           |                             | 2235-02-102-0701-0658- Anganwadi Services  | (O) 751.00<br>(R) (-) 62.99<br>688.01  | 688.51             | (+) 0.50                       |
| 144     |           |                             | 2235-02-102-0701-1291 - Strengthening of I.C.D.S. and Nutrition Level Improvement Project (E-SNIP)/ N.N.M. | (O) 51.87<br>(R) (-) 31.63<br>20.24  | 20.31              | (+) 0.07                       |
| 145     |           |                             | 2235-02-103-0703-6103- Integrated Child Protection Scheme (I.C.P.S.)                                       | (O) 10.44<br>(R) (-) 2.26<br>8.18  | 8.19               | (+) 0.01                       |
| 146     |           |                             | 2236-02-101-0703-9050- Minimum needs programmes Special SI nutrition scheme                                | (O) 350.00<br>(R) (-) 107.23<br>242.77   | 243.52             | (+) 0.75                       |
| 147     |           |                             | 2236-02-101-0702-9050- Minimum needs programmes Special SI nutrition scheme                                | (O) 350.00<br>(R) (-) 48.53<br>301.47  | 302.68             | (+) 1.21                       |
| 148     |           |                             | 2236-02-101-0701-9050- Minimum needs programmes Special SI nutrition scheme                                | (O) 750.00<br>(R) (-) 187.46<br>562.54   | 563.42             | (+) 0.87                       |
| 149     |           |                             | 2235-02-103-0101-5067- Ladli Laxmi Yojna   | (O) 546.89<br>(R) (+) 498.69<br>1045.58  | 1,045.62           | (+) 0.04                       |
| 150     |           |                             | 4235-02-102-0101-5360- Construction of Building For Anganwadi Centres                                      | (O) 37.76<br>(R) (-) 3.26<br>34.50   | 34.58              | (+) 0.08                       |
| 151     | 56        | Cottage and Rural Industry  | 2851-107-0103-3777- Development Works of Sericulture Industry  | (O) 1.43<br>(R) (-) 0.85<br>0.58   | 0.61               | (+) 0.03                       |

| Sl. No.      | Grant No. | Name of the Grant   | Heads of account   | Provision<br>O: Original<br>S: Supplementary<br>R: Reappropriation/<br>Surrender | Actual Expenditure | Final Saving (-)/<br>Excess(+) |
|--------------|-----------|---|--|--|--------------------|--------------------------------|
| 152          |           |   | 2851-107-0101-2731-<br>Research and Training   | (O) 0.89<br>(R) (-) 0.44<br>0.45   | 0.68               | (+) 0.23                       |
| 153          |           |   | 2851-107-0102-5146-<br>Tussar Silk Development<br>and Extension Programme                              | (O) 2.12<br>(R) (-) 0.61<br>1.51   | 1.54               | (+) 0.03                       |
| 154          |           |   | 4851-107-0101-6336-<br>Irrigation Facilities and<br>other Construction Works<br>at Sericulture Centres | (O) 1.37<br>(R) (-) 0.69<br>0.68   | 0.80               | (+) 0.12                       |
| 155          | 58        | Expenditure on<br>Relief on<br>Account of<br>Natural<br>Calamities and<br>Drought prone<br>area | 2245-01-101-0096- Relief<br>to Out Break of Fire   | (O) 43.92<br>(R) (-) 26.18<br>17.74  | 17.82              | (+) 0.07                       |
| 156          |           |   | 2245-01-102-6434-<br>Drinking Water Transport<br>in Rural Areas  | (O) 11.00<br>(R) (-) 10.51<br>0.49   | 0.60               | (+) 0.11                       |
| 157          |           |   | 2245-80-102-6436-<br>Training Relating to<br>Calamity and Purchase of<br>Equipments                    | (O) 5.23<br>(R) (+) 101.70<br>106.93   | 106.95             | (+) 0.03                       |
| 158          |           |   | 2245-80-800-6097-<br>Financial Assistance for<br>Snakebite   | (O) 100.00<br>(R) (+) 18.92<br>118.92  | 119.24             | (+) 0.32                       |
| 159          |           |   | 2245-80-800-7249- Loss of<br>Crops form Insect Disease   | (O) 10.18<br>(S) 1,056.00<br>(R) (+) 893.01<br>1,959.19                          | 2,118.62           | (+) 159.44                     |
| <b>Total</b> |           |   |  | <b>38,201.06</b>   | <b>44,932.25</b>   | <b>(+) 6,731.19</b>            |

Source: Appropriation Accounts 2020-21

**Appendix 3.13**  
**Excess Expenditure Requiring Regularisation**  
(Reference: Paragraph 3.8; Page 78)

(₹ in crore)

| Year         | Number of Grants/<br>Appropriations        | Grant/Appropriation number                         | Amount of excess |
|--------------|--|--|------------------|
| 2011-12      | 04 Grants                                  | Revenue (Voted): 33<br>Capital (Voted): 15, 52, 74 | 135.10           |
|              | 02 Appropriations                          | Revenue (Charged): 23<br>Capital (Charged): 23     |                  |
| 2013-14      | 02 Grants                                  | Revenue (Voted): 2<br>Capital (Voted): 10          | 34.31            |
|              | 01 Appropriation                           | Capital (Charged): 21                              |                  |
| 2014-15      | 03 Grants                                  | Revenue (Voted): 2, 6<br>Capital (Voted): 42       | 446.28           |
|              | 03 Appropriations                          | Revenue (Charged): 24, 67<br>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<br/>07 Appropriations</b> |  | <b>1,668.08</b>  |

Source: Appropriation Accounts of the respective years

**Appendix 3.14**

**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 79)

(₹ in crore)

| Sl. No. | Grant No. | Nomenclature  | Heads of account  | Original Budget Provision       | Amount Surrendered | Surrender (in per cent) |
|---------|-----------|---|---|---------------------------------|--------------------|-------------------------|
| 1       | 2         | Other expenditure pertaining to General Administration Department | 2235-60-107-4674- Allowance and Gratuities to Freedom Figher                          | (O) 24.00                       | 23.97              | 99.88                   |
|         |           |   | 2235-60-200-5710- Loknayak Jaiprakash Samman Nidhi                                    | (O) 40.00<br>(S) 38.12<br>78.12 | 76.88              | 98.41                   |
| 2       | 3         | Police  | 2055-800-6329- Expenditure on New Recruitment Process                                 | (O) 29.50                       | 29.50              | 100.00                  |
|         |           |   | 4055-207-0701-2643- Modernisation of Police Force                                     | (O) 33.72                       | 23.29              | 69.08                   |
| 3       | 8         | Land Revenue and District Administration                          | 4070-800-6846- Land Management  | (O) 25.00                       | 19.00              | 76.00                   |
| 4       | 12        | Energy  | 4801-02-190-0101-5332- Current Electricity of Madhya Pradesh Power Generating Company | (O) 36.00                       | 36.00              | 100.00                  |
|         |           |   | 4801-02-190-0101-6323- 2*660 Megawatt Shri Singaji Thermal Power Project              | (O) 150.00                      | 120.00             | 80.00                   |
|         |           |   | 6801-190-0101-5336- Renovation and Modernisation Work of Vidhut Grah                  | (O) 20.00                       | 20.00              | 100.00                  |
|         |           |   | 6801-205-1201-9655- Loan for Smart Meter and Skada Scheme                             | (O) 330.00                      | 330.00             | 100.00                  |
|         |           |   | 4801-02-190-0101-9656- Gandhi Sagar Hydro Electric House Life Extension               | (O) 20.00                       | 20.00              | 100.00                  |
|         |           |   | 4801-05-190-0410-9654- Share Capital for Skada Scheme and Smart Meter                 | (O) 50.00                       | 50.00              | 100.00                  |
|         |           |   | 5054-80-800-0103-3115- Compensation for Land Acquisition                              | (O) 42.50                       | 42.46              | 99.92                   |
| 5       | 24        | Public Works-Roads and Bridges                                    | 5054-80-800-0102-3115- Compensation for Land Acquisition                              | (O) 55.00                       | 53.44              | 97.17                   |
|         |           |   | 5054-80-800-0101-3115- Compensation for Land Acquisition                              | (O) 152.50                      | 134.09             | 87.93                   |
| 6       | 27        | School Education (Primary Education)                              | 4202-01-201-0101-2068- Infrastructure Protection and Development of                   | (O) 24.40                       | 24.40              | 100.00                  |

| Sl. No. | Grant No. | Nomenclature  | Heads of account   | Original Budget Provision           | Amount Surrendered | Surrender (in per cent) |
|---------|-----------|---|--|-------------------------------------|--------------------|-------------------------|
|         |           |   | Primary and Medium Schools   |                                     |                    |                         |
| 7       | 29        | Law and Legislative Affairs   | 2014-103-0701-9634- Establishment of fastrack courts under poxo act  | (O) 32.77<br>(S) <i>Token</i> 32.77 | 19.69              | 60.09                   |
| 8       | 33        | Tribal Welfare  | 2225-02-800-0802-6500- Development of Special Backward Tribes  | (O) 140.00                          | 91.82              | 65.59                   |
|         |           |   | 4225-02-277-0802-7881- Miscellaneous Development Works in Tribal Sub-plan Area, Article-275 (1)            | (O) 430.60                          | 275.02             | 63.87                   |
|         |           |   | 4225-02-800-0602-5211- Local Development Programme Under I.T.D.P/MADA POCKET/CLUSTER                       | (O) 382.08                          | 300.33             | 78.60                   |
| 9       | 35        | Micro, Small and Medium Enterprises   | 4851-101-0101-5380- Land Acquisition Compensation for Auto Testing Track                                   | (O) 168.00                          | 167.12             | 99.48                   |
| 10      | 49        | Scheduled Caste Welfare   | 4225-01-800-0603-4722- Development of Scheduled Caste/Scheduled Tribes Colonies                            | (O) 101.97                          | 53.68              | 52.64                   |
| 11      | 50        | Horticulture and Food Processing  | 2401-119-0101-5153- Scheme for Development of Food Processing Industries under Industries Promotion Policy | (O) 31.83                           | 21.88              | 68.74                   |
|         |           |   | 4401-119-0102-5474- Chief Minister Horticulture and Food Processing Scheme                                 | (O) 15.64                           | 15.64              | 100.00                  |
|         |           |   | 4401-119-0101-5474- Chief Minister Horticulture and Food Processing Scheme                                 | (O) 41.48                           | 41.48              | 100.00                  |
| 12      | 53        | Financial Assistance to Three Tier Panchayati Raj Institutions                | 4515-789-198-0702-6099- Construction of Mid-Day Meal Kitchen Shed  | (O) 16.00                           | 16.00              | 100.00                  |
|         |           |   | 4515-789-198-0701-6099- Construction of Mid-Day Meal Kitchen Shed  | (O) 35.00                           | 35.00              | 100.00                  |
| 13      | 55        | Women and Child Development   | 4235-02-102-0701-0658- Anganwadi Services  | (O) 51.00                           | 51.00              | 100.00                  |
| 14      | 58        | Expenditure on Relief on Account of Natural Calamities and Drought prone area | 4059-80-800-6276- Disaster Management Planning   | (O) 485.40                          | 485.40             | 100.00                  |
| 15      | 59        | Externally Aided Projects pertaining to Rural Development                     | 4515-800-1203-0654- Chief Minister Rural Road Scheme (Externally Aided)                                    | (O) 176.00                          | 109.56             | 62.25                   |

| Sl. No.      | Grant No. | Nomenclature | Heads of account   | Original Budget Provision | Amount Surrendered | Surrender (in per cent) |
|--------------|-----------|--------------|--|---------------------------|--------------------|-------------------------|
|              |           | Department   | 4515-800-1202-0654-<br>Chief Minister Rural Road Scheme (Externally Aided) | (O) 253.00                | 140.06             | 55.36                   |
|              |           |              | 4515-800-1201-0654-<br>Chief Minister Rural Road Scheme (Externally Aided) | (O) 702.28                | 520.06             | 74.05                   |
| <b>Total</b> |           |              |  | <b>4,133.79</b>           | <b>3,346.79</b>    | <b>80.96</b>            |

Source: Appropriation Accounts 2020-21



**Appendix 3.15**  
**Schemes in which total provision of ₹10 crore and above remained unutilised**  
(Reference: Paragraph 3.10; Page 80)

(₹ in crore)

| Sl. No.      | GNCD  | MHCD | SMCD | MICD | GHCD | SHCD | DHCD | SDCD | V/C | Total Budget    | Expen-diture | Saving          |
|--------------|-------|------|------|------|------|------|------|------|-----|-----------------|--------------|-----------------|
| 1            | 6     | 2054 |      | 095  |      | 5329 | 53   |      | C   | 100.00          | Nil          | 100.00          |
| 2            | 6     | 2071 | 01   | 102  |      | 9999 | 13   |      | C   | 10.00           | Nil          | 10.00           |
| 3            | 6     | 6075 |      | 800  |      | 6788 | 66   |      | V   | 10.00           | Nil          | 10.00           |
| 4            | 10    | 2406 | 01   | 004  | 0101 | 7781 | 51   |      | V   | 20.00           | Nil          | 20.00           |
| 5            | 10    | 2406 | 01   | 800  | 0101 | 0535 | 31   | 007  | V   | 18.00           | Nil          | 18.00           |
| 6            | 17    | 2425 |      | 107  | 0102 | 9134 | 42   | 007  | V   | 22.24           | Nil          | 22.24           |
| 7            | 17    | 2425 |      | 108  |      | 2352 | 44   | 007  | V   | 20.00           | Nil          | 20.00           |
| 8            | 19    | 2210 | 03   | 103  | 0101 | 5507 | 11   | 006  | V   | 14.68           | Nil          | 14.68           |
| 9            | 20    | 2215 | 01   | 001  |      | 2714 | 12   | 003  | V   | 23.00           | Nil          | 23.00           |
| 10           | 23    | 4700 | 78   | 800  | 0101 | 2897 | 64   | 001  | V   | 19.40           | Nil          | 19.40           |
| 11           | 23    | 4701 | B2   | 800  | 0801 | 2884 | 64   | 001  | V   | 20.00           | Nil          | 20.00           |
| 12           | 29    | 4059 | 01   | 051  | 0101 | 9074 | 64   | 001  | V   | 18.60           | Nil          | 18.60           |
| 13           | 49    | 2225 | 01   | 277  | 0803 | 7764 | 41   | 001  | V   | 50.00           | Nil          | 50.00           |
| 14           | 50    | 2401 |      | 119  | 0101 | 5408 | 42   | 007  | V   | 11.13           | Nil          | 11.13           |
| 15           | 52    | 4210 | 03   | 105  | 0101 | 5632 | 64   | 002  | V   | 20.00           | Nil          | 20.00           |
| 16           | 52    | 4210 | 03   | 105  | 0701 | 1210 | 63   | 001  | V   | 30.00           | Nil          | 30.00           |
| 17           | 52    | 4210 | 03   | 105  | 0701 | 2064 | 63   | 001  | V   | 15.00           | Nil          | 15.00           |
| 18           | 52    | 4210 | 03   | 105  | 0702 | 2061 | 63   | 001  | V   | 17.42           | Nil          | 17.42           |
| 19           | 53    | 2515 |      | 198  | 0101 | 1221 | 42   | 009  | V   | 607.56          | Nil          | 607.56          |
| 20           | 53    | 2515 |      | 198  | 0102 | 1221 | 42   | 009  | V   | 229.08          | Nil          | 229.08          |
| 21           | 53    | 2515 |      | 198  | 0103 | 1221 | 42   | 009  | V   | 159.36          | Nil          | 159.36          |
| 22           | 63    | 4225 | 03   | 800  | 0701 | 5617 | 64   | 002  | V   | 93.20           | Nil          | 93.20           |
| 23           | 64    | 2217 | 05   | 191  |      | 1325 | 42   | 007  | V   | 360.00          | Nil          | 360.00          |
| 24           | 64    | 2217 | 05   | 192  |      | 1325 | 42   | 007  | V   | 180.00          | Nil          | 180.00          |
| 25           | 64    | 2217 | 05   | 193  |      | 1325 | 42   | 007  | V   | 62.00           | Nil          | 62.00           |
| 26           | CH-II | 6003 |      | 110  |      | 0637 | 66   |      | C   | 2,000.00        | Nil          | 2,000.00        |
| 27           | CH-II | 6003 |      | 110  |      | 0779 | 66   |      | C   | 1,992.00        | Nil          | 1,992.00        |
| 28           | CH-I  | 2049 | 01   | 101  |      | 7801 | 52   | 001  | C   | 32.70           | Nil          | 32.70           |
| 29           | CH-I  | 2049 | 01   | 101  |      | 7802 | 52   | 001  | C   | 33.05           | Nil          | 33.05           |
| 30           | CH-I  | 2049 | 01   | 101  |      | 7803 | 52   | 001  | C   | 33.95           | Nil          | 33.95           |
| 31           | CH-I  | 2049 | 01   | 101  |      | 7804 | 52   | 001  | C   | 33.80           | Nil          | 33.80           |
| 32           | CH-I  | 2049 | 01   | 101  |      | 9320 | 52   | 001  | C   | 32.13           | Nil          | 32.13           |
| 33           | CH-I  | 2049 | 01   | 101  |      | 9323 | 52   | 001  | C   | 42.77           | Nil          | 42.77           |
| 34           | CH-I  | 2049 | 01   | 101  |      | 9324 | 52   | 001  | C   | 67.01           | Nil          | 67.01           |
| 35           | CH-I  | 2049 | 01   | 101  |      | 9829 | 52   | 001  | C   | 33.45           | Nil          | 33.45           |
| 36           | CH-I  | 2049 | 01   | 101  |      | 9832 | 52   | 001  | C   | 32.85           | Nil          | 32.85           |
| 37           | CH-I  | 2049 | 01   | 200  |      | 6973 | 52   | 001  | C   | 10.00           | Nil          | 10.00           |
| 38           | CH-I  | 2049 | 60   | 701  |      | 0716 | 52   | 001  | C   | 114.38          | Nil          | 114.38          |
| <b>Total</b> |       |      |      |      |      |      |      |      |     | <b>6,588.77</b> | <b>Nil</b>   | <b>6,588.77</b> |

Source: Appropriation Accounts 2020-21

**Appendix 3.16**  
**Rush of Expenditure**  
(Reference: Paragraph 3.12; Page 84)

(₹ in crore)

| Sl. No. | Grant number and name                          | Scheme No. | Expenditure incurred during Jan-March 2021 | Expenditure incurred in March 2021 | Total Expenditure | Percentage of total expenditure incurred during |            |
|---------|--|------------|--|------------------------------------|-------------------|---|------------|
|         |  |            |  |                                    |                   | Jan-March 2021                                  | March 2021 |
| 1.      | CH I- Interest Payment and Servicing of Debt   | 5436       | 600.00                                     | 600.00                             | 600.00            | 100.00  | 100.00     |
| 2.      | CH I- Interest Payment and Servicing of Debt   | 6881       | 2,500.00                                   | 2,500.00                           | 2,500.00          | 100.00  | 100.00     |
| 3.      | CH I- Interest Payment and Servicing of Debt   | 6880       | 700.00                                     | 700.00                             | 700.00            | 100.00  | 100.00     |
| 4.      | CH II- Public Debt                             | 6881       | 104.50                                     | 104.50                             | 104.50            | 100.00  | 100.00     |
| 5.      | 1-General Administration                       | 1341       | 29.95                                      | 29.94                              | 50.00             | 59.90   | 59.89      |
| 6.      | 3-Police                                       | 1416       | 40.00                                      | 40.00                              | 40.00             | 100.00  | 100.00     |
| 7.      | 6-Finance                                      | 6857       | 42.72                                      | 42.72                              | 42.72             | 100.00  | 100.00     |
| 8.      | 6-Finance                                      | 5329       | 31.35                                      | 31.35                              | 31.35             | 100.00  | 100.00     |
| 9.      | 7-Commercial Tax                               | 0817       | 600.00                                     | 600.00                             | 600.00            | 100.00  | 100.00     |
| 10.     | 7-Commercial Tax                               | 9858       | 11.69                                      | 10.33                              | 14.57             | 80.21   | 70.90      |
| 11.     | 8-Land Revenue and District Administration     | 5070       | 18.54                                      | 14.99                              | 19.37             | 95.68   | 77.36      |
| 12.     | 12-Energy                                      | 1284       | 33.46                                      | 33.46                              | 33.46             | 100.00  | 100.00     |
| 13.     | 12-Energy                                      | 7255       | 38.62                                      | 38.62                              | 38.62             | 100.00  | 100.00     |
| 14.     | 12-Energy                                      | 3218       | 1,065.00                                   | 1,065.00                           | 1,065.00          | 100.00  | 100.00     |
| 15.     | 12-Energy                                      | 5381       | 3,000.00                                   | 3,000.00                           | 3,008.00          | 99.73   | 99.73      |
| 16.     | 12-Energy                                      | 7900       | 193.00                                     | 193.00                             | 230.00            | 83.91   | 83.91      |
| 17.     | 12-Energy                                      | 6929       | 90.90                                      | 77.90                              | 90.90             | 100.00  | 85.70      |
| 18.     | 13-Farmer Welfare and Agriculture Development  | 7847       | 2,000.00                                   | 2,000.00                           | 2,000.00          | 100.00  | 100.00     |
| 19.     | 13-Farmer Welfare and Agriculture Development  | 1229       | 6.36                                       | 5.30                               | 10.86             | 63.06   | 52.52      |
| 20.     | 13-Farmer Welfare and Agriculture Development  | 1227       | 36.92                                      | 35.18                              | 36.92             | 100.00  | 95.28      |
| 21.     | 13-Farmer Welfare and Agriculture Development  | 7499       | 27.35                                      | 23.32                              | 37.48             | 72.98   | 62.23      |
| 22.     | 14-Animal Husbandry                            | 7153       | 20.00                                      | 20.00                              | 31.80             | 62.89   | 62.89      |
| 23.     | 16-Fisherman Welfare and Fisheries Development | 7579       | 34.52                                      | 34.52                              | 34.52             | 100.00  | 100.00     |
| 24.     | 19-Public Health and Family Welfare            | 7659       | 22.47                                      | 22.47                              | 22.47             | 100.00  | 100.00     |
| 25.     | 19-Public Health and Family Welfare            | 5719       | 18.90                                      | 17.30                              | 24.87             | 76.00   | 69.55      |
| 26.     | 20-Public Health Engineering                   | 5468       | 1,278.77                                   | 925.72                             | 1,631.27          | 78.39   | 56.75      |
| 27.     | 22-Urban Development and Housing               | 7711       | 140.20                                     | 105.20                             | 165.00            | 84.97   | 63.76      |
| 28.     | 22-Urban Development and Housing               | 1262       | 49.00                                      | 35.20                              | 49.00             | 100.00  | 71.84      |

| Sl. No. | Grant number and name  | Scheme No. | Expenditure incurred during Jan-March 2021 | Expenditure incurred in March 2021 | Total Expenditure | Percentage of total expenditure incurred during |            |
|---------|--|------------|--|------------------------------------|-------------------|---|------------|
|         |  |            |  |                                    |                   | Jan-March 2021                                  | March 2021 |
| 29.     | 22-Urban Development and Housing   | 6440       | 11.50                                      | 11.09                              | 12.09             | 95.11   | 91.73      |
| 30.     | 22-Urban Development and Housing   | 9488       | 53.00                                      | 52.00                              | 54.00             | 98.15   | 96.30      |
| 31.     | 22-Urban Development and Housing   | 1237       | 2,045.91                                   | 1,669.44                           | 2,437.91          | 83.92   | 68.48      |
| 32.     | 24-Public Works-Road and Bridges   | 3115       | 10.96                                      | 8.75                               | 12.36             | 88.68   | 70.80      |
| 33.     | 24-Public Works-Road and Bridges   | 5701       | 29.51                                      | 15.51                              | 29.51             | 100.00  | 52.57      |
| 34.     | 25-Mineral Resources   | 6606       | 719.44                                     | 719.44                             | 719.44            | 100.00  | 100.00     |
| 35.     | 27-School Education (Primary Education)  | 6716       | 68.00                                      | 68.00                              | 68.00             | 100.00  | 100.00     |
| 36.     | 29-Law and Legislative Affairs   | 4006       | 50.57                                      | 35.05                              | 67.99             | 74.39   | 51.55      |
| 37.     | 29-Law and Legislative Affairs   | 1304       | 11.33                                      | 9.95                               | 14.61             | 77.54   | 68.11      |
| 38.     | 33-Tribal Welfare  | 8844       | 22.81                                      | 22.81                              | 22.81             | 100.00  | 100.00     |
| 39.     | 33-Tribal Welfare  | 8805       | 54.72                                      | 46.63                              | 90.63             | 60.38   | 51.45      |
| 40.     | 33-Tribal Welfare  | 0671       | 70.27                                      | 62.58                              | 88.75             | 79.18   | 70.51      |
| 41.     | 33-Tribal Welfare  | 4722       | 29.94                                      | 25.70                              | 42.32             | 70.73   | 60.74      |
| 42.     | 33-Tribal Welfare  | 0584       | 14.31                                      | 9.91                               | 16.31             | 87.74   | 60.76      |
| 43.     | 35-Micro, Small and Medium Enterprises   | 6820       | 24.92                                      | 24.92                              | 25.00             | 99.67   | 99.67      |
| 44.     | 39-Food Civil Supplies and Consumer Protection   | 9214       | 68.75                                      | 54.35                              | 102.35            | 67.17   | 53.10      |
| 45.     | 39-Food Civil Supplies and Consumer Protection   | 1299       | 82.76                                      | 50.46                              | 86.91             | 95.23   | 58.06      |
| 46.     | 40-Other expenditure pertaining to School Education Department (excluding Primary Education) | 2267       | 82.39                                      | 57.70                              | 102.28            | 80.55   | 56.41      |
| 47.     | 44-Higher Education  | 6283       | 30.41                                      | 30.41                              | 30.41             | 100.00  | 100.00     |
| 48.     | 44-Higher Education  | 7600       | 27.50                                      | 27.50                              | 42.73             | 64.36   | 64.36      |
| 49.     | 48-Narmada Valley Development  | 2333       | 1,500.00                                   | 1,500.00                           | 1,545.00          | 97.09   | 97.09      |
| 50.     | 48-Narmada Valley Development  | 1406       | 311.10                                     | 303.08                             | 486.38            | 63.96   | 62.31      |
| 51.     | 49-Scheduled Caste Welfare   | 1213       | 53.56                                      | 45.90                              | 67.41             | 79.45   | 68.08      |
| 52.     | 49-Scheduled Caste Welfare   | 0538       | 111.50                                     | 110.54                             | 113.00            | 98.67   | 97.82      |
| 53.     | 49-Scheduled Caste Welfare   | 5084       | 6.85                                       | 6.31                               | 10.67             | 64.19   | 59.11      |
| 54.     | 49-Scheduled Caste Welfare   | 4722       | 97.92                                      | 92.83                              | 115.81            | 84.55   | 80.15      |
| 55.     | 50-Horticulture and Food Processing  | 5116       | 25.08                                      | 23.93                              | 30.79             | 81.44   | 77.72      |

| Sl. No.      | Grant number and name  | Scheme No. | Expenditure incurred during Jan-March 2021 | Expenditure incurred in March 2021 | Total Expenditure | Percentage of total expenditure incurred during |              |
|--------------|--|------------|--|------------------------------------|-------------------|---|--------------|
|              |  |            |  |                                    |                   | Jan-March 2021                                  | March 2021   |
| 56.          | 50-Horticulture and Food Processing  | 5626       | 11.94                                      | 11.44                              | 18.04             | 66.19   | 63.43        |
| 57.          | 52-Medical Education   | 5402       | 16.91                                      | 16.91                              | 31.91             | 53.00   | 53.00        |
| 58.          | 52-Medical Education   | 1211       | 22.28                                      | 19.83                              | 35.34             | 63.05   | 56.11        |
| 59.          | 53-Finance Assistance to Three Tier Panchayati Raj Institutions                  | 0660       | 42.25                                      | 31.25                              | 56.25             | 75.11   | 55.56        |
| 60.          | 53-Finance Assistance to Three Tier Panchayati Raj Institutions                  | 4610       | 100.47                                     | 95.05                              | 188.40            | 53.33   | 50.45        |
| 61.          | 53-Finance Assistance to Three Tier Panchayati Raj Institutions                  | 0647       | 119.49                                     | 119.49                             | 119.49            | 100.00  | 100.00       |
| 62.          | 53-Finance Assistance to Three Tier Panchayati Raj Institutions                  | 6093       | 35.00                                      | 35.00                              | 35.00             | 100.00  | 100.00       |
| 63.          | 53-Finance Assistance to Three Tier Panchayati Raj Institutions                  | 0327       | 13.93                                      | 13.93                              | 20.65             | 67.46   | 67.46        |
| 64.          | 55-Women and Child Development   | 5067       | 1,139.92                                   | 1,129.98                           | 1,363.66          | 83.59   | 82.86        |
| 65.          | 55-Women and Child Development   | 5360       | 26.27                                      | 23.36                              | 34.58             | 75.97   | 67.55        |
| 66.          | 57-Environment   | 7051       | 19.55                                      | 19.55                              | 19.55             | 100.00  | 100.00       |
| 67.          | 58-Expenditure on Relief on Account of Natural Calamities and Drought prone area | 7249       | 1,328.92                                   | 1,060.83                           | 2,118.62          | 62.73   | 50.07        |
| 68.          | 64-Financial Assistance to Urban Bodies  | 9638       | 660.00                                     | 660.00                             | 990.00            | 66.67   | 66.67        |
| 69.          | 64-Financial Assistance to Urban Bodies  | 1262       | 51.00                                      | 39.00                              | 51.00             | 100.00  | 76.47        |
| 70.          | 64-Financial Assistance to Urban Bodies  | 7145       | 25.73                                      | 25.73                              | 27.64             | 93.10   | 93.10        |
| <b>Total</b> |  |            | <b>21,962.89</b>                           | <b>20,692.16</b>                   | <b>24,758.28</b>  | <b>88.71</b>                                    | <b>83.58</b> |

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

**Appendix 3.17**  
**Non surrender of savings within prescribed time**  
(Reference: Paragraph 3.16.1.4; Page 90)

(₹ in crore)

| Sl. No. | BCO Code   | Name of the Scheme                 | Original Budget | Surrendered on 31 March 2021 | Expenditure (As per BCO) |
|---------|--|------------------------------------|-----------------|------------------------------|--------------------------|
| 1       | Director, Local Fund Audit, Bhopal (BCO Code-0406) | 006-2054-00-098-9999-4361-V-11-001 | 38.30           | 3.48                         | 34.83                    |
| 2       |  | 006-2054-00-098-9999-4361-V-11-003 | 6.53            | 2.34                         | 4.19                     |
| 3       |  | 006-2054-00-098-9999-4361-V-11-006 | 1.19            | 0.43                         | 0.76                     |
| 4       |  | 006-2054-00-098-9999-4361-V-11-008 | 0.11            | 0.02                         | 0.09                     |
| 5       |  | 006-2054-00-098-9999-4361-V-11-009 | 0.36            | 0.16                         | 0.20                     |
| 6       |  | 006-2054-00-098-9999-4361-V-11-011 | 0.16            | 0.05                         | 0.12                     |
| 7       |  | 006-2054-00-098-9999-4361-V-11-016 | 0.04            | 0.04                         | 0.00                     |
| 8       |  | 006-2054-00-098-9999-4361-V-11-018 | 0.10            | 0.10                         | 0.00                     |
| 9       |  | 006-2054-00-098-9999-4361-V-11-025 | 2.26            | 1.77                         | 0.49                     |
| 10      |  | 006-2054-00-098-9999-4361-V-11-028 | 0.02            | 0.01                         | 0.01                     |
| 11      |  | 006-2054-00-098-9999-4361-V-12-000 | 0.11            | 0.07                         | 0.04                     |
| 12      |  | 006-2054-00-098-9999-4361-V-21-001 | 0.30            | 0.02                         | 0.28                     |
| 13      |  | 006-2054-00-098-9999-4361-V-21-002 | 0.01            | 0.01                         | 0.00                     |
| 14      |  | 006-2054-00-098-9999-4361-V-22-001 | 0.03            | 0.01                         | 0.02                     |
| 15      |  | 006-2054-00-098-9999-4361-V-22-002 | 0.04            | 0.01                         | 0.03                     |
| 16      |  | 006-2054-00-098-9999-4361-V-22-003 | 0.04            | 0.01                         | 0.02                     |
| 17      |  | 006-2054-00-098-9999-4361-V-22-004 | 0.01            | 0.00                         | 0.01                     |
| 18      |  | 006-2054-00-098-9999-4361-V-22-005 | 0.10            | 0.01                         | 0.09                     |
| 19      |  | 006-2054-00-098-9999-4361-V-22-006 | 0.04            | 0.02                         | 0.02                     |
| 20      |  | 006-2054-00-098-9999-4361-V-22-007 | 0.06            | 0.01                         | 0.05                     |
| 21      |  | 006-2054-00-098-9999-4361-V-22-008 | 0.12            | 0.01                         | 0.11                     |
| 22      |  | 006-2054-00-098-9999-4361-V-22-009 | 0.01            | 0.00                         | 0.01                     |

| Sl. No.      | BCO Code   | Name of the Scheme                 | Original Budget | Surrendered on 31 March 2021 | Expenditure (As per BCO) |
|--------------|--|------------------------------------|-----------------|------------------------------|--------------------------|
| 23           |  | 006-2054-00-098-9999-4361-V-22-011 | 0.35            | 0.14                         | 0.21                     |
| 24           |  | 006-2054-00-098-9999-4361-V-22-012 | 0.10            | 0.03                         | 0.07                     |
| 25           |  | 006-2054-00-098-9999-4361-V-22-013 | 0.60            | 0.46                         | 0.14                     |
| 26           |  | 006-2054-00-098-9999-4361-V-23-002 | 0.00            | 0.00                         | 0.00                     |
| 27           |  | 006-2054-00-098-9999-4361-V-24-002 | 0.10            | 0.08                         | 0.02                     |
| 28           |  | 006-2054-00-098-9999-4361-V-24-004 | 0.00            | 0.00                         | 0.00                     |
| 29           |  | 006-2054-00-098-9999-4361-V-27-001 | 0.05            | 0.04                         | 0.01                     |
| 30           |  | 006-2054-00-098-9999-4361-V-27-002 | 0.04            | 0.03                         | 0.01                     |
| 31           |  | 006-2054-00-098-9999-4361-V-31-002 | 0.01            | 0.00                         | 0.01                     |
| 32           |  | 006-2054-00-098-9999-4361-V-31-003 | 0.01            | 0.01                         | 0.00                     |
| 33           |  | 006-2054-00-098-9999-4361-V-31-005 | 0.01            | 0.01                         | 0.00                     |
| 34           |  | 006-2054-00-098-9999-4361-V-31-006 | 0.05            | 0.04                         | 0.01                     |
| 35           |  | 006-2054-00-098-9999-4361-V-31-007 | 0.37            | 0.14                         | 0.20                     |
| 36           |  | 006-2054-00-098-9999-4361-V-33-001 | 0.01            | 0.00                         | 0.01                     |
| 37           |  | 006-2054-00-098-9999-4361-V-33-003 | 0.01            | 0.01                         | 0.00                     |
| 38           | Commissioner,<br>Institutional<br>Finance, Bhopal<br>(BCO Code-0404) | 006-4425-00-107-0101-1005-V-65-000 | 20.00           | 3.72                         | 16.28                    |
| 39           |  | 006-4070-00-800-0101-5632-V-45-000 | 0.00            | 0.00                         | 0.00                     |
| 40           |  | 006-2052-00-091-0101-7377-V-44-001 | 2.50            | 0.80                         | 1.70                     |
| 41           |  | 006-2052-00-091-0101-5652-V-31     | 0.75            | 0.75                         | 0.00                     |
| 42           |  | 006-2052-00-091-9999-1349-V-44-001 | 0.50            | 0.50                         | 0.00                     |
| <b>Total</b> |  |                                    | <b>75.40</b>    | <b>15.34</b>                 | <b>60.04</b>             |

Source: Information furnished by the BCOs

**Appendix 4.1**  
**Department wise position of pending Utilisation Certificates**  
(Reference: Paragraph 4.4; Page 99)

(₹ 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 Principal Accountant General (A&E)-I, Madhya Pradesh, Gwalior

**Appendix 4.2**  
**Details of Inoperative Personal Deposit Accounts as on 31 March 2021**  
(Reference: Paragraph 4.7; Page 101)

|         |                  |                    | (₹ in lakh) |
|---------|------------------|--------------------|-------------|
| Sl. No. | Name of Treasury | No. of PD Accounts | Amount      |
| 1       | Agar Barod       | 1                  | 20.85       |
| 2       | Alirajpur        | 2                  | 3.96        |
| 3       | Anuppur          | 1                  | 0.24        |
| 4       | Ashok Nagar      | 1                  | 13.01       |
| 5       | Badwani          | 8                  | (-)466.47   |
| 6       | Balaghat         | 6                  | 64.70       |
| 7       | Betul            | 8                  | (-)122.36   |
| 8       | Bhind            | 2                  | (-)34.26    |
| 9       | Bhopal           | 3                  | 292.68      |
| 10      | Burhanpur        | 2                  | 0.46        |
| 11      | Chhatarpur       | 4                  | 17.89       |
| 12      | Chhindwada       | 7                  | 958.78      |
| 13      | Datia            | 3                  | 183.77      |
| 14      | Dewas            | 2                  | (-)3.30     |
| 15      | Dhar             | 2                  | 1.29        |
| 16      | Dindori          | 2                  | 4.35        |
| 17      | Guna             | 2                  | 5.15        |
| 18      | Gwalior          | 2                  | (-)0.77     |
| 19      | Harda            | 5                  | 48.92       |
| 20      | Hoshangabad      | 10                 | (-)30.97    |
| 21      | Indore city      | 11                 | 16,642.34   |
| 22      | Indore           | 5                  | 4,929.94    |
| 23      | Jabalpur city    | 4                  | 119.88      |
| 24      | Jabalpur         | 5                  | 20.88       |
| 25      | Jhabua           | 4                  | 208.77      |
| 26      | Khargone         | 6                  | (-)327.47   |
| 27      | Khandwa          | 2                  | 20.45       |
| 28      | Mandla           | 2                  | 54.62       |
| 29      | Mandsaur         | 3                  | (-)9.48     |
| 30      | Morena           | 4                  | 50.12       |
| 31      | Narsinghpur      | 10                 | 59.16       |
| 32      | Panna            | 1                  | 0.13        |
| 33      | Rajgarh          | 3                  | (-)36.75    |
| 34      | Ratlam           | 8                  | (-)145.33   |
| 35      | Rewa             | 5                  | 44.38       |
| 36      | Raisen           | 11                 | 1,395.57    |
| 37      | Sagar            | 3                  | 7.75        |
| 38      | Shajapur         | 5                  | 4.14        |
| 39      | Satna            | 6                  | 15.98       |



| Sl. No.      | Name of Treasury    | No. of PD Accounts | Amount          |
|--------------|---------------------|--------------------|-----------------|
| 40           | Sehore              | 1                  | 0.01            |
| 41           | Seoni               | 4                  | 0.48            |
| 42           | Shahdol             | 5                  | 185.12          |
| 43           | Shivpuri            | 1                  | 0.13            |
| 44           | Sidhi               | 4                  | 42.01           |
| 45           | Singrauli           | 4                  | (-)22.21        |
| 46           | Tikamgarh           | 1                  | 24.10           |
| 47           | Ujjain              | 3                  | 94.01           |
| 48           | Umaria              | 2                  | (-)2.61         |
| 49           | Vallabh Bhawan      | 11                 | (-)16,950.53    |
| 50           | Vidisha             | 3                  | 49.51           |
| 51           | Vindhyanchal Bhawan | 6                  | 833.06          |
| <b>Total</b> |                     | <b>216</b>         | <b>8,266.08</b> |

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

**Appendix 4.3**  
**Booking under Minor Head '800-Other Receipts'**  
(Reference: Paragraph 4.8; Page 103)

(₹ 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  | 343.25                                      | 503.70                             | 68.15       |
| 2            | 0059  | Public Works  | 107.82                                      | 107.97                             | 99.86       |
| 3            | 0070  | Other Administrative Services                             | 94.73                                       | 173.18                             | 54.70       |
| 4            | 0202  | Education, Sports, Art and Culture                        | 965.22                                      | 1,382.51                           | 69.82       |
| 5            | 0217  | Urban Development   | 20.66                                       | 21.50                              | 96.09       |
| 6            | 0220  | Information and Publicity                                 | 0.54  | 0.55                               | 98.18       |
| 7            | 0235  | Social Security and Welfare                               | 27.51                                       | 29.09                              | 94.57       |
| 8            | 0401  | Crop Husbandry  | 18.41                                       | 32.44                              | 56.75       |
| 9            | 0403  | Animal Husbandry  | 1.23  | 2.29                               | 53.71       |
| 10           | 0408  | Food Storage and Warehousing                              | 0.05  | 0.06                               | 83.33       |
| 11           | 0435  | Other Agricultural Programmes                             | 4.01  | 4.21                               | 95.25       |
| 12           | 0515  | Other Rural Development Programmes                        | 2.48  | 4.90                               | 50.61       |
| 13           | 0700  | Major Irrigation  | 24.11                                       | 41.92                              | 57.51       |
| 14           | 0702  | Minor Irrigation  | 228.90                                      | 231.30                             | 98.96       |
| 15           | 0801  | Power   | 11.35                                       | 11.35                              | 100.00      |
| 16           | 0852  | Industries  | 0.39  | 0.40                               | 97.50       |
| 17           | Other Major Heads having percentage less than 50 per cent | Other Major Heads having percentage less than 50 per cent | 5,561.63                                    | 1,43,829.42                        | 3.87        |
| <b>Total</b> |   |   | <b>7,412.29</b>                             | <b>1,46,376.79</b>                 | <b>5.06</b> |

Source: Finance Accounts 2020-21

**Appendix 4.4**  
**Booking under Minor Head '800-Other Expenditure'**  
(Reference: Paragraph 4.8; Page 103)

(₹ in crore)

| Sl. No.      | Major Head  | Description   | Expenditure under Minor Head 800-Other Expenditure | Total Expenditure under the Major Head | Percentage   |
|--------------|---|---|--|--|--------------|
| 1            | 2029  | Land Revenue  | 1,490.00   | 2,436.27                               | 61.16        |
| 2            | 2204  | Sports and Youth Services                                 | 78.22  | 137.26                                 | 56.99        |
| 3            | 2217  | Urban Development   | 3,603.74   | 5,588.45                               | 64.49        |
| 4            | 2245  | Relief on account of Natural Calamities                   | 3,105.55   | 4,944.37                               | 62.81        |
| 5            | 2250  | Other Social Services                                     | 39.37  | 39.37                                  | 100.00       |
| 6            | 2702  | Minor Irrigation  | 141.29   | 144.56                                 | 97.74        |
| 7            | 2705  | Command Area Development                                  | 7.64   | 8.58                                   | 89.04        |
| 8            | 2851  | Village and Small Industries                              | 279.39   | 465.19                                 | 60.06        |
| 9            | 2852  | Industries  | 307.13   | 307.13                                 | 100.00       |
| 10           | 4070  | Capital Outlay on Other Administrative Services           | 9.99   | 9.99                                   | 100.00       |
| 11           | 4403  | Capital Outlay on Animal Husbandry                        | 4.04   | 7.65                                   | 52.81        |
| 12           | 4406  | Capital Outlay on Forestry and Wild Life                  | 465.89   | 916.58                                 | 50.83        |
| 13           | 4408  | Capital Outlay on Food, Storage and Warehousing           | 0.20   | 0.20                                   | 100.00       |
| 14           | 4515  | Capital Outlay on other Rural Development Programmes      | 3,190.79   | 3,782.09                               | 84.37        |
| 15           | 4700  | Capital Outlay on Major Irrigation                        | 7,946.68   | 8,360.86                               | 95.05        |
| 16           | 4701  | Capital outlay on Medium Irrigation                       | 1,139.61   | 1,174.96                               | 96.99        |
| 17           | 4705  | Capital Outlay on Command Area Development                | 4.45   | 5.17                                   | 86.07        |
| 18           | 4711  | Capital Outlay on Flood Control Projects                  | 1.04   | 1.26                                   | 82.54        |
| 19           | 4875  | Capital Outlay on Other Industries                        | 233.20   | 328.20                                 | 71.05        |
| 20           | 5053  | Capital Outlay on Civil Aviation                          | 60.17  | 66.17                                  | 90.93        |
| 21           | 5055  | Capital Outlay on Road Transport                          | 2.65   | 2.65                                   | 100.00       |
| 22           | 5475  | Capital Outlay on other General Economic Services         | 0.47   | 0.47                                   | 100.00       |
| 23           | Other Major Heads having percentage less than 50 per cent | Other Major Heads having percentage less than 50 per cent | 12,139.88  | 1,66,361.35                            | 7.30         |
| <b>Total</b> |   |   | <b>34,251.39</b>                                   | <b>1,95,088.78</b>                     | <b>17.56</b> |

Source: Finance Accounts 2020-21

**Appendix 5.1**  
**List of State Public Sector Undertakings in Madhya Pradesh**  
(Reference: Paragraph 5.4; Page 112)

| Sl. No. | Government Companies  |
|---------|---|
|         | <b>SPSUs covered in this Report</b>   |
|         | <b>Power Sector</b>   |
| 1       | Madhya Pradesh Power Generating Company Limited (MPPGCL)                      |
| 2       | Madhya Pradesh Power Transmission Company Limited (MPPTCL)                    |
| 3       | Madhya Pradesh Poorv Kshetra Vidyut Vitaran Company Limited (MPPoKVVCL)       |
| 4       | Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited (MPPaKVVCL)     |
| 5       | Madhya Pradesh Madhya Kshetra Vidyut Vitaran Company Limited (MPMKVVCL)       |
| 6       | Madhya Pradesh Urja Vikas Nigam Limited (MPUVNL)                              |
| 7       | Madhya Pradesh Power Management Company Limited (MPPMCL)                      |
|         | <b>Agriculture and Allied</b>   |
| 8       | Madhya Pradesh Rajya Van Vikas Nigam Limited                                  |
| 9       | Madhya Pradesh State Agro Industries Development Corporation Limited          |
| 10      | Madhya Pradesh Warehousing and Logistics Corporation                          |
|         | <b>Service</b>  |
| 11      | DMIC Pithampur Jal Prabhandhan Limited  |
| 12      | Madhya Pradesh Plastic Park Development Corporation Limited                   |
| 13      | Madhya Pradesh Industrial Development Corporation Limited                     |
| 14      | Madhya Pradesh Laghu Udyog Nigam Limited                                      |
| 15      | Madhya Pradesh Plastic City Development Corporation Gwalior Limited           |
| 16      | Madhya Pradesh State Civil Supplies Corporation Limited                       |
| 17      | Madhya Pradesh State Tourism Development Corporation Limited                  |
| 18      | Madhya Pradesh Hotel Corporation Limited                                      |
| 19      | DMIC Vikram Udyogpuri Limited   |
| 20      | Madhya Pradesh Public Health Services Corporation Limited                     |
| 21      | Madhya Pradesh Jal Nigam Maryadit   |
| 22      | Madhya Pradesh Tourism Board  |
|         | <b>Infrastructure</b>   |
| 23      | Madhya Pradesh Road Development Corporation Limited                           |
| 24      | Madhya Pradesh Urban Development Corporation Limited                          |
| 25      | Ujjain Smart City Development Corporation Limited                             |
| 26      | Bhopal Smart City Development Corporation Limited                             |
| 27      | Gwalior Smart City Development Corporation Limited                            |
| 28      | Jabalpur Smart City Development Corporation Limited                           |
| 29      | Indore Smart City Development Corporation Limited                             |
| 30      | Satna Smart City Development Corporation Limited                              |
| 31      | Sagar Smart City Development Corporation Limited                              |
|         | <b>Manufacturing</b>  |
| 32      | Pithampur Auto Cluster Limited  |
| 33      | Madhya Pradesh State Electronics Development Corporation Limited              |
| 34      | Bhopal Electronics Manufacturing Park Limited                                 |
| 35      | Jabalpur Electronics Manufacturing Park Limited                               |
| 36      | Sant Ravidas MP Hastha Shilp Evam Hath Kargha Vikas Nigam Limited             |
| 37      | Madhya Pradesh State Mining Corporation Limited                               |
|         | <b>Finance</b>  |
| 38      | The Provident Investment Company Limited                                      |
| 39      | Madhya Pradesh Financial Corporation  |
|         | <b>SPSUs not-covered in this Report</b>                                       |
| 1       | Madhya Pradesh State Industrial Development Corporation Limited               |
| 2       | Madhya Pradesh Pichhara Varg Tatha Alpsankhyak Vitta Evam Vikas Nigam Limited |
| 3       | Madhya Pradesh Adivasi Vitta Evam Vikas Nigam Limited                         |

| Sl. No. | Government Companies   |
|---------|--|
| 4       | Madhya Pradesh Venture Finance Limited   |
| 5       | Madhya Pradesh Venture Finance Trustee Limited                                   |
| 6       | Madhya Pradesh Panchayati Raj Vitta Evam Gramin Vikas Nigam Limited              |
| 7       | Madhya Pradesh Film Development Corporation Limited                              |
| 8       | Shahpura Thermal Power Company Limited (STPCL)                                   |
| 9       | Bansagar Thermal Power Company Limited (BTPCL)                                   |
| 10      | Shri Singaji Power Project Limited (SSPPL)                                       |
| 11      | Burhanpur City Transport Service Limited   |
| 12      | Ratlam Bus Services Limited, Ratlam  |
| 13      | Sagar City Transport Services Limited  |
| 14      | Madhya Pradesh and Maharashtra Minerals and Chemicals Limited                    |
| 15      | Madhya Pradesh State Road Transport Corporation                                  |
| 16      | Singrauli Airport Company Limited  |
| 17      | Madhya Pradesh Police Housing and Infrastructure Development Corporation Limited |
| 18      | Narmada Basin Projects Company Limited   |
| 19      | Madhya Pradesh Metro Rail Company Limited  |
| 20      | Optel Telecommunication Limited  |
| 21      | Madhya Pradesh Vidyut Yantra Limited   |
| 22      | Madhya Pradesh AMRL (Semaria) Coal Company Limited                               |
| 23      | Madhya Pradesh AMRL (Morga) Coal Company Limited                                 |
| 24      | Madhya Pradesh AMRL (Bicharpur) Coal Company Limited                             |
| 25      | Madhya Pradesh AMRL (Marki Barka) Coal Company Limited                           |
| 26      | Madhya Pradesh Jaypee Coal Limited   |
| 27      | Madhya Pradesh Monnet Mining Company Limited                                     |
| 28      | Madhya Pradesh Jaypee Coal Fields Limited  |
| 29      | Madhya Pradesh Jaypee Minerals Limited   |
| 30      | Madhya Pradesh Sainik Coal Mining Private Limited                                |
| 31      | B-Nest Foundation  |

**Appendix 5.2**  
**Statement showing number of State Public Sector Undertakings**  
**whose accounts are in arrear as on 30 September 2021<sup>1</sup>**  
(Reference: Paragraph 5.5; Page 113)

| Sl. No.                        | Name of the Company  | Account received upto      | No. of Account in arrear |
|--------------------------------|--|----------------------------|--------------------------|
| <b>A. Government Companies</b> |  |                            |                          |
| 1                              | Madhya Pradesh State Mining Corporation Limited                      | 2019-20                    | 1                        |
| 2                              | Madhya Pradesh Public Health Services Corporation Limited            | 2019-20                    | 1                        |
| 3                              | Madhya Pradesh State Electronics Development Corporation Limited     | 2019-20                    | 1                        |
| 4                              | Pithampur Auto Cluster Limited                                       | 2019-20                    | 1                        |
| 5                              | Madhya Pradesh Plastic Park Development Corporation Limited          | 2019-20                    | 1                        |
| 6                              | Jabalpur Electronics Manufacturing Park Limited                      | 2019-20                    | 1                        |
| 7                              | Bhopal Electronics Manufacturing Park Limited                        | 2019-20                    | 1                        |
| 8                              | Narmada Basin Projects Company Limited                               | 2019-20                    | 1                        |
| 9                              | Madhya Pradesh Venture Finance Limited                               | 2019-20                    | 1                        |
| 10                             | Madhya Pradesh Venture Finance Trustee Limited                       | 2019-20                    | 1                        |
| 11                             | Madhya Pradesh AMRL (Semaria) Coal Company Limited                   | 2019-20                    | 1                        |
| 12                             | Madhya Pradesh AMRL (Morga) Coal Company Limited                     | 2019-20                    | 1                        |
| 13                             | Madhya Pradesh AMRL (Bicharpur) Coal Company Limited                 | 2019-20                    | 1                        |
| 14                             | Madhya Pradesh AMRL (Marki Barka) Coal Company Limited               | 2019-20                    | 1                        |
| 15                             | Madhya Pradesh Power Generating Company Limited                      | 2019-20                    | 1                        |
| 16                             | Madhya Pradesh Power Transmission Company Limited                    | 2019-20                    | 1                        |
| 17                             | Madhya Pradesh Poorv Kshetra Vidyut Vitaran Company Limited          | 2019-20                    | 1                        |
| 18                             | Madhya Pradesh Power Management Company Limited                      | 2019-20                    | 1                        |
| 19                             | Shahpura Thermal Power Company Limited                               | 2019-20                    | 1                        |
| 20                             | Bansagar Thermal Power Company Limited                               | 2019-20                    | 1                        |
| 21                             | Madhya Pradesh Jal Nigam Maryadit                                    | 2019-20                    | 1                        |
| 22                             | Madhya Pradesh Rajya Van Vikas Nigam Limited                         | 2018-19                    | 2                        |
| 23                             | Madhya Pradesh State Agro Industries Development Corporation Limited | 2018-19                    | 2                        |
| 24                             | Madhya Pradesh Urban Development Corporation Limited                 | 2018-19                    | 2                        |
| 25                             | Madhya Pradesh Laghu Udyog Nigam Limited                             | 2018-19                    | 2                        |
| 26                             | The Provident Investment Company Limited                             | 2018-19                    | 2                        |
| 27                             | DMIC Vikram Udyogpuri Limited  | 2018-19                    | 2                        |
| 28                             | DMIC Pithampur Jal Prabhandhan Limited                               | 2018-19                    | 2                        |
| 29                             | Sant Ravidas MP Hastha Shilp Evam Hath Kargha Vikas Nigam Limited    | 2018-19                    | 2                        |
| 30                             | Madhya Pradesh Tourism Board   | 2018-19                    | 2                        |
| 31                             | Madhya Pradesh Metro Rail Company Limited                            | 2018-19                    | 2                        |
| 32                             | Madhya Pradesh Urja Vikas Nigam Limited (MPUVNL)                     | 2018-19                    | 2                        |
| 33                             | Madhya Pradesh Hotel Corporation Limited                             | 2018-19                    | 2                        |
| 34                             | Madhya Pradesh Road Development Corporation Limited                  | 2017-18                    | 3                        |
| 35                             | Madhya Pradesh Industrial Development Corporation Limited            | 2017-18                    | 3                        |
| 36                             | Madhya Pradesh state civil supply corporation                        | 2017-18                    | 3                        |
| 37                             | Burhanpur City Transport Service Limited                             | FANR (arrear from 2018-19) | 3                        |
| 38                             | Ratlam Bus Services Limited, Ratlam                                  | FANR (arrear from 2018-19) | 3                        |
| 39                             | Madhya Pradesh State Tourism Development Corporation Limited         | 2016-17                    | 4                        |

<sup>1</sup> The due date of conduct of Annual General Meeting for 2020-21 was extended by two months (i.e. by 30 November 2021).

| Sl. No.   | Name of the Company  | Account received upto      | No. of Account in arrear |
|---|--|----------------------------|--------------------------|
| 40  | Madhya Pradesh Police Housing and Infrastructure Development Corporation Limited | 2016-17                    | 4                        |
| 41  | Madhya Pradesh State Industrial Development Corporation Limited                  | 2015-16                    | 5                        |
| 42  | Singrauli Airport Company Limited  | FANR (arrear from 2014-15) | 7                        |
| 43  | Sagar City Transport Company limited   | FANR (arrear from 2014-15) | 7                        |
| 44  | Madhya Pradesh Pichhara Varg Tatha Alpsankhyak Vitta Evam Vikas Nigam Limited    | 2009-10                    | 11                       |
| 45  | Madhya Pradesh Film Development Corporation Limited                              | 2009-10                    | 11                       |
| 46  | Optel Telecommunication Limited  | 2009-10                    | 11                       |
| 47  | Madhya Pradesh Panchayati Raj Vitta Evam Gramin Vikas Nigam Limited              | 2005-06                    | 15                       |
| 48  | Madhya Pradesh Adivasi Vitta Evam Vikas Nigam Limited                            | 2003-04                    | 17                       |
| 49  | Madhya Pradesh and Maharashtra Minerals and Chemicals Limited                    | 2001-02                    | 19                       |
| 50  | Madhya Pradesh Vidyut Yantra Limited   | 1989-90                    | 31                       |
| <b>A. Government Companies Total</b>                  |  |                            | <b>202</b>               |
| <b>B. Statutory Corporations</b>                      |  |                            |                          |
| 1   | Madhya Pradesh Warehousing and Logistics Corporation                             | 2019-20                    | 1                        |
| 2   | Madhya Pradesh State Road Transport Corporation                                  | 2007-08                    | 13                       |
| <b>B. Statutory Corporation Total</b>                 |  |                            | <b>14</b>                |
| <b>C. Government Controlled other Companies</b>       |  |                            |                          |
| 1   | Ujjain Smart City Development Corporation Limited                                | 2019-20                    | 1                        |
| 2   | Jabalpur Smart City Development Corporation Limited                              | 2019-20                    | 1                        |
| 3   | Indore Smart City Development Corporation Limited                                | 2019-20                    | 1                        |
| 4   | Sagar Smart City Development Corporation Limited                                 | 2019-20                    | 1                        |
| 5   | Bhopal Smart City Development Corporation Limited                                | 2018-19                    | 2                        |
| 6   | Gwalior Smart City Development Corporation Limited                               | 2018-19                    | 2                        |
| 7   | Satna Smart City Development Corporation Limited                                 | 2018-19                    | 2                        |
| 8   | B-Nest Foundation  | FANR (arrear from 2018-19) | 3                        |
| <b>C. Government Controlled other Companies Total</b> |  |                            | <b>13</b>                |
| <b>Grand Total (A+B+C)</b>                            |  |                            | <b>229</b>               |

### Appendix 5.3

#### State Public Sector Undertakings information on profit from operating activities/other income

(Reference: Paragraph 5.9.1; Page 119)

| Sl. No.   | Name of the State Public Sector Undertakings                         |
|---|--|
| <b>SPSUs which eared profit only from its operations</b>              |  |
| 1   | Madhya Pradesh Warehousing and Logistics Corporation                 |
| 2   | Madhya Pradesh Power Generating Company Limited (MPPGCL)             |
| 3   | Madhya Pradesh Rajya Van Vikas Nigam Limited                         |
| 4   | Madhya Pradesh State Mining Corporation Limited                      |
| 5   | Madhya Pradesh State Agro Industries Development Corporation Limited |
| 6   | Madhya Pradesh Road Development Corporation Limited                  |
| 7   | Madhya Pradesh Public Health Services Corporation Limited            |
| 8   | Madhya Pradesh Hotel Corporation Limited                             |
| 9   | Indore Smart City Development Corporation Limited                    |
| <b>SPSUs which earned profit only from other/extraordinary income</b> |  |
| 1   | Madhya Pradesh State Electronics Development Corporation Limited     |
| 2   | Madhya Pradesh Power Transmission Company Limited (MPPTCL)           |
| 3   | Madhya Pradesh State Tourism Development Corporation Limited         |
| 4   | Madhya Pradesh Urja Vikas Nigam Limited (MPUVNL)                     |
| 5   | Madhya Pradesh Laghu Udyog Nigam Limited                             |
| 6   | Madhya Pradesh State Civil Supplies Corporation Limited              |
| 7   | Madhya Pradesh Tourism Board   |
| 8   | Sant Ravidas MP Hastha Shilp Evam Hath Kargha Vikas Nigam Limited    |
| 9   | DMIC Pithampur Jal Prabhandhan Limited                               |



**Appendix 5.4**  
**Non-compliance of mandatory Accounting Standards/Ind-AS**  
**Reported by Statutory Auditors**  
(Reference: Paragraph 5.13.2; Page 126)

| Sl. No. | Name of the Company  | Ind-AS/AS | Brief comment on Ind-AS/AS   |
|---------|--|-----------|--|
| 1       | Madhya Pradesh Poorv Kshetra Vidyut Vitaran Company (2019-20)  | Ind AS    | Ind AS 2 'Inventories': Company valuing inventory on weighted average cost instead of at the lower of cost and net realizable value.   |
|         |  |           | Non follow of Ind AS 19 'Employee benefit' as company has provided for post employment benefits and other long term employee benefits as per the actuarial valuation report dated 19.02.2010, which is not accordance with Ind AS 19.  |
| 2       | Madhya Pradesh Power Management Company (2019-20)              | Ind AS    | Non follow of Ind AS 19 'Employee benefit'.  |
|         |  |           | Qualification on the basis that Statutory Auditor are not in position to assure the provisions of Ind AS 36  |
|         |  |           | The Company has neither quantified the amount involved nor has made any provision as per Ind AS 37   |
| 3       | Madhya Pradesh Urja Vikas Nigam (2018-19)                      | AS        | Non Compliance with Accounting Standard 1 'Disclosure of Accounting Policies'  |
|         |  |           | Non Compliance with Accounting Standard 2 'Valuation of Inventories'   |
|         |  |           | Non Compliance with Accounting Standard 4 'Contingencies and events occurring after balance sheet date'  |
|         |  |           | Non Compliance with Accounting Standard 22 'Accounting for taxes and income'   |
|         |  |           | Non Compliance with Accounting Standard 10 'Property, Plant and Equipment'.  |
| 4       | Madhya Pradesh Power Transmission Company Limited (2019-20)    | Ind AS    | Deviations from Ind AS 16 'Property Plant and Equipment' in respect of delay in recognition as assets and undercharge of depreciation  |
|         |  |           | Deviations from Ind AS 18 'Revenue Recognition' in respect of under billed revenue for tru up income for rest of expenses except terminal benefit etc.   |
|         |  |           | Deviations from Ind AS 19'Employee Benefit' with reference to no actuarial valuation report of postretirement benefit has been obtained by the company   |
|         |  |           | Deviations from Ind AS 23'Borrowing Costs' with respect to amount of borrowing cost eligible for capitalization on the assets should be determined as actual cost of borrowing costs incurred on the borrowing during the period less any income on temporary investment of those borrowing. |
|         |  |           | Deviations from Ind AS 37 'Provisions Contingent Liabilities and Contingent Assets' as company not booked provision for interest on overdue principle of PP bond outstanding with company  |
|         |  |           | Deviations from Ind AS 32 and 109 'Financial Instruments' as company was recognised ₹24.70 lakh to deemed equity without any order/ approval from GoMP   |
|         |  |           |  |
| 5       | Madhya Pradesh Tourism Board (2018-19)                         | AS        | AS-11 the effect of changes in foreign exchange rates regarding foreign currency transaction.  |
| 6       | Madhya Pradesh Trade and Corporation Limited, Bhopal (2017-18) | AS        | AS-12 Grant is not classification as capital grant and revenue grant.  |
| 7       | Ujjain Smart City Limited for the year 2019-20                 | Ind AS    | Ind AS 38 Intangible Assets regarding company has incurred Website Development Expenses an amounting to ₹3.99 Lakh which should have been capitalized in the financial statements. However, the same is transferred to P and L account.  |

| Sl. No. | Name of the Company  | Ind-AS/AS | Brief comment on Ind-AS/AS   |
|---------|--|-----------|--|
| 8       | Madhya Pradesh State Mining Corporation Limited, Bhopal (2019-20)  | Ind AS    | Ind AS-37 Provisions, Contingent Liabilities and Contingent Assets regarding Contingent Liabilities.   |
| 9       | Madhya Pradesh Madhya Kshetra Vidyut Vitaran Co. Limited (2019-20) | Ind AS    | <p>Ind AS-8: Accounting Policies, Changes in Accounting Estimates and Errors regarding prior period errors</p> <p>Ind AS-16: Property, Plant Equipment regarding Company is not Capitalize all its assets commissioned up to the date of balance sheet.</p> <p>Ind AS-19: Employee Benefits regarding the Company has not obtained actuarial valuation report of post-retirement benefits and Company has not fulfilled the disclosure requirements.</p> <p>Ind AS-20: Accounting for Government Grant and Discloser of Government Assistance regarding the Company has not recognized benefit of a government loan as government grant.</p> <p>Ind AS-21: Accounting for Foreign exchange gain or loss regarding the Company has not made any adjustment with regard to gain/loss on account of foreign exchange.</p> <p>Ind AS-23: Borrowing Costs regarding</p> <p>Ind AS-36: Impairment of Assets, during the year, the Company has not assessed whether there is any indication that an asset may be impaired. There is no working for impairment so SA are unable to comment on the same.</p> <p>Ind AS-105: Non-current Assets held for sale and Discontinued operations regarding the Company does not measure its unserviceable/Damaged/Obsolete capital stores held for sale as required by the Ind AS.</p> <p>Ind AS-115: Revenue from Contracts with Customers, the Company is booking utility charges under RGGVY scheme on payment made to contractor under the project. As per the Ind AS, revenue for rendering of service performed and it clearly specified that progress payments and advances received from customers do not reflect the services performed.</p> |
| 10      | Madhya Pradesh State Electronics Development Corporation (2019-20) | AS        | <p>Impairment of Assets indication for impairment of assets not provided as indicated in the AS 28</p> <p>AS 10: Accounting for Fixed Assets as company not shown retired assets as per AS</p> <p>AS 6: 'Depreciation accounting', company not assessed useful life of assets</p>  |
| 11      | Madhya Pradesh Financial Corporation (2019-20)                     | AS        | Corporation has not measured its deferred tax assets or liabilities as per AS 22   |

**Appendix 5.5**  
**Comments issued to State Public Sector Undertakings**  
(Reference: Paragraph 5.14.1; Page 127)

| Sl. No. | Name of the Public Sector Undertakings   | Period of comment issued |
|---------|--|--------------------------|
| 1       | Madhya Pradesh Rajya Van Vikas Nigam Limited                                     | 2018-19                  |
| 2       | Madhya Pradesh Jal Nigam Maryadit  | 2018-19                  |
| 3       | Madhya Pradesh State Civil Supplies Corporation Limited                          | 2017-18                  |
| 4       | Madhya Pradesh Road Development Corporation Limited                              | 2017-18                  |
| 5       | Madhya Pradesh Plastic Park Development Corporation Limited                      | 2018-19                  |
| 6       | Jabalpur Smart City Development Corporation Limited                              | 2019-20                  |
| 7       | Indore Smart City Development Limited  | 2019-20                  |
| 8       | Sagar Smart City Development Limited   | 2017-18                  |
| 9       | Sagar Smart City Development Limited   | 2018-19                  |
| 10      | Madhya Pradesh Financial Corporation   | 2019-20                  |
| 11      | Madhya Pradesh Industrial Development Corporation Limited                        | 2015-16                  |
| 12      | Madhya Pradesh Police Housing and Infrastructure Development Corporation Limited | 2016-17                  |
| 13      | Madhya Pradesh Tourism Board   | 2017-18                  |
| 14      | Narmada Basin Projects Company Limited   | 2019-20                  |
| 15      | Madhya Pradesh Metro Rail Company Limited  | 2017-18                  |
| 16      | Madhya Pradesh Metro Rail Company Limited  | 2018-19                  |
| 17      | Madhya Pradesh Power Generating Company Limited (MPPGCL)                         | 2019-20                  |
| 18      | Madhya Pradesh Power Transmission Company Limited (MPPTCL)                       | 2019-20                  |
| 19      | Madhya Pradesh Poorv Kshetra Vidyut Vitaran Company Limited (MPPoKVVCL)          | 2019-20                  |
| 20      | Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited (MPPaKVVCL)        | 2019-20                  |
| 21      | Madhya Pradesh Madhya Kshetra Vidyut Vitaran Company Limited (MPMKVVCL)          | 2019-20                  |
| 22      | Madhya Pradesh Power Management Company Limited (MPPMCL)                         | 2019-20                  |
| 23      | Shahpura Thermal Power Company Limited (STPCL)                                   | 2019-20                  |
| 24      | Bansagar Thermal Power Company Limited (BTPCL)                                   | 2019-20                  |
| 25      | Shri Singaji Power Project Limited (SSPPL)                                       | 2019-20                  |

**Appendix 5.6**  
**Broad nature of irregularities highlighted in Management Letters**  
(Reference: Paragraph 5.16; Page 130)

| Sl. No. | Name of Company  |
|---------|--|
| 1       | Madhya Pradesh Monet Mining Co. Limited (2019-20)  |
| 2       | Madhya Pradesh Industrial Development Corporation Limited (2017-18)                        |
| 3       | Bansagar Thermal Power Corporation Limited (2019-20)                                       |
| 4       | Madhya Pradesh Madhya Kshetra Vidyut Vitran Company Limited (2019-20)                      |
| 5       | Madhya Pradesh Poorva Kshetra vidyut vitran Company Limited (2019-20)                      |
| 6       | Madhya Pradesh Power Transmission Company Limited (2019-20)                                |
| 7       | Madhya Pradesh Paschim Kshetra vidyut vitran Company Limited (2019-20)                     |
| 8       | Shahpura Thermal Power Company Limited (2019-20)   |
| 9       | Jabalpur Smart City Limited (2019-20)  |
| 10      | Sagar Smart City Limited (2018-19)   |
| 11      | Sagar Smart City Limited (2017-18 and 2018-19)   |
| 12      | Madhya Pradesh Police Housing and Infrastructure Development Corporation Limited (2016-17) |
| 13      | Indore Smart City Development Limited (2019-20)  |
| 14      | Madhya Pradesh Laghu Udyog Nigam Limited (2018-19)   |
| 15      | Madhya Pradesh Tourism Board (2017-18)   |
| 16      | Madhya Pradesh State Civil Supplies Corporation Limited (2017-18)                          |
| 17      | Madhya Pradesh Jal Nigam Maryadit (2018-19)  |
| 18      | Madhya Pradesh Metro Rail (2017-18 and 2018-19)  |
| 19      | Shri Singa Ji Power Project Limited (2019-20)  |
| 20      | Madhya Pradesh Plastic Park Development Corporation Limited (2018-19)                      |
| 21      | Madhya Pradesh State Mining Corporation Limited (2019-20)                                  |
| 22      | Madhya Pradesh State Electronics Development Corporation Limited (2019-20)                 |
| 23      | Madhya Pradesh AMRL (Bicharpur) Coal Co. Limited (2019-20)                                 |
| 24      | Madhya Pradesh Jaypee Minerals Limited (2019-20)   |
| 25      | Madhya Pradesh AMRL (Marki Barka) Coal Co. Limited (2019-20)                               |
| 26      | Madhya Pradesh AMRL (Morga) Coal Co. Limited (2019-20)                                     |
| 27      | Madhya Pradesh AMRL (Semaria) Coal Co. Limited (2019-20)                                   |



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