

# **Government of Madhya Pradesh**



**Statements laid before the Vidhan Sabha  
as required under**

**The Madhya Pradesh  
Rajkoshiya Uttardayitva Evam  
Budget Prabandhan Adhiniyam, 2005**

**Raghavji  
Finance Minister**

**YEAR 2013-14**

# CONTENTS

<b>No.</b>	<b>Subject</b>	<b>Page</b>
1	Preface	1
2	Macro-Economic Framework Statement in Form F-1	1
3	Medium Term Fiscal Policy Statement in Form F-2	7
4	Fiscal Policy Strategy Statement in Form F-3	15
5	Statement on Fiscal Indicators in Form F-4	19
6	Statement on Components of State Government liabilities and interest cost of liabilities/mobilization of deposits in Form F-5	20
7	Consolidated Sinking Fund Statement in Form F-6	22
8	Statement of Guarantees given by the Government in Form F-7	23
9	Guarantee Redemption Fund statement in Form F-8	24
10	Statement of Financial assets in Form F-9	25
11	Statement on Claims and commitments made by the State Government on revenue demands raised but not realised in Form F-10	26
12	Statement of Details of number and related salaries of employees in the State Government, State Public Sector Undertakings and State aided institutions in Form F-11	27

## PREFACE

The Madhya Pradesh Rajkoshiya Uttardayitva Evam Budget Prabandhan Adhiniyam, 2005 and the Rajkoshiya Uttardayitva Evam Budget Prabandhan Niyam, 2006 made under Section 12 of the above Adhiniyam have come into force on 1<sup>st</sup> January, 2006 and 30<sup>th</sup> January, 2006 respectively.

Under Section 5 of the Adhiniyam read with Rules 3,4,5 and 7, the State Government is required to lay Macro-Economic Framework Statement, Medium Term Fiscal Policy Statement, Fiscal Policy Strategy Statement and Disclosure Statements along with the Annual Financial Statement and Demands for Grants before the Assembly. This document containing the Statements referred above is, therefore, laid before the Assembly in compliance with the above statutory requirements.

**Raghavji**  
**Finance Minister**

**February, 2013**

## Format F-1

[See Rule 3]

### MACRO-ECONOMIC FRAMEWORK STATEMENT

#### A. 1 Overview of the State Economy:

- 1.1 A comparative analysis of the structure of economy of the State and changes witnessed in it vis-a-vis the national economy is shown in Table 1.1.

**Table 1.1**  
**Changes in the Structure of the Economy (at constant prices)**  
(Figures in Percentage)

Sector/Year	All India		Madhya Pradesh	
	2004-05	2011-12 (Quick Estimate)	2004-05	2011-12 (Quick Estimate)
Primary	19.03	14.10	27.66	23.45
Secondary	27.93	27.51	27.15	29.38
Tertiary	53.05	58.39	45.19	47.17

- 1.2 There have been changes in the structure of the economy at all India and state level during the years 2004-05 to 2011-12. At all India level, the contribution of primary sector declined from 19.03 percent to 14.10 percent and that of tertiary sector increased from 53.05 percent to 58.39 percent. In comparison, for Madhya Pradesh, the contribution of primary sector has decreased from 27.66 percent to 23.45 percent, whereas that of tertiary sector has increased from 45.19 percent to 47.17 percent.
- 1.3 The contribution of Madhya Pradesh to the National Gross Domestic Product (GDP) in 2004-05 was 3.80 percent which increased to 3.84 percent by the year 2011-12 (as per quick estimates). The GDP has increased by 6.21 percent in the year 2011-12, whereas the GSDP of State has increased by 11.81 percent in the year 2011-12 as compared to the previous year. During the last five years (from the year 2007-08 to 2011-12), the average growth rate of State GSDP has been 9.94 percent.

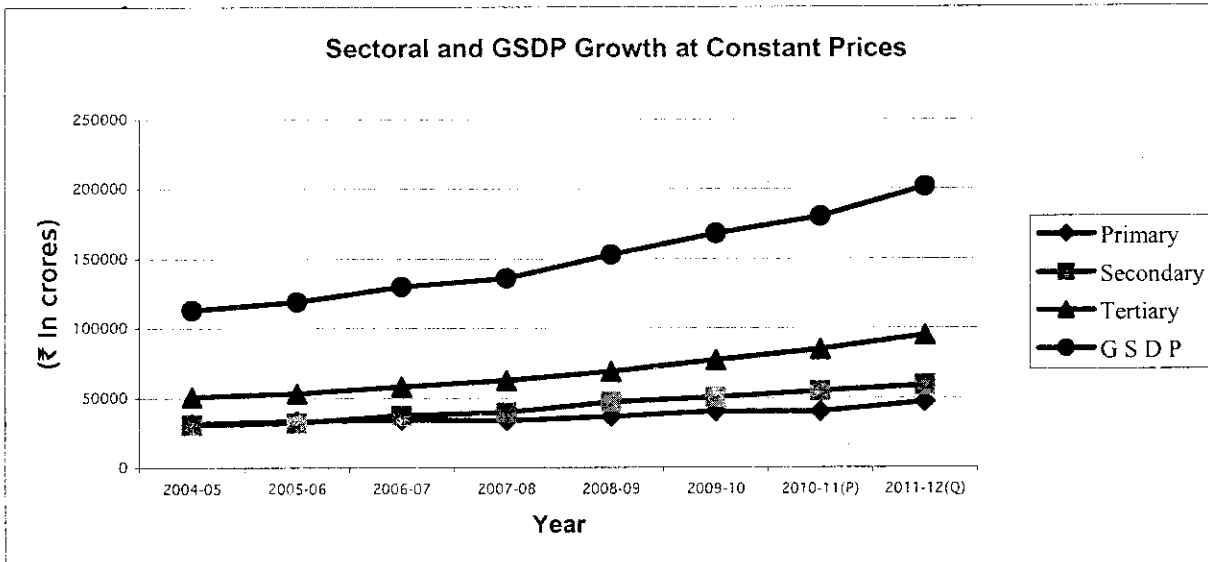
## 2. Growth in Gross State Domestic Product (GSDP)

- 2.1 As per the quick estimates of Gross State Domestic Product (GSDP) for the year 2011-12 (at 2004-05 constant prices), the GSDP is estimated to have increased by 11.81 percent as compared to the previous year.
- 2.2 During the period 2004-05 to 2011-12, the GSDP witnessed a growth rate (TGR) of 8.70 percent, which is higher than the national average of 8.47. In the year 2011-12, primary, secondary and tertiary sectors, at constant prices (base year 2004-05), have shown a growth of 17.31 percent, 7.30 percent and 12.13 percent respectively. The contribution of various sectors to the GSDP and their respective growth in the year 2011-12 is shown in table 2.1.

**Table 2.1**  
**Contribution of Different Sectors to GSDP at Constant (2004-05) Prices**  
(₹ in crore)

Sector	Year 2010-11 (P)	Year 2011-12 (Q)	% Increase in 2011-12 Over Previous Year
Agriculture (Including Animal Husbandry)	36213.37	43055.50	18.89
Forestry	3721.04	3805.21	2.26
Fisheries	299.12	338.27	13.09
Mining & Quarrying	7141.06	7254.36	1.59
Manufacturing	24393.13	25311.62	3.77
Construction	17790.30	19895.77	11.83
Electricity, Gas & Water Supply	5784.04	6668.20	15.29
Railways	2513.49	2622.77	4.35
Transportation & Warehousing by other sources	5402.93	5903.98	9.27
Communication	5649.46	7824.86	38.51
Trade, Hotels & Restaurants	22165.98	23616.19	6.54
Banking & Insurance	11624.73	14078.67	21.11
Real Estate	13063.56	13779.64	5.48
Public Administration	8445.86	9378.09	11.04
Other Services	15825.48	17756.74	12.20
<b>Total</b>	<b>180033.55</b>	<b>201289.87</b>	<b>11.81</b>

- 2.3 The sectoral growth in the economy in the State during the period 2004-05 to 2011-12 is depicted as follows-



2.4 As per advance estimates for the year 2011-12, the GSDP at current prices is estimated to be ₹ 315375.34 crore. It has increased by 21.11 percent as compared to the quick estimate of previous year.

### 3. Overview of State Finances

3.1 The Revenue Surplus for 2011-12 as per Accounts, stood at ₹ 9910.37 crore as compared to the Revised estimates of ₹ 7791.15 crore. Similarly, as per Accounts, the Fiscal Deficit was ₹ 5861.18 crore against the Revised estimates of ₹ 7930.95 crore. The Revenue Surplus for 2012-13 is estimated to increase from ₹ 6370.01 crore (BE) to ₹ 6420.12 crore (RE). The Revised estimates of Fiscal Deficit for 2012-13 is ₹ 10435.50 crore against the Budget estimates of ₹ 10017.99 crore, which is within the prescribed limits for 2012-13 (3.00 percent of GSDP), under The Madhya Pradesh Rajkoshiya Uttardayitva Evam Budget Prabandhan Adhinyam, 2005 (FRBM).

3.2 As per accounts for the year 2011-12, the revenue receipts are ₹ 62604.08 crore, which is less than the revised estimates of ₹ 63535.25 crore. The main reason of this short fall is due to decrease in the state's share in central taxes and grants from Central Government. The Revised estimates of revenue receipts for the year 2012-13 is ₹ 71728.51 crore which is 2.6 percent higher than the Budget

estimate of ₹ 69913.51 crore. The main reasons of increase in revenue receipts in revised estimates are due to improvement in Tax and Non Tax revenue collection.

- 3.3 The actual receipts of non tax revenue for 2011-12 was ₹ 7482.73 crore which is 7.03 percent more than the Revised estimates of ₹ 6991.20 crore of the year 2011-12. As per the Revised estimates for 2012-13 ₹ 7516.55 is estimated to be received under the non tax revenue heads which is 2.59 percent more than the budget estimates 2012-13 of ₹ 7326.89 crore.

#### **4. Prospects**

- 4.1 On account of progressive and proactive, industrial and agricultural policy, the State's economy is expected to continue on the path of high growth, The existing trend shows that the central tax collections are below the target level and thus tax devolutions from the centre may not be as per the Budget estimates.
- 4.2 Investments in physical and social infrastructure of the State have started showing results and is leading to continuous growth in the Gross State Domestic Product of the State
- 4.3 The growth rate in agricultural sector (including animal husbandry) has increased by 18.89 percent in the year 2011-12 (at constant prices). This is helping in improving the economic growth in the State.
- 4.4 There has been a significant growth of 15.29% in Electricity, Gas and Water Supply sector.
- 4.5 The State is expected to receive ₹ 2858.91 crore and ₹ 3205.15 crore as plan and non plan grants, in 2012-13 and in 2013-14 respectively as per the recommendations of 13<sup>th</sup> Finance Commission.

4.6 Improved fiscal management enabled the State to keep the fiscal deficit as a percentage of GSDP at 1.86 in the year 2011-12 and this has kept debt burden of the State under control. The ceiling of fiscal deficit as percentage of GSDP had been kept at 3.00 percent for the year 2011-12 as per FRBM act and 2.98 percent was estimated for the year 2012-13. As per Revised estimates for year 2012-13 fiscal deficit is estimated to be 2.90 percent of GSDP. As per Budget estimate for 2013-14 this deficit is expected to be 2.98 percent of GSDP.



## B. Trends in Select Fiscal Indicators

(₹ in crore)

S.No.	Fiscal Indicators	Previous Year	Current Year	Ensuing Year	% Change in Current Year over Previous Year	% Change in Ensuing Year over Current Year
		2011-12	2012-13 (RE)	2013-14 (BE)		
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Revenue Receipts (2 +3+4)	62604.08	71728.51	79603.47	14.57	10.98
2	Tax Revenue (2.1+2.2)	45192.58	51110.31	57075.29	13.09	11.67
2.1	State Tax	26973.44	29570.68	33381.68	9.63	12.89
2.2	Share in Central Taxes	18219.14	21539.63	23693.61	18.23	10.00
3	Non-Tax Revenue	7482.73	7516.55	7583.39	0.45	0.89
4	Grant-in-aid from Central Govt.	9928.77	13101.65	14944.79	31.96	14.07
5	Capital Receipts (6+7+8)	18309.52	9643.59	12415.63	-47.33	28.74
6	Recovery of loans and advances	9147.86	98.63	124.86	-98.92	26.59
7	Net public debt	3600.46	7993.46	11841.07	122.01	48.13
8	Net Receipts from Public Account	5561.20	1551.50	449.70	-72.10	-71.02
9	Total Receipts (1+5)	80913.60	81372.10	92019.10	0.57	13.08
10	Revenue Expenditure (10.1+10.2)	52693.71	65308.39	74388.64	23.94	13.90
10.1	Non-Plan Revenue Expenditure	36677.17	44840.54	50826.95	22.26	13.35
10.2	Plan Revenue Expenditure	16016.54	20467.85	23561.69	27.79	15.12
10.3	Revenue Expenditure Of which:					
10.3.1	Interest payments	5299.77	5950.54	6518.52	12.28	9.55
10.3.2	Subsidies	19488.54	25684.75	27775.56	31.79	8.14
10.3.3	Wages & Salaries	14331.99	18148.97	21830.59	26.63	20.29
10.3.4	Pension Payments	4388.91	5325.85	6530.85	21.35	22.63
11	Capital Expenditure (11.1+11.2+12)	9055.16	11079.42	11113.62	22.35	0.31
11.1	Non-Plan Capital Expenditure	32.29	51.30	78.89	58.87	53.78
11.2	Plan Capital Expenditure	9022.87	11028.12	11034.73	22.22	0.06
12	Loans and advances (12.1+12.2)	15864.25	5874.83	6444.60	-62.97	9.70
12.1	Non Plan Loans and advances	14635.00	3829.95	3432.85	-73.83	-10.37
12.2	Plan Loans and advances	1229.25	2044.88	3011.75	66.35	47.28
13	Total Expenditure	77613.12	82262.64	91946.86	5.99	11.77
13.1	Non Plan Expenditure (10.1+11.1+12.1)	51344.46	48721.79	54338.69	-5.11	11.53
13.2	Plan Expenditure (10.2+11.2+12.2)	26268.66	33540.85	37608.17	27.68	12.13
14	Revenue Deficit (1-10)/Surplus	9910.37	6420.12	5214.83	-35.22	-18.77
15	Fiscal Deficit (1+6-13)	5861.18	10435.50	12218.53	78.04	17.09
16	Primary Deficit [1+6-(13-10.3.1)]	561.41	4484.96	5700.01	698.87	27.09

## **MEDIUM TERM FISCAL POLICY STATEMENT**

The Fiscal Responsibility and Budget Management Act has been formulated as per the recommendations of the Twelfth Finance Commission and accordingly the target of fiscal deficit has been fixed at 3.00 percent of GSDP.

In changed economic scenario, Central Government had fixed the target at 3.43 percent of GSDP for the year 2010-11. The ceiling has been fixed at 3.00% again from the year 2011-12. As per the recommendations of the 13<sup>th</sup> Finance Commission, the fiscal deficit has been kept within the limit of 3 percent of GSDP and the recommendation on Fiscal Responsibility and Budget Management (including the debt ceiling) will be adhered to.

## A. Fiscal Indicators- Rolling Targets

S. No.	Fiscal Indicators	Account 2011-12	Revised Estimates 2012-13	Budget Estimates 2013-14	Target for 3 Years		
					2014-15	2015	2016-17
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Revenue Surplus as percentage of GSDP	3.14	1.79	1.27	1.41	1.47	1.55
2	Fiscal Deficit as percentage of GSDP	1.86	2.90	2.98	2.96	2.99	2.99
3	Total outstanding Liabilities as percentage of GSDP	26.87	25.83	25.78	26.29	26.77	27.19
4	Total outstanding Loans as percentage of GSDP	22.66	22.25	22.55	23.19	23.79	24.32

Note – The State Government will ensure that the outstanding debt does not exceed 37.6, 36.30, 36.00 and 35.30 percent of the projected GSDP for the year 2011-12, 2012-13, 2013-14 and 2014-15 respectively.

## B. Projections of Fiscal Indicators

### (1) Revenue receipts:

- a) **Tax-revenue** - State's own tax revenue and Central tax devolution are the two components of tax revenue. The State's share in Central taxes for the year 2013-14 is estimated to be ₹ 23693.61 crore. The Budget estimate of the State's Own Tax Revenue (SOTR) during 2013-14 is ₹ 33381.68 crore.
- b) **Non-Tax Revenue** - State's non-tax revenue for the year 2013-14 is estimated to be ₹ 7583.39 crore, which is 0.89 percent higher than the revised estimate ₹ 7516.55 crore for the year 2012-13.
- c) **Share of own tax revenues to total revenue receipts** – The share of own tax revenue to the total revenue receipts is 41.23 percent in the year 2012-13 (RE). This ratio is expected to reach 41.93 percent by 2013-14.

- d) **Share of own non-tax revenues to total revenue receipts** – The share of non-tax revenue to the total revenue receipts is 10.48 percent in the year 2012-13 (RE). This ratio is expected to be 9.53 percent in the year 2013-14 (BE).

**(2) Capital receipts:**

The Capital receipts for the year 2013-14 are estimated to be ₹ 12415.63 crore which is 28.74 percent more than the Revised estimates of 2012-13. The gross debt in the subsequent years has been estimated as per the fiscal targets and loan portfolio will be determined keeping in view various sources of credit availability and the prevailing rate of interest for the relevant year. The loan portfolio for this year is estimated as follows:-

- a) **Loans and advances from the Central Government** –An amount of ₹ 2280.90 crore is expected to be received during 2013-14 from the Central Government as loans and advances for Externally Aided Projects.
- b) **Special securities issued to the National Small Savings Fund (NSSF)** – It is a costlier source of financing for the State Government, but it is a mandatory loan for State Govt. based on the 50 percent of the deposits under small saving schemes of the State. The revised estimate for the year 2012-13 is ₹ 1200 crore. An amount of ₹ 600 crore is estimated to be received under this head during the year 2013-14.
- c) **Recovery of loans and advances** - The outstanding loans and advances are ₹ 21742.39 crore as on 31<sup>st</sup> March 2012. A major portion of it, amounting to ₹ 17359.84 crore, is outstanding on account of loans for the Power Sector. Also, ₹ 1690.84 crore is outstanding loan on local bodies.
- d) **Borrowings from financial institutions** –The revised estimate of market borrowings is ₹ 7414.27 crore against the budget estimate of ₹ 7864.27 crore for the year 2012-13. ₹ 11650 crore is expected to be raised from market borrowing during 2013-14, and the estimate for subsequent years has been estimated on

the basis of fiscal indicators. The loans from institutions like NABARD, HUDCO, LIC are project based and are part of the overall borrowing programme.

- e) **Other receipts (net) –provident funds, etc.–** The borrowings from the Public Accounts outside the Consolidated Fund of the State is a source of capital receipts. It will be used to meet the gap in capital expenditure as per availability.
- f) **Outstanding Liabilities - Internal Debt and Other Liabilities –** As per the accounts of the year 2011-12 the gross debt, at the end of March 2012, is ₹ 61369.92 crore. After adding the other liabilities (Public Account) the total outstanding liabilities are ₹ 84756.54 crore. The total outstanding liabilities are estimated to be ₹ 92866.41 crore at the end of March 2013.

**(3) Total expenditure:**

The total expenditure is classified into revenue and capital account. The revenue account consists of plan and non-plan expenditure. As per the Budget estimates 2013-14, the plan revenue expenditure is ₹23561.69 crore and the non-plan revenue expenditure is ₹ 50826.95 crore. The increase in plan revenue expenditure and non-plan revenue expenditure is expected to be 16 and 12 percent respectively after 2013-14.

- a) **Revenue account:** The revenue account mainly consists of salaries, pensions, interest payments and subsidies.
  - 1. **Interest payments:** During 2012-13, the average cost of borrowing is estimated to be 8.70 percent and the projections for further years are based on this rate.
  - 2. **Major subsidies:** An increase of 8.14 percent is estimated in the Budget estimates of 2013-14 as compared to the Revised estimates of 2012-13
  - 3. **Salaries:** A growth of 26.63 percent is estimated in 2012-13 in salary head as compared to the year 2011-12. A growth of 20.29 percent is expected in salary head during the year 2013-14 as compared to Revised estimates of the year 2012-13.

**4. Pensions:** As a result of revision of pay scales of state government employees from 1<sup>st</sup> January, 2006, the pension/ family pension of state pensioners have also been consolidated and has been paid from September, 2008. The expenditure under this head will increase by 21.35 percent during 2012-13 as compared with the Revised estimates of 2011-12 and 22.63 percent increase is estimated in 2013-14 as compared with Revised estimates of 2012-13. A growth of 17 percent is estimated in coming years.

**b) Capital account:**

- 1. Loans and advances:** In the Revised estimates of year 2012-13, there has been a growth of 3.66 percent in loans and advances, over the Budget estimate.
- 2. Capital Outlay:** The Capital outlay of the State is being used mainly for infrastructure sector like roads, power and irrigation. As per the Revised estimates of 2012-13, the Plan Capital expenditure is 4.72 percent of the GSDP and is estimated to be 4.28 percent in 2013-14. Due to the necessity of investment in infrastructure sectors, capital expenditure is projected to grow at the rate of 13.50 to 15.50 percent during the coming years.

**(4) Growth in Gross Domestic Product (GSDP) –**

There has been an average growth of 15.80 percent in GSDP at current prices in the years 2004-05 to 2011-12. It is estimated to grow by 14.00 percent in the year 2012-13 & 2013-14 and is expected to grow at 11.5 percent in the subsequent years. The major objective of fiscal policy is to achieve higher growth rates in State's economy. The fiscal policy of State is moving towards the achievement of this objective within the limits defined by the Fiscal Responsibility and Budget Management Act.

### **C. Assessment of sustainability**

- (1) The balance between receipts and expenditure with special reference to revenue receipts and revenue expenditure:** In order to achieve the revenue deficit and fiscal deficit targets envisaged in the Act, it is necessary for receipts to grow at a faster rate than the total expenditure especially the revenue expenditure. As per the Revised estimates, the tax revenue to GSDP ratio is 14.22 percent in year 2012-13 and is expected to be 13.92 percent in the year 2013-14. Own tax revenue to GSDP ratio in the year 2012-13 is 8.22 percent which is expected to be 8.14 percent in the year 2013-14. State's share in Central tax devolutions as a proportion of GSDP for the year 2012-13 is 5.99 percent and would be 5.78 percent in the year 2013-14. In order to increase the non-tax revenues, user charges would be reviewed from time to time with a view to make them sustainable.

The interest payments as a proportion of total revenue receipts in the year 2011-12 were 8.47 percent which are expected to decrease to 8.30 percent as per Revised estimates of 2012-13. This proportion is expected to be 8.19 percent in 2013-14. This is significantly less than the limit of 15 percent targeted from the sustainability point of view.

As per the Revised estimate for 2012-13 the ratio of total outstanding debts to GSDP is estimated at 22.25 percent. It is expected to be 22.55 percent in the year 2013-14. This proportion is expected to increase to 24.32 percent by the year 2016-17.

- (2) Assessment of increase in Non Plan Revenue Expenditure (NPRE):** An increase of 26.63% and 21.35% is expected in salary and pension heads respectively in the Revised estimates of 2012-13 with respect to the year 2011-12. An increase of 20.29 percent is estimated under the salary head, in year 2013-14 as compared to Revised estimates of 2012-13.

The increase in interest liability has been controlled by limiting the State's fiscal deficit and prudent selection of loan portfolio. The interest head under Revised Estimates for 2012-13 as compared to 2011-12 has increased by 12.28 percent and it is estimated to increase by 9.55 percent in the Budget estimates 2013-14 as compared to the revised estimate 2012-13. Non Plan Revenue Expenditure is estimated to grow at 13.35 percent in 2013-14 as compared to the Revised estimates of 2012-13 and thereafter the growth rate is estimated at 12 percent.

- (3) The use of capital receipts including market borrowings for creating productive assets:** The State had achieved revenue surplus in the year 2004-05 and it is in revenue surplus for the 8<sup>th</sup> continuous year. All capital receipts and revenue are being used for capital formation in irrigation, power, roads, and sector as per the priorities of the Government. In view of increasing public investment in infrastructural sector, the target of growth in capital receipts has been fixed.
- (4) The estimated yearly pension liabilities worked out for the next ten years:** The trend of growth in pension payment has been kept on the basis of data available for last five years. Accordingly, pension liabilities have been forecast as follows:-



### Projections of Pension Liability

Year	(₹. In crore)
2007-08	1964.28
2008-09	2433.05
2009-10	3077.18
2010-11	3766.52
2011-12	4388.91
2012-13	5325.85
2013-14	6530.85
2014-15	7641.09
2015-16	8940.08
2016-17	10459.89
2017-18	12238.08
2018-19	14318.55
2019-20	16752.70
2020-21	19600.66
2021-22	22932.77
2022-23	26831.35

Note:- Data for the 2007-08 to 2011-12 are Actual, 2012-13 is Revised Estimates, 2013-14 is Budget Estimates.

Due to the revision of pension and increase in Dearness Relief as per 6<sup>th</sup> Pay Commission Scales to the state pensioners, Revised estimates of 2012-13 is estimated to be 21.35% more than that the actual payment of 2011-12. As per the Budget estimates 2013-14, expenditure of ₹ 6530.85 crore is expected under pension head. The growth rate of 17% is estimated in the year 2014-15 and afterwards.

## Form F – 3

[See Rule 5]

### FISCAL POLICY STRATEGY STATEMENT

**(1). Fiscal Policy-Overview:** The fiscal policy of the State is aimed at increasing capital expenditure so as to ensure investment in social and physical infrastructure. This would expand the productive base of the State's economy and help to attract more private investments. Apart from it revenue expenditure in social sector is also required to ensure inclusive growth. In order to achieve this objective, it is necessary to increase revenue receipts and decrease unproductive Non-Plan Revenue Expenditure (NPRE). Due to economic revival, tax collection has increased in the year 2011-12. Effective Interest rates have come down due to swapping of the debt under debt consolidation and relief facility (DCRF) recommended by Twelfth Finance Commission. As a result of this increase in interest payments have been kept under control.

The revenue receipts of the State are estimated to grow at 10.98 percent in 2013-14 in comparison with the Revised estimates of 2012-13. State own tax revenues (SOTR) are estimated to grow at 9.63 percent during the year 2012-13 (RE) as compared to the year 2011-12. SOTR is expected to grow at 12.89 percent in 2013-14(BE) as compared to 2012-13 (RE). NPRE is expected to grow at 22.26 percent in the year 2012-13(RE) as compared to the year 2011-12 and for the year 2013-14 is estimated to grow at 13.35 percent over 2012-13(RE).

The main reason for the increase in the NPRE in 2013-14 is revised pay scales/pension, additional installment of dearness allowance/relief, payment of arrears to the State Government Employees/Pensioners. Due to this the state's revenue surplus is estimated to be ₹ 5214.83 crore in 2013-14 as compared to ₹ 6370.01 crore in the year 2012-13(BE) and the fiscal deficit is expected to be ₹ 12218.53 crore. These fiscal indicators are expected to be as per the limit fixed under Fiscal Responsibility and Budget Management Act(Amended)- 2011.

**(2). Fiscal policy for the ensuing year:** The present fiscal policy is showing good and positive results. Therefore, the Government would continue to pursue the same policy in the coming financial years.

**(i) Tax Policy:** The Government endeavors to increase the revenue receipts. In order to achieve this goal, many legislative and administrative measures have been undertaken. The increased tax base of luxury tax, entertainment tax and advertisement tax is a step in this direction and such efforts would be continued. Use of Information Technology has increased the tax collection efficiency and further improvements are envisaged.

**(ii) Expenditure Policy:** Effectiveness, accountability, propriety and timeliness are four basic principles of public expenditure management. An integrated financial management information system will be in place soon to bring the financial system of other departments under single network to strengthen the financial management of the state. The system of financial advisors as practiced in Government of India is being considered in the state to ensure that the basic principles of public expenditure management are followed by all the Departments.

To ensure proper and timely utilisation of the budgetary provisions under plan schemes, a quarterly allotment system for plan budget has been introduced since 1<sup>st</sup> April, 2010. Some other initiatives taken for presenting the budgetary information are as follows:-

**(a) Outcome Budget:** The Outcome Budget is being prepared and presented before the Vidhan Sabha from the year 2006-07. In continuation the Outcome Budget is being presented for the year 2013-14. This will enable assessment of Outcomes through quantifiable deliverables.

**(b) Gender Budget:** The Government's commitment for enabling women in realising their full potential is evident by the preparation and presentation

of gender budget. Through the gender budget is possible to classify some major schemes that benefit women and this helps in better targeting of the schemes. Gender Budget has been prepared since 2007-08. In continuation Gender Budget for the year 2013-14 is being presented.

- (c) **Off Budget Estimates:** Transparency in government transaction is an essential condition in strengthening the democratic set-up. In order to make the Budget more transparent, State Government had decided to publish off budget sources of funds for ongoing projects in the state since the year 2007-08. This process has been continued in the year 2013-14. In addition to this, monitoring of the amount received by the various departments/agencies of the State under selected central plan schemes is regularly done.
  - (d) **Agriculture Budget:** From the financial year 2012-13, all the major demands for grants (like Narmada Valley Development Authority, Farmer's welfare & Agriculture Development, Animal Husbandry & Dairy, Fisheries, Horticulture & Food Preservation, and co-operation) relating to agriculture and also demands for grants of the departments relating to agriculture development directly or indirectly are grouped together and put in a separate volume. In continuation, Agriculture Budget for the year 2013-14 is being presented.
  - (e) **Annuity:** In addition to the funds provided in the budget for the development and welfare of the state, the annuity commitments for the infrastructure development through Public Private Partnership is provided in Volume-5 of the budget documents from the year 2012-13, which is also presented in 2013-14
- (iii) **Borrowing and Contingent liabilities:** Revenue surplus has been achieved in the year 2004-05. As a result, there has been an increase in Plan Capital expenditure even after reducing the loans for capital investment. In order to bring in more transparency, the annuity commitments are also explicitly stated.

### **3. Strategic priorities for the coming year:**

- (i) Fiscal policy is mainly concerned with the government expenditure and revenue mobilisation. On the revenue mobilisation front , the main priority is to increase the tax base and collection efficiency.
- (ii) The thrust of the borrowing programme is to bring down the cost of borrowing.
- (iii) The other priority would be energy sector wherein the financial base of the distribution companies would be strengthened to make them financially self sustainable in the long run.
- (iv) Effective network of the roads in the state, which encourages economic activities is also among top priorities.

### **(4) Rationale for Policy changes**

- (i) The basic objective of the financial policies is to accelerate the economic growth and bring all sections of the population into the development process.
- (ii) Increasing tax rates beyond a certain level would be counterproductive for raising further tax revenue. Keeping this in view, the Government would be expanding tax base in coming years.
- (iii) An important share of the State income comes from agriculture and thus this sector needs special attention to sustain high growth of the economy.

### **(5). Policy Evaluation:**

All updated fiscal information have been provided as per the FRBM Act. 2005 The Medium Term Fiscal Policy are based on 2011-12 account, 2012-13 Budget/Revised estimates, 2013-14 budget estimates and projected trends for year 2014-15 to 2016-17. The targets set for mentioned years are likely to be met. Further, assumptions underlying the projections have been appropriately modified with explanations to ensure that they continue to be rooted in reality. The commitment of the Government to fiscal transparency is reflected through the disclosure statements and other information provided.

## FORM F-4

[See Rule 7]

### STATEMENT ON INDICATORS OF FISCAL SITUATION

S.No.	Item	Previous Year (Accounts)	Current Year (RE)	Ensuing Year (BE)
		2011-12	2012-13	2013-14
(1)	(2)	(3)	(4)	(5)
1	Gross Fiscal Deficit as Percentage of GSDP	1.86	2.90	2.98
2	Revenue surplus as Percentage of Gross Fiscal Deficit	169.08	61.52	42.68
3	Revenue surplus as Percentage of GSDP	3.14	1.79	1.27
4	Revenue surplus as Percentage of TRR	15.83	8.95	6.55
5	Total Liabilities -GSDP Ratio (%)	26.87	25.83	25.78
6	Total Liabilities - Total Revenue Receipts (%)	135.39	129.47	132.77
7	Total Liabilities –State's Tax Revenue Receipts (%)	314.22	314.05	316.60
8	State's Tax Revenue Receipts in comparison of Revenue Expenditure (%)	51.19	45.28	44.87
9	Capital Outlay as Percentage of Gross Fiscal Deficit	425.16	162.47	143.70
10	Interest Payment as Percentage of Revenue Receipts	8.47	8.30	8.19
11	Salary Expenditure as Percentage of Revenue Receipts	22.89	25.30	27.42
12	Pension Expenditure as Percentage of Revenue Receipts	7.01	7.43	8.20

**FORM F-5**  
[See Rule 7]

**A. COMPONENTS OF STATE GOVERNMENT LIABILITIES**

(₹. in crore)

Category	Raised or to be raised during the Fiscal Year			Repayment/Redemption during the Fiscal Year			Outstanding Amount on 31st March) (as		
	Previous Year	Current Year	Ensuing Year	Previous Year	Current Year	Ensuing Year	Previous Year	Current Year	Ensuing Year
	2011-12 (Account)	2012-13 (RE)	2013-14 (BE)	2011-12 (Account)	2012-13 (RE)	2013-14 (BE)	2011-12 (Account)	2012-13 (RE)	2013-14 (BE)
(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Market Borrowings	4000.00	7414.27	11650.00	833.78	1137.11	1428.22	28043.97	34321.13	44542.91
Loans from Centre	1032.60	1465.28	2280.90	629.51	537.34	631.98	11358.91	12286.85	13935.77
Special Securities issued to the NSSF	441.03	1200.00	600.00	608.21	714.26	750.00	16081.02	16566.76	16416.76
Borrowings from Financial Institutions/ Banks	1276.63	1403.58	1327.60	1078.29	1100.96	1207.23	5886.02	6188.64	6309.01
WMA/OD from RBI	0.00	10.00	4000.00	0.00	10.00	4000.00	0.00	0.00	0.00
Public Account	12971.64	15278.80	20259.50	10318.35	15162.39	20281.35	20386.62	20503.03	20481.18
Other Deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>19721.90</b>	<b>26771.93</b>	<b>40118.00</b>	<b>13468.14</b>	<b>18662.06</b>	<b>28298.78</b>	<b>81756.54</b>	<b>89866.41</b>	<b>101685.63</b>

**B. WEIGHTED AVERAGE INTEREST RATES ON STATE GOVERNMENT LIABILITIES**

(Percent)

S. No	Category	Raised during the Fiscal Year <sup>^</sup>		Outstanding Amount (as on 31st March)	
		Previous Year	Current Year	Previous Year	Current Year
		(Accts)	(RE)	(Accts)	(RE)
		2011-12	2012-13	2011-12	2012-13
1	2	3	4	5	6
1	Market Borrowings	8.91	8.68	7.92	8.01
2	Loans from Centre	9.00	9.00	8.90	8.80
3	Special Securities issued to the NSSF	9.50	9.50	9.88	9.85
4	Borrowings from Financial Institutions/ Banks	7.25	7.50	7.77	7.70
5	WMA/OD from RBI	0.00	0.00	0.00	0.00
6	Public Account	8.20	8.80	8.20	8.80
7	Other Deposits	0.00	0.00	0.00	0.00
8	Overall Average Rate *	8.57	8.70	8.53	8.80

# Weighted risk of Rs. 3000 crore for the year 2011-12 & 2012-13, Rs. 4000 crore for the year 2013-14 are not included as a component in the total liabilities of the State Government.

<sup>^</sup> Weighted average interest rate where the respective weight is the amount borrowed. This is calculated on contractual basis and then annualized.

\* Weighted average interest rate where the weights are the amount of the respective components of State Government liabilities.

**C. DETAILS OF SPECIAL WAGES & MEANS ADVANCE / WAYS & MEANS ADVANCE OVER-DRAFT AVAILED BY THE STATE GOVERNMENT FROM RESERVE BANK OF INDIA**

S.No.	WMA/OD	Previous Year 2011-12	Current Year 2012-13
	(1)	(2)	(3)
(1)	Average amount of WMA (Rs crore)	0	0
(2)	Average amount of OD (Rs crore)	0	0
(3)	Number of days of WMA	0	0
(4)	Number of days of OD	0	0
(5)	Number of occasions of OD	0	0



**FORM F-6**  
[See Rule 7]

**CONSOLIDATED SINKING FUND (CSF)**

(Rs in Crore)

Outstanding balance in CSF at the beginning of the previous year	Additions to CSF during the previous year	Withdrawals from CSF during the previous year	Outstanding balance in CSF at the end of the previous year/beginning of current year	Outstanding Stock of SLR Borrowings at the beginning of current year (%)	Additions to CSF during the current year	Withdrawals from CSF during the current year	Outstanding balance at the end of current year/beginning of ensuing year	Outstanding Stock of SLR Borrowings at the end of current year (%)
2011-12	2011-12	2011-12	2011-12	2012-13	2012-13	2012-13	2012-13	2012-13
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
-Nil-	-Nil-	-Nil-	-Nil-	-Nil-	-Nil-	-Nil-	-Nil-	-Nil-

FORM - F - 7  
(See Rule 7)

STATEMENT OF GUARANTEES GIVEN BY THE GOVERNMENT

Category (No. of Guarantees within bracket)	Maximum Amount Guaranteed during the year (Rs. crore)	Outstanding at the beginning of the year (Rs. crore)	Additions during the year (Rs. crore)	Reductions during the year (other than invoked during the year) (Rs. crore)		Invoked during the year (Rs. crore)		Total Outstanding Guarantees (Rs. crore) (In position 31.12.2012)	Guarantee Commission or Fee (Rs. crore)		Total Outstanding Guarantees as a % of Total Revenue * Receipts *
				Un received	Un received	Discharged	Un received		Un received	Un received	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
Home ( 1 )											
Finance ( 8 )	1,98.80	"	"	"	"	"	3,60.69	"	"	"	
Energy Department ( 55 )	4,68.29	"	"	"	"	"	2,61.65	"	"	"	
Co-operation ( 5 )	94,93.54	"	"	"	"	"	35,93.34	"	"	"	
Urban Administration & Development ( 52 )	15,39.97	"	"	"	"	"	9,36.28	"	"	"	
Tribal, Schedule Cast and Backward Classes Welfare ( 2 )	6,85.61	"	"	"	"	"	2,49.61	"	"	"	
	51.00	"	"	"	"	"	27.78	"	"	"	
Housing and Environment ( 3 )	79.18	"	"	"	"	"	14.68	"	"	"	
Village industry ( 1 )	39.50	"	"	"	"	"	23.06	"	"	"	
Minority & Backward Class Department ( 3 )	22.90	"	"	"	"	"	17.90	"	"	"	
Schedule Cast Welfare Department ( 3 )	60.00	"	"	"	"	"	1,21.60	"	"	"	
<b>Grand Total</b>	<b>1,26,38.81</b>						<b>56,06.64</b>				<b>7.81%</b>

\* 2012-13 (R.E.).

**FORM F-8**

[See Rule 7]

**GUARANTEE REDEMPTION FUND (GRF)**

(Rs. in Crore)

Outstanding invoked guarantees at the end of the previous year	Outstanding Amount in GRF at the end of the previous year	Amount of Guarantees Likely to be Invoked during the current year	Addition to GRF during the current year	Withdrawal from the GRF during the current year	Outstanding Amount in GRF at the end of the current year
(1)	(2)	(3)	(4)	(5)	(6)
0.00	387.87	0.00	1.50	0.00	389.37

**FORM F – 9**  
[See Rule 7]

**STATEMENT OF FINANCIAL ASSETS**

S.No..	Item	Assets at the beginning of the previous year <b>Book Value</b> (Rs. in crores)	Assets acquired during the previous year <b>Book Value</b> (Rs. in crores)	Cumulative total of assets at the end of the previous year <b>Book Value</b> (Rs. in crores)
<b>1</b>	<b>Loans and advances</b> Of which:	15104.3879	6638.3589	21742.7468
	Loans to Local Bodies	1576.30	114.53	1690.84
	Loans to Electricity Companies	11344.30	6015.55	17359.84
	Loans to companies	46.33	3.88	50.21
	Loans to others	2137.46	6519.94	8657.40
<b>2</b>	<b>Equity Investment</b>	12216.04	967.54	13183.59
	Shares	0		0
	Bonus shares	0	0	0
<b>3</b>	Investments in GOI dated securities/Treasury Bills	3.53	0	3.53
<b>4</b>	Investments in 14 days Intermediate Treasury Bills	6676.6	0	6676.6
<b>5</b>	Other financial investments	--	--	--
<b>6</b>	<b>Total</b>	<b>34000.56</b>	<b>7605.90</b>	<b>41606.46</b>

Note: Assets above the threshold value of Rupees two lakh only to be recorded.

**FORM F – 10**

[See Rule 7]

**REVENUES RAISED BUT NOT REALISED**

(Principal taxes and non-taxes)

(As at the end of the year 2011-12)

Major Head	Description	Amount under disputes (Rs. crore)	Amount not under disputes (Rs. crore)	Grand Total (Rs. crore)
1	2	3	4	5
	<b>Taxes on Income and Expenditure</b>			
0023	Hotel Receipts Tax	-	-	-
0028	Other Taxes on income and expenditure	-	-	-
	<b>Taxes on Property and capital Services</b>			
0029	Land Revenue@	4.03	8.64	12.67
0030	Stamps and Registration fees	32.65	69.52	102.17
	<b>Taxes on Commodities and Services</b>	0.00	0.00	0.00
0039	State Excise	5.26	61.41	66.67
0040	Taxes on Sales, trade, etc	455.34	62.59	517.93
0041	Taxes on Vehicles	0.00	0.00	0.00
0045	Other taxes and duties on commodities and services	14.00	0.00	14.00
0043	Taxes and Duties on Electricity	52.58	14.90	67.48
0853	Non-Ferrous Mining and Metallurgical Industries	341.00	12.31	353.31
0700	Major Irrigation	0.00	833.98	833.98
0701	Medium Irrigation	0.00	56.16	56.16
0702	Minor Irrigation	0.00	664.69	664.69
0406	Forestry and Wild life #	3.49	17.39	20.88
	<b>TOTAL</b>	908.35	1801.59	2709.94

@ Based on information provided by 17 districts.

# At the end of the year 2010-11

Note – This table contains outstanding revenue.

**FORM F-11**

[See Rule 7]

**DETAILS OF NUMBER AND RELATED SALARIES OF EMPLOYEES****A. Employment in State Government**(As at the end of 31<sup>st</sup> March 2012)

S.No	Pay Group (in Rupees)	No. of Employees	Percentage
1	2	3	4
1	upto 5000	7732	1.77
2	5001 to 21000	358964	82.04
3	210011 to 37000	59960	13.70
4	370011 to 53000	7214	1.65
5	53001 to 65000	3092	0.71
6	65001 to 80000	506	0.12
7	above 80001	70	0.02
	<b>Total</b>	<b>437538</b>	<b>100</b>

**B. Employment in State Public Sector Undertakings****(i) New Pay scale**(As at the end of 31<sup>st</sup> March 2012)

S.No	Pay Group (in Rupees)	No. of Employees	Percentage
1	2	3	4
1	upto 2500	123	9.94
2	2501 to 4300	426	34.44
3	4301 to 6100	362	29.26
4	6101 to 9700	227	18.35
5	9701 to 13300	67	5.42
6	13301 to 19300	27	2.18
7	above 19301	5	0.40
	<b>Total</b>	<b>1237</b>	<b>100</b>

**(ii) Old Pay scale**(As at the end of 31<sup>st</sup> March 2012)

S.No	Pay Group (in Rupees)	No. of Employees	Percentage
1	2	3	4.00
1	upto 800	0	0.00
2	from 801 to 1000	44	12.46
3	from 1001 to 1400	288	81.59
4	from 1401 to 2000	7	1.98
5	from 2001 to 3500	7	1.98
6	from 3501 to 5000	7	1.98
7	above 5001	0	0.00
	<b>Total</b>	<b>353</b>	<b>100</b>

(iii) Sixth Pay Comm. scale

(As at the end of 31st March 2012)

S.No	Pay Group (in Rupees)	No. of Employees	Percentage
1	2	3	4
1	upto 5000	950	2.12
2	5001 to 21000	30251	67.60
3	210011 to 37000	11542	25.79
4	370011 to 53000	1178	2.63
5	53001 to 65000	737	1.65
6	65001 to 80000	91	0.20
7	above 80001	3	0.01
	<b>Total</b>	<b>44752</b>	<b>100</b>

C. Employment in Semi Government Bodies

(i) New Pay scale

(As at the end of 31st March 2012)

S.No	Pay Group (in Rupees)	No. of Employees	Percentage
1	2	3	4
1	upto 2500	31	1.46
2	2501 to 4300	597	28.09
3	4301 to 6100	786	36.99
4	6101 to 9700	543	25.55
5	9701 to 13300	138	6.49
6	13301 to 19300	27	1.27
7	above 19301	3	0.14
	<b>Total</b>	<b>2125</b>	<b>100</b>

(ii) Old Pay scale

(As at the end of 31st March 2012)

S.No	Pay Group (in Rupees)	No. of Employees	Percentage
1	2	3	4
1	upto 800	0	0.00
2	from 801 to 1000	286	42.12
3	from 1001 to 1400	74	10.90
4	from 1401 to 2000	46	6.77
5	from 2001 to 3500	245	36.08
6	from 3501 to 5000	22	3.24
7	above 5001	6	0.88
	<b>Total</b>	<b>679</b>	<b>100</b>

(iii) Sixth Pay Comm. scale

(As at the end of 31st March 2012)

S.No	Pay Group (in Rupees)	No. of Employees	Percentage
1	2	3	4
1	upto 5000	382	7.25
2	5001 to 21000	3995	75.85
3	210011 to 37000	805	15.28
4	370011 to 53000	60	1.14
5	53001 to 65000	15	0.28
6	65001 to 80000	9	0.17
7	above 80001	1	0.02
	<b>Total</b>	5267	100

D. Employment in Universities

(i) New Pay scale

(As at the end of 31st March 2012)

S.No	Pay Group (in Rupees)	No. of Employees	Percentage
1	2	3	4
1	upto 2500	1798	21.92
2	2501 to 4300	5196	63.33
3	4301 to 6100	520	6.34
4	6101 to 9700	495	6.03
8.5.	9701 to 13300	174	2.12
6	13301 to 19300	16	0.20
7	above 19301	5	0.06
	<b>Total</b>	8204	100

E. Employment in Urban Local

New Pay scale

(As at the end of 31st March 2012)

S.No	Pay Group (in Rupees)	No. of Employees	Percentage
1	2	3	4
1	upto 5000	28733	38.84
2	5001 to 21000	42296	57.18
3	210011 to 37000	2436	3.29
4	370011 to 53000	465	0.63
5	53001 to 65000	39	0.05
6	65001 to 80000	7	0.01
7	above 80001	0	0.00
<b>Total</b>		73976	100



F. Employment in Development Authorities  
New Pay scale

(As at the end of 31st March 2012)

S.No	Pay Group (in Rupees)	No. of Employees	Percentage
1	2	3	4
1	upto 5000	355	19.90
2	5001 to 21000	1197	67.10
3	210011 to 37000	160	8.97
4	370011 to 53000	59	3.31
5	53001 to 65000	13	0.73
6	65001 to 80000	0	0.00
7	above 80001	0	0.00
<b>Total</b>		1784	100

G. Employment in Rural Local  
New Pay scale

(As at the end of 31st March 2012)

S.No	Pay Group (in Rupees)	No. of Employees	Percentage
1	2	3	4
1	upto 5000	80846	50.40
2	5001 to 21000	75697	47.19
3	210011 to 37000	3295	2.05
4	370011 to 53000	455	0.28
5	53001 to 65000	86	0.05
6	65001 to 80000	16	0.01
7	above 80001	5	0.00
<b>Total</b>		1603.8	100