

Macro and Fiscal Landscape of the State of Madhya Pradesh



Macro and Fiscal Brief: Madhya Pradesh

March 2025

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1. Summary and Overview of the State of Madhya Pradesh

Demography and Employment

- Madhya Pradesh has a population of 86.6 million and represents 6.2 percent of India's total population. The State's projected population growth rate (1.2 percent) is higher than the national average (0.9 percent), as of 2022-23.
- As per 2021 Census population projections, the State's population density at 274 per sq. km. is lower than the national average of 415 per sq. km. But, its dependency ratio is higher than the national average. Only 29 percent of State's population resides in urban areas.
- The sex ratio (female births per 1000 male births) is above the national the national average (NFHS V, 2019-21).
- The annual Unemployment Rate for the State at 1.6 percent is below the national of 3.2 percent and Female Labour Force Participation rate has improved and has remained above the national estimates since 2017-18.
- The working population in the State is predominantly concentrated in Agriculture, Forestry, and Fishing (59.8 percent); Services (21.9 percent); and Construction sectors (11.1 percent), as of 2022-23 .

Economic Structure (Growth and Sectoral Composition)

- Madhya Pradesh's real GSDP has grown at an average rate of 6.8 percent from 2012-13 and 2021-22, higher than the national average growth of 5.6 percent.
- The State's share in India's nominal GDP, which was 5.0 percent in 1990-91, had decreased to 3.7 percent in 2015-16, but has bounced back to near the 1990-91 level at 4.8 percent in 2021-22. Its nominal per capita income is 20 percent lower than the national per capita income, as of 2021-22.
- As of 2021-22, the State derives 44.7 percent of its Gross State Value Added (GSVA) from the agriculture sector followed by services (32.9 percent), and industry (22.5 percent) in that order.
- During the period from 2013-14 to 2022-23, State's agriculture, services, and manufacturing sectors have grown by 6.2, 6.0, and 3.8 percent annually compared to the respective national averages of 4.1, 5.5, and 6.6 percent, respectively*.

Socio-Economic Indicators (Health and Education)

- Madhya Pradesh's literacy rate at 69.3 percent is lower than the national average of 73 percent, as of 2011.
- As of 2016-17, the State had lower school dropout rates (28.5 percent for Class X) and also lower pass percentages (76.4 percent for Class X and 79.8 percent for Class XII) compared to their respective national averages.
- The Gross Enrolment Ratio at the Higher Secondary level (45.3 percent in 2015-16) is below the national average, but at the Higher Education level it is close to the national average (27.3 percent 2021).
- For people aged between 18 to 23 years, the Gender Parity Index in higher education (the ratio of girls to boys enrolled in higher education institutions) as well as college density are both lower than their respective national averages, as of 2021.
- The life expectancy in Madhya Pradesh at 67.4 years is lower than the national average of 70 years.
- The total fertility rate in the State is at par with the national average, but infant mortality rate is significantly higher (43 deaths per 1000 live births) compared to the national average (28 deaths per 1000 live births), as of 2019-21.
- The household access to Electricity is at par with the national average, but access to Drinking Water and Sanitation facilities still lags behind their respective national benchmarks.

State of Public Finances and Tax Devolutions

- Madhya Pradesh's debt-to-GSDP ratio at 27.6 percent in 2022-23, is lower than that of a median State. But, its contingent liabilities at 3.3 percent of GSDP are higher than those of a median State as of 2021-22. The State's fiscal and primary deficits are close to the levels of a median State, as of 2022-23. The State runs a revenue surplus of 0.1 percent (2022-23) of GSDP, about 0.2 percentage points lower than that of a median State in the same year.
- As of 2022-23, the State collects less revenue (15.4 percent of GSDP) through its own non-tax and own tax revenue including transfers from the Centre compared to a median State. Transfers from Centre account for 55 percent of its State's revenue receipts. The State's expenditure at 19 percent of its GSDP is about 5 percentage points lower than a median State, as of 2022-23.
- The debt sustainability analysis shows that under the baseline scenario- where growth, effective interest rates, and primary deficits continue at their 10-year averages the State's debt-to-GSDP ratio is projected to remain almost at the elevated level of 28.6 per cent by 2026-27. Its debt to GSDP ratio is projected to decline significantly only under scenarios of higher real growth, or lower primary deficit, or a combination of the two.
- The State's share in the Taxes from Centre, as per the FC recommendations, increased from 7.5 percent under 14th Finance Commission to 7.9 percent under 15th FC. The State's share in the total grants-in-aid has also increased by 0.7 percentage points to 5 percent under the 15th FC, compared to the 14th FC (4.3 percent).

Source: Reserve Bank of India, State Finances Report 2022-23.

Note: For calculation of median State, variable as a percentage of GSDP was computed for each State, with the median across 22 major States shown (excluding all Union Territories and North Eastern States, except Assam).

Fiscal Rules

- The Madhya Pradesh Rajkoshiya Uttardayitva Evam Budget Prabandhan Adhiniyam (MPFRBM) Act, 2005 was enacted under the 12th FC recommendations, which established fiscal rules in the State. The Act has been amended seven times - 2009, 2011, 2012, 2016, 2017, 2020, and 2021 – since its establishment.
- **Revenue Deficit:** The original mandated the State to eliminate it by 31st March, 2009 and generate revenue surplus thereafter.
- **Fiscal Deficit:** Reduce fiscal to 3 percent of GSDP by 31st March, 2009. The 2009 amendment changed the limit to 4 percent of GSDP by March 2010 and 2011 amendment again lowered it to 3 percent of GSDP by 2011-12 and maintain it thereafter. anchored to an annual limit of 3 percent of GSDP. In 2016 amendment, the State was given a flexibility of 0.25 percent over and above 3 percent limit if its debt-GSDP Ratio is less than or equal to 25 percent in the preceding year. In 2020-21, the fiscal deficit target was set at 5 percent including a 1.5 percent conditional loan for reforms and a 0.5 percent unconditional loan. 15th FC recommended fiscal deficit limits of 3 percent from 2023-26, along with a total outstanding debt-to-GSDP ratio of 33.7 percent by 2025-26.
- **Pubic Debt:** Initially the Act, mandated the State to ensure that within a period of 10 years, i.e. as on the 31 March 2015, total liabilities do not exceed 40 per cent of the estimated GSDP for that year. In 2012, the Act was amended to modify the total outstanding debt targets to not exceed 37.6 percent, 36.8 percent, 36 percent, and 35.3 percent for the financial years 2011-12, 2012-13, 2013-14 and 2014-15, respectively. The 15th FC recommended the following total outstanding debt to GSDP ratio for Madhya Pradesh for each year starting from 31.7 percent 2020-21 to 33.7 percent in 2025-26.
- **Fiscal Discipline:** As per the State Finances Audit Report of the Comptroller and Auditor General of India (CAG), during the period from 2016-17 to 2020-21, the State was able to meet all targets for three years (2016-17, 2017-18 and 2019-20). However, it could not maintain the same status and missed them for two years, 2019-20 and 2020-21.

2. Demography and Employment

- Population data covers the Census period 1951 – 2011;
- Population Projections cover the period 2012 – 2023;
- Employment data covers the period 2017-18 to 2022-23.

Table 1: Area and Demography of Madhya Pradesh

Indicator	Most Recent Value	For Year	Decadal Change (b/w 2011 and 2021)	India's estimates for benchmark (iii)
Area (i)	308,252 sq. km.	2011	-	9.4 % of national total
Forest Cover	77,493 sq. km	2021	-0.4% points	10.7 % of national total
Total Population	86.6 million persons	2023*	-	6.2 % of national total
Population Growth Rate	1.2 %	2023*	-0.5% points (b/w 2012 and 2021)	0.9 % (India)
Population Density (ii)	274 persons per sq. km.	2021*	-	415 persons per sq. km. (India)
Dependency Ratio	60.7 %	2021*	-9.9% points	55.7 % (India)
Sex Ratio	912 females per 1000 males	2011	-	914 females per 1000 males (India)
Urban Population	29.0 % of State population	2023*	1.1% points	35.1% of total population (India)
Rural Population	71.0 % of State population	2023*	-1.1% points	64.9% of total population (India)
Urbanization Rate	3.2%	2023*	-4.5% (b/w 2011 and 2021)	3.7% (India)

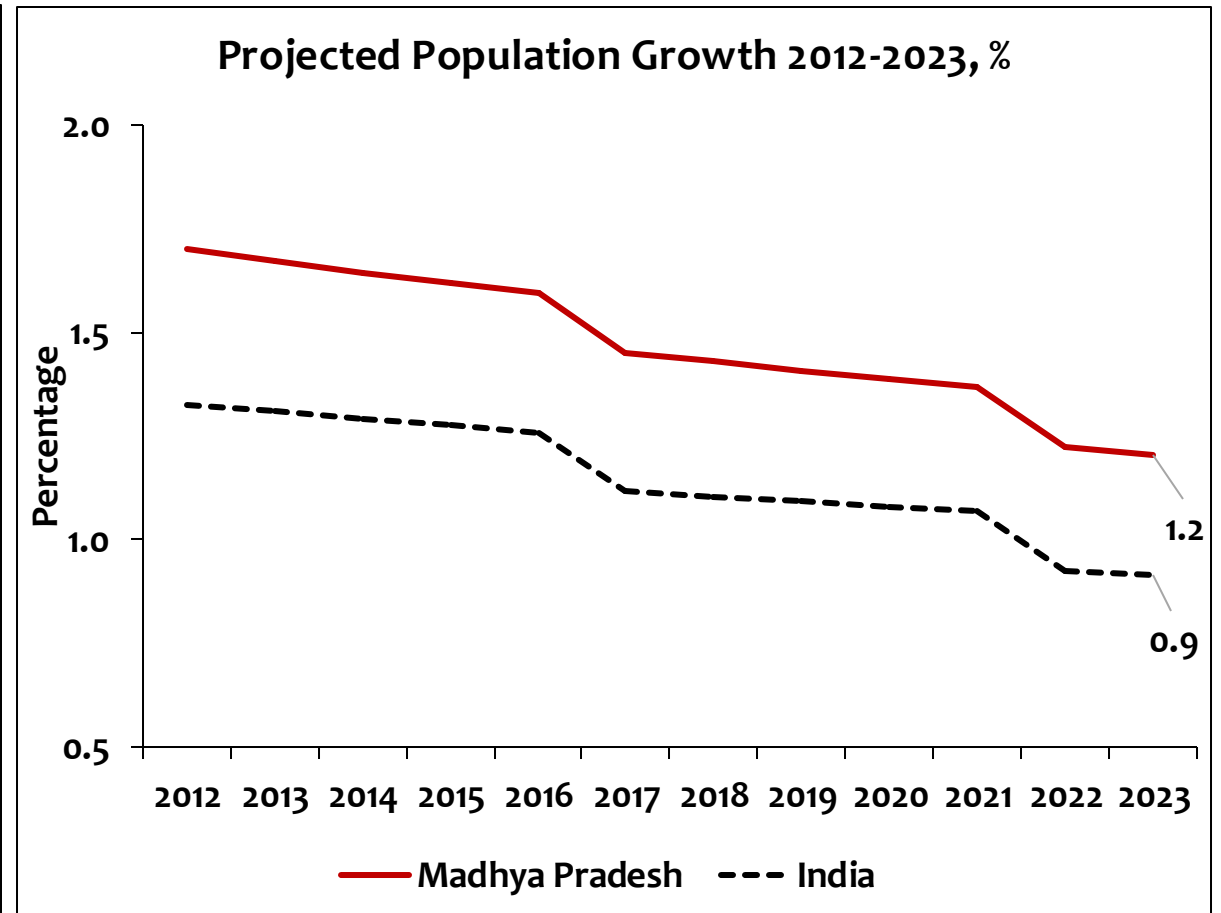
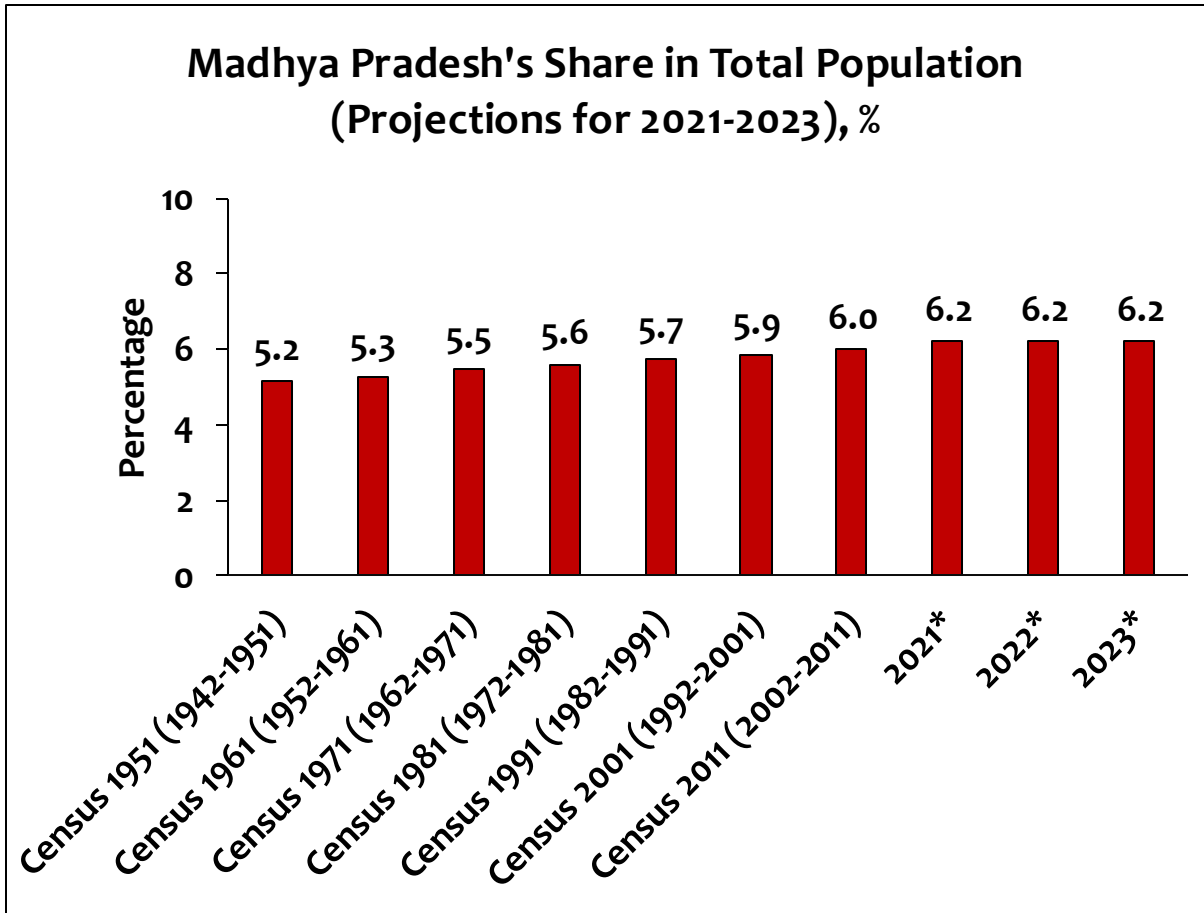
* Projected

Source: Census, Forest Survey of India, Ministry of Environment, Forest and Climate Change, and “Population Projections for Indian States 2011-2036” by the Technical Group on Population Projections, National Commission on Population Ministry of Health and Family Welfare, Government of India.

Note:

- i. Area figure for India (national total) includes the area under unlawful occupation of Pakistan and China. The area includes 78,114 Sq.km under illegal occupation of Pakistan, 5180 Sq.km illegally handed over by Pakistan to China and 37,555 Sq.km under illegal occupation of China;
- ii. For working out the density of India, the entire area and population of those portions of Jammu & Kashmir which are under illegal occupation of Pakistan and China have not been taken into account, except for 2011 census;
- iii. India's estimates for benchmark pertain to the actual data for India (except for Area, Forest Cover, and Total Population where the State's share in India's estimates have been shown).

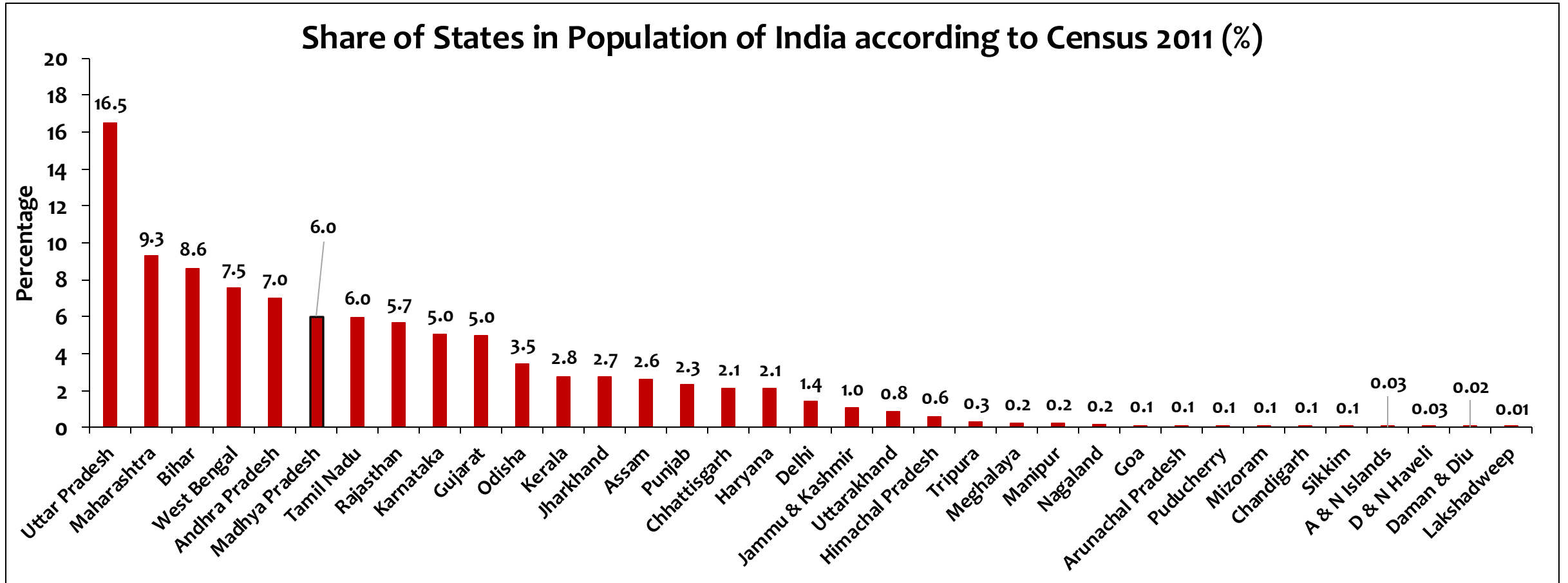
Madhya Pradesh has a share of 6.2 percent of National Population and its Population Growth Rate is higher than the national average



Source: Census data (1951-2011) is sourced from Office of the Registrar General of India, Ministry of Home Affairs. Projections are sourced from the “Report of the Technical group on Population Projections 2011 - 2036”, (July 2020) by National Commission on Population and Ministry of Health and Family Welfare.

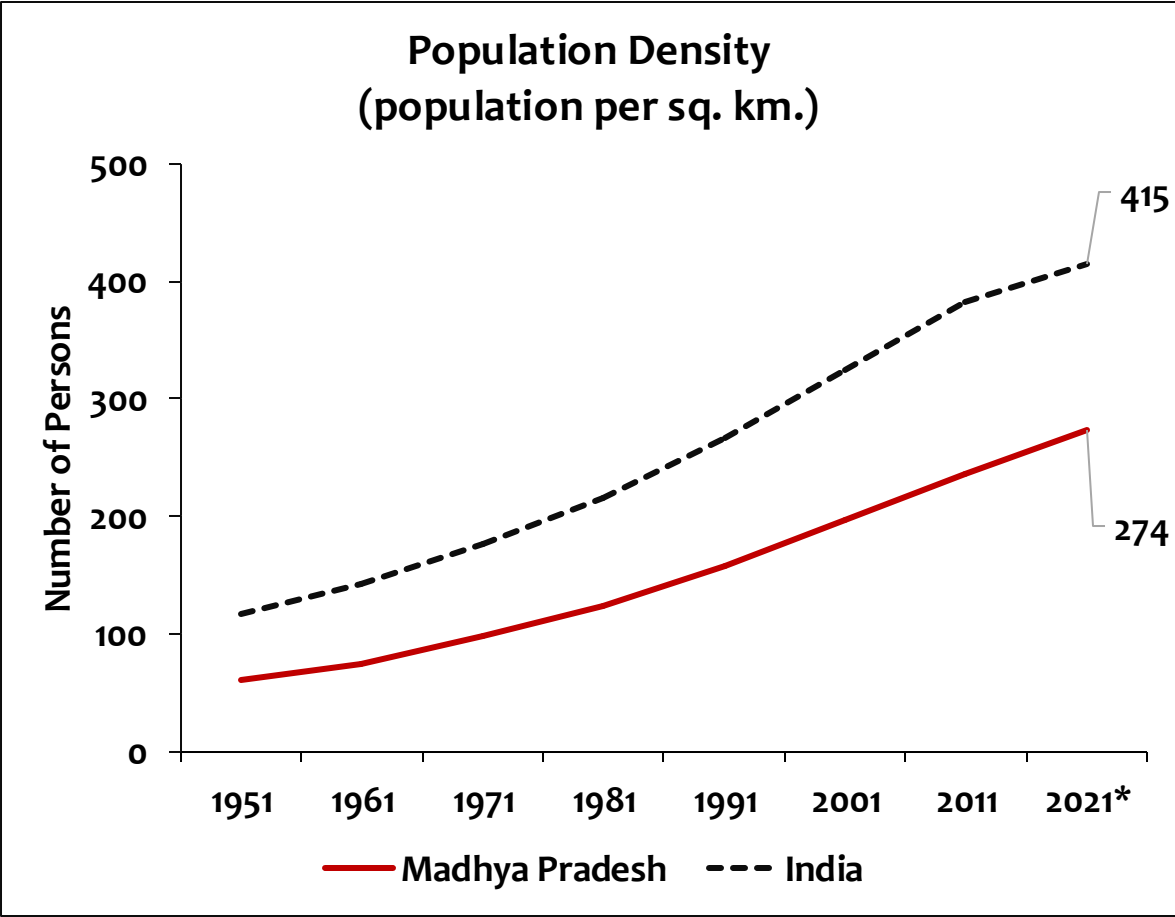
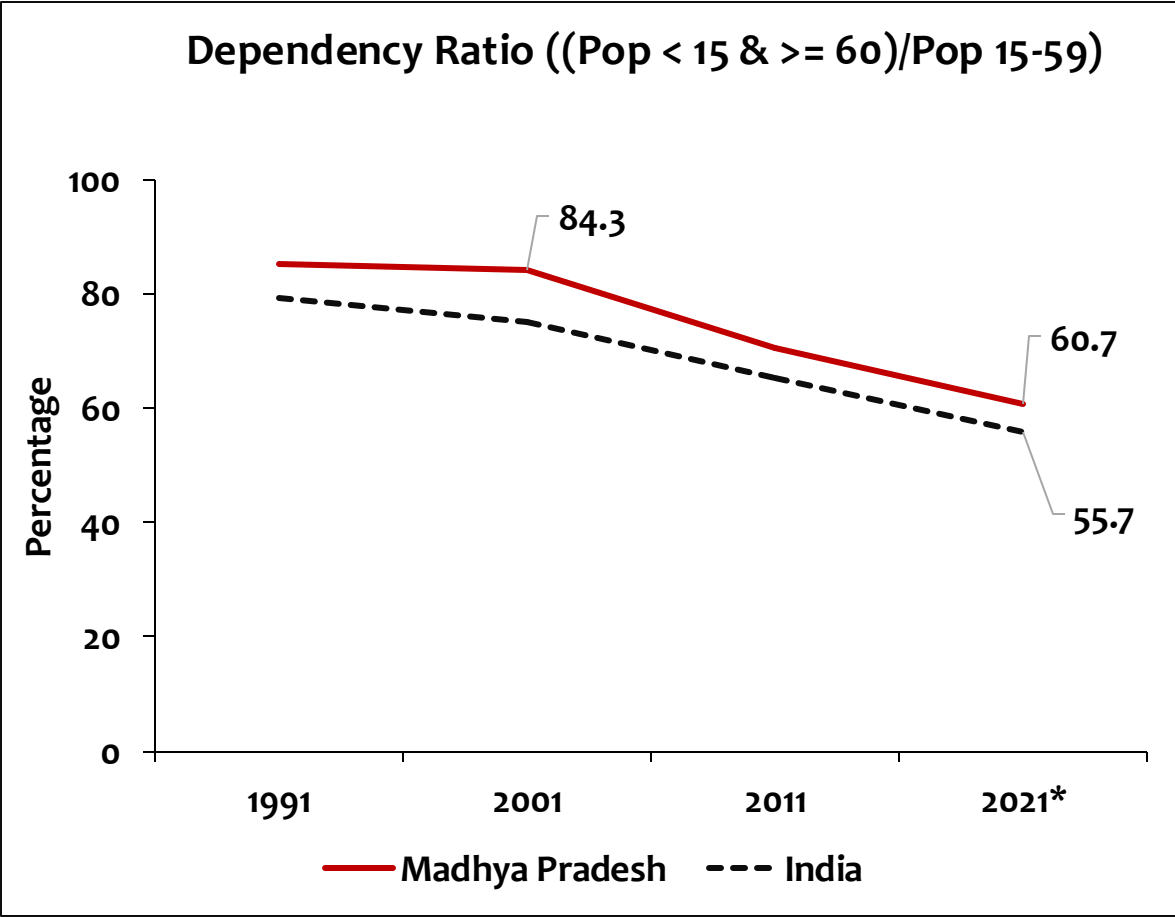
Note: Census Population Projections are constructed using the Cohort Component Method, where the components of population change (fertility, mortality and net migration) are used to project the base population each year separately for each birth cohort (persons born in a given year). The detailed methodology can be found in Chapter 2, [Population Projection Report 2011-2036](#).

As per the 2011 Census, Madhya Pradesh ranked sixth among States in terms of its share of the total population



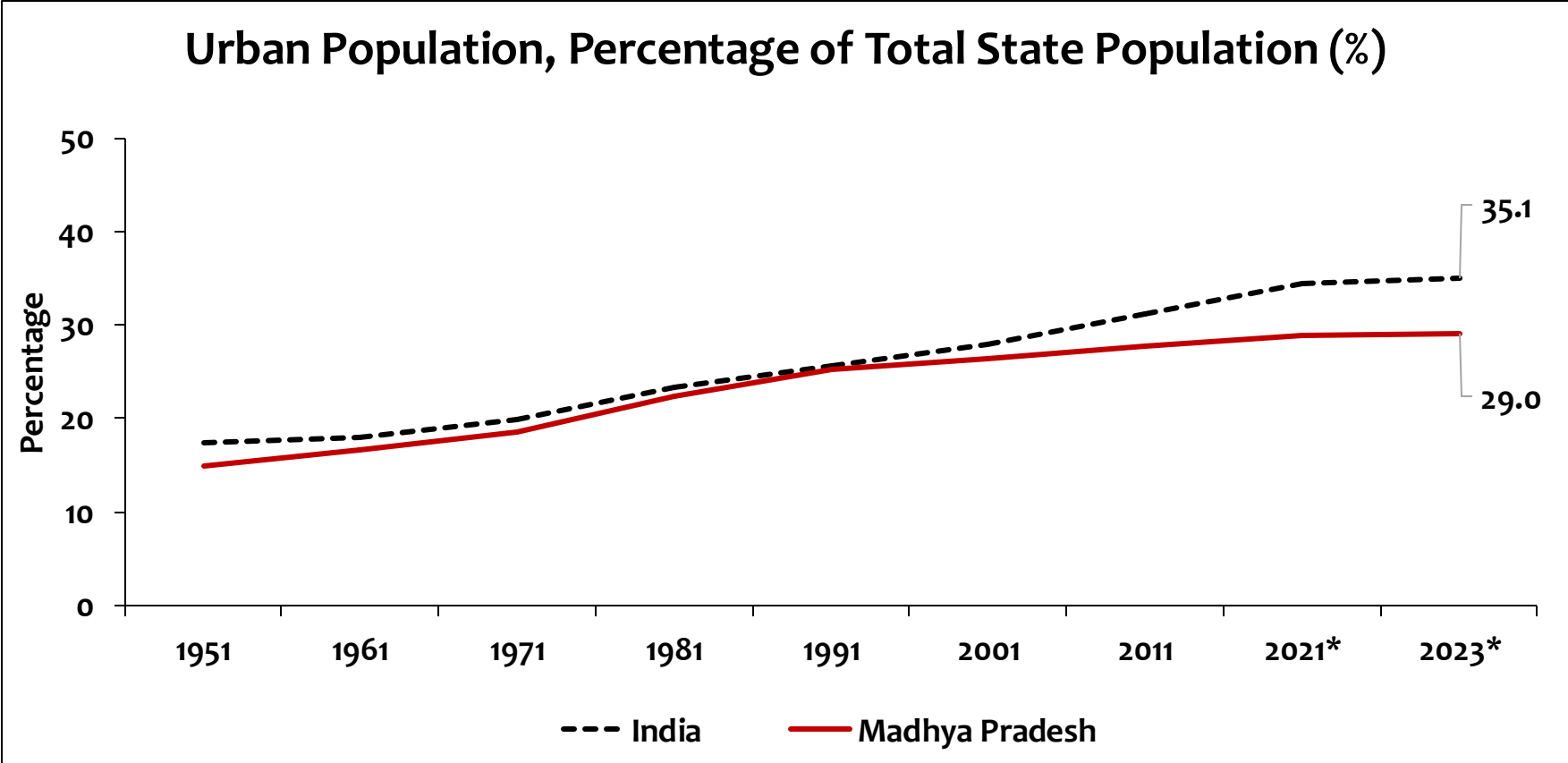
Source: Census data (1951-2011) is sourced from Office of the Registrar General of India, Ministry of Home Affairs.

Dependency Ratio in Madhya Pradesh has remained above the national estimate in 2011 and is expected to remain above the projected national estimate in 2021. Population Density has increased over the decades but has consistently remained below the all-India figure



Source: Census data and “Population Projections for Indian States 2011-2036” by the Technical Group on Population Projections, National Commission on Population Ministry of Health and Family Welfare, Government of India.
 Note: Number for India has been taken directly from the source.

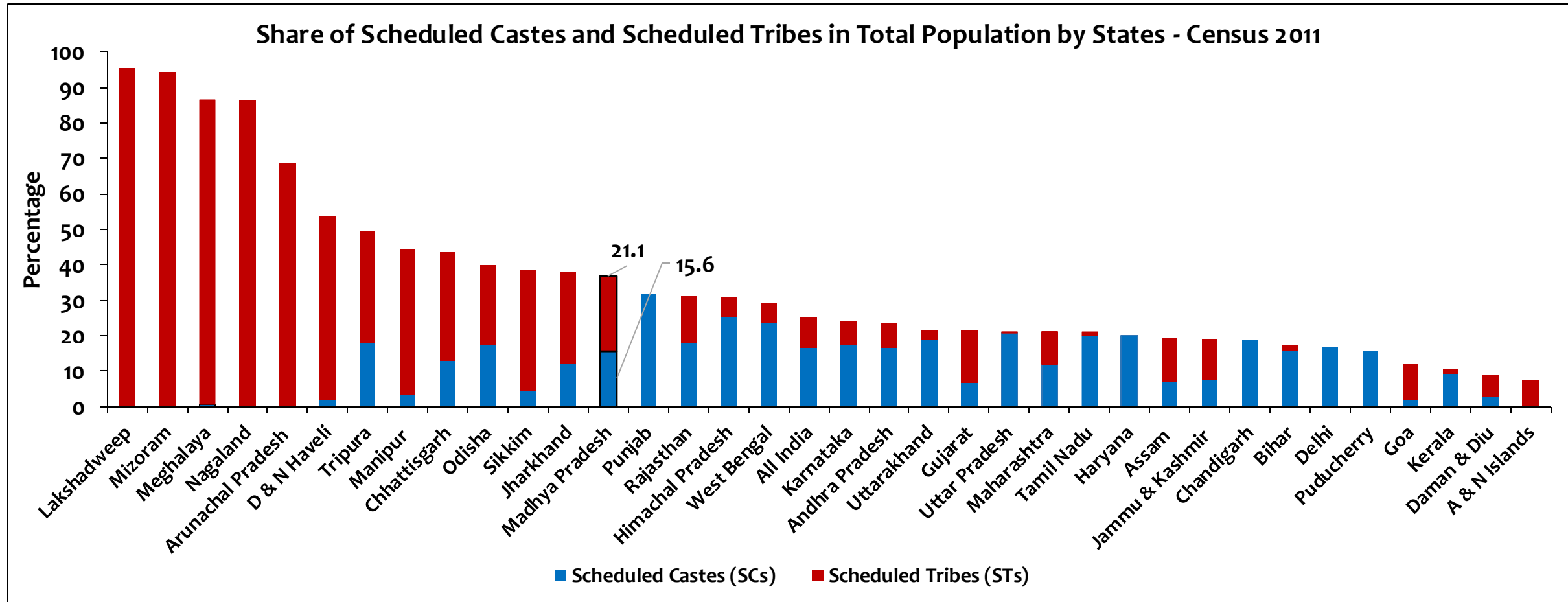
Urban Population in Madhya Pradesh has consistently remained below the national estimate and the gap between the two has widened particularly over the past two decades due to higher population growth



Source: Census data and “Population Projections for Indian States 2011-2036” by the Technical Group on Population Projections, National Commission on Population Ministry of Health and Family Welfare, Government of India.

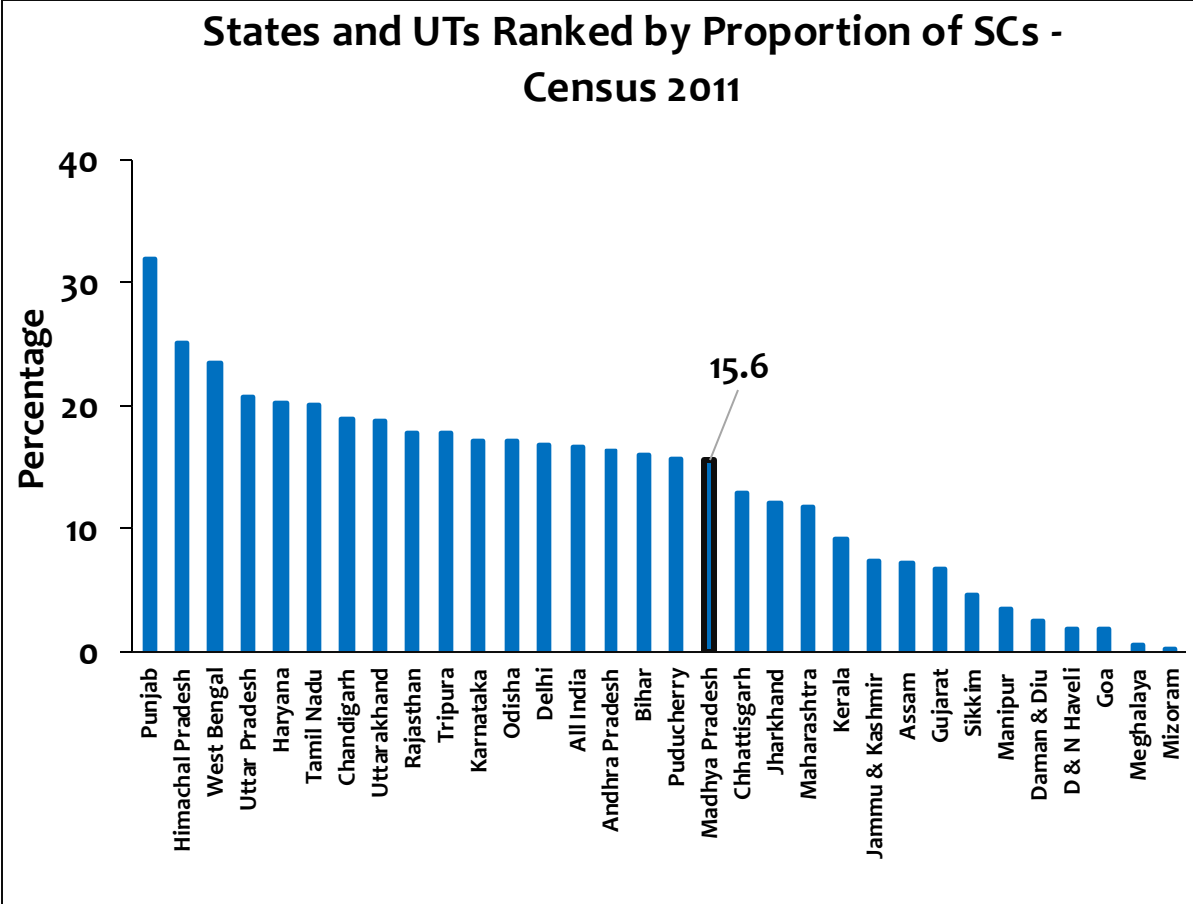
Note: Number for India has been taken directly from the source.

In Madhya Pradesh, Scheduled Castes (SCs) constituted 15.6 percent of its total population while Schedule Tribes constituted 21.1 percent of its total population as per the 2011 Census



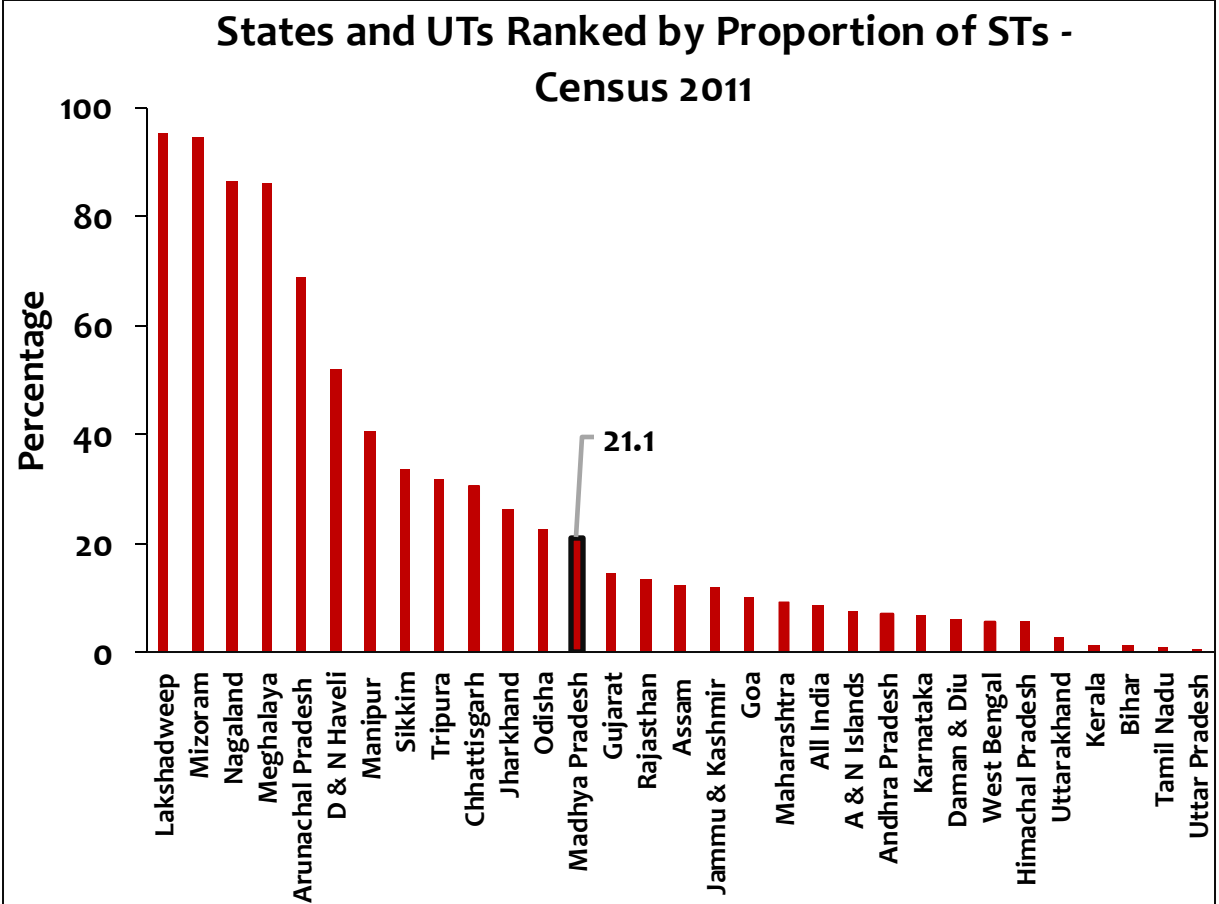
Source: Census data for 2011 is sourced from Office of the Registrar General of India, Ministry of Home Affairs.

Madhya Pradesh ranked as the eighteenth largest among States with regard to the percentage of SC population. It is ranked as the thirteenth largest among States with regard to the percentage of ST population



Source: Census data for 2011 is sourced from Office of the Registrar General of India, Ministry of Home Affairs.

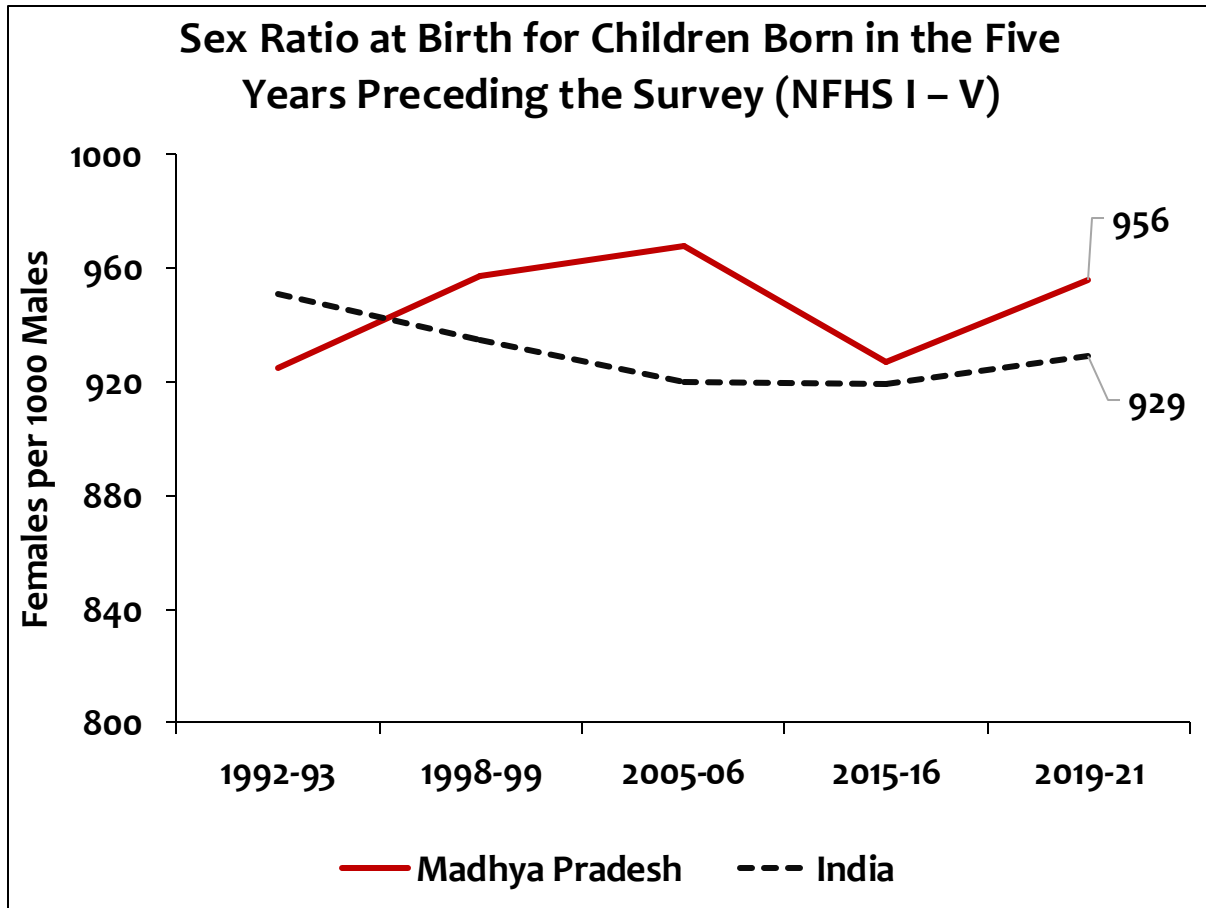
Note: As per the census data, Lakshadweep, Nagaland, Arunachal Pradesh, and Andaman & Nicobar Islands do not report any SC Population.



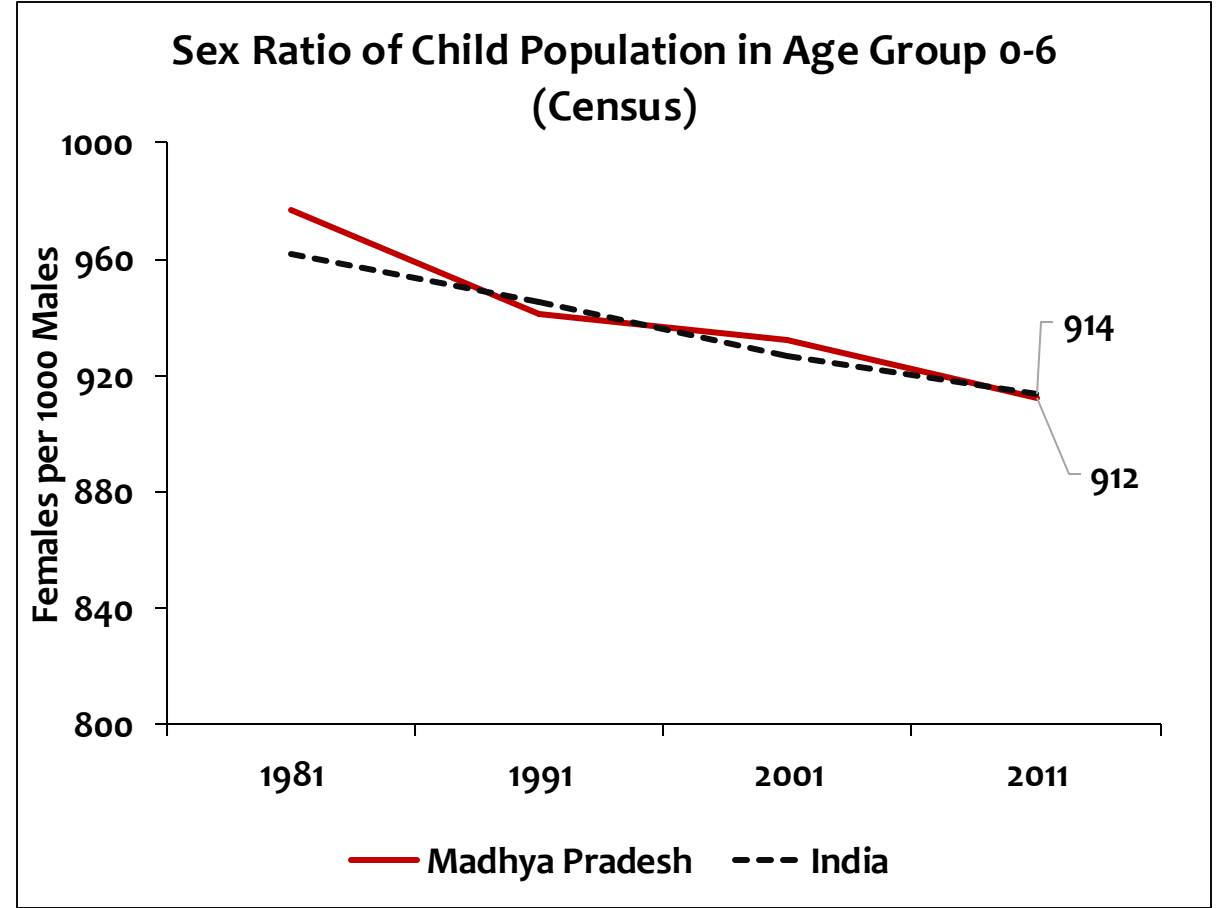
Source: Census data for 2011 is sourced from Office of the Registrar General of India, Ministry of Home Affairs.

Note: As per the census data, Punjab, Haryana, Chandigarh, Delhi, and Puducherry do not report any ST population.

As per National Family Health Survey (NFHS), Madhya Pradesh's Sex Ratio at Birth (female births per 1000 male births in a given population) has remained above the national estimate since 1998-99 . As per the Census data, Sex Ratio of child population in 0-6 age group has consistently been close to the national estimate since 1991

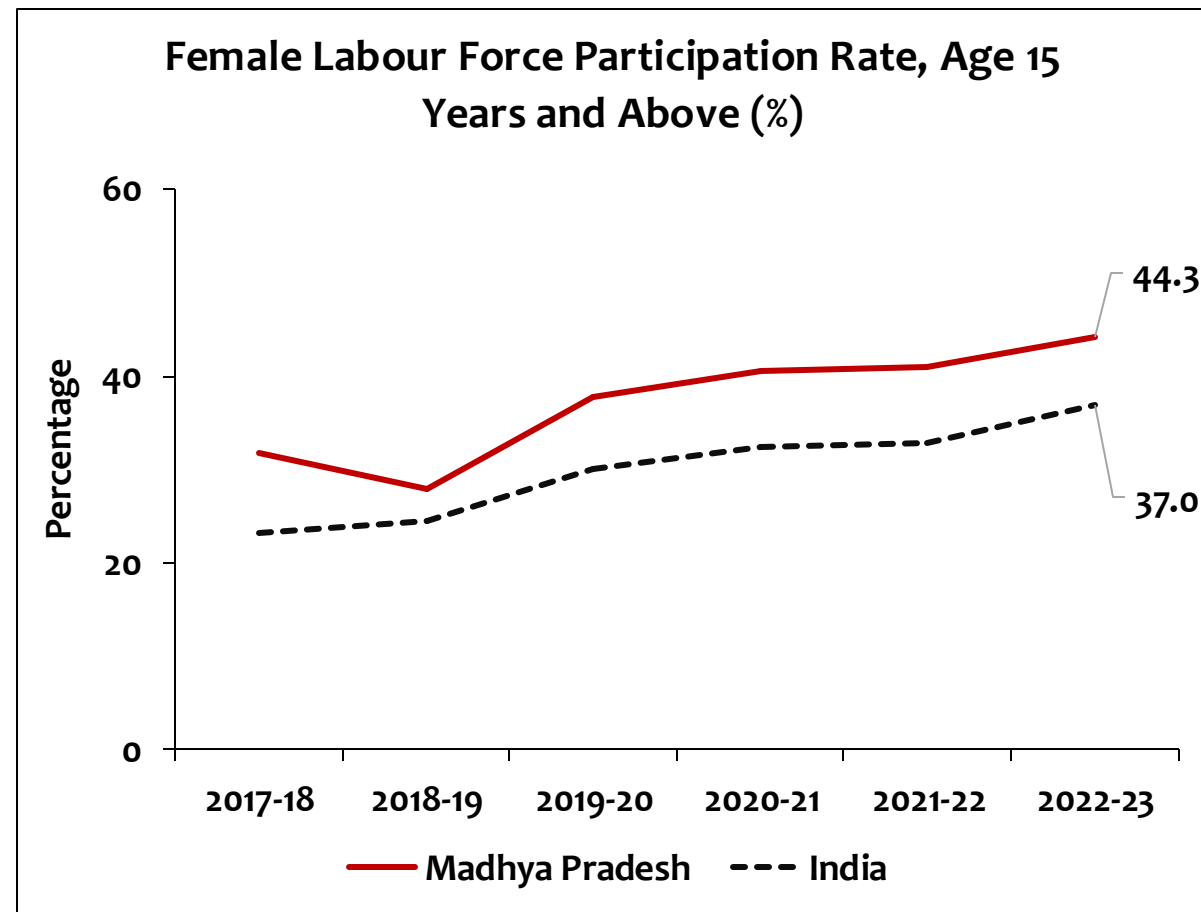
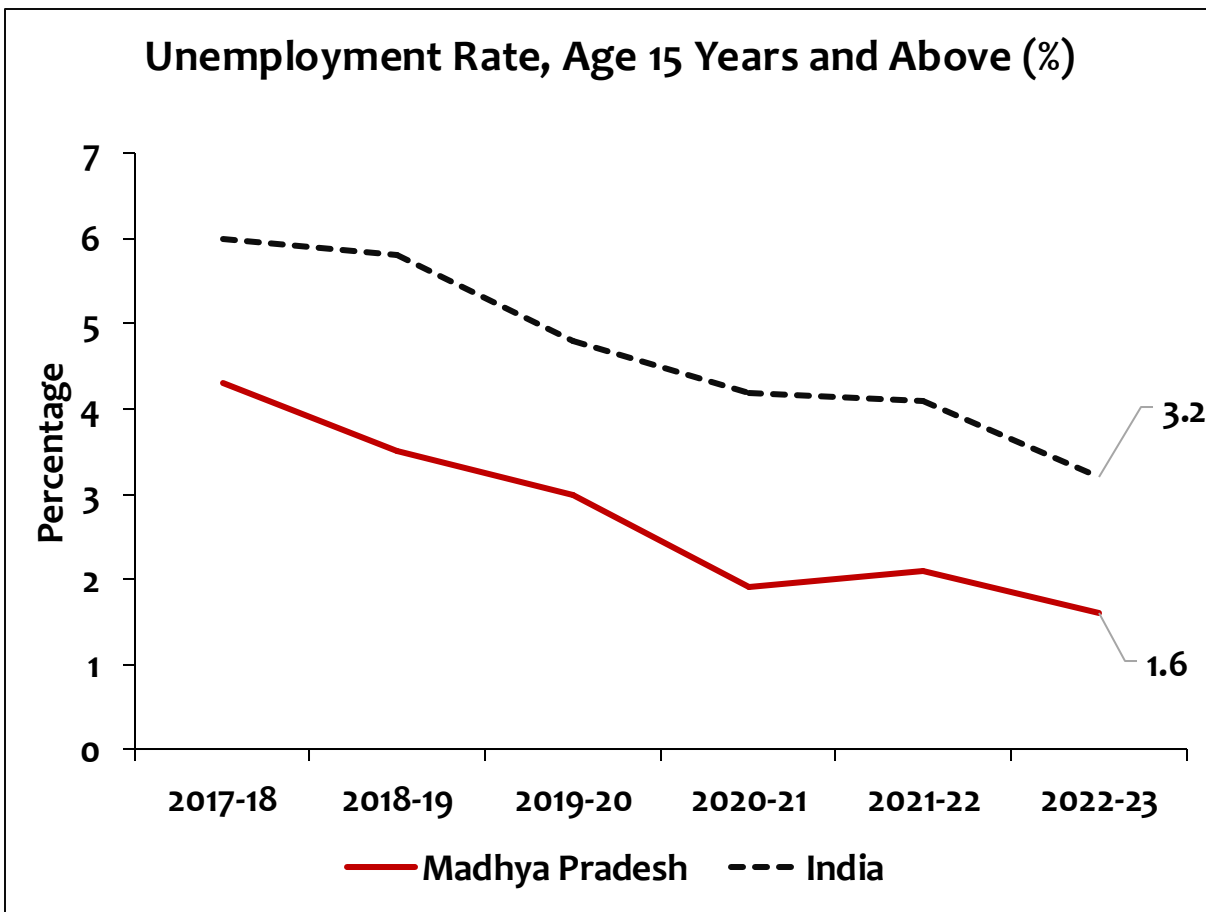


Source: NFHS I – V



Source: Census of India

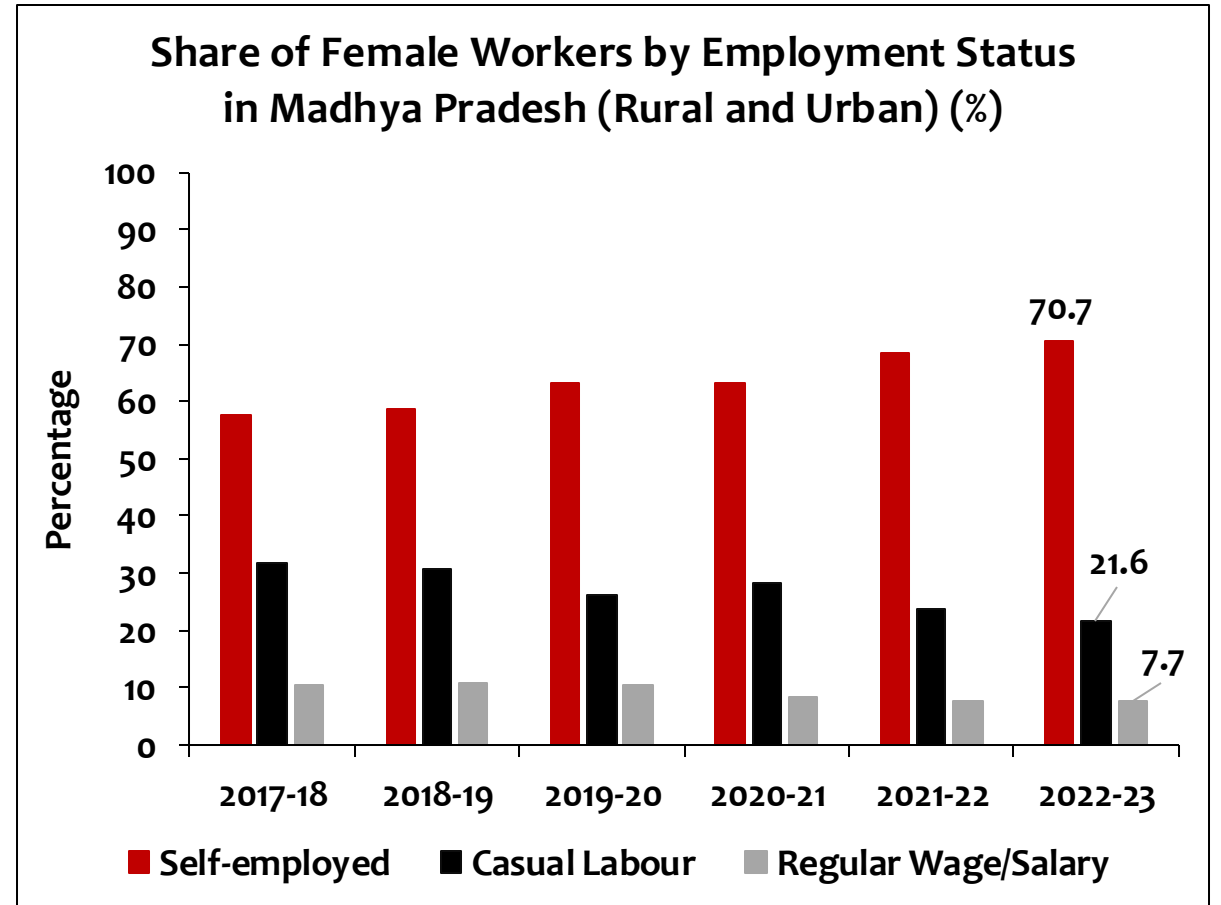
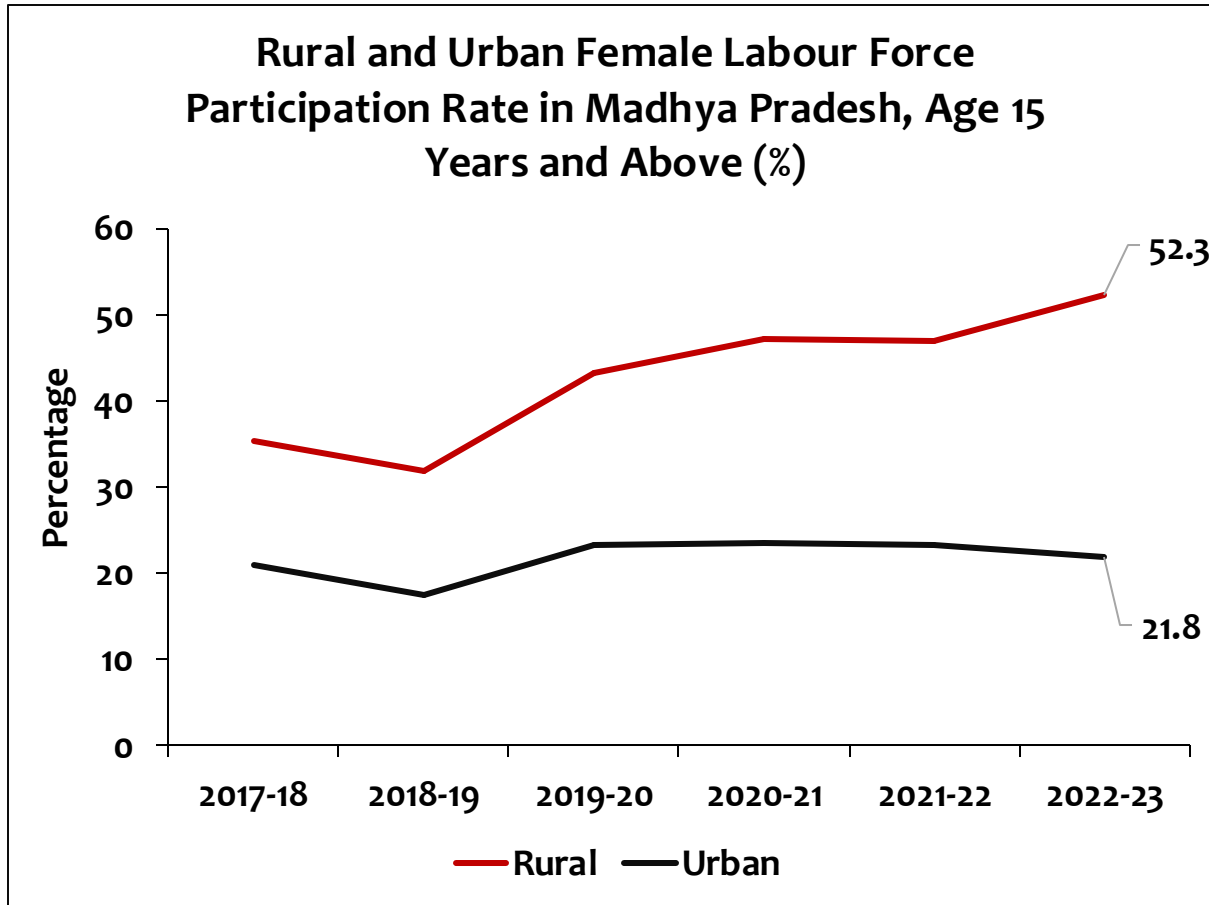
Annual Unemployment Rate for Madhya Pradesh declined to 1.6 percent as of 2022-23 and has remained below national estimate since 2017-18. Female Labour Force Participation rate has improved and has remained above the national estimates since 2017-18



Source: Periodic Labour Force Survey (PLFS) Annual Report 2022-2023.

Note: i. Number for India has been taken directly from the source; ii. The Unemployment and Female Labour Force Participation Rate (FLFPR), is as per the Usual Status (PS+SS) approach, considering both Rural and Urban labour force for the age group 15 years and above. The PLFS uses two reference periods for measuring employment status, the last 7 days (Principal Status or PS) and the last 365 days (Subsidiary Status or SS). The PS+SS category combines information from both reference periods to determine the usual status of employment.

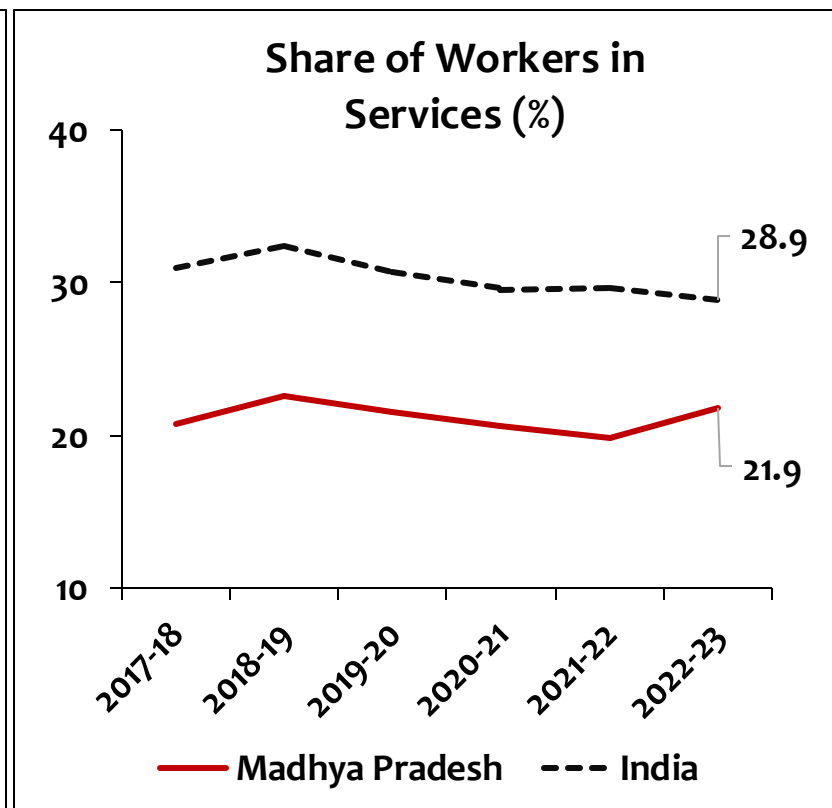
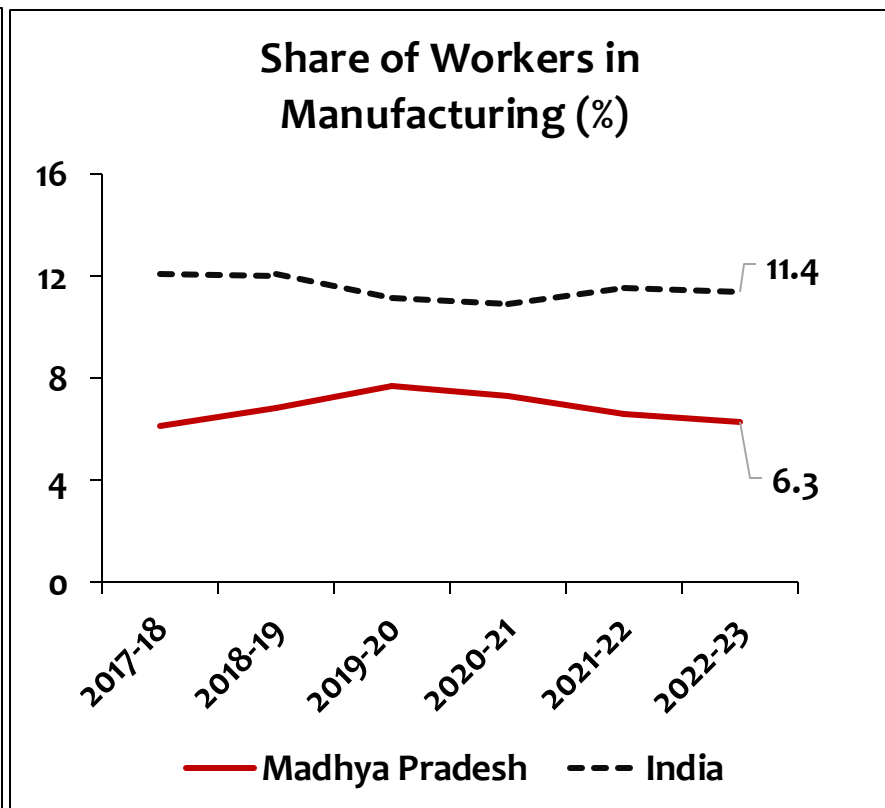
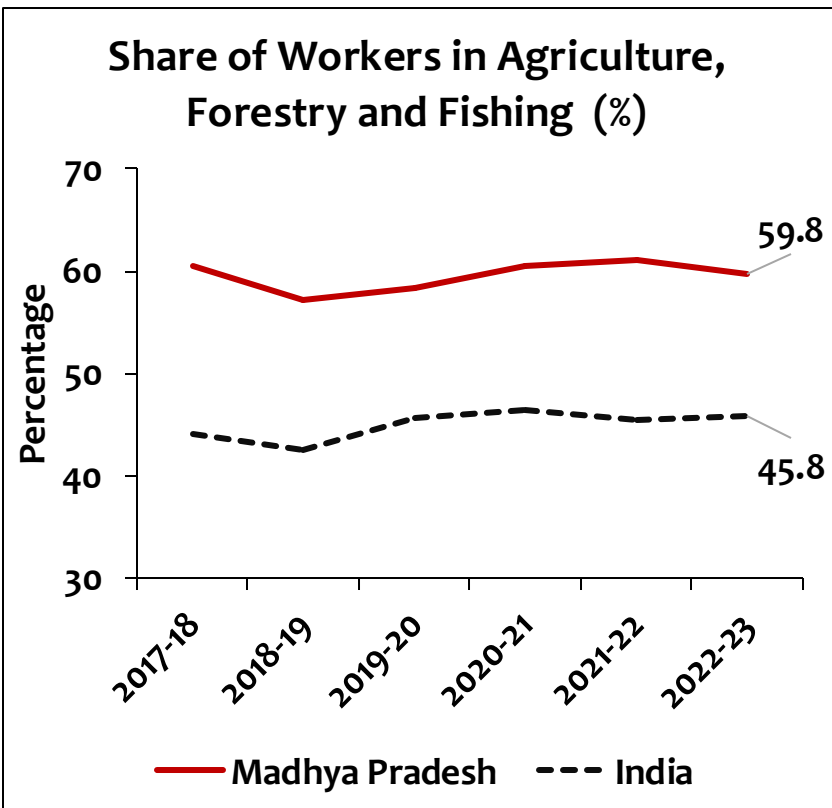
In Madhya Pradesh, Female Labor Force Participation is predominantly higher in rural areas. Additionally, majority of the female workforce comprises of Self-Employed individuals



Source: Periodic Labour Force Survey (PLFS) Annual Report 2022-2023.

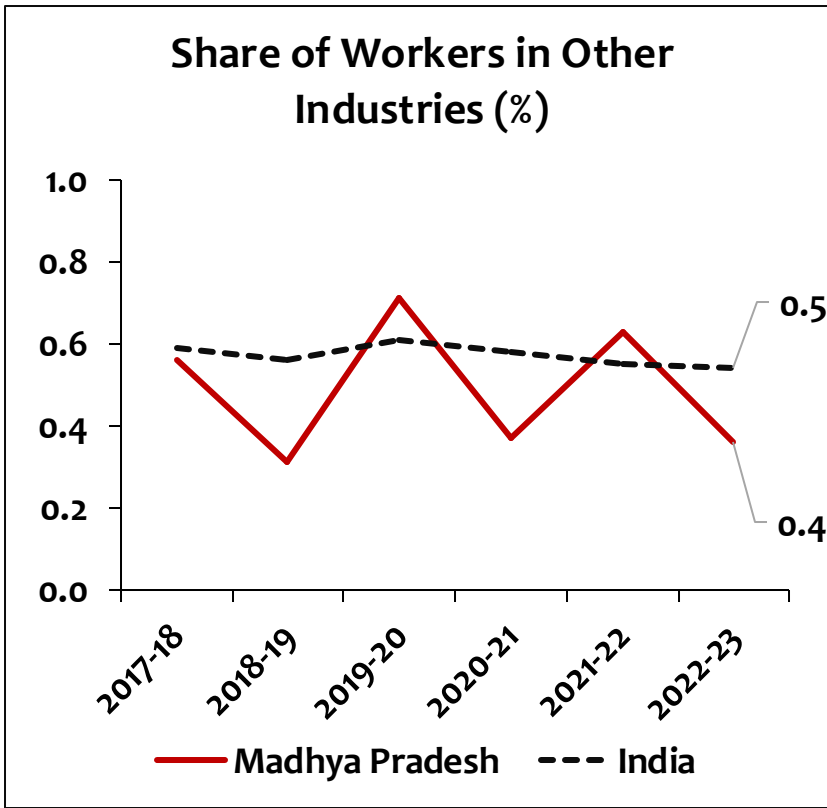
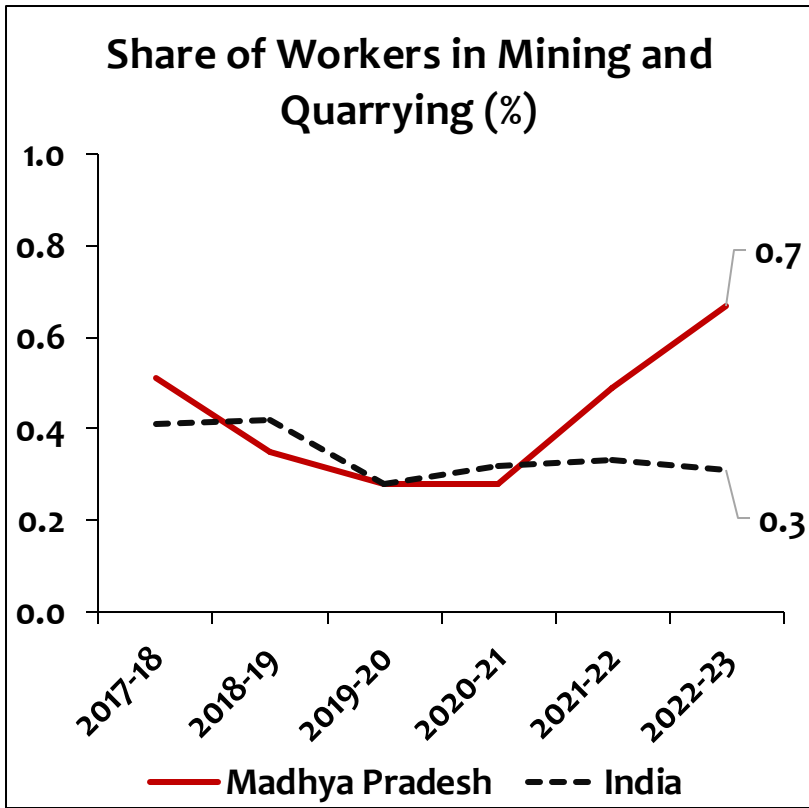
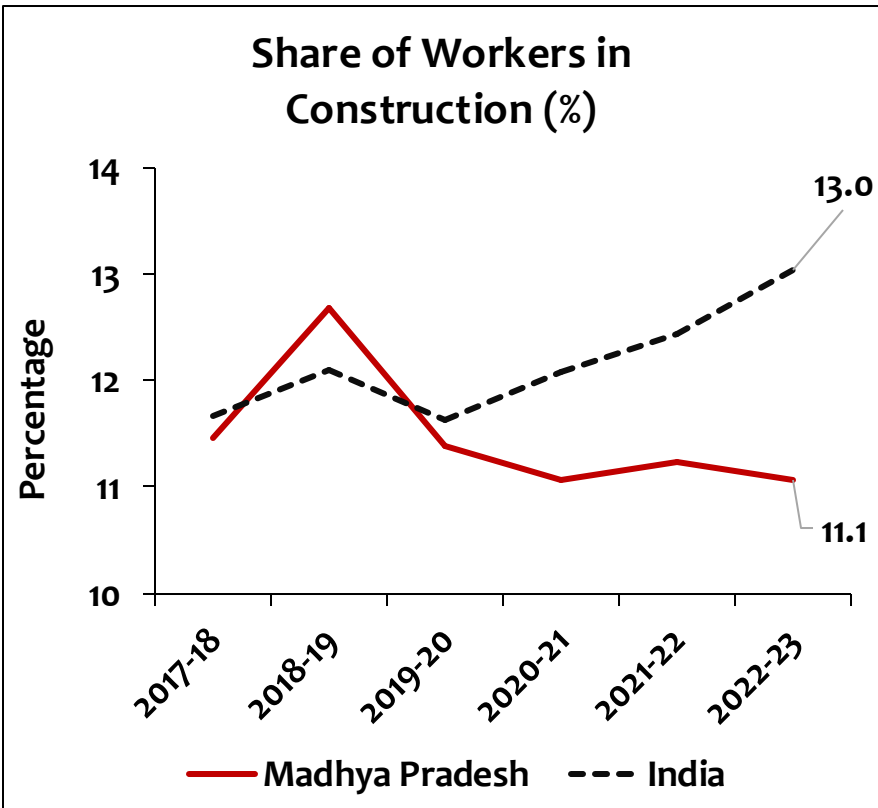
Note: The Rural and Urban Female Labour Force Participation Rate (FLFPR) and Distribution of Female Workers by Employment Status, is as per the Usual Status (PS+SS) approach, considering both Rural and Urban labour force for the age group 15 years and above. The PLFS uses two reference periods for measuring employment status, the last 7 days (Principal Status or PS) and the last 365 days (Subsidiary Status or SS). The PS+SS category combines information from both reference periods to determine the usual status of employment.

Working population in Madhya Pradesh is predominantly concentrated in Agriculture, Forestry, and Fishing; Services; and Construction sectors. Manufacturing sector constituted 6.3 percent of the total share of workers in 2022-23 and it has consistently remained below the national estimates. The proportion of workers engaged in Mining and Quarrying sector and Other Industries is very small



Source: Periodic Labour Force Survey (PLFS) Annual Report 2022-2023.
 Note: i. Number for India has been taken directly from the source; ii. Services includes Transportation and Storage; Accommodation and Food Service Activities; Information and Communication; Financial and Insurance Activities; Real Estate Activities; Professional, Scientific and Technical Activities; Administrative and Support Service Activities; Public Administration and Defense; Compulsory Social Security; Education; Human Health and Social Work Activities; Arts, Entertainment and Recreation; Activities of Households as Employers; Undifferentiated Goods and Services Producing Activities of Households for Own Use; Activities of Extraterritorial Organizations and Bodies; Wholesale and Retail Trade, Repair of Motor Vehicles and Motorcycles; and other Services.

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Source: Periodic Labour Force Survey (PLFS) Annual Report 2022-2023.

Note: i. Number for India has been taken directly from the source; ii. Other industries include, Electricity, Gas, Steam and Air Conditioning Supply; and Water Supply, Sewerage, Waste Management and Remediation Activities.

3. Economic Structure (Growth and Sectoral Composition)

- Income data covers the fiscal period 1990-91 to 2022-23

Table 2A: State Domestic Product, Per Capita Income, Sectoral Shares, Inflation, FDI inflow and Exports of Madhya Pradesh

Indicator	Most Recent Value	States' Average	Decadal Change, % points (b/w 2012-13 and 2021-22)	Source
Nominal Gross State Domestic Product (GSDP)	Rs. 113,613,719 (Lakh) (FY 2021-22)	Rs. 2,347,101,174 (Lakh; India) (FY 2021-22)	+198.3% growth	MoSPI; EPWRF
Nominal GSDP share in India's Nominal Gross Domestic Product (GDP), %	4.8% (FY 2021-22)	-	+1.0% points	MoSPI; EPWRF
Real GSDP Growth Rate, %	6.8% (Decadal avg. b/w 2012-13 and 2021-22)	5.6% points (Decadal avg. b/w 2012-13 and 2021-22 for India)	-1.0% points	MoSPI; EPWRF
Nominal Per Capita GSDP	Rs. 133,478 (FY 2021-2022)	Rs. 171,498 (India) (FY 2021-22)	+161.3% growth	MoSPI; EPWRF
Nominal Per Capita GSDP in India's Nominal Per Capita GSDP (Ratio)	0.8 (FY 2021-22)	-	+0.1 points	MoSPI; EPWRF
Share of Agricultural Sector to Total Gross State Value Added (GSVA) (Nominal), %	44.7% (FY 2021-22)	19.7% (FY 2021-22)	+10.2% points	MoSPI; EPWRF
Share of Industry Sector to Total GSVA (Nominal), %	22.5% (FY 2021-2022)	29.3% (FY 2021-22)	-4.7% points	MoSPI; EPWRF
Within Industry: Share of Manufacturing Sector to Total GSVA (Nominal), %	8.4% (FY 2021-22)	14.8% (FY 2021-22)	-2.9% points	MoSPI; EPWRF
Within Industry: Share of Construction Sector to Total GSVA (Nominal), %	7.4% (FY 2021-22)	7.7% (FY 2021-22)	-2.1% points	MoSPI; EPWRF
Within Industry: Share of Mining and Quarrying Sector to Total GSVA (Nominal), %	3.2% (FY 2021-22)	2.3% (FY 2021-22)	-0.3% points	MoSPI; EPWRF
Within Industry: Share of Supply of Utilities Sector to Total GSVA (Nominal), %	3.4% (FY 2021-22)	4.4% (FY 2021-22)	+0.6% points	MoSPI; EPWRF
Share of Service Sector to Total GSVA (Nominal), %	32.9% (FY 2021-2022)	51.0% (FY 2021-22)	- 5.5% points	MoSPI; EPWRF

Source: Data is taken from MOSPI, as of August 2023.

Note: i. States' Average for shares are simple averages of each State's/UT's share for that year; ii. States' average growth rates are calculated as the simple average of each State/UT's growth rate for that year.

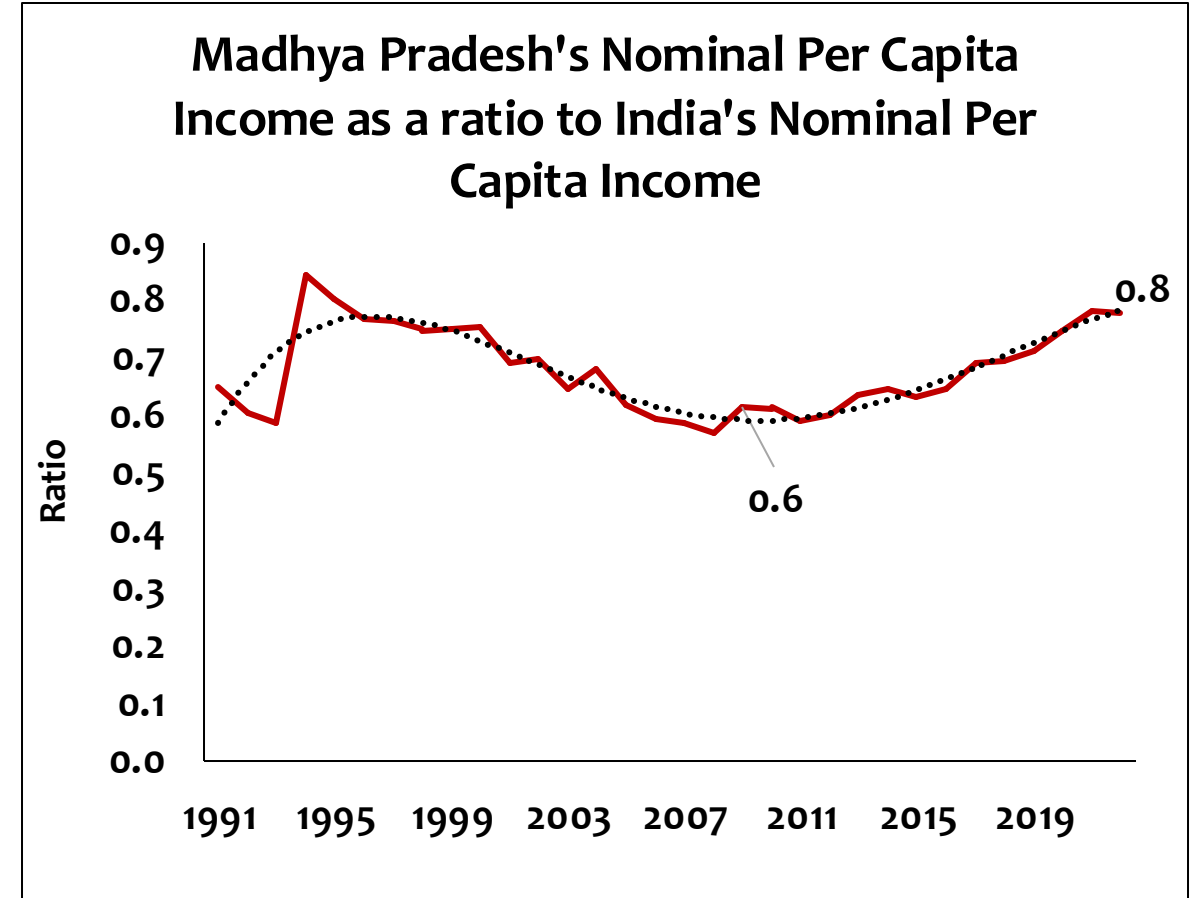
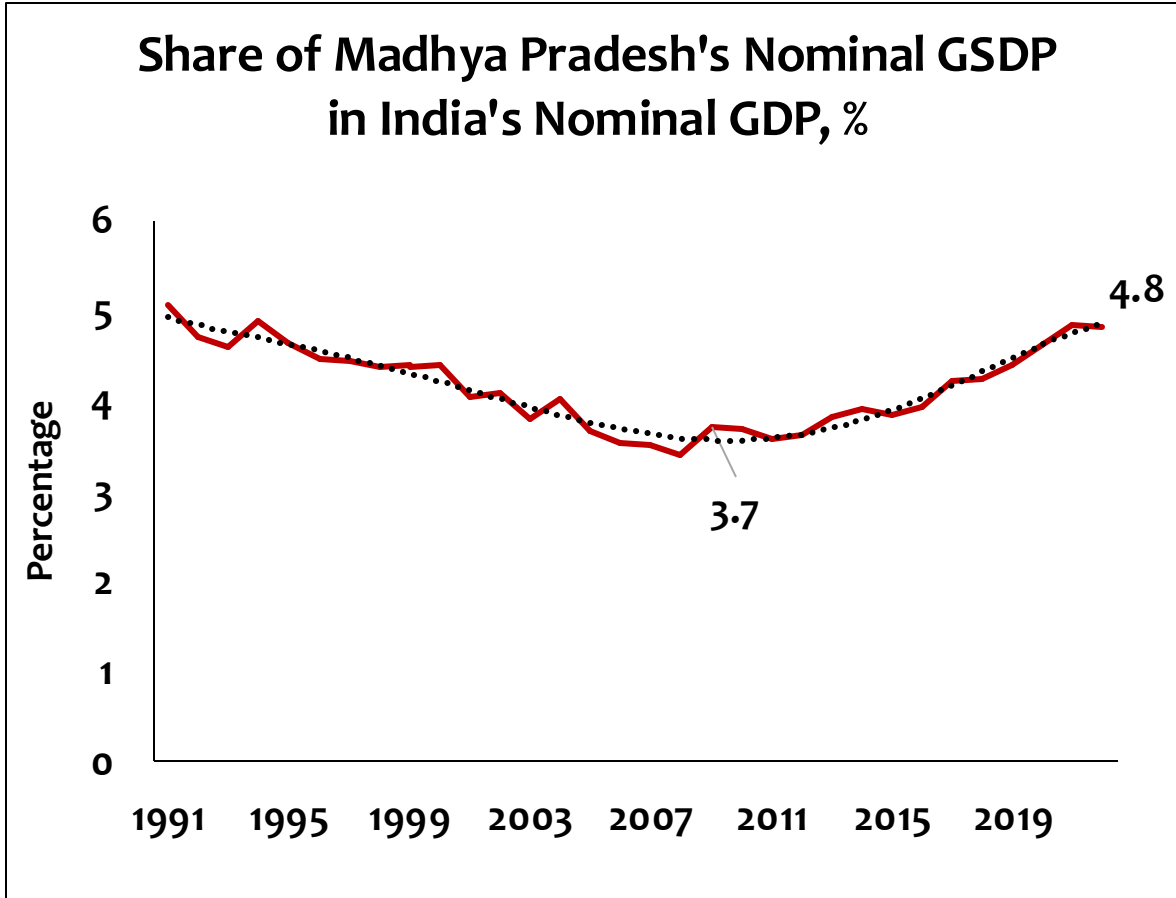
Table 2B: State Domestic Product, Per Capita Income, Sectoral Shares, Inflation, FDI inflow and Exports for Madhya Pradesh

Indicator	Most Recent Value	States' Average	Decadal Change, % (b/w 2013-14 to 2022-23)	Source
Share of Agricultural Sector to Total GSDP (Nominal), %	39.9% (FY 2022-23)	15.8% (FY 2022-23)	+6.1% points	MoSPI; EPWRF
Share of Industry Sector to Total GSDP (Nominal), %	20.2% (FY 2022-23)	25.3% (FY 2022-23)	-4.6% points	MoSPI; EPWRF
Within Industry: Share of Manufacturing Sector to Total GSDP (Nominal), %	7.1% (FY 2022-23)	13.1% (FY 2022-23)	-2.1% points	MoSPI; EPWRF
Share of Services Sector to Total GSDP (Nominal), %	33.6% (FY 2022-23)	42.6% (FY 2022-23)	-2.6% points	MoSPI; EPWRF
Inflation Rate	+5.0% (FY 2022-23)	+ 5.5 % (FY 2022-23)	-1.3% points	MoSPI; EPWRF
FDI Inflow	0.1 % of India FDI Inflow (2023-24)	3% of India FDI Inflow	--0.3 % of India FDI Inflow (b/w 2020-21 and 2023-24)	DPIIT
Exports	8,218 Million \$ (2022-23)	15,346 Million \$	3,844 Million \$ (b/w 2013-14 and 2022-23)	Multiple Sources*

Source: i. Data on sectoral shares to GSDP is taken from MOSPI, as of March 2024; ii. (*)Multiple sources for exports are various Issues of Economic Survey, Department of Economic Affairs, (data.gov.in); Various Issues of Bulletin on Foreign Trade Statistics, Directorate General of Foreign Trade (DGFT); iii. FDI data is available State-wise in a cumulative format with the starting date as December 2019 till the month and year of the DPIIT publication.

Note: i. The State average for FDI has been calculated as the sum of all States/region divided by the number of States/regions, and this is divided by India's FDI inflow, multiplied by 100; ii. Benchmark number for exports is an average of all States/UT number.

Madhya Pradesh's share in India's nominal GDP and its nominal per capita income as a ratio to India's nominal per capita income have both increased since 2008-09



Source: The Ministry of Statistics and Programme Implementation (MoSPI), as of August 2023. Back series with 2011-12 base has been taken from Economic and Political Weekly Research Foundation (EPWRF).

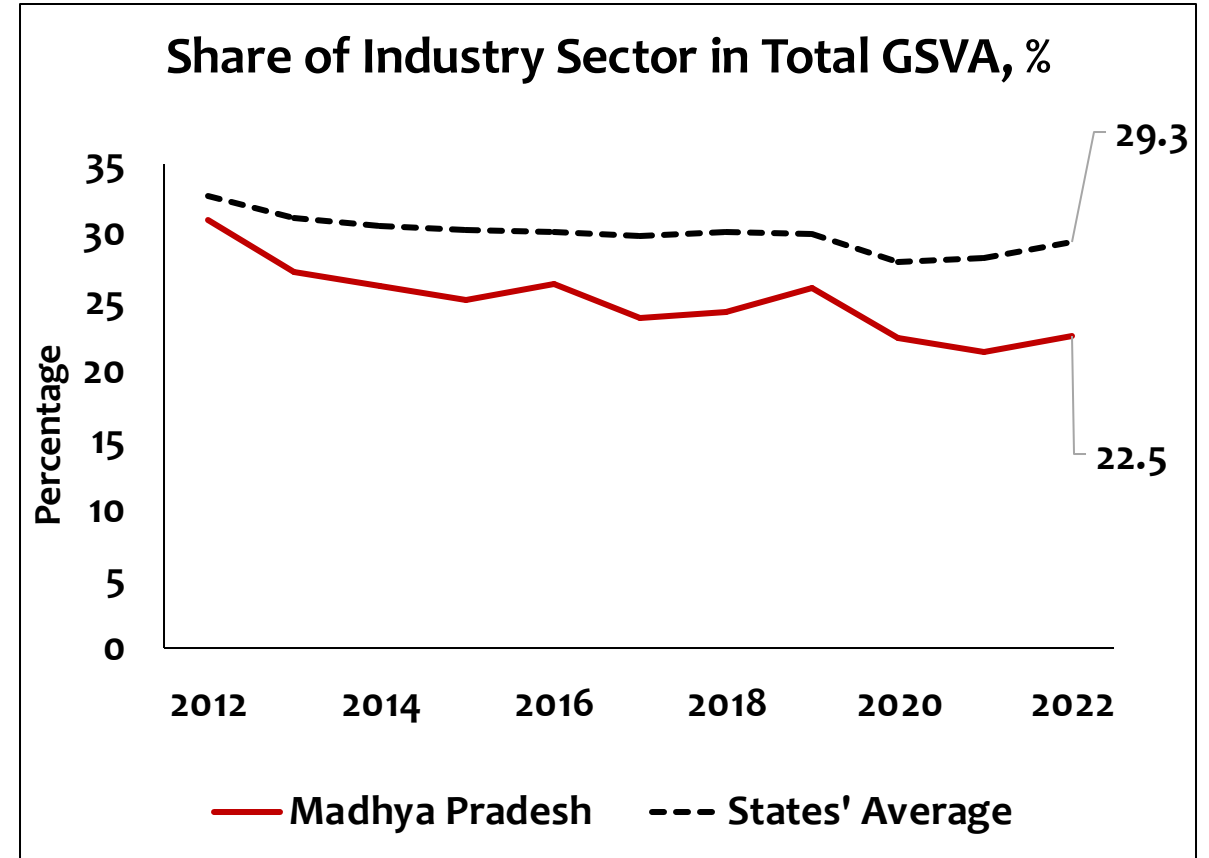
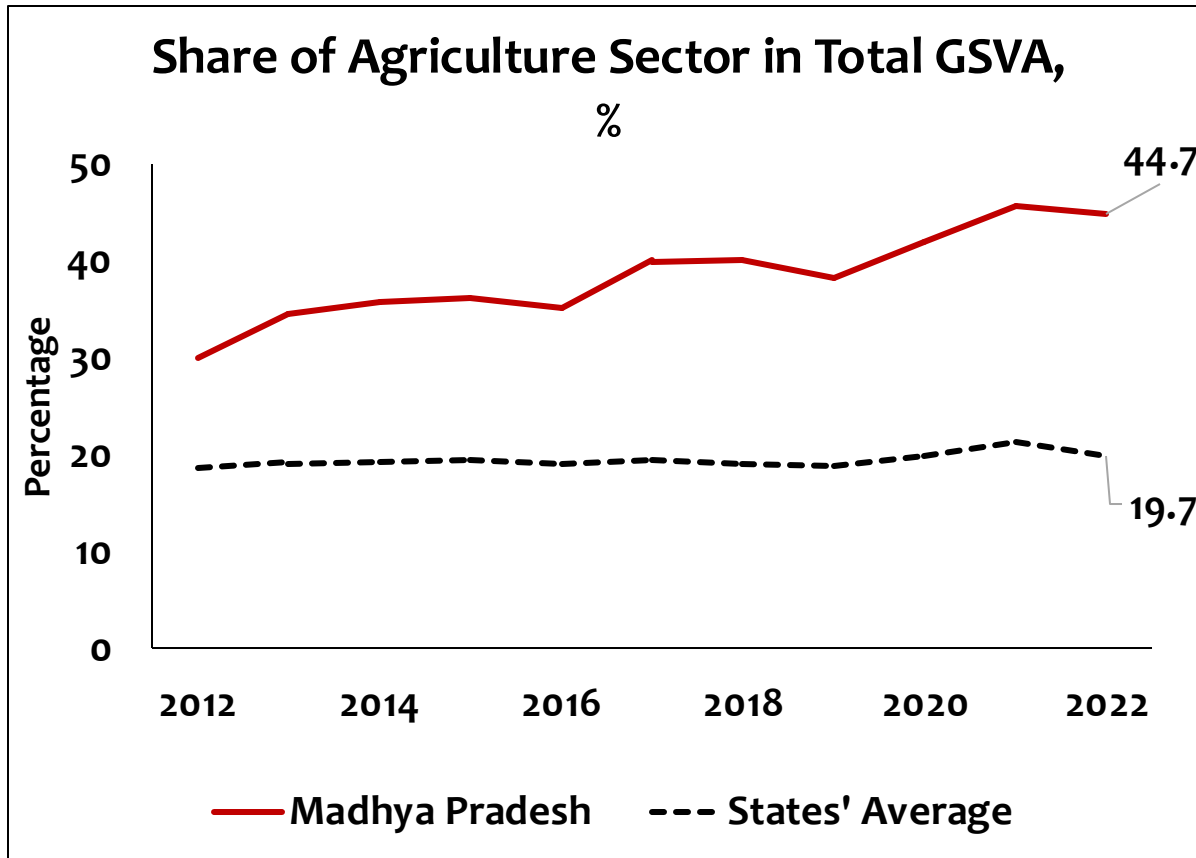
Note: i. GSDP refers to Gross State Domestic Product at current market prices; ii. As per EPWRF, this series is spliced with earlier GSDP series to generate the long time series; iii. National GDP is the National Gross Domestic Product of India at current market prices; iv. This series has been spliced with earlier GDP series to generate the long time series.

Sectoral Gross State Value Added (GSVA): Madhya Pradesh vis-à-vis rest of India (FY2021-22)

- According to official estimates for FY 2021-22, Madhya Pradesh derives 44.7 percent of its Gross State Value Added (GSVA) from the Agriculture sector, significantly higher than the States' average of 19.7 percent.
- For FY 2021-22, Industry sector contributes 22.5 percent to the GSVA in Madhya Pradesh while, for the same sector, an average State contributes 29.3 percent to the GSVA. This sector is dominated by manufacturing which contributes a 8.4 percent share to total GSVA with lesser contributions from Construction (7.4 percent), Electricity (3.4 percent) and Mining (3.2 percent).
- For FY 2021-22, Services sector contributes 32.9 percent to the GSVA in Madhya Pradesh while, for the same sector, an average State contributes 51.0 percent to the GSVA. Within the services sector, the largest contributors are Trade, Hotels, and Restaurants (8.9 percent) and Other Services (6.2 percent).
- For FY 2021-22, Madhya Pradesh ranks 32nd out of 33 States and UTs in its share of Service sector (32.9 percent), and ranks 22nd in its share of Industry Sector (22.5 percent) in GSVA.

Note: Gross State Value Added (GSVA) is defined as the sum of the value added by each of the sectors under agriculture, industry, and services. This series currently is available at basic prices with 2011-12 base and it can be spliced with the earlier GSVA series to obtain the long time series for this variable.

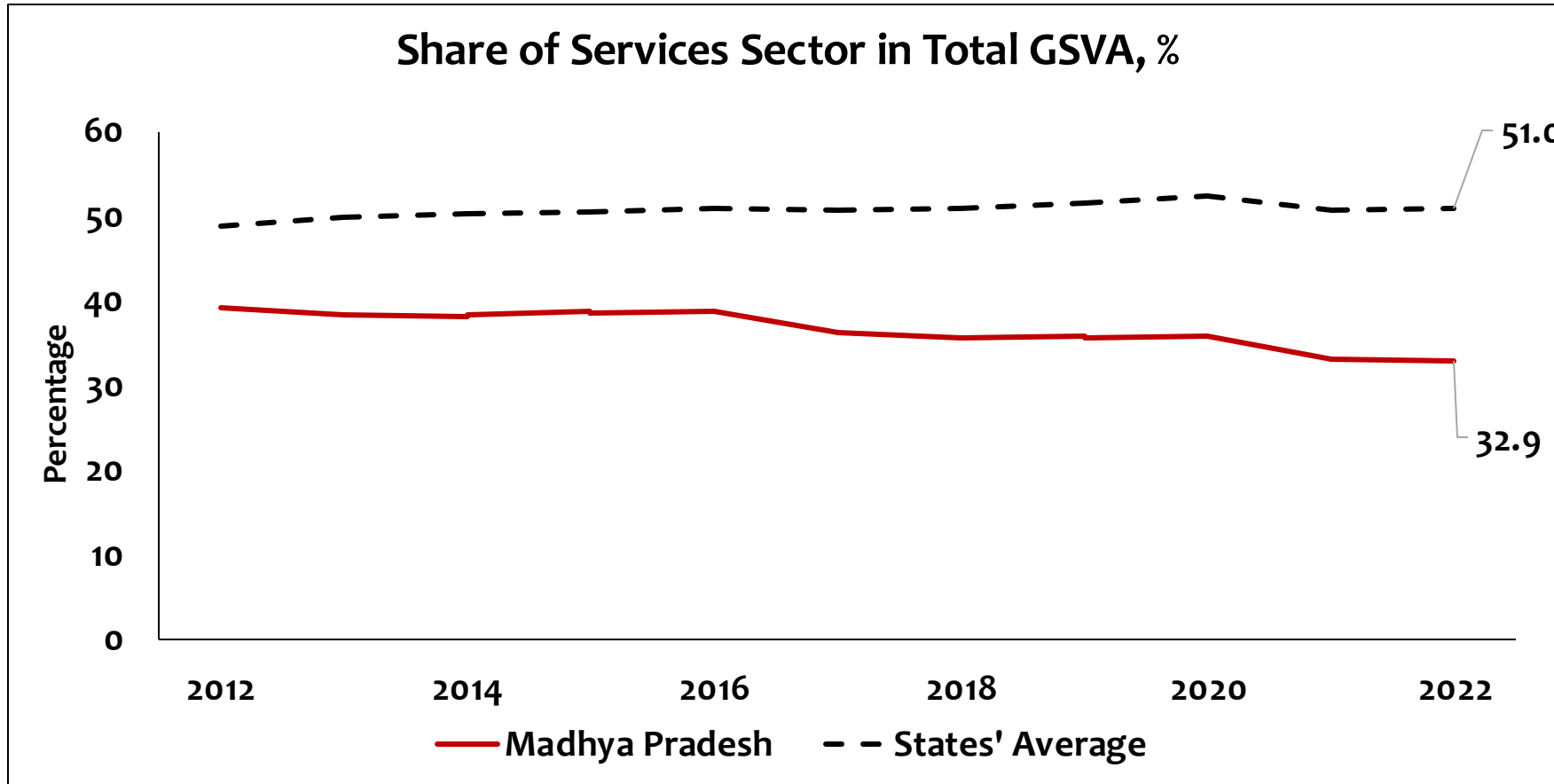
Share of Agricultural sector in Madhya Pradesh's GSVA has remained above the average share of States and as of 2022-23, it was more than double the States' average . Share of the industry sector in GSVA has remained below the average share of States



Source: MoSPI, as of August 2023.

Note: i. States' average refers to a simple average of the shares of 33 States and UTs; ii. Nominal variables have been used to calculate the shares; iii. Agriculture refers to Agriculture and its allied activities such as fishing, animal husbandry, crops etc.; iv. Industry includes Mining & Quarrying, Manufacturing, Construction, and Supply of Electricity & Water.

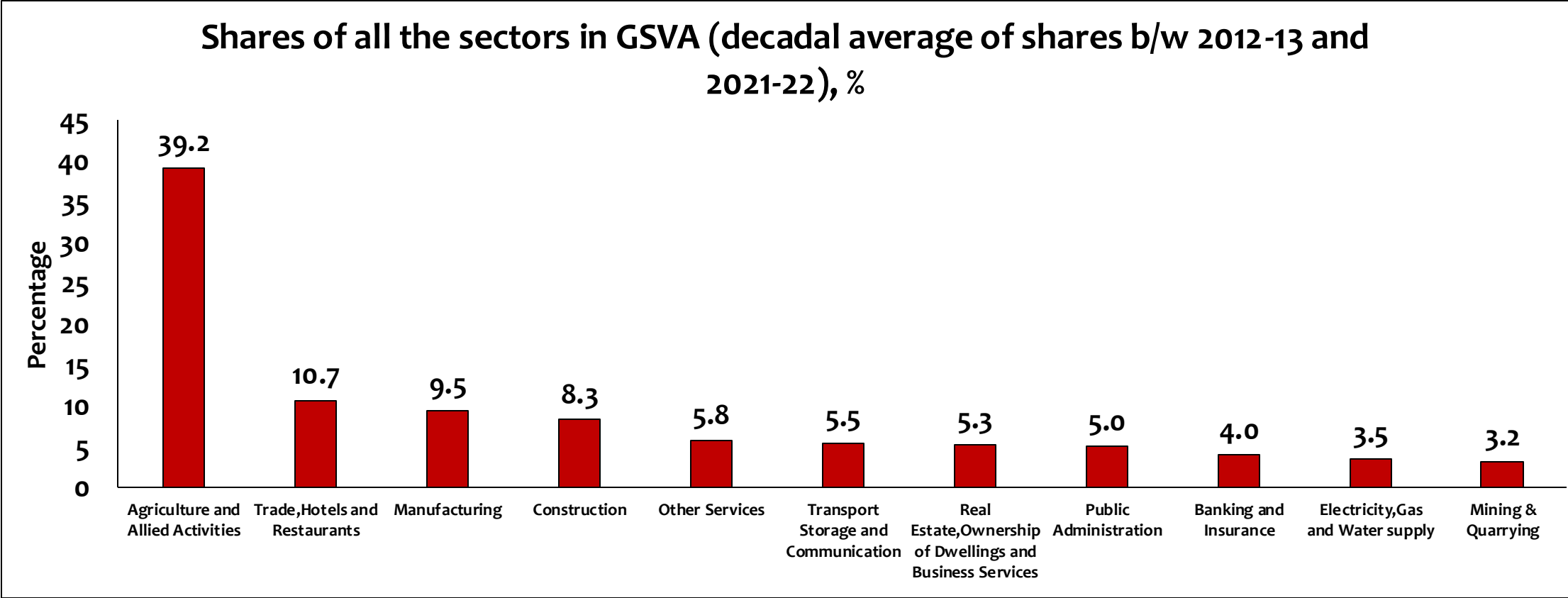
Madhya Pradesh's share of the service sector in GSVA has been smaller than the average share of States, standing at 32.9 percent in 2021-22



Source: MoSPI, as of August 2023.

Note: i. States' average refers to a simple average of the shares of 33 States and UTs; ii. Nominal variables have been used to calculate the shares; iii. Services includes Transport, Storage & Communications, Trade, Hotels and Restaurants, Real Estate, Banking and Financial Services, Public Administration and some other miscellaneous services.

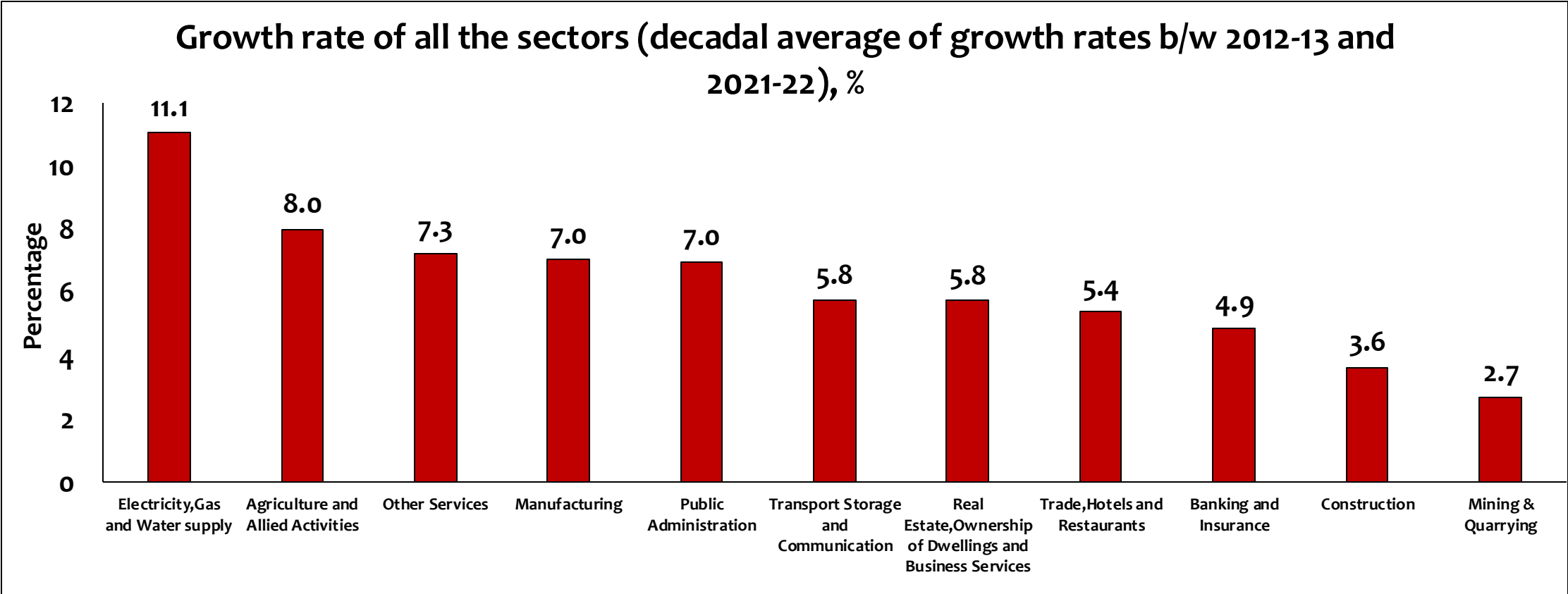
Among all major sectors, the Agriculture and Allied Activities sector has the largest share in Gross State Value Added in the last 10 years



Source: MoSPI, as of August 2023.

Note: i. Nominal variables have been used to calculate the shares; ii. Agriculture refers to Agriculture and its allied activities such as fishing, animal husbandry, crops etc.; iii. Industry includes Mining & Quarrying, Manufacturing, Construction, and Supply of Electricity & Water; iv. Services includes Transport, Storage & Communications, Trade, Hotels and Restaurants, Real Estate, Banking and Financial Services, Public Administration and some other miscellaneous services.

Among all the major sectors, the Utility Supply sector has shown the highest growth during the last ten years



Source: MoSPI, as of August 2023.

Note: i. Real variables have been used to calculate the shares; ii. Agriculture refers to Agriculture and its allied activities such as fishing, animal husbandry, crops etc.; iii. Industry includes Mining & Quarrying, Manufacturing, Construction, and Supply of Electricity & Water; iv. Services includes Transport, Storage & Communications, Trade, Hotels and Restaurants, Real Estate, Banking and Financial Services, Public Administration and some other miscellaneous services.

Table 2C: Madhya Pradesh's Sectoral Growth Rates and Decadal Averages

Sector	Latest Annual Growth Rate (2019-20)	Decadal Average of Growth rates (b/w 2010-11 and 2019-20)	Decadal Average of Growth rates for India (b/w 2010-11 and 2019-20)
Agriculture	12.7%	8.3%	4.4%
Industry	-9.7%	5.8%	5.3%
Manufacturing	-15.7%	6.1%	6.0%
Services	5.8%	7.5%	7.7%
GSVA	3.0%	7.0%	6.4%
GSDP	4.5%	7.6%	6.6%

Source: MoSPI, as of August 2023. Back series with 2011-12 base has been taken from EPWRF.

Note: i. Real variables have been used to calculate the growth rate; ii. Agriculture refers to Agriculture and its allied activities such as fishing, animal husbandry, crops etc.; iii. Industry includes Mining & Quarrying, Manufacturing, Construction, and Supply of Electricity & Water; iv. Services include Transport, Storage & Communications, Trade, Hotels and Restaurants, Real Estate, Banking and Financial Services, Public Administration and some other miscellaneous services.

Table 2D: Madhya Pradesh's Sectoral Growth Rates and Decadal Averages

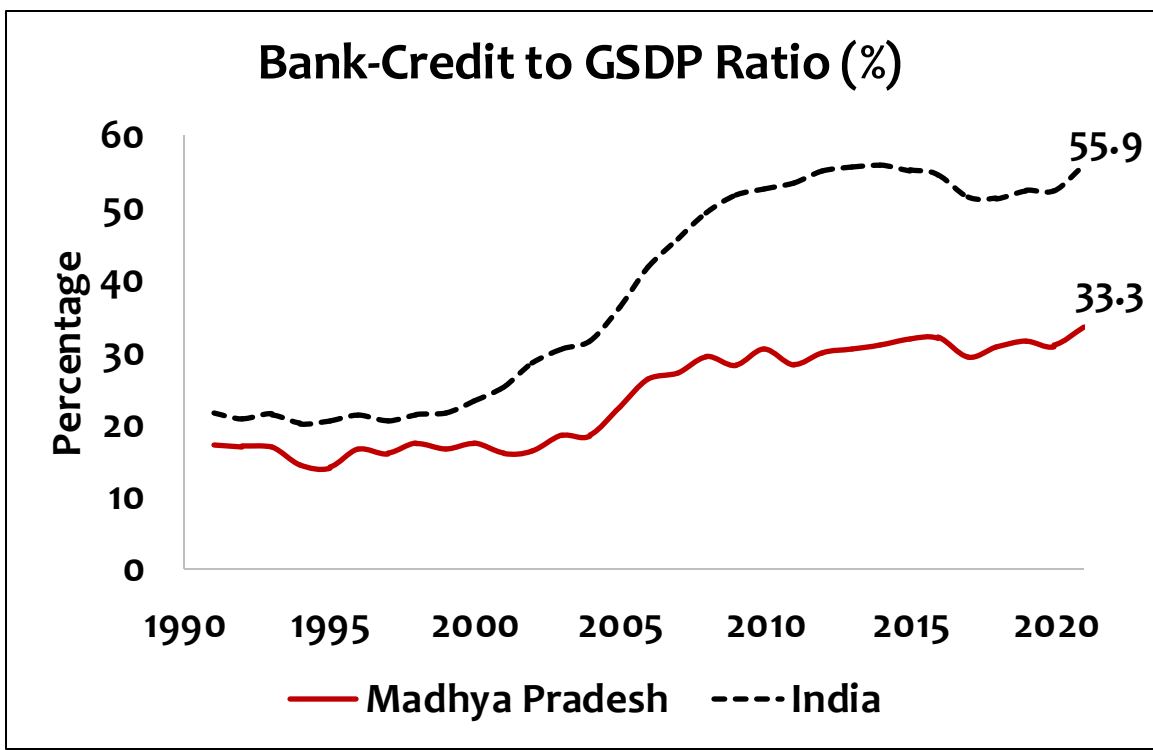
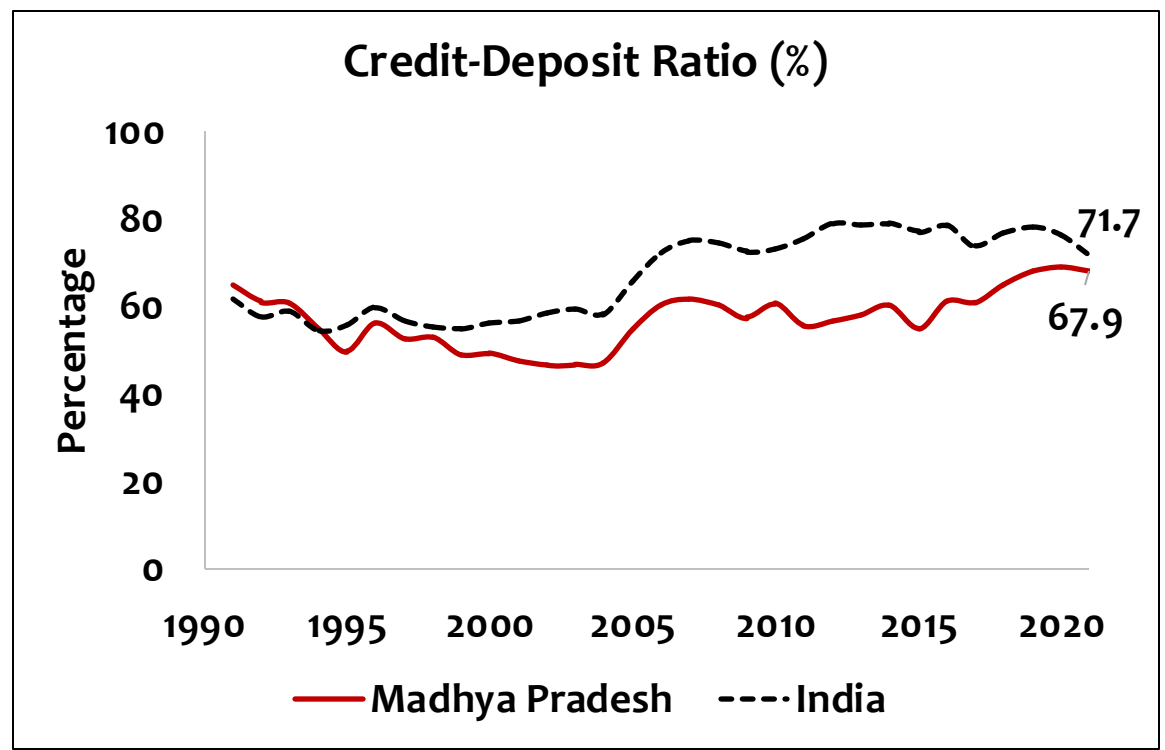
Sector	Latest Annual Growth Rate (2022-23)	Average of Growth rates (b/w 2018-19 and 2022-23)	Decadal Average of Growth rates (b/w 2013-14 and 2022-23)	Decadal Average of Growth rate for India (b/w 2013-14 and 2022-23)
Agriculture	5.4%	6.0%	6.2%	4.1%
Industry	5.8%	5.8%	5.4%	5.2%
Manufacturing	3.8%	3.8%	3.8%	5.5%
Services	11.7%	5.5%	6.0%	6.6%
GVA	7.9%	5.1%	5.7%	5.7%
GSDP	6.6%	4.7%	6.0%	5.8%

Source: MoSPI, as of March 2024. Back series with 2011-12 base has been taken from EPWRF.

Note: i. India's GVA has been calculated taking a simple sum of the three sectors. Real variables have been used to calculate the growth rate; ii. Agriculture refers to Agriculture and its allied activities such as fishing, animal husbandry, crops etc.; iii. Industry includes Mining & Quarrying, Manufacturing, Construction, and Supply of Electricity & Water; iv. Services includes Transport, Storage & Communications, Trade, Hotels and Restaurants, Real Estate, Banking and Financial Services, Public Administration and some other miscellaneous services.

Madhya Pradesh's Credit-Deposit Ratio has been lower than the all-India figure since 1994 but the gap has narrowed as of 2021. Bank-Credit to GSDP Ratio has consistently been lower than the all-India figure and its gap with the India estimate has widened significantly in the last decade

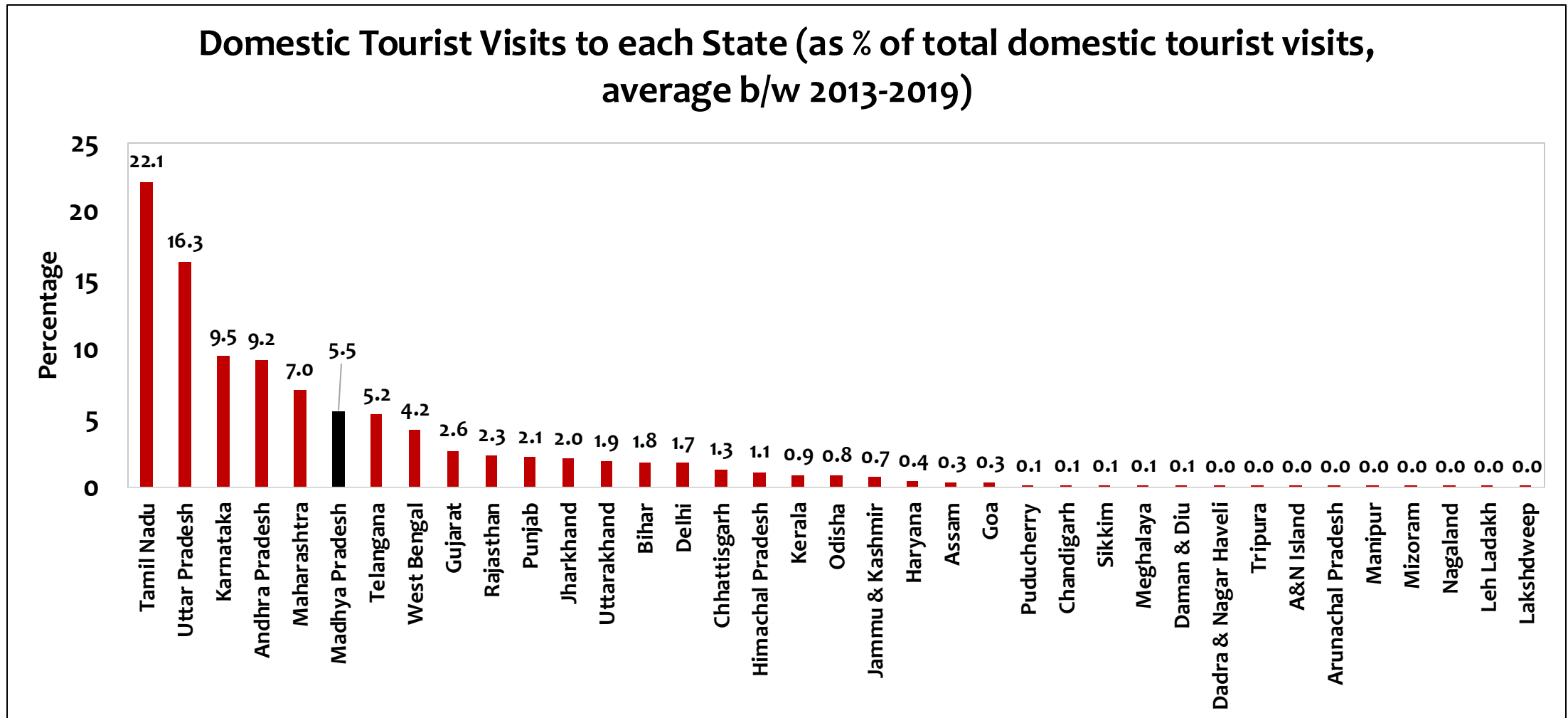
Indicators	Most Recent Value	Year	Decadal Change (b/w 2011-12 & 2020-21)	India
Credit - Deposit Ratio (%)	67.9%	2020-21	+11.3 % points	71.7%
Credit - GSDP Ratio (%)	33.3%	2020-21	+1.2 % points	55.9%



Source: Basic Statistical Returns (BSR) of Scheduled Commercial Banks, RBI (2020-21).
 Note: India's numbers have been taken directly from the source.

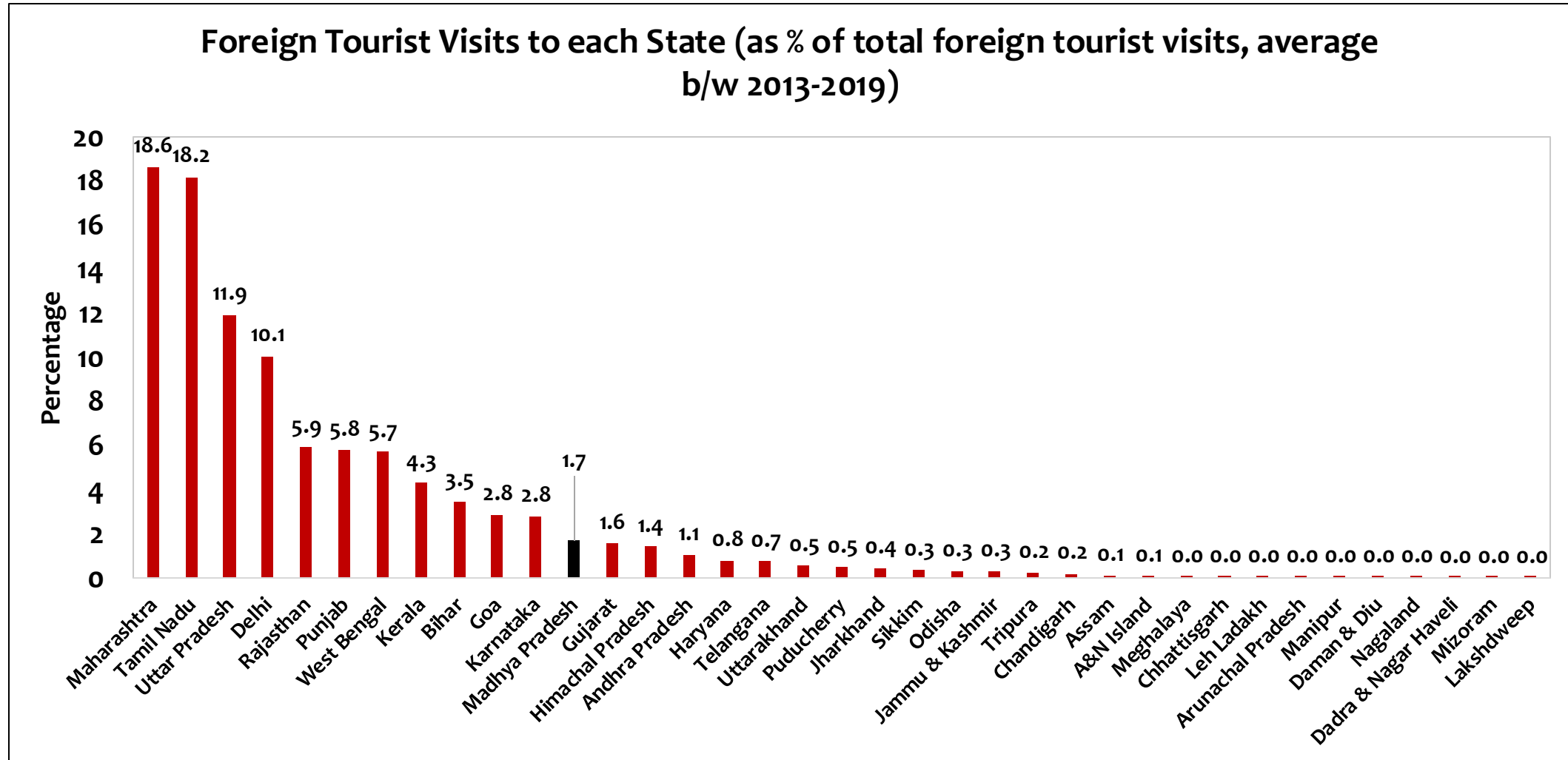
Source: i. Bank-Credit: Basic Statistical Returns (BSR) of Scheduled Commercial Banks, RBI (2020-21); ii. GSDP: Ministry of Statistics and Programme Implementation (MOSPI, 2020-21).
 Note: The Credit variable used is Credit Outstanding as per Sanction.

Madhya Pradesh holds an average 5.5 percent share of total Domestic Tourist Visits between 2013 - 2019



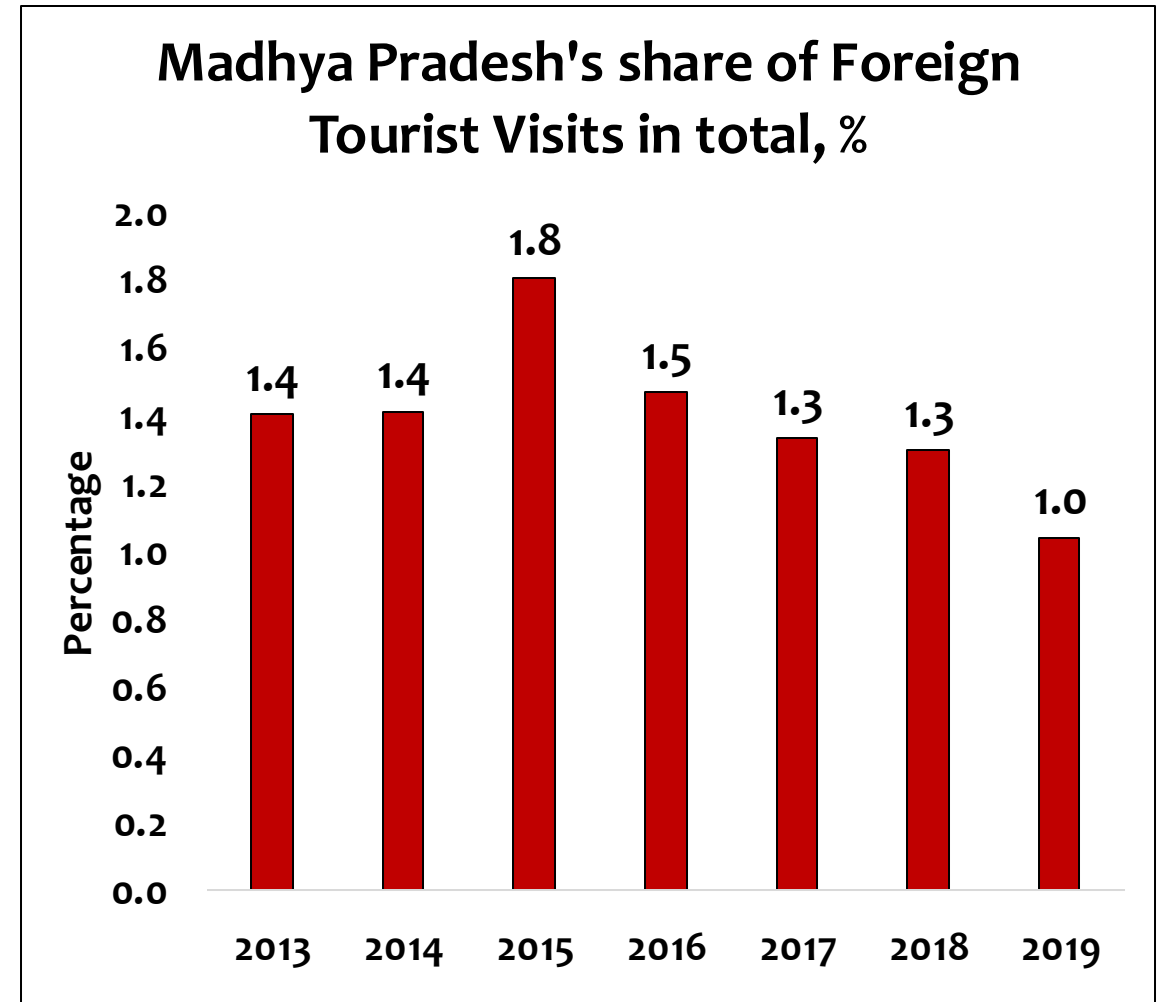
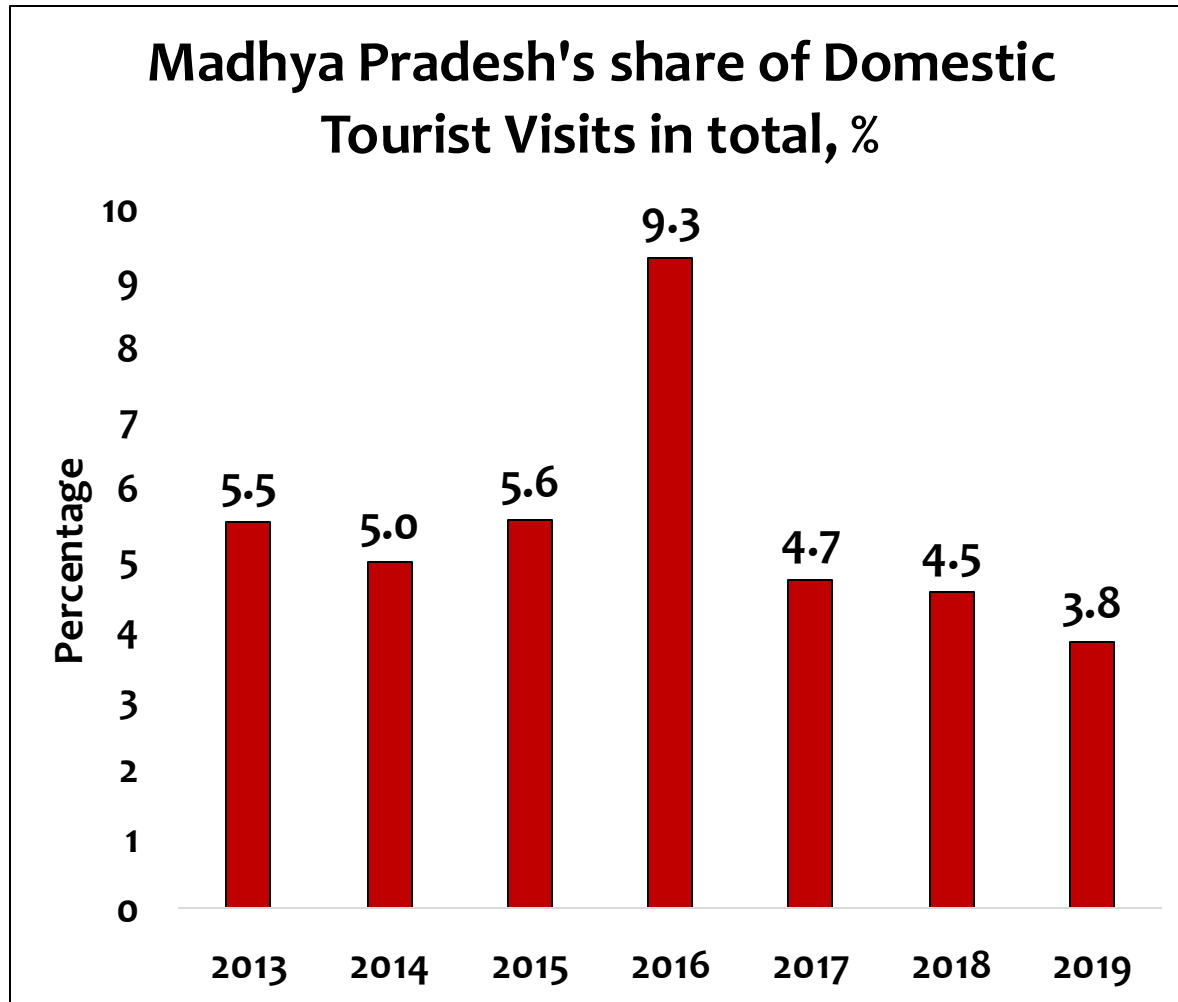
Source: Data on tourist visits have been compiled from multiple issues of India Tourism Statistics published by the Ministry of Tourism (2013 – 2019).

Madhya Pradesh holds an average 1.7 percent share of total Foreign Tourist Visits between 2013 - 2019



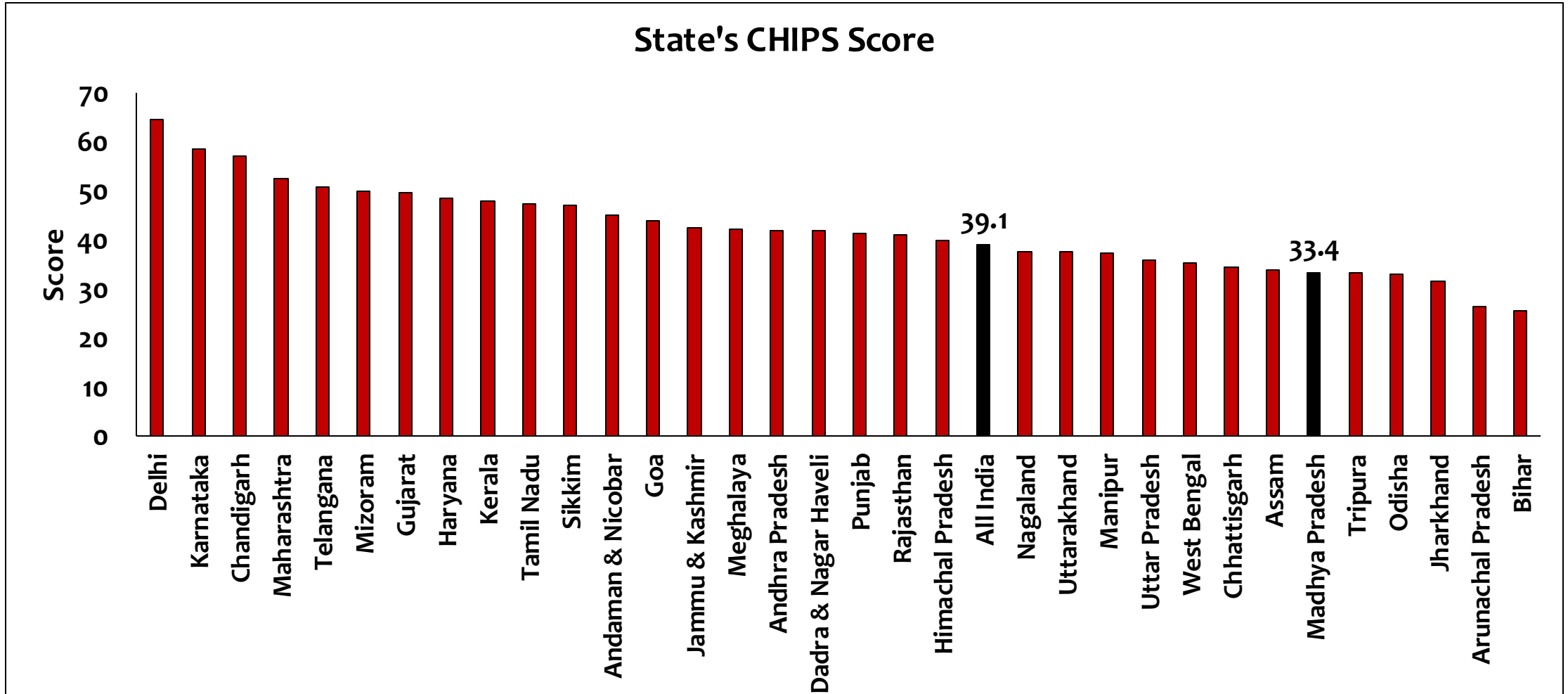
Source: Data on tourist visits have been compiled from multiple issues of India Tourism Statistics published by the Ministry of Tourism (2013 – 2019).

Domestic and Foreign Tourist Visits over the years in Madhya Pradesh



Source: Data on tourist visits have been compiled from multiple issues of India Tourism Statistics published by the Ministry of Tourism (2013 – 2019).

Madhya Pradesh's CHIPS (Connect, Harness, Innovate, Protect, and Sustain) score is one of the lowest among all other States in India



Source : The State of India's Digital Economy Report 2024 by Indian Council for Research on International Economic Relations (ICRIER).

Note: 50 indicators have been used to measure the CHIPS score.

4. Socio-Economic Indicators (Education and Health)

- School Education data covers the period 2012-13 to 2016-17;
- Higher Education data covers the period 2012 to 2021;
- Health data covers the period 2011 – 2020 (SRS) and 1992-93 to 2019-21 (NFHS)

Table 3A: Education Indicators for Madhya Pradesh

Indicator	Most Recent Value	India Value	Decadal Change (% points)	Source
Literacy Rate	69.3% (2011)	73%	+5.6% points (b/w 2001 & 2011)	Census of India
Drop-Out Rates (Class X)	28.5% (2016-17)	35.2%	+12.5% points (b/w 2013-14 & 2016-17)	U-DISE
Drop-Out Rates (Class VIII-X)	23.8% (2016-17)	21.1%	+10.2% points (b/w 2013-14 & 2016-17)	U-DISE
Students passing Board Examinations (Class X)	76.4% (2016-17)	86.1%	+2.3% points (b/w 2012-13 & 2016-17)	U-DISE
Student passing Board Examinations (Class XII)	79.8% (2016-17)	87.3%	+1.0% points (b/w 2012-13 & 2016-17)	U-DISE
Gross Enrolment Ratio (Higher Secondary)	45.3% (2015-16)	56.2%	+15.1% points (b/w 2012-13 & 2015-16)	U-DISE
Gross Enrolment Ratio (Higher Education)	27.1% (2021)	27.3%	+8.6% points (b/w 2012 & 2021)	AISHE
Gender Parity Index (Higher Education)	0.98 (2021)	1.05	+0.31 points (b/w 2012 & 2021)	AISHE
Colleges per 100,000 population	29 (2021)	31	+3.6 points (b/w 2012 & 2021)	AISHE

Note: i. Indicators for Higher Education are based on the population of the age group 18-23 years; ii. India number has been taken directly from the source; iii. Decadal changes are across a period of 10 years unless data is not available. In the case of latter, change over a shorter period has been calculated.

Table 3B: Health and other Socio-Economic indicators for Madhya Pradesh

Indicator	Most Recent Value	India Value	Decadal Change (% points)	Source
Infant Mortality Rate	43 deaths per 1000 live births (2020)	28 deaths per 1000 live births	59 deaths per 1000 live births (2011)	Sample Registration System
Total Fertility Rate	2 children per woman (2019-21)	2 children per woman	3.1 children per woman (2005-06)	NFHS
Life Expectancy	67.4 years (2020)	70 years	+4.6 years	Sample Registration System
Children Fully Immunized	77.1% (2019-21)	76.4%	+36.8% points	NFHS
Households with Access to Improved Drinking Water Source	88.9% (2019-21)	95.9%	+14.7% points	NFHS
Households with Access to Electricity	98.1% (2019-21)	96.5%	+26.7% points	NFHS
Households with Access to Sanitation Facilities	62.8% (2019-21)	69.3%	+44.1% points	NFHS

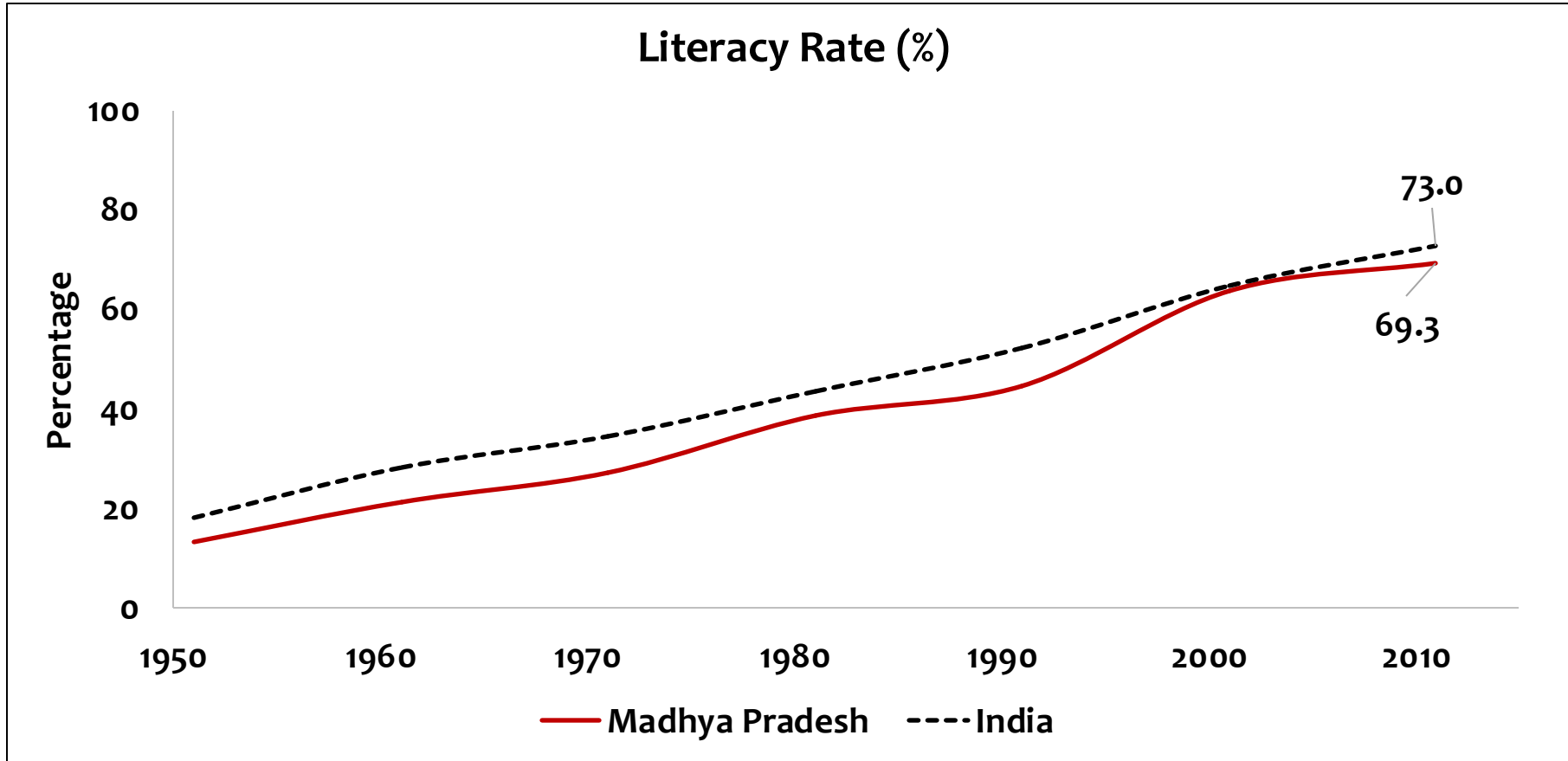
Note: i. Decadal change for NFHS variables taken from NFHS-V (2019-21) to NFHS-III (2005-06); ii. India number has been taken directly from the source; iii. All years represent corresponding survey years.

Table 3C: Other Socio-Economic Indicators for Madhya Pradesh

Indicator	Most Recent Value	India Value	Decadal Change	Source
Pupil-Teacher Ratio: Elementary	22 (2016-17)	25	-21 points (b/w 2006-07 & 2016-17)	U-DISE
Pupil-Teacher Ratio: Higher Secondary	20 (2016-17)	31	-10 points (b/w 2012-13 & 2016-17)	U-DISE
Pupil-Teacher Ratio: Higher Education	29 (2018-19)	24	+1 points (b/w 2008-09 & 2018-19)	AISHE
Underweight Children	33.0 % (2019-21)	32.1%	-27.0 % points (b/w 2005-06 and 2019-21)	NFHS
Stunting Among Children	35.7 % (2019-21)	35.5%	-14.3 % points (b/w 2005-06 and 2019-21)	NFHS
Anaemia Among Children	72.6 % (2019-21)	67.1%	-1.5 % points (b/w 2005-06 and 2019-21)	NFHS
Anaemia Among Women	54.7 % (2019-21)	57.0%	-1.3 % points (b/w 2005-06 and 2019-21)	NFHS
Under 5 Mortality Rate	49.2 deaths per 1000 live births	41.9 deaths per 1000 live births	-45.0 deaths per 1000 live births (b/w 2005-06 and 2019-21)	NFHS
Infant Mortality Rate	41.3 deaths per 1000 live births	35.2 deaths per 1000 live births	-28.2 deaths per 1000 live births (b/w 2005-06 and 2019-21)	NFHS
Multidimensional Poverty Index (MPI)	0.09 (2019-21)	0.07	-0.08 points (b/w 2015-16 & 2019-21)	NFHS
Sustainable Development Goals (SDG) Index	67 (2023-24)	71	+15 points (b/w 2018-19 & 2023-24)	NITI Aayog

Note: i. Indicators for Higher Education are based on the population of the age group 18-23 years; ii. India number has been taken directly from the source; iii. Decadal change for NFHS variables taken from NFHS-III (2005-06) to NFHS-V (2019-21); iv. Infant Mortality Rate in Table 3B was defined using the SRS data and the Infant Mortality Rate defined here is based on the NFHS data; v. All years represent corresponding survey years.

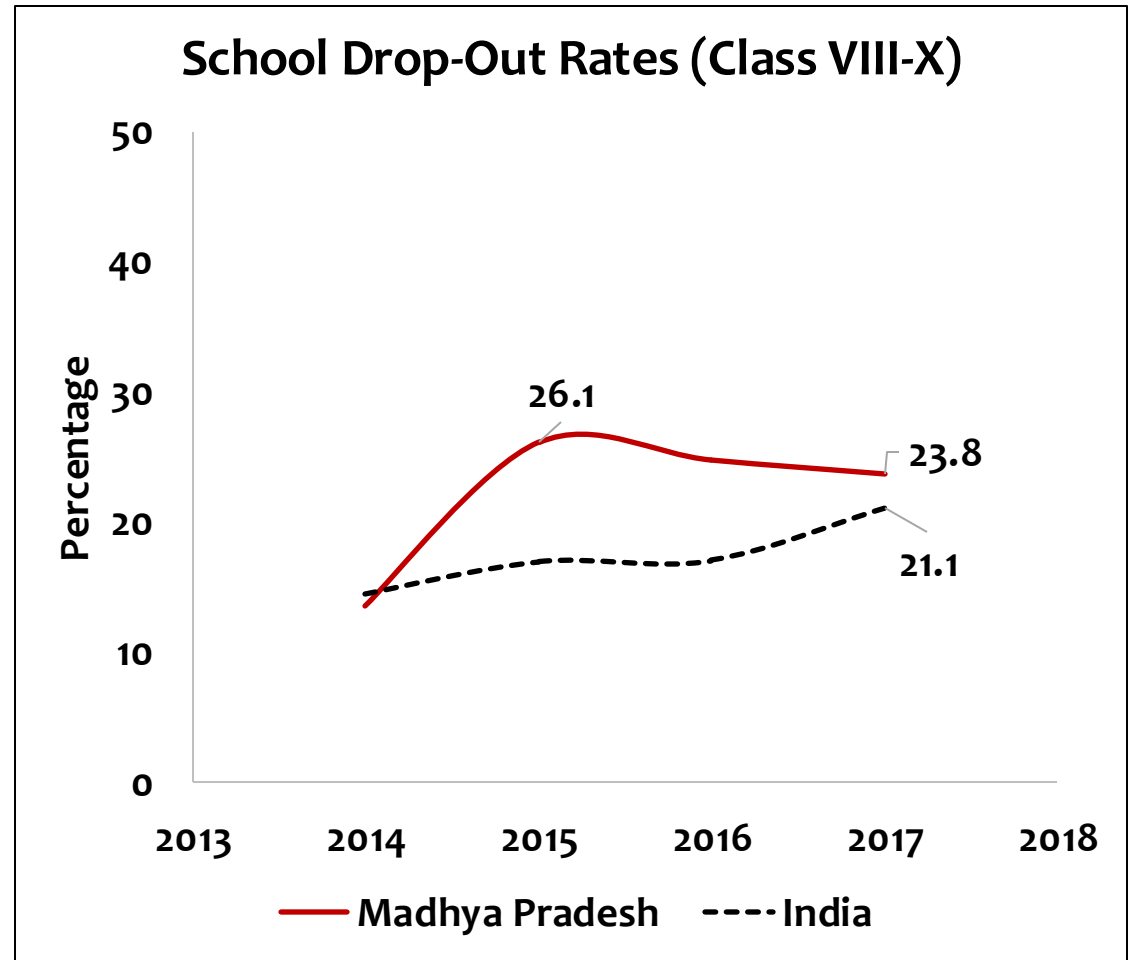
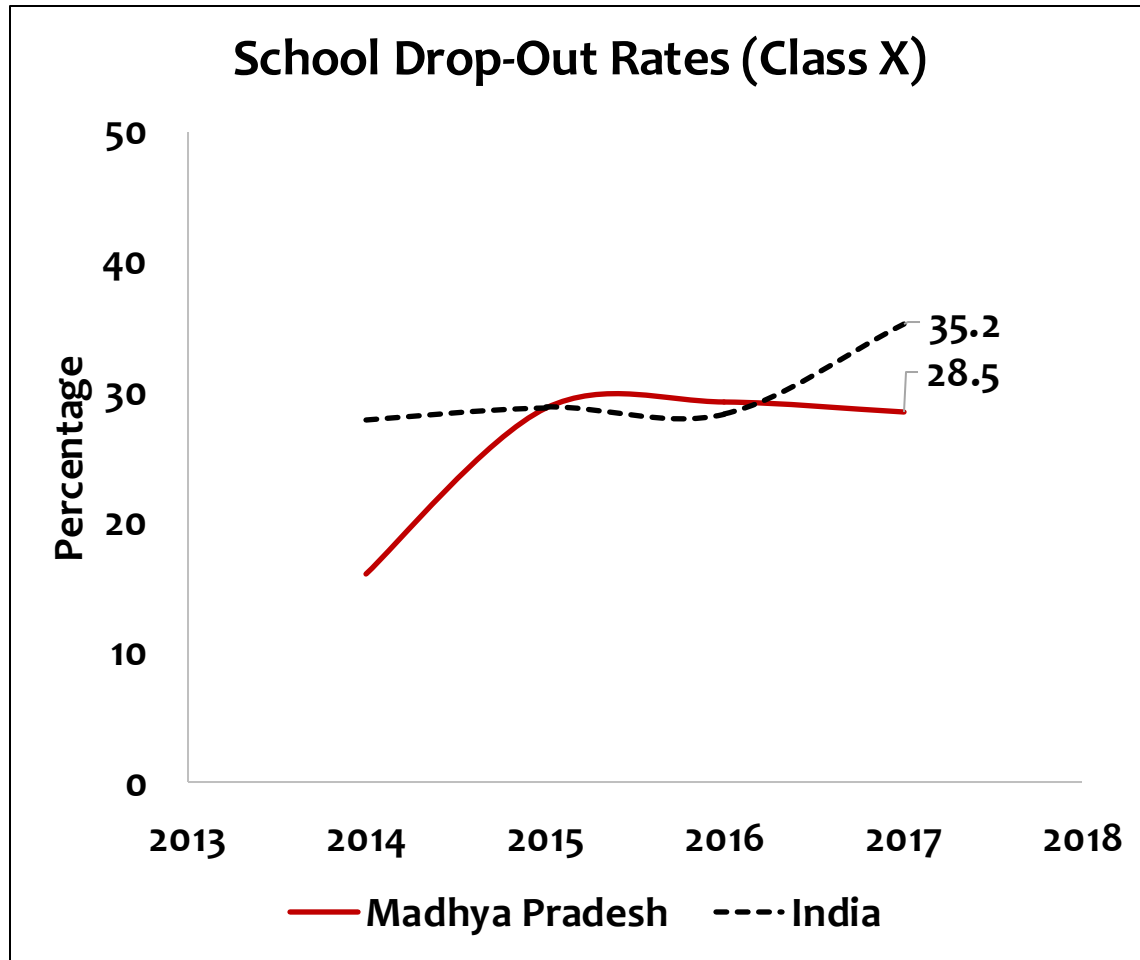
Madhya Pradesh's Literacy rate has increased rapidly but it still continues to remain below the national average



Source: Office of the Registrar General and Census Commissioner, Ministry of Home Affairs (1951 – 2011).

Note: i. India number has been taken directly from the source; ii. The Census Literacy Rate relates to population aged seven years and above from 1981.

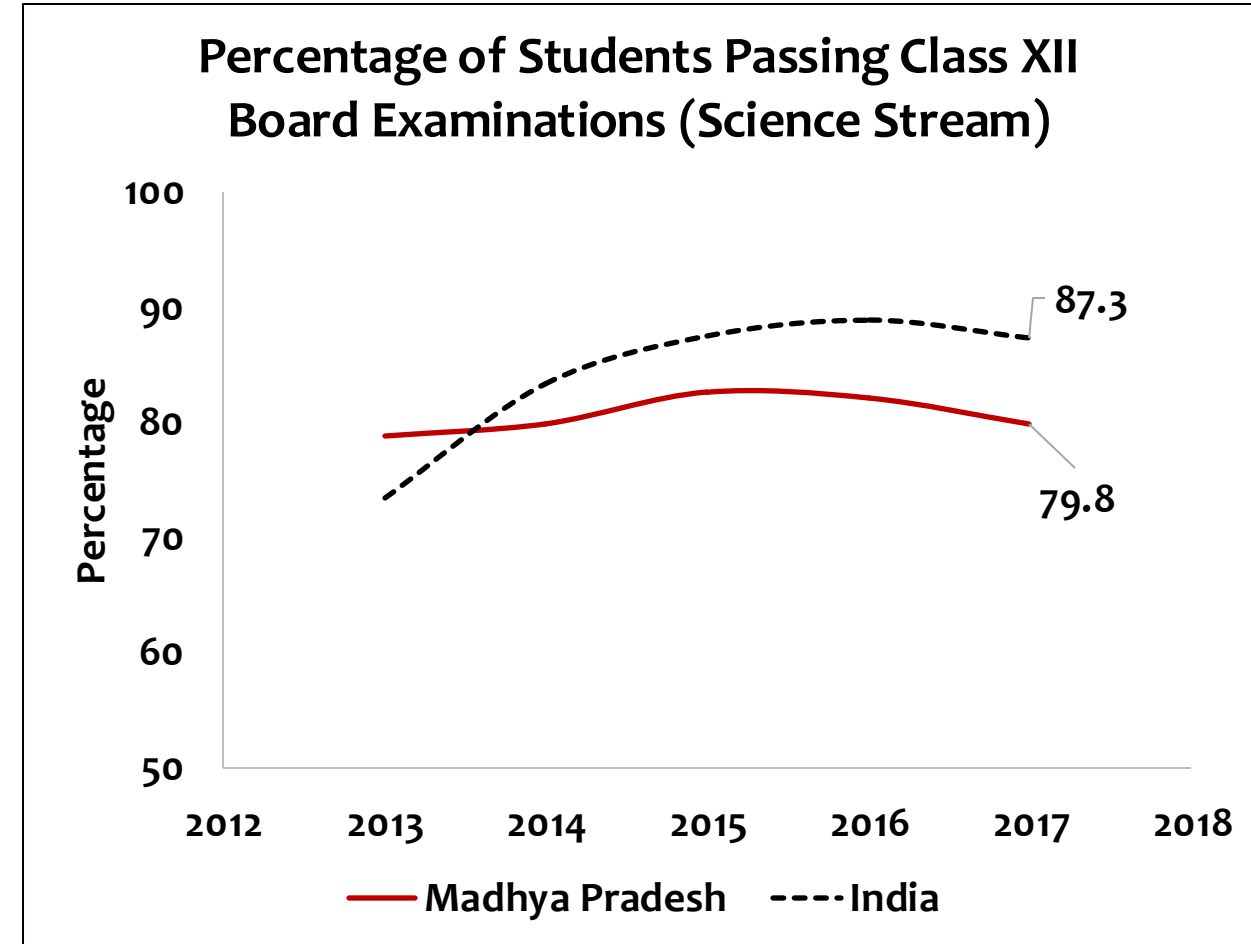
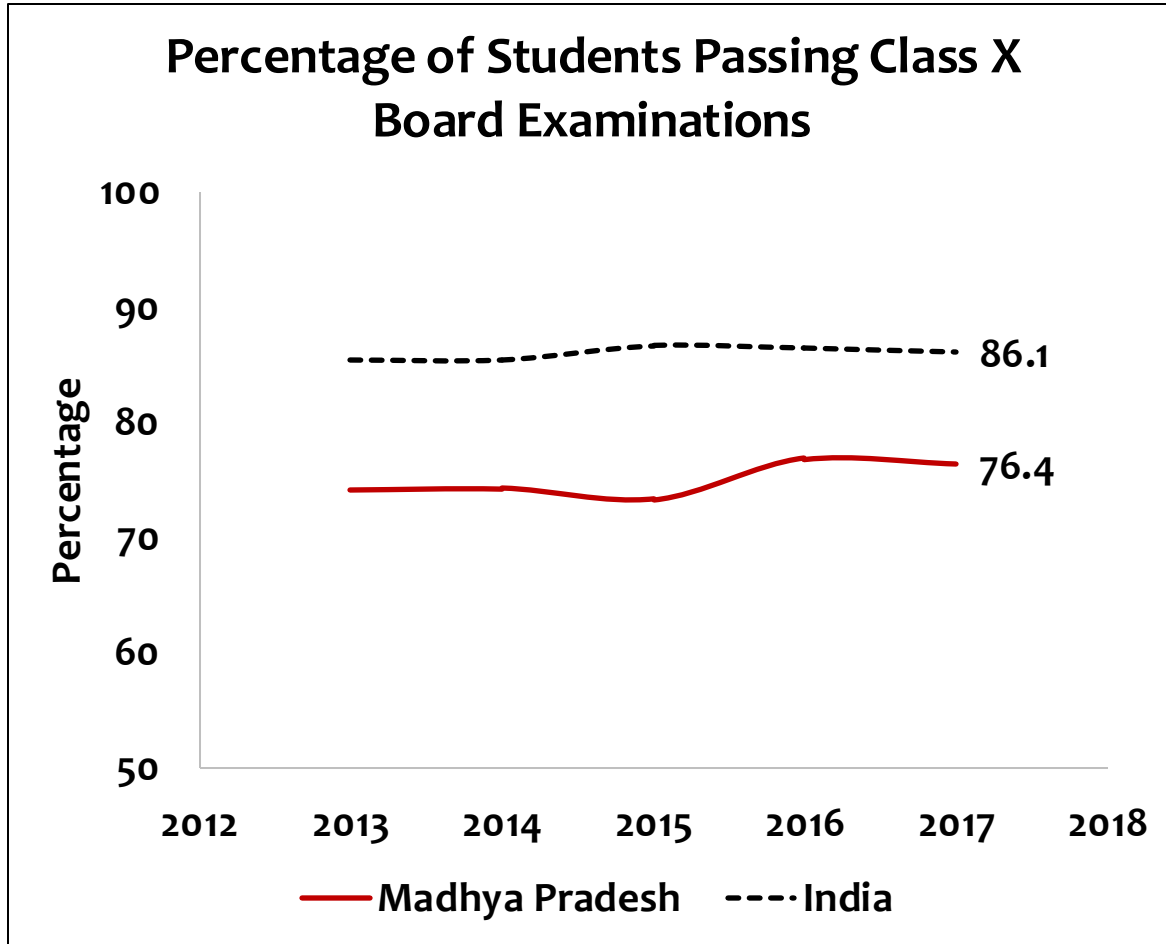
Madhya Pradesh's School Dropout Rates for Class X have remained below the national figures, except in 2015-16. However, for the secondary level (Class VIII-X), dropout rates have been higher than the national figures during the period from 2014-15 to 2016-17



Source: Unified District Information System for Education (U-DISE), 2015-16.

Note: i. Drop-Out Rate is defined as the proportion of pupils from a cohort enrolled in a given stage in a school year who are no longer enrolled in the following school year; ii. India number has been taken directly from the source.

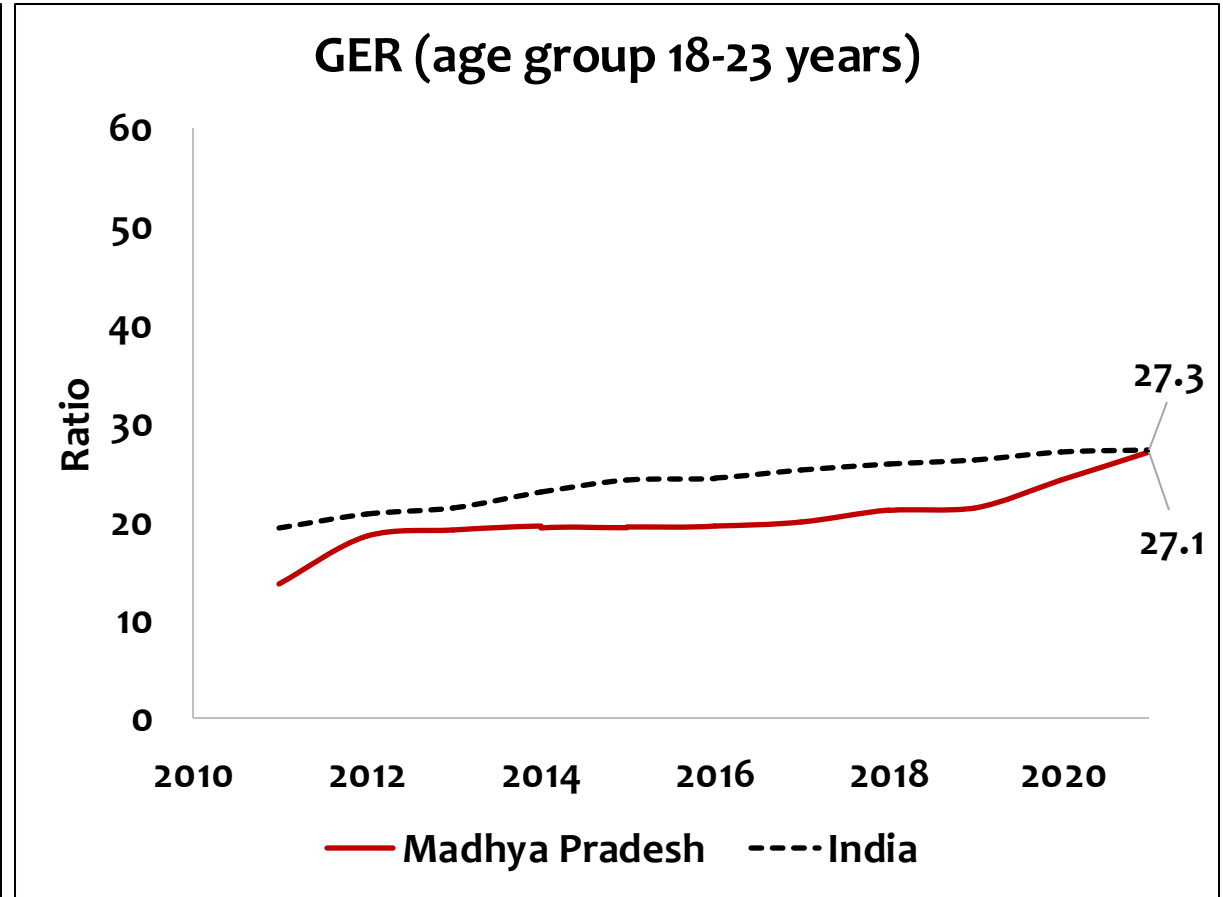
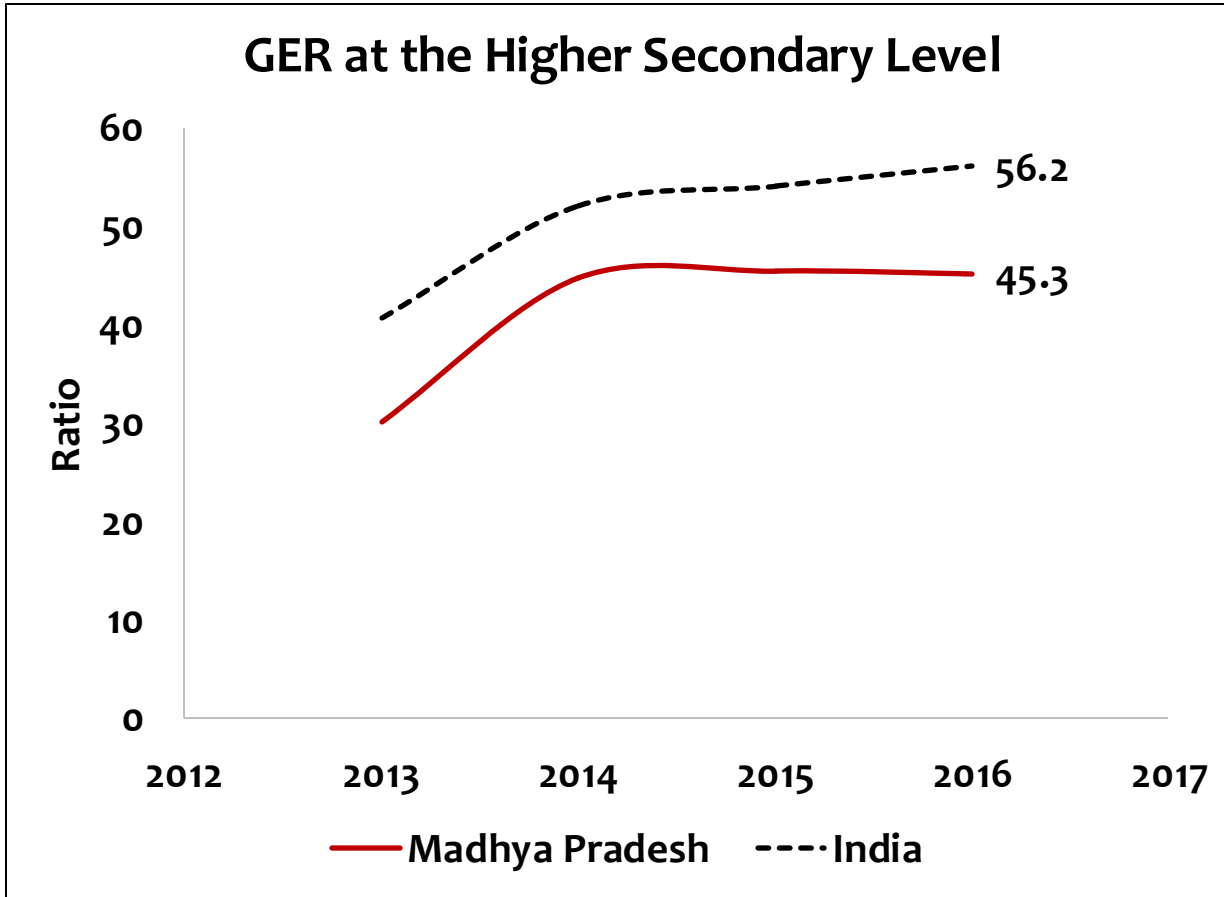
Share of students who pass the Secondary (Class X) Level Examinations in Madhya Pradesh has been below the national average, stood at 76.4 in 2016-17. The share of students who pass the Higher Secondary (Class XII) Level Examinations has been below the national average since 2013-14, stood at 79.8 percent in 2016-17



Source: Unified District Information System for Education (U-DISE), 2015-16.

Note: i. Percentages are a simple average of the pass percentages for boys and girls as reported separately; ii. India number has been taken directly from the source; iii. Pass percentages for Higher Secondary Level are reported separately by Stream (Science, Arts, Humanities, Vocational, Others).

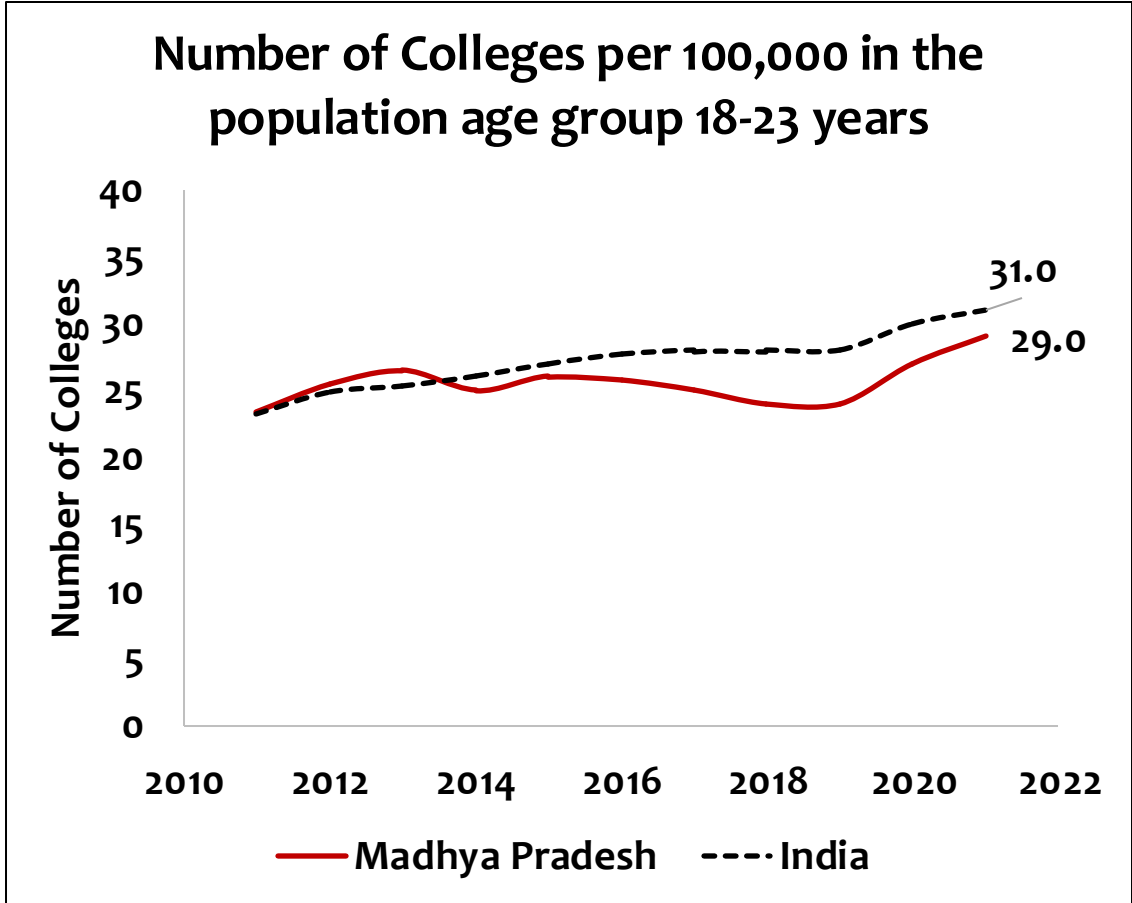
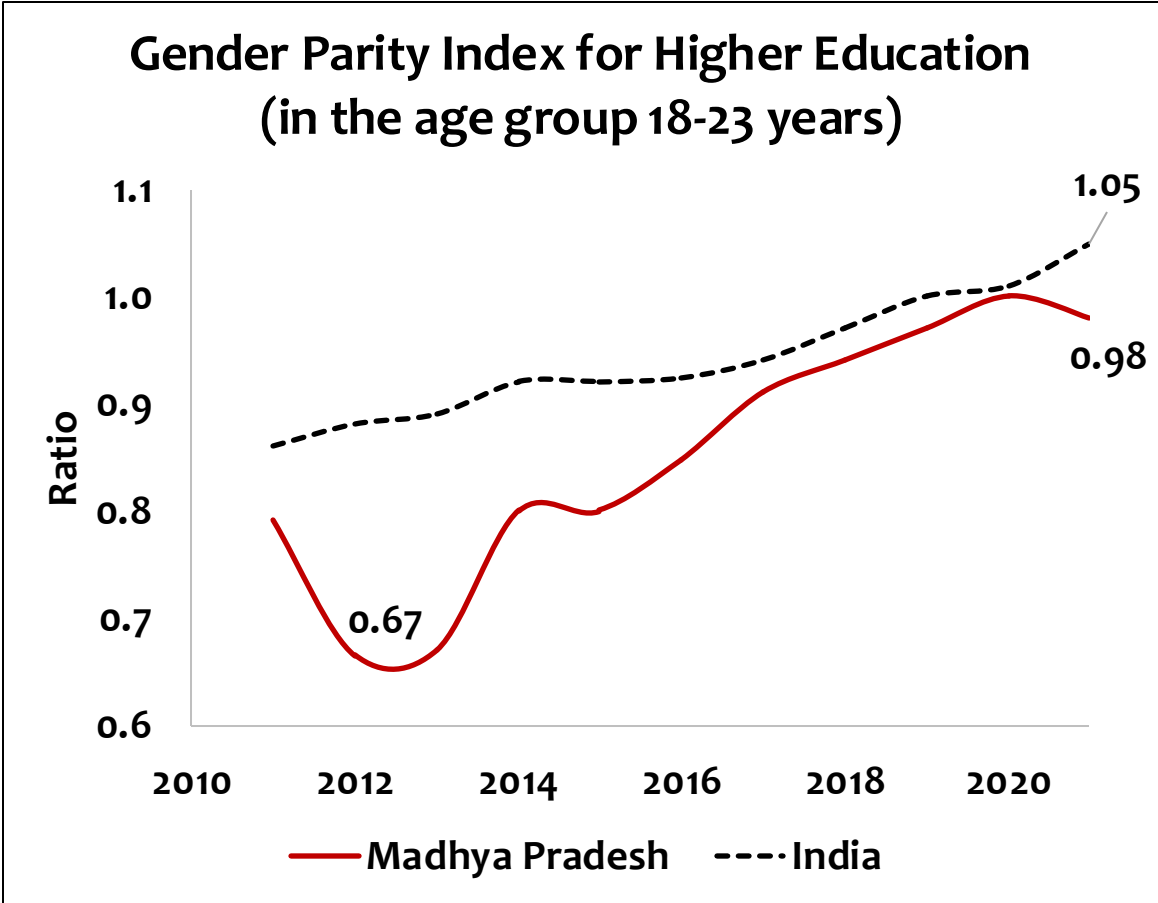
Madhya Pradesh's Gross Enrolment Ratio (GER) at the Higher Secondary (Class XII) Level has remained below the all India figure over the period 2012-13 to 2015-16. GER at Higher Education (age group 18-23) level has also remained below the national figure but the gap has closed as of 2020-21



Source: i. Unified District Information System for Education (U-DISE), 2015-16; ii. All India Survey on Higher Education (AISHE), 2020-21.

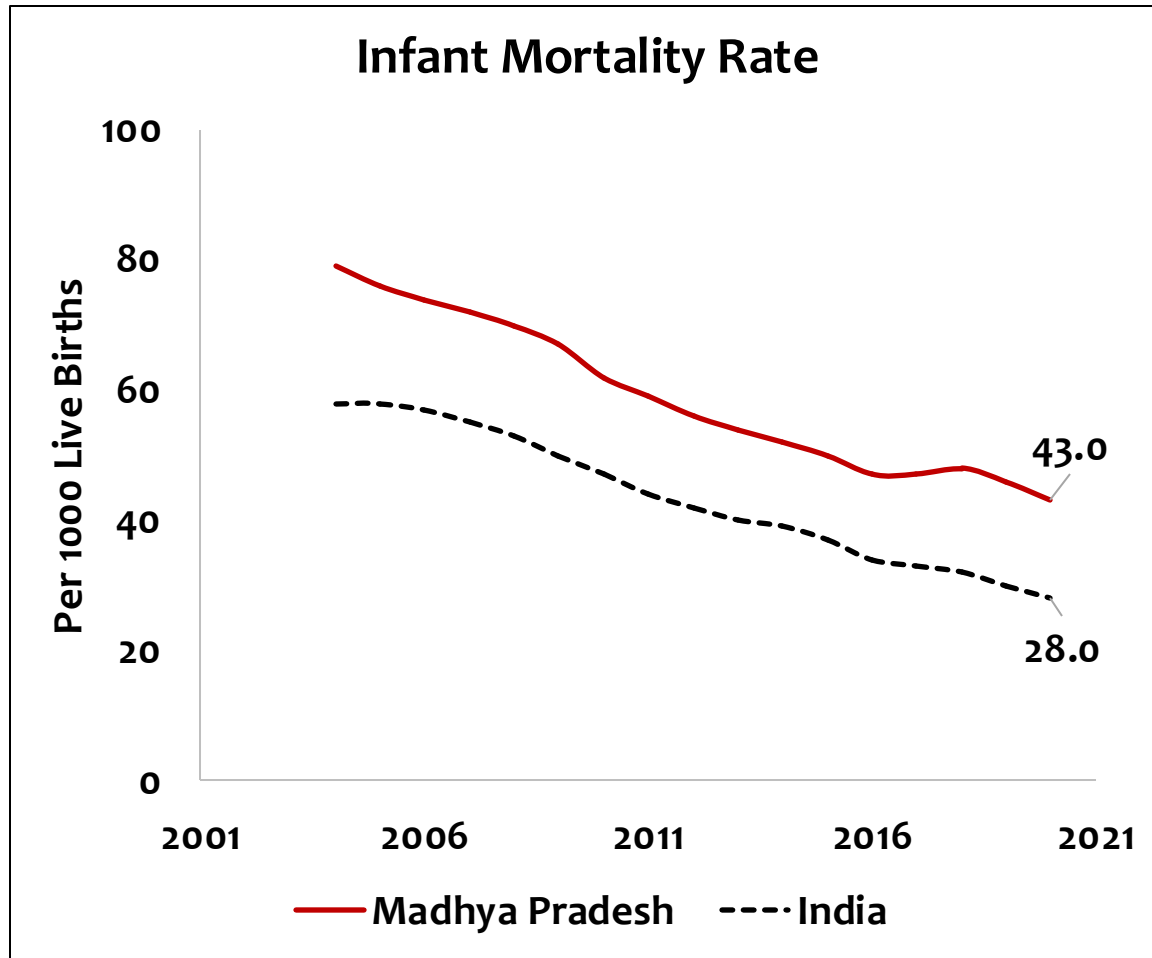
Note: i. GER is the total enrolment in a particular stage of education, regardless of age, expressed as a percentage of the official age-group of the population which corresponds to the given stage of education in a given year. It is the general level of participation per stage of education; ii. The Higher Education GER represents share of enrollees to the total population in the age group 18-23 years; iii. India number has been taken directly from the source.

In terms of Gender Parity Index (the share of girls to boys enrolled at Higher Education institutions in the age group 18-23 years), Madhya Pradesh has been below the national benchmark. Madhya Pradesh has 29 colleges per 100,000 people in the age-group 18-23 years which is slightly below the all-India number for 2020-21



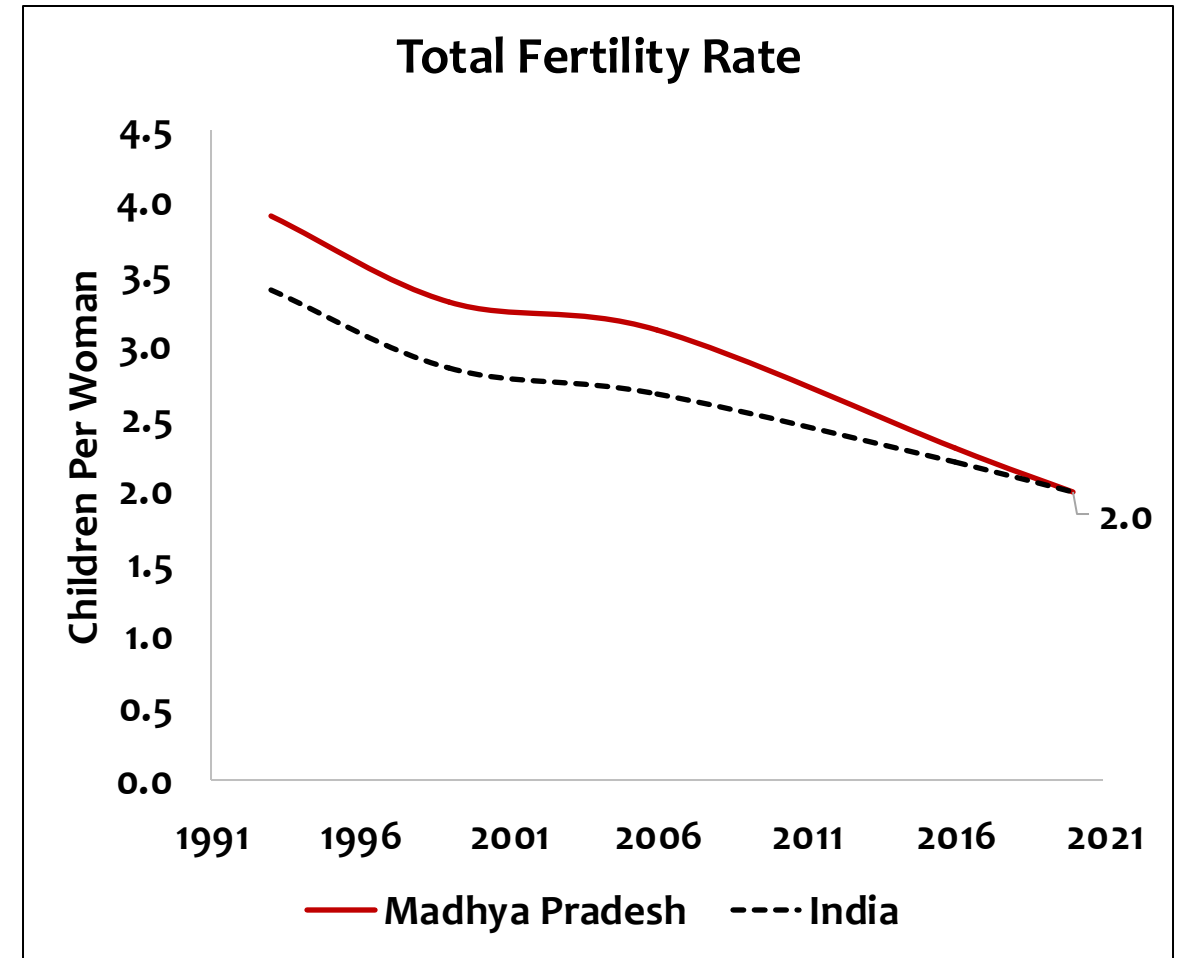
Source: All India Survey on Higher Education (AISHE), 2020-21.
Note: The number for India has been taken directly from the source.

Madhya Pradesh has seen a steady decline in both Infant Mortality and Total Fertility Rates over the last two decades. Total Fertility rate is now at par with the national benchmark but Infant Mortality Rate is still 15 percentage points higher than the national benchmark, as of 2021



Source: Sample Registration System (SRS) Bulletin, Ministry of Home Affairs, 2020.

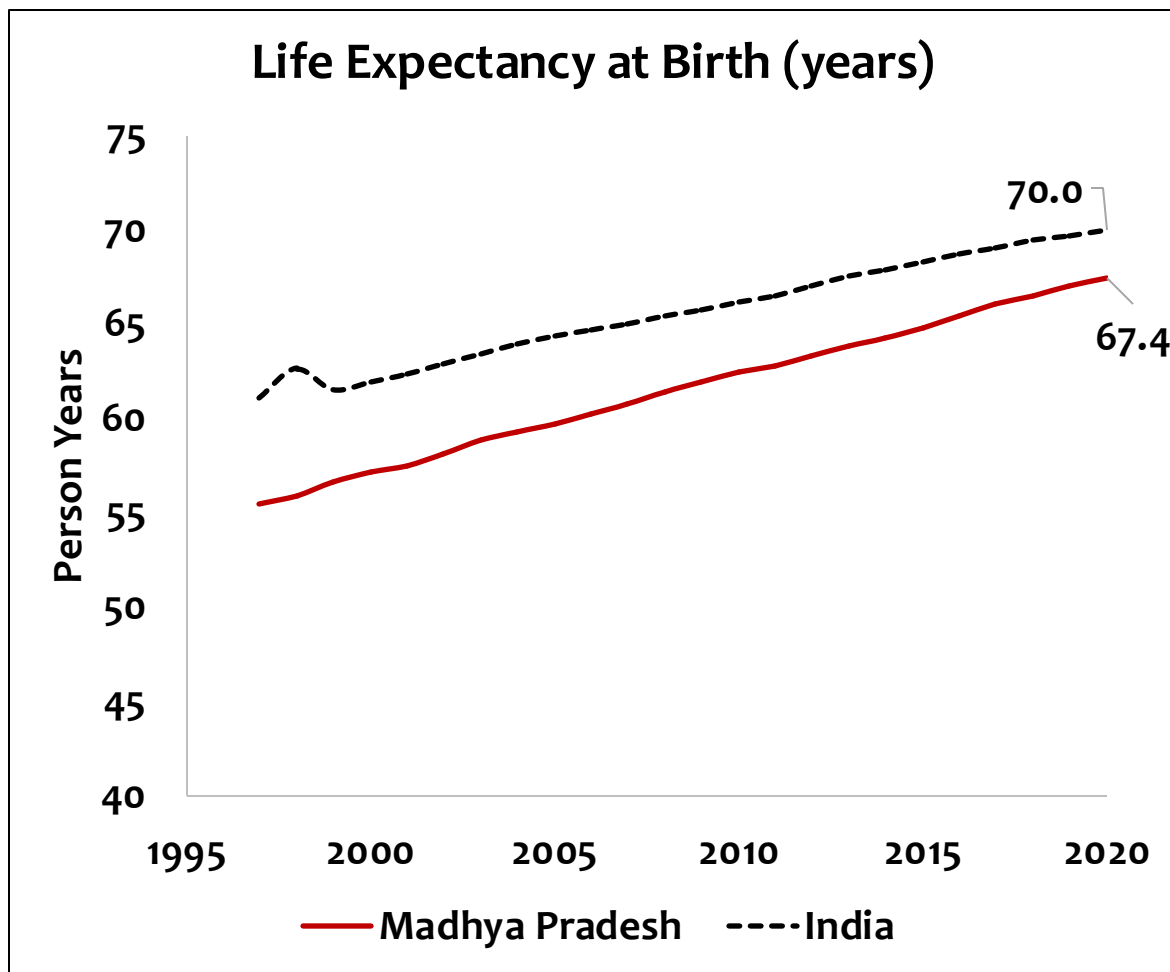
Note: India number has been taken directly from the source.



Source: National Family Health Survey (I - V).

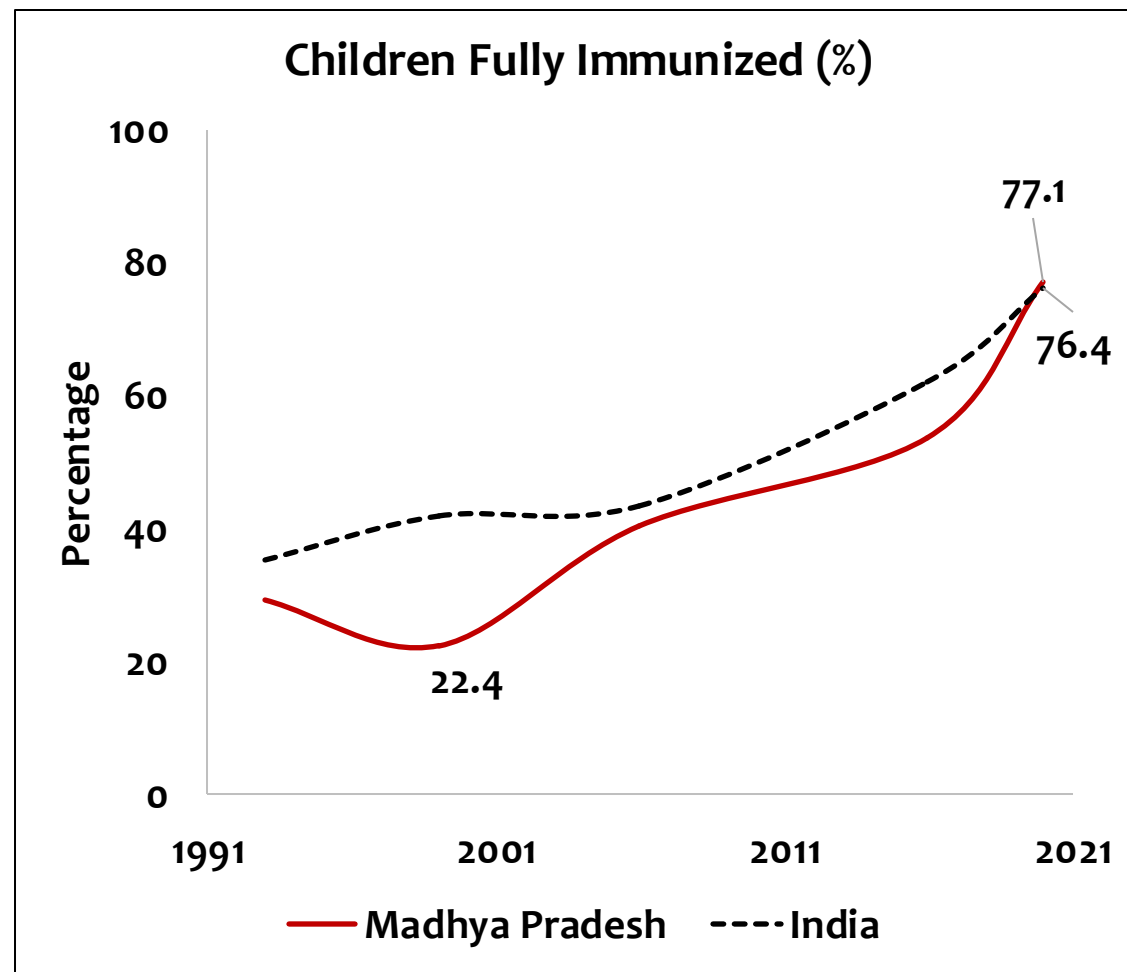
Note: India number has been taken directly from the source.

Madhya Pradesh's Life Expectancy has been lower than that of an average person in India. In terms of full immunisation of children (12-23 months), Madhya Pradesh has been below the national estimate throughout, but has inched closer to the national average only in 2021



Source: Sample Registration System Bulletin, Ministry of Home Affairs, 2020.

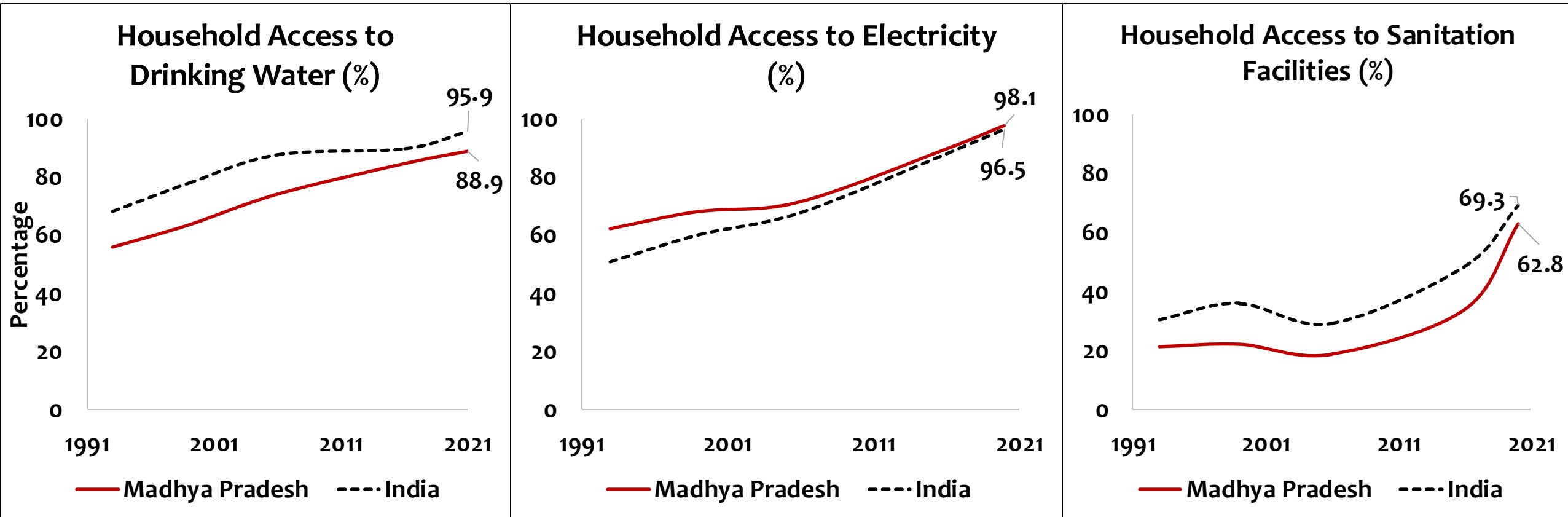
Note: India number has been taken directly from the source.



Source: National Family Health Survey (I – V).

Note: India number has been taken directly from the source.

Madhya Pradesh has improved on basic “quality of life” indicators over the last two decades. Household access to Electricity is at par with the national estimate but access to Drinking Water and Sanitation facilities lags behind the national benchmarks



Source: National Family Health Survey (I – V).

Note: i. India number has been taken directly from the source; ii. Drinking water and sanitation refers to improved sources and facilities respectively as defined in NFHS.

5. Fiscal Indicators

- **Fiscal Data covers the fiscal period 1990-91 to 2022-23**
- **Benchmark includes all 29 States (all Union Territories are excluded)**

Table 4A: Deficits, Revenue, Expenditure, Subsidies and Off-Budget Borrowings for Madhya Pradesh

Indicators	Most Recent Value (% of GSDP)	For Year	Decadal Change (b/w 2013-14 & 2022-23)	States' Median (All States)	States' Median (Large States)	All States/UTs (% of National GDP)
Fiscal Deficit, % of GSDP	3.6 %	2022-23	+ 1.3 % points	3.8 %	3.6%	3.4 %
Primary Deficit, % of GSDP	2.0 %	2022-23	+ 1.2 % points	1.9 %	1.6%	1.7 %
Revenue Surplus (+)/Deficit (-), % of GSDP	+ 0.1 %	2022-23	- 1.2 % points	0.3 %	-0.4%	- 0.5 %
Total Revenue Receipts, % of GSDP	15.4 %	2022-23	- 1.8 % points	19.9 %	15.3%	14.4 %
Own Tax Revenue, % of GSDP	5.9 %	2022-23	- 1.7 % points	6.3 %	6.4%	6.6 %
Own Non Tax Revenue, % of GSDP	1.0 %	2022-23	- 0.7 % points	1.2 %	1.1%	1.0 %
Total Expenditure, % of GSDP	19.0 %	2022-23	- 0.5 % points	24.0 %	19.3%	17.8 %
Revenue Expenditure, % of GSDP	15.3 %	2022-23	- 0.6 % points	18.8 %	16.9 %	14.8 %
Capital Expenditure, % of GSDP	3.7 %	2022-23	+ 0.1 % points	4.0 %	3.4%	3.0 %
Capital Expenditure, % of Total Exp	19.4 %	2022-23	+ 0.9 % points	17.6 %	16.1%	16.7 %
Total Public Debt, % of GSDP	27.6 %	2022-23	+ 5.7 % points	32.1 %	30.7%	27.5 %
Contingent Liabilities, % of GSDP	3.3 %	2021-22	+ 1.2 % points	1.6 %	1.7%	3.8 %

Source: Data is taken from State Finances Report (SFR), Reserve Bank of India (RBI), as of December 2023.

Note: i. Median of All States includes all 29 States (all Union Territories are excluded); ii. Median of 22 States excludes the North Eastern States, except Assam; iii. All States/UTs shows the sum of 29 States, Delhi and Puducherry, expressed as a % of national gross domestic product; iv. Most Recent Values are the Revised Estimates for 2022-23 (except for Contingent Liabilities, for which the most recent value is for 2021-22).

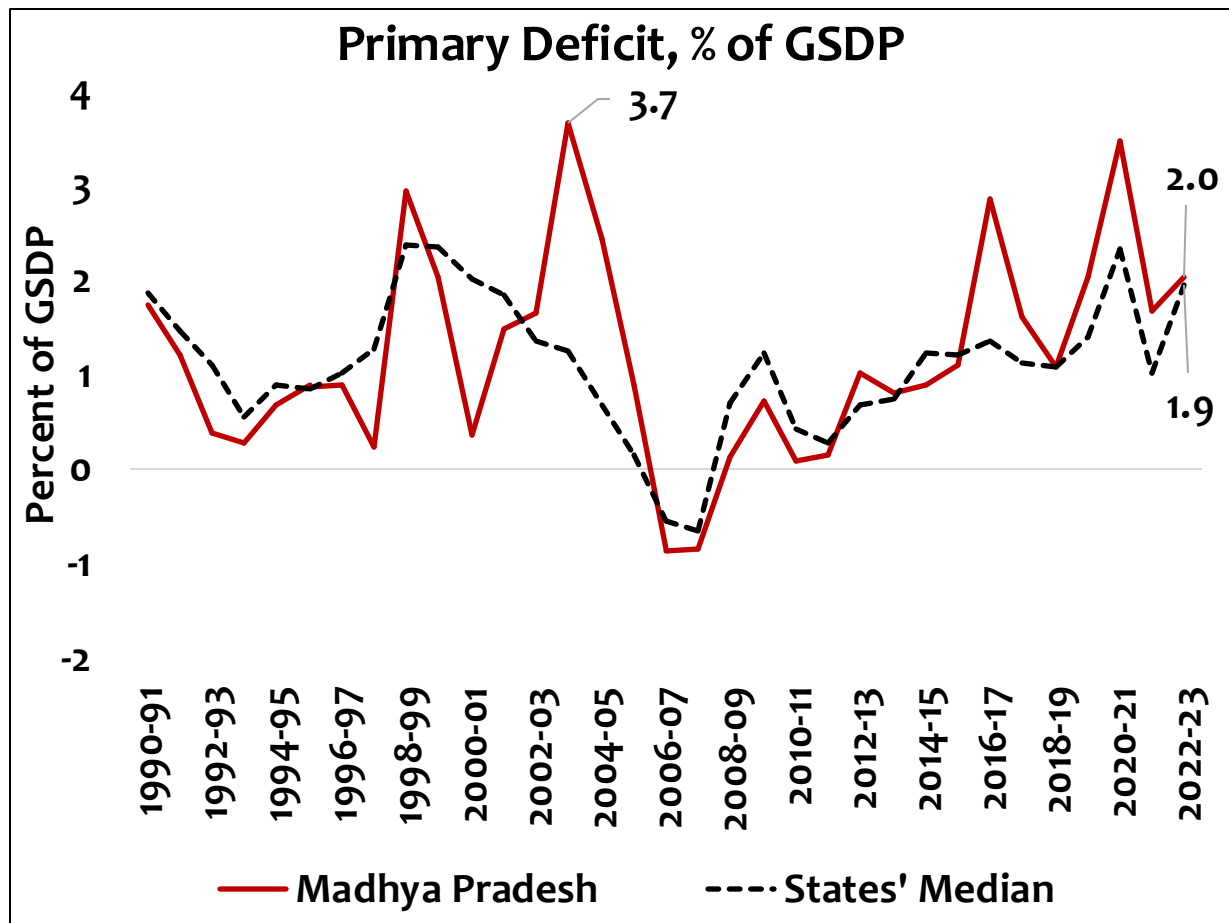
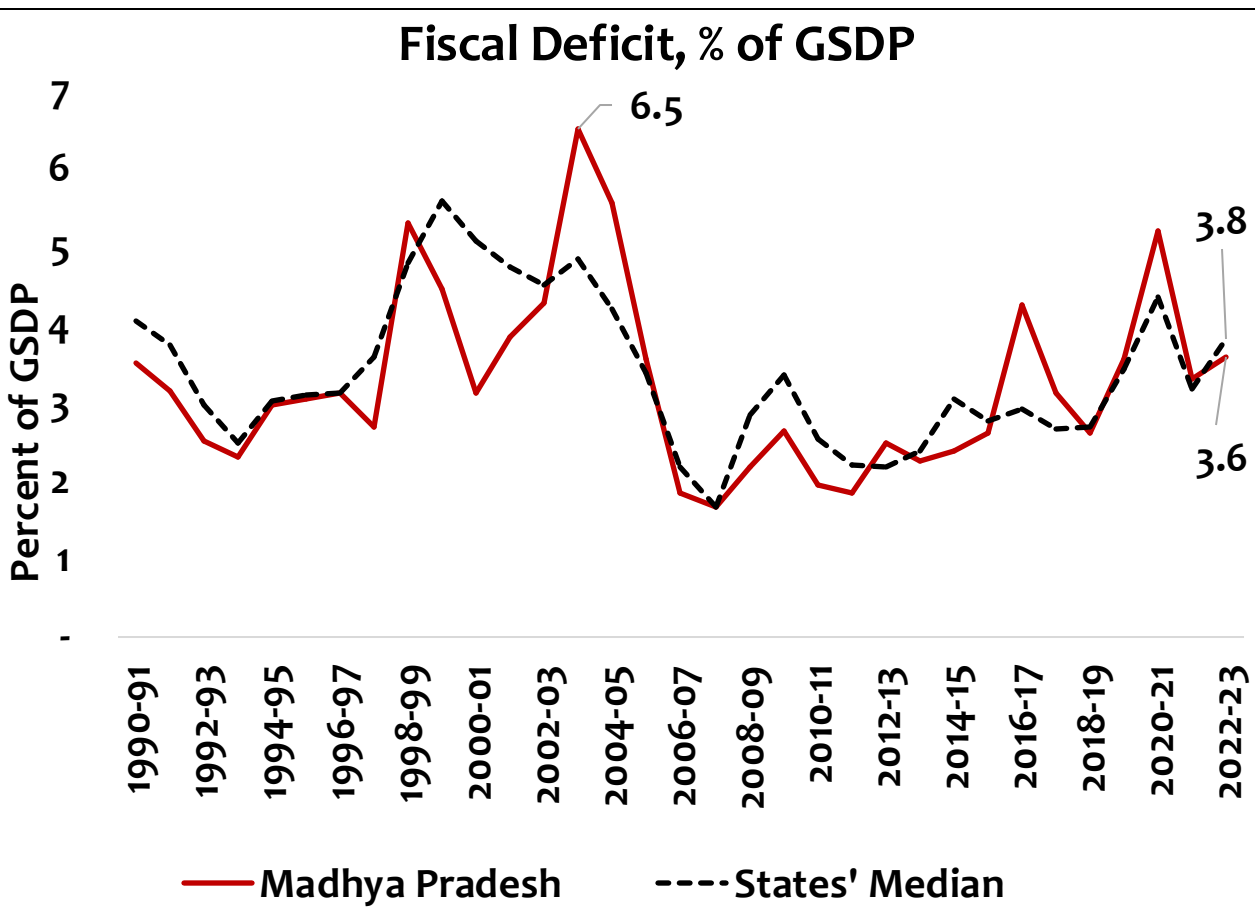
Table 4B: Deficits, Revenue, Expenditure, Debt, Subsidies and Off-Budget Borrowings for Madhya Pradesh

Indicators	Most Recent Value (% of GSDP)	For Year	Decadal Change (b/w 2013-14 & 2022-23)	States' Median (All States)	States' Median (Larger States)	All States/UT's (% of National GDP)
Committed Expenditure, % of GSDP	7.6%	2022-23	+0.6% points	9.2%	8.1%	6.9%
Committed Expenditure, % of Total Expenditure	37.5%	2022-23	+1.7% points	42.4%	40.9%	38.6%
Subsidies, % of GSDP	2.6%	2022-23	+1.2% points (b/w 2019-20 & 2022-23)	1.0%	1.1%	1.5%
Subsidies, % of Total Expenditure	12.7%	2022-23	+5.7% points (b/w 2019-20 & 2022-23)	3.7%	5.8%	8.2%
Off-Budget Borrowings, % of GSDP	0.05%	2022-23	-	0.2%	0.2%	0.1%
Per Capita Social Expenditure	Rs. 13,455	2022-23	+Rs. 8,741	Rs. 18,949	Rs. 2,606	Rs. 6,514
Per Capita Health Expenditure	Rs. 1,589	2022-23	+Rs. 1,134	Rs. 17,385	Rs. 2,494	Rs. 5,669
Per Capita Education Expenditure	Rs. 4,367	2022-23	+Rs. 2,542	Rs. 17,585	Rs. 2,421	Rs. 5,700
Social Expenditure, % of Total Expenditure	46.1%	2022-23	+4.4% points	43.9%	45.6%	45.3%
Health Expenditure, % of Total Expenditure	5.4%	2022-23	+1.4% points	6.3%	6.3%	6.2%
Education Expenditure, % of Total Expenditure	15.0%	2022-23	-1.2% points	14.6%	14.8%	14.7%
Buoyancy for Revenue Expenditure with GSDP - ratio	0.8%	2022-23	+0.1% points	1.8%	1.7%	1.5%

Source: i. Subsidies, Wage and Salaries, Pension, Social sector expenditure, Medical and Public Health, Family Welfare, Education expenditure, Total Expenditure data are from the RBI's SFR, as of December 2023; ii. Off-Budget Borrowing data is from Ministry of Expenditure (2021-22); iii. Data for Population and GSDP are taken from MoSPI.

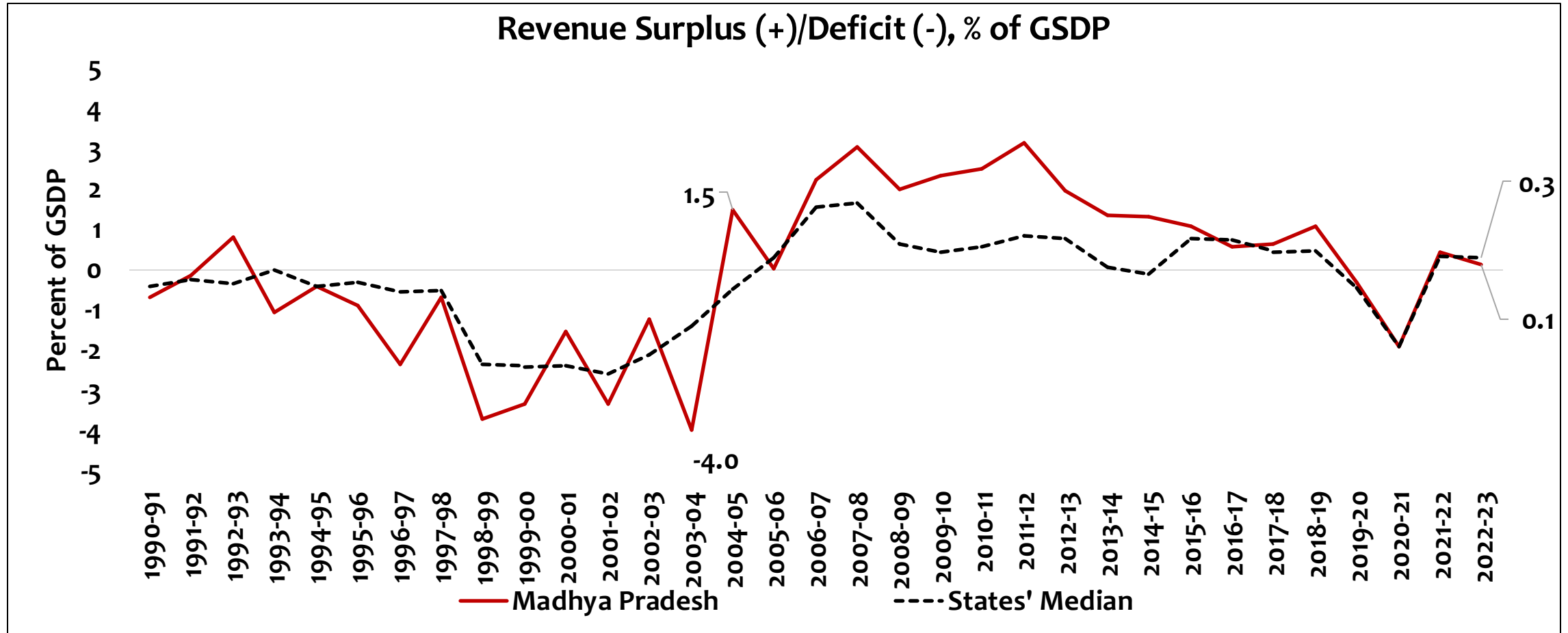
Note: i. Median of All States includes all 29 States (all Union Territories are excluded); ii. Median of 22 States excludes the North Eastern States, except Assam; iii. All States/UTs shows the sum of 29 States, Delhi and Puducherry, expressed as a % of national gross domestic product; iv. Committed Expenditure is calculated as the sum of Wage, Salaries, and Pension; v. Health Expenditure is calculated as the sum of Medical and Public Health, Family Welfare; vi. Social, Health, and Education Expenditures are calculated as per capita values by dividing the respective expenditure by the population; vii. Total Expenditure is calculated as the sum of Revenue Expenditure (RevEx), Capital Outlay, and Loans and Advances; viii. The Buoyancy of RevEx is calculated as the ratio between the year-on-year growth rate of Revenue Expenditure and that of GSDP.

In 2022-23, Madhya Pradesh ran a Fiscal Deficit and a Primary Deficit of 3.6 and 2.0 percent of its GSDP respectively, both closely aligned with those of a median State



Source: i. Fiscal Deficit (FD) is from RBI State Finances Report (SFR, 2022-23); ii. State GSDP data is from MoSPI (2022-23).
 Note: i. Primary Deficit (PD) is calculated (Fiscal Deficit – Interest Payments). Interest Payments is sourced from RBI SFR; ii. The variable as a percent of GSDP has been calculated for each State, and its median across 29 States has been shown (all Union Territories are excluded); iii. The significant fiscal and primary deficit in 2003-04 could have resulted from a very low Own Tax and Own Non-Tax Revenue collected and Transfers from the Centre received by the State.

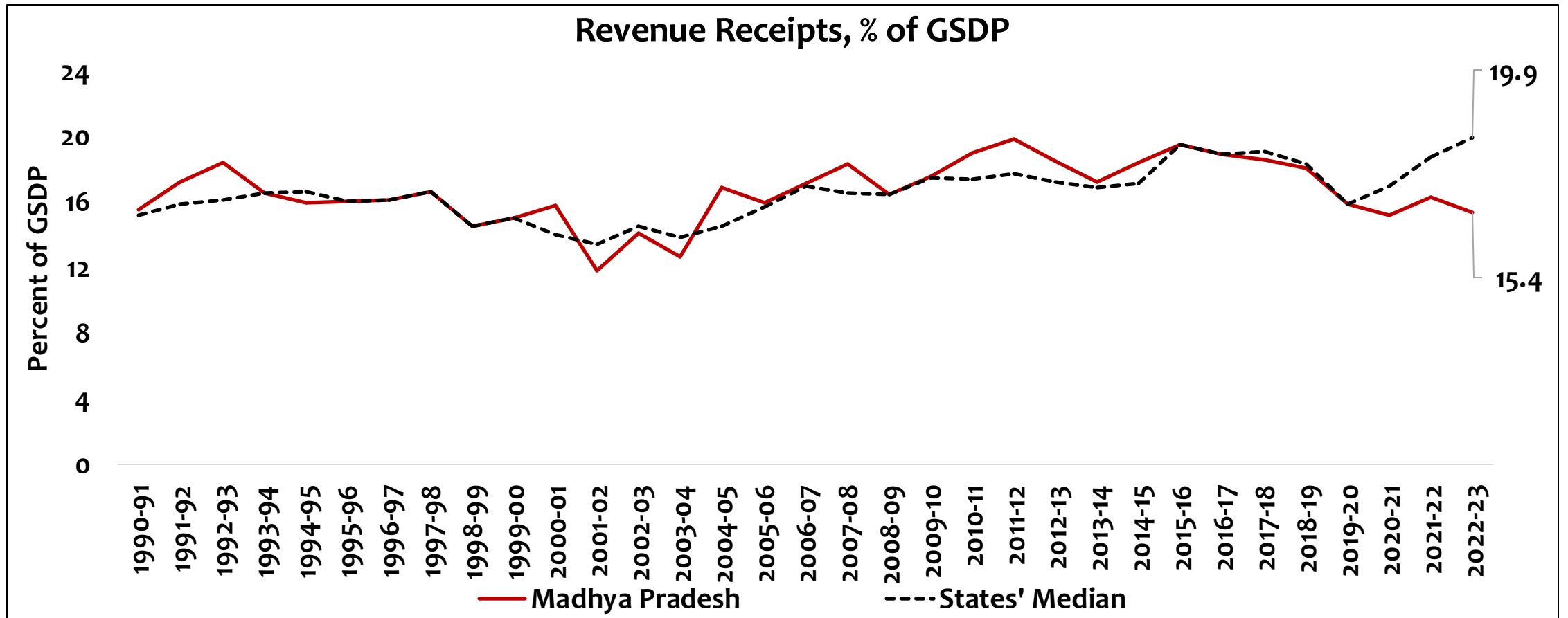
Madhya Pradesh ran a Revenue Surplus of 0.1 percent of its GSDP in 2022-23, about 0.2 percentage points lower than that of a median State in the same year



Source: i. Revenue Deficit is from RBI State Finances Report (SFR, 2022-23); ii. State GSDP data is from MoSPI (2022-23).

Note: i. The variable as a percent of GSDP has been calculated for each State, and its median across 29 States has been shown (all Union Territories are excluded); ii. The significant revenue deficit in 2003-04 could result from a very low Own Tax and Own Non-Tax Revenue collected and Transfers from the Centre received by the State; iii. Increase in the collection of revenue receipts by Rs.5454 crore helped State Government in achieving the revenue surplus of Rs.1,717 crore during 2004-05 [Source – [CAG Report, 2005](#)].

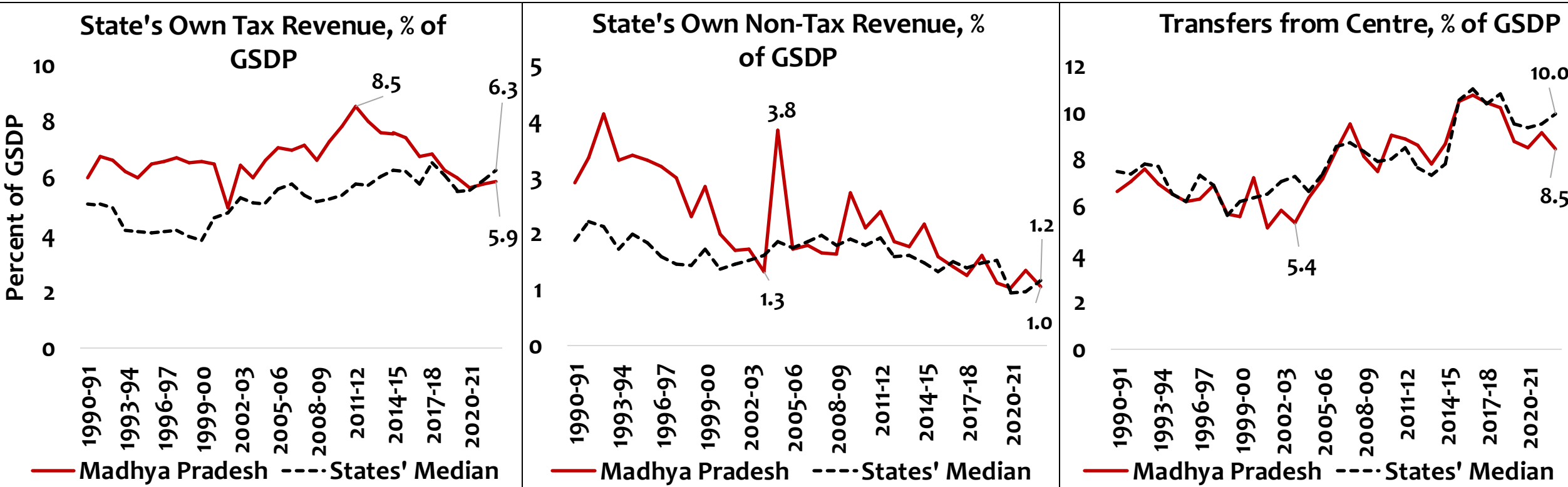
In 2022-23, Madhya Pradesh's total Revenue Receipts (Own Tax, Own Non-Tax, and shared by the Centre) were lower than what a median State collected, at about 15.4 percent of its GSDP



Source: i. Revenue Receipts from RBI State Finances Report (SFR, 2022-23); ii. State GSDP data is from MoSPI (2022-23).

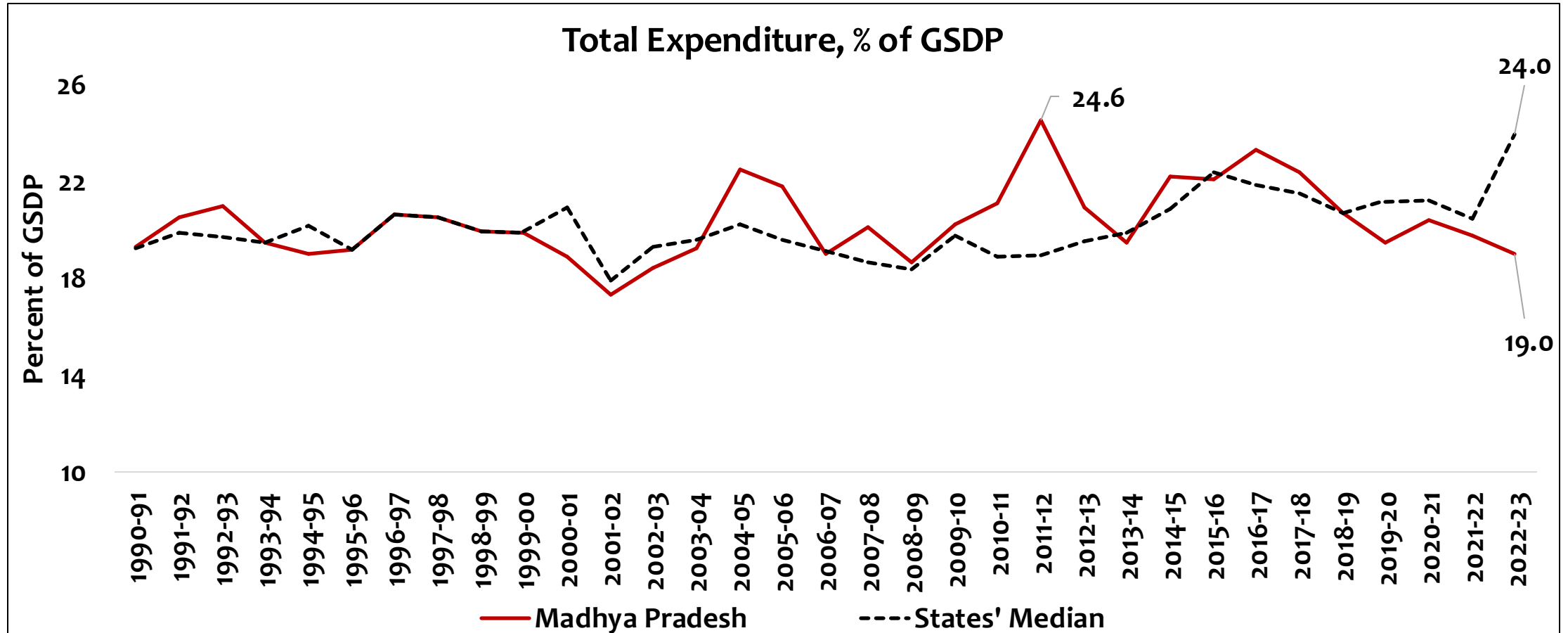
Note: The variable as a percent of GSDP has been calculated for each State, and its median across 29 States has been shown (all Union Territories are excluded).

As of 2022-23, Madhya Pradesh's Own Tax Revenue, Own Non-Tax Revenue, and Transfers from the Centre, at 5.9 percent, 1.0 percent and 8.5 percent of its GSDP respectively, were all lower than those of a median State. These were either close to or marginally lower than those of a median State. Transfers from Centre accounted for 55 percent of its Revenue Receipts



Source: i. Own-Tax Revenue, Own Non-Tax Revenue, and Transfers from the Centre from RBI SFR (2022-23); ii. State GSDP data is from MoSPI (2022-23).
 Note: i. The variable as a percent of GSDP has been calculated for each State, and its median across 29 States has been shown (all Union Territories are excluded); ii. Transfers from the Centre include both Tax and Non-Tax transfers; iii. The sudden increase in the State's Own Non-Tax Revenue was due to increased receipts under the Power sector (Rs. 2,749 crore) [Source – [CAG Report,2005](#)].

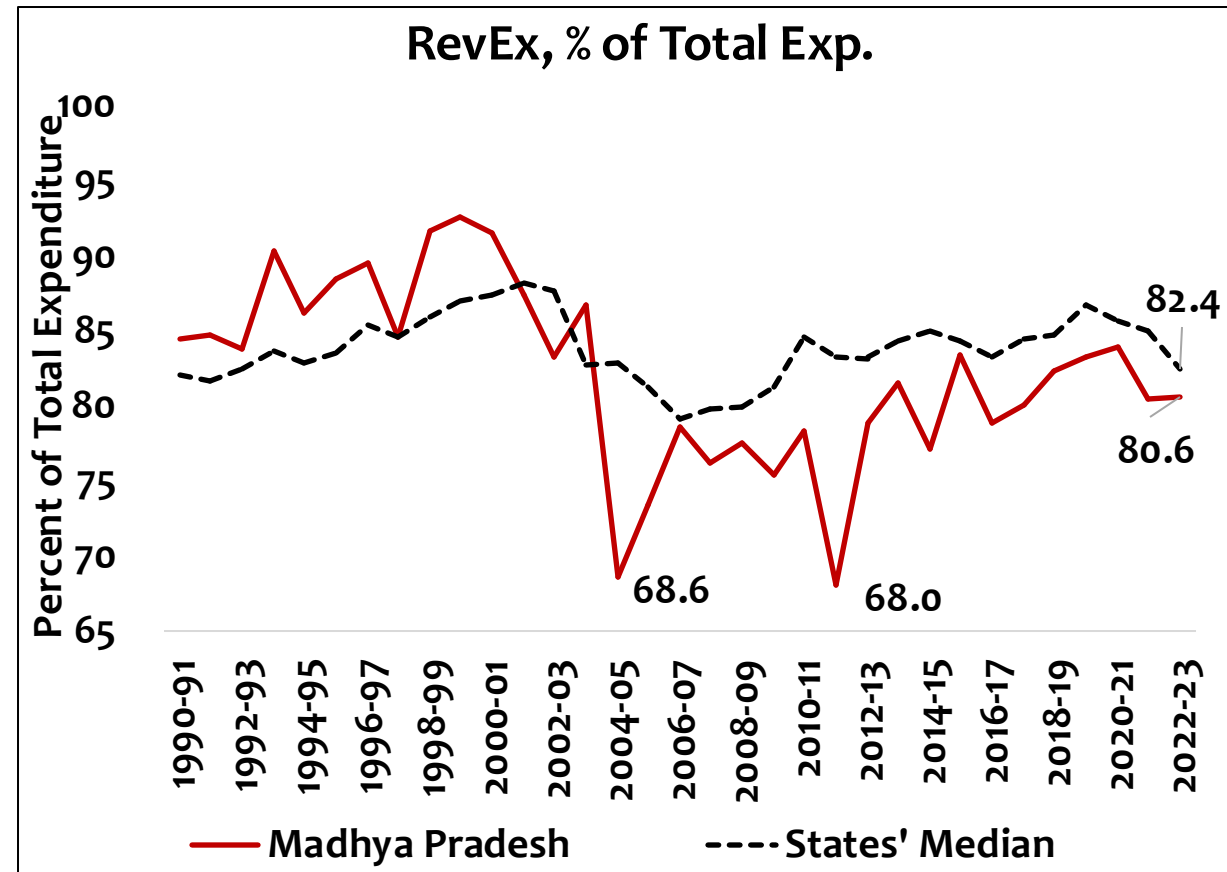
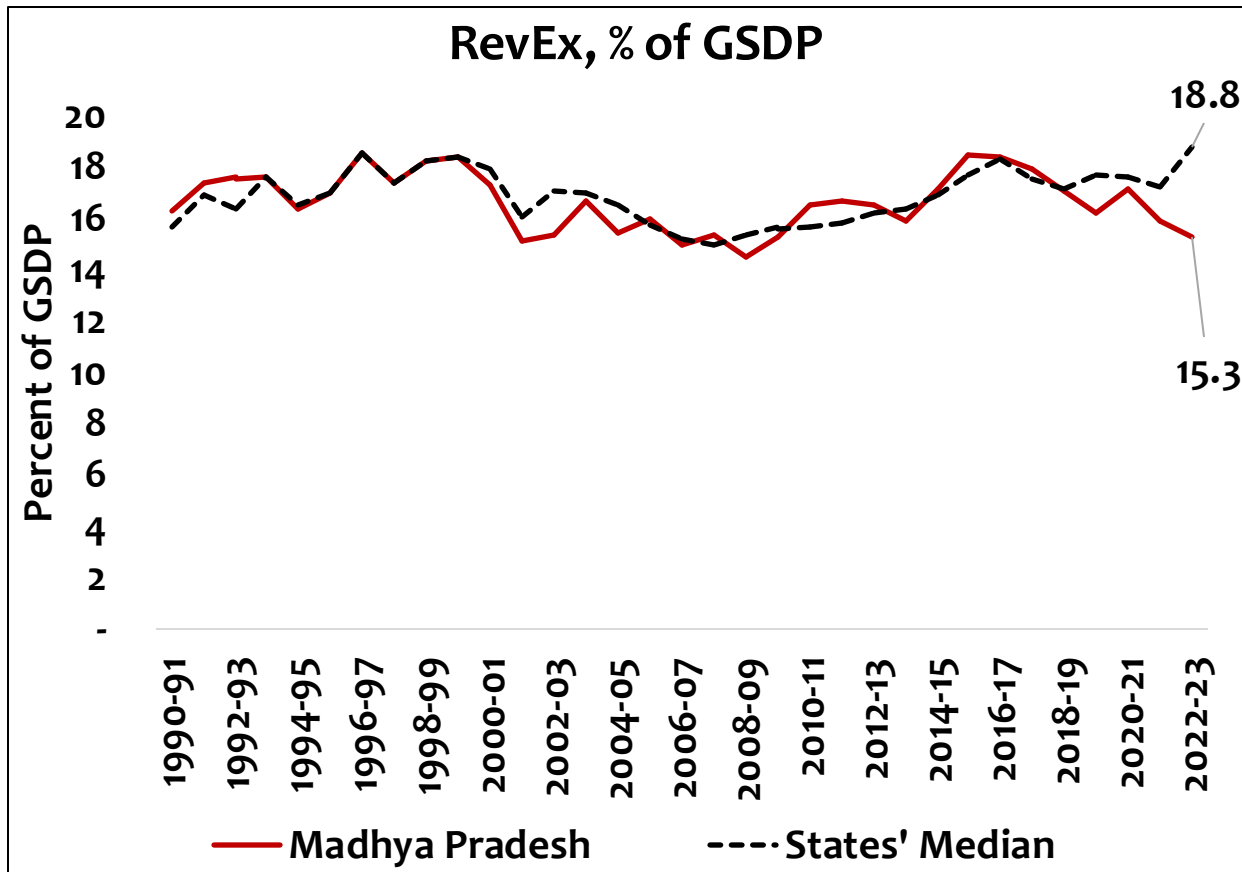
In 2022-23, Madhya Pradesh's Expenditure at 19 percent of its GSDP was about 5 percentage points lower than a median State



Source: i. Total Expenditure is from RBI SFR (2022-23); ii. State GSDP data is from MoSPI (2022-23).

Note: i. Total Expenditure is calculated as Revenue Expenditure (RevEx) plus Capital Expenditure (CapEx); ii. The variable as a percent of GSDP has been calculated for each State, and its median across 29 States has been shown (all Union Territories are excluded); iii. The significant increase in Total Expenditure during 2011-12 was primarily driven by a spike in CapEx (percent of GSDP), largely due to a sharp rise in Loans and Advances payments [Source – [CAG report,2011-12](#)].

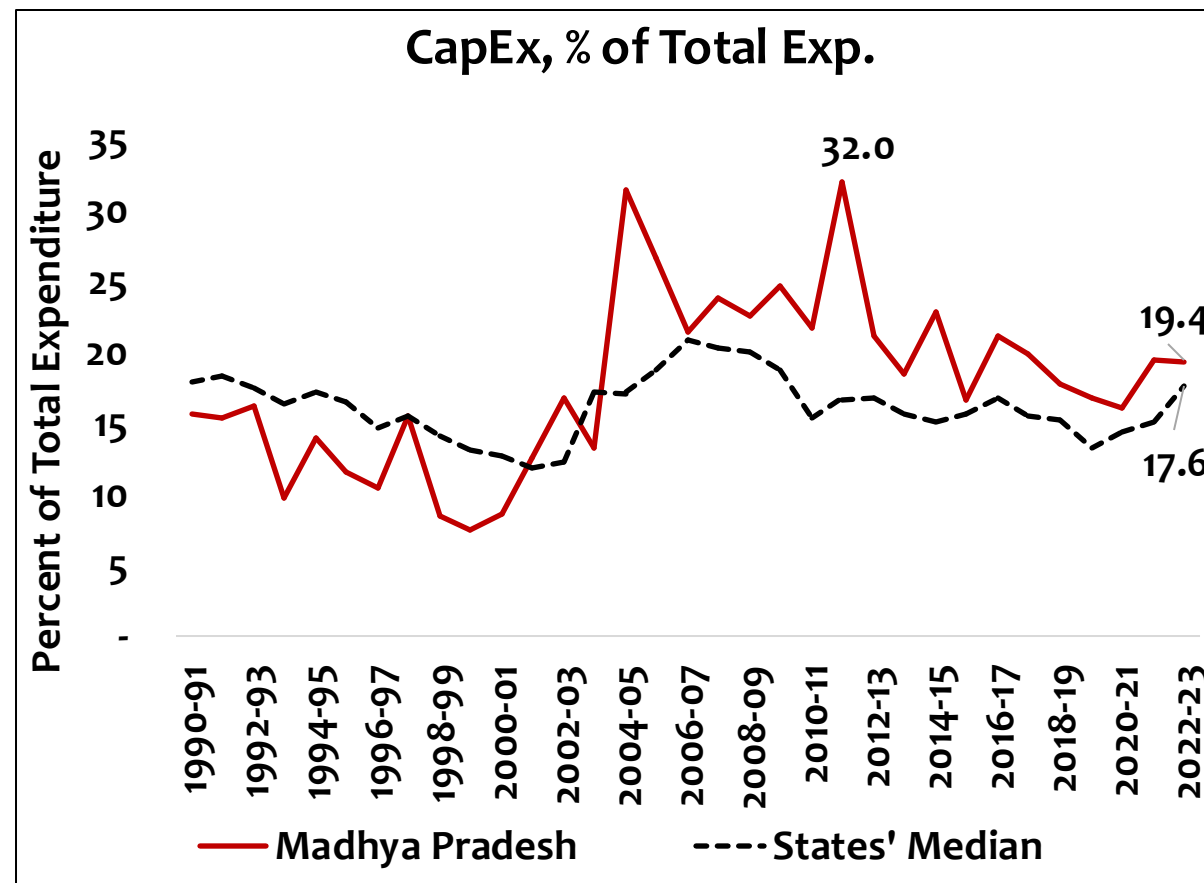
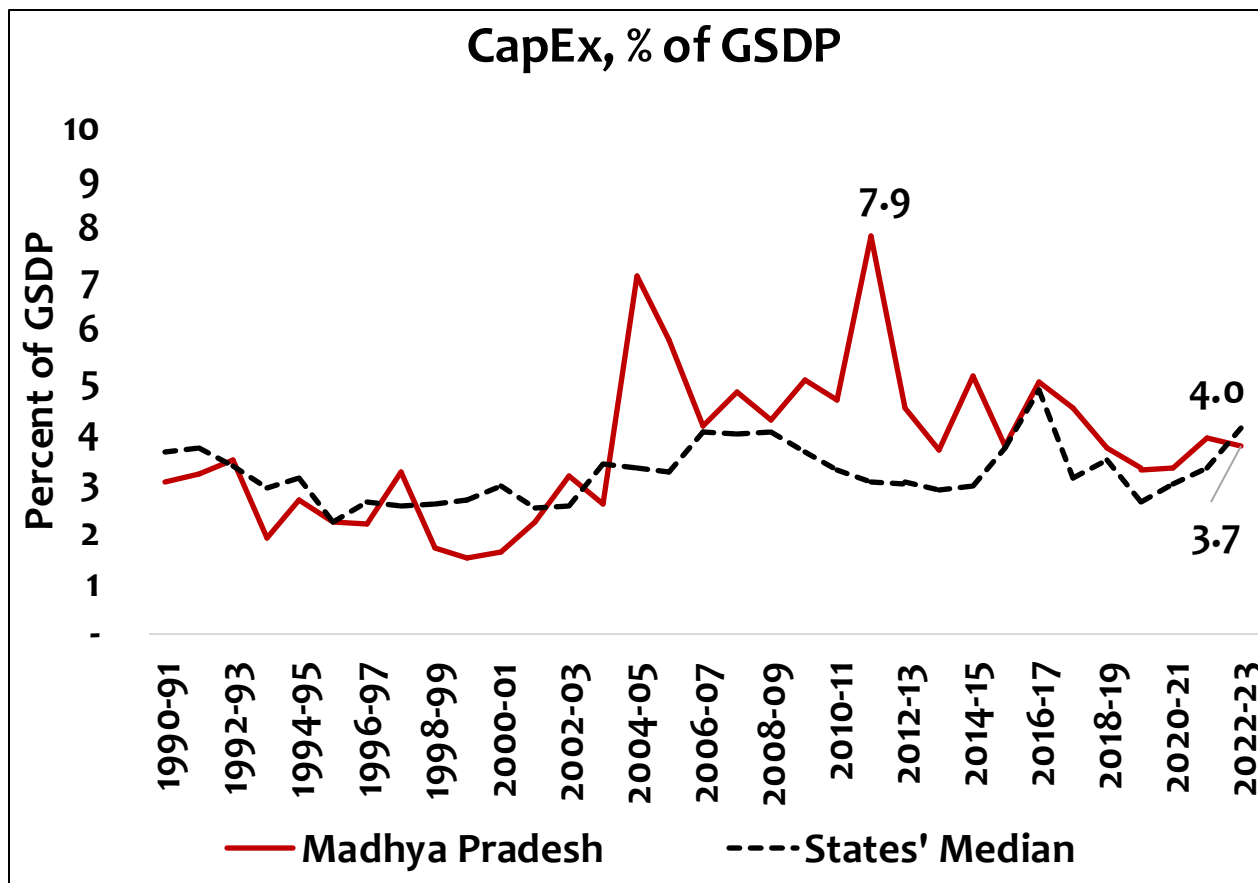
Madhya Pradesh's RevEx, at 15.3 percent of its GSDP and 80.6 percent of its Total Expenditure, was lower than that of a median State, in 2022-23



Source: i. Revenue Expenditure is from RBI SFR (2022-23); ii. State GSDP data is from MoSPI (2022-23).

Note: i. Total Expenditure is calculated as RevEx plus CapEx; ii. The variable as a percent of GSDP has been calculated for each State, and its median across 29 States has been shown (all Union Territories are excluded).

In 2022-23, Madhya Pradesh's CapEx at 3.7 percent of its GSDP, was about 0.3 percentage points lower than the CapEx of a median State. However, CapEx as a share of Total Expenditure was higher than that of a median State

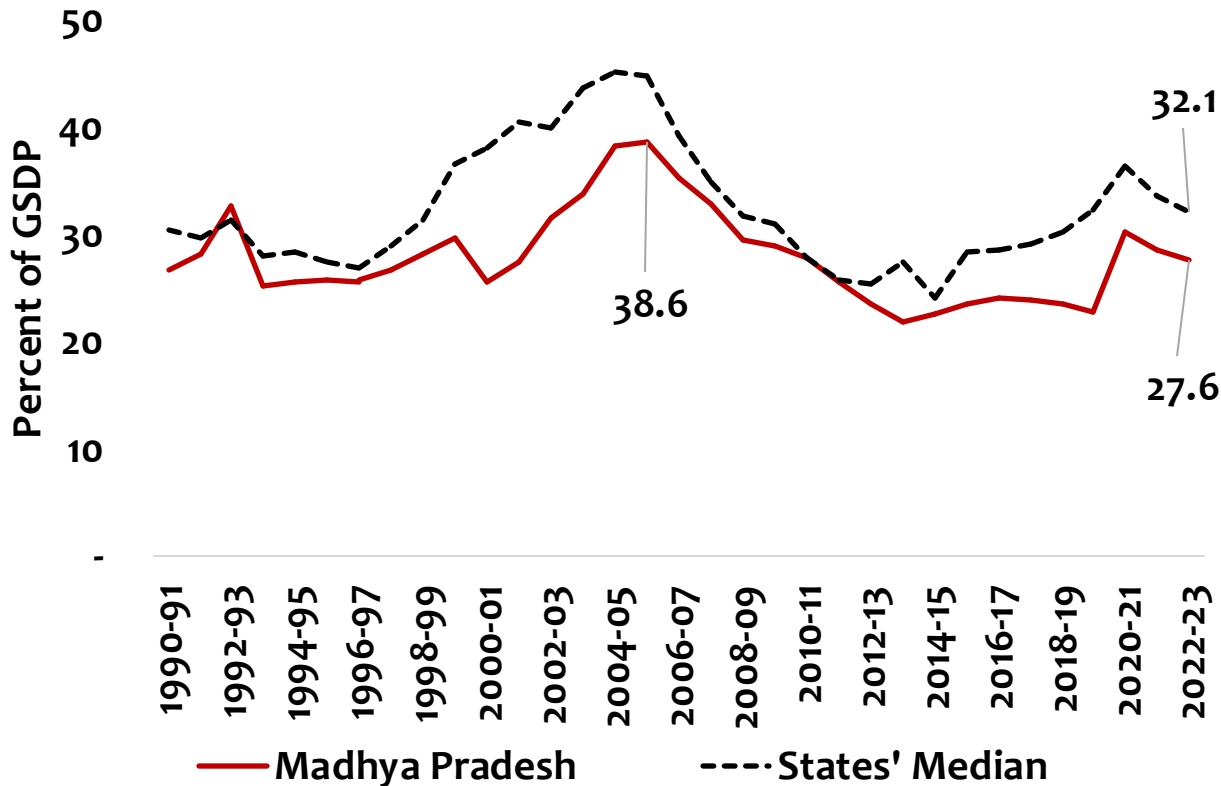


Source: i. CapEx is calculated as Capital Outlay + Loans and Advances given by the State government and the data for both is taken from RBI SFR (2022-23); ii. State GSDP data is from MoSPI (2022-23).

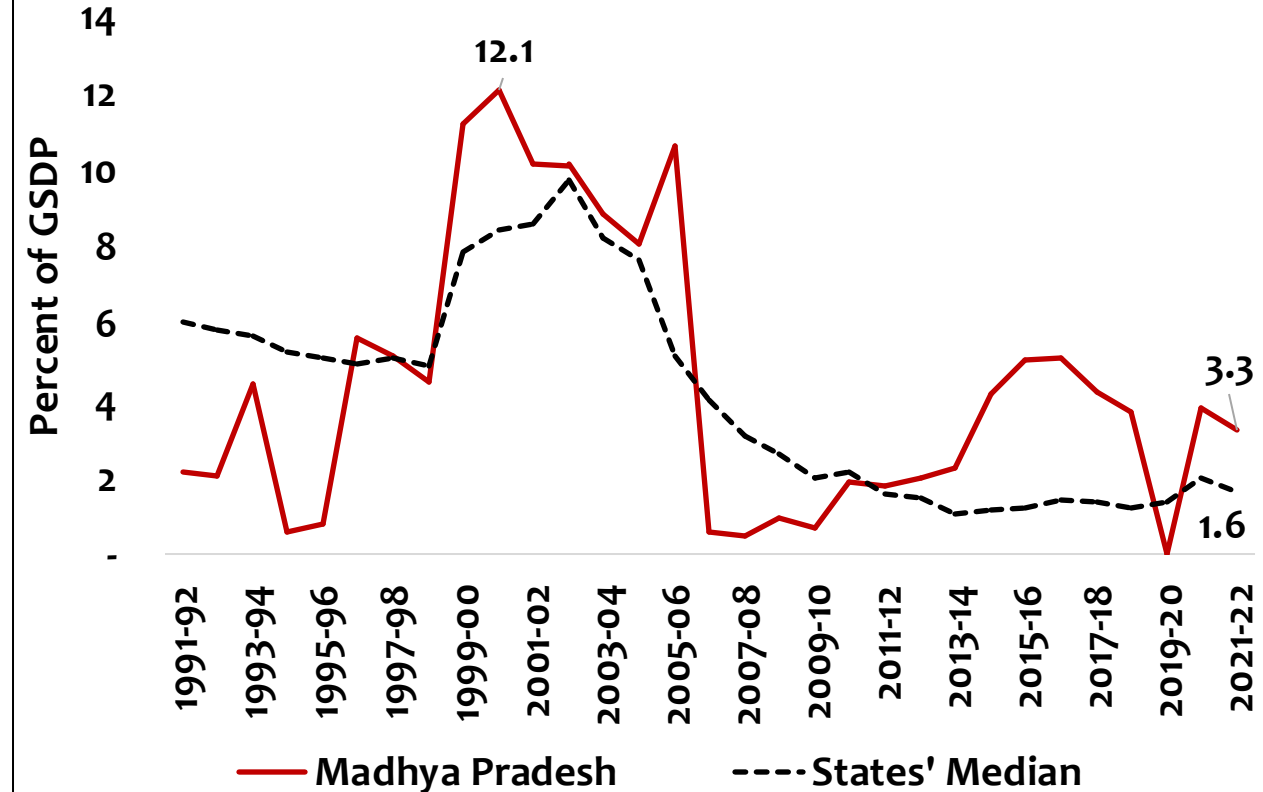
Note: i. Total Expenditure is calculated as RevEx plus CapEx; ii. The variable as a percent of GSDP has been calculated for each State, and its median across 29 States has been shown (all Union Territories are excluded); iii. The spike in CapEx (percent of GSDP) during 2011-12 is primarily due to a sharp increase in Loans and Advances payments, which rose to Rs. 15,760 crore from the previous year's Rs. 3,715 crore [Source – [CAG report, 2011-12](#)].

Madhya Pradesh has seen a decline in its Public Debt since 2005-06, and at 27.6 percent of its GSDP in 2022-23, it was lower than that of a median State. Its Contingent Liabilities as of 2021-22 were 3.3 percent of its GSDP, over two times that of a median State's Contingent Liabilities

Total Public Debt, % of GSDP



Contingent Liabilities, % of GSDP



Source: i. Public Debt and State-wise contingent liabilities data has been taken from RBI SFR (2022-23); ii. State GSDP data is from MoSPI (2022-23).
 Note: The variable as a percent of GSDP has been calculated for each State, and its median across 29 States has been shown (all Union Territories are excluded).

Debt Sustainability Assessment

- Extrapolations of the debt-to-GSDP ratio are used as a way of thinking about debt sustainability, using the equation: $\Delta b_t = \frac{b_{t-1}(r_t - g_t)}{1 + g_t} + pd_t^*$
- A baseline scenario assumes real GDP growth, the real effective interest rate and primary deficit will be at the same levels for the next five years as their respective averages from 2012-13 to 2021-22.
- Second scenario assumes faster GDP growth to the tune of half a standard deviation over the average growth between 2012-13 to 2021-22.
- Third scenario assumes a favorable change of half a standard deviation to the primary deficit over the average deficit between 2012-13 to 2021-22.
- Fourth scenario assumes baseline plus outstanding contingent liabilities in 2021-22 will be absorbed (by 20 percent) each year in the next five years.
- A fifth scenario, by combining scenarios two and three.

Note: i. b_t is the debt-to-GSDP ratio, pd_t is the primary-deficit-to-GSDP ratio (deficit net of interest payment), g_t is growth of real GSDP, and r_t is the real effective interest rate on public debt; all in year t ; ii. Δb_t is the change in debt-to-GSDP ratio between t and $t-1$; iii. The exercise is based on the assumption that g , r , and pd are exogenous, that is, they are not impacted by the level of debt.

Madhya Pradesh's Debt Evolution (2012-13 to 2021-22)

Averages and standard deviations of key parameters

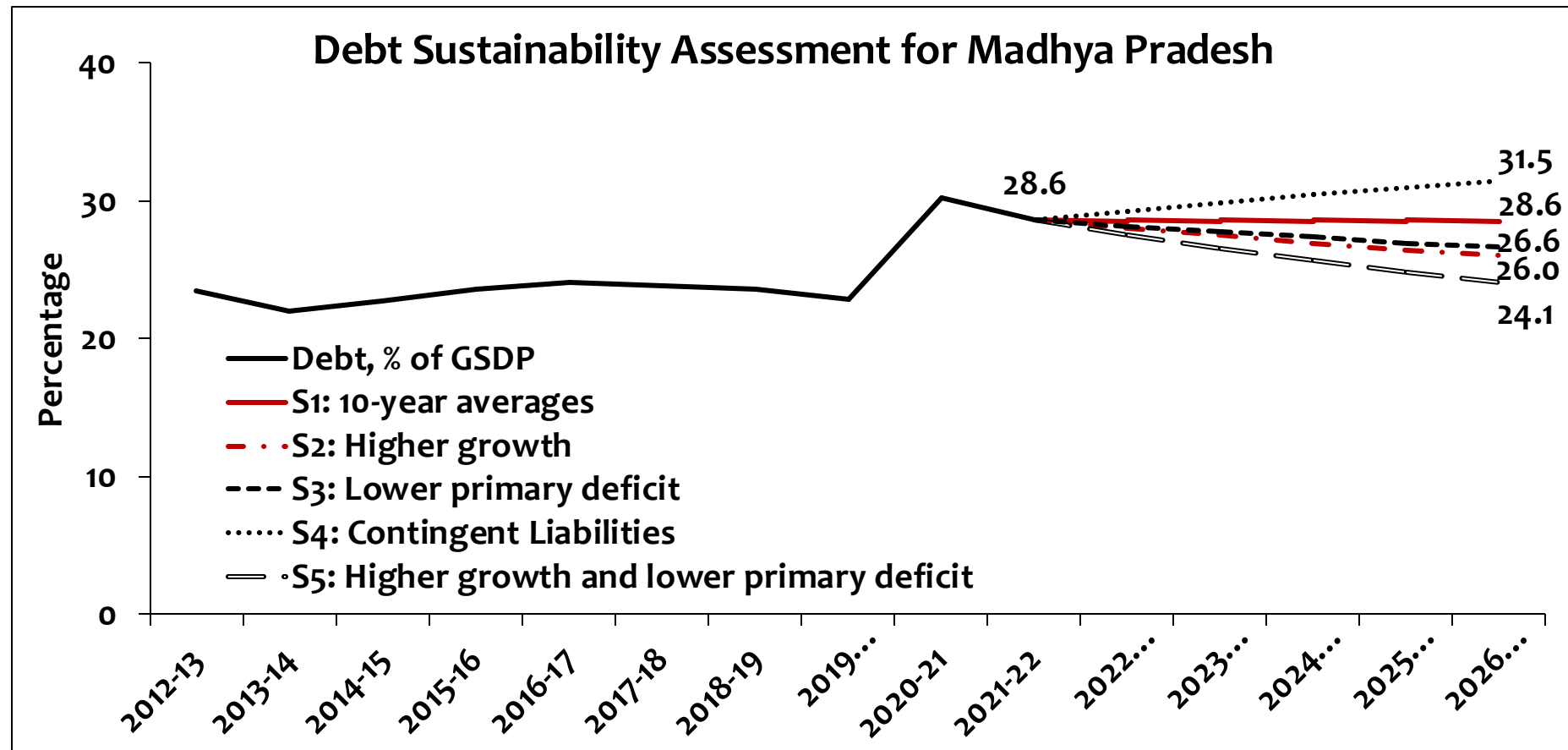
	Ten-year average and std. deviations (2012-13 to 2021-22)		Five-year average and std. deviations (2017-18 to 2021-22)	
	Mean	Std dev	Mean	Std dev
Nominal GDP growth (γ)	13.8	5.2	11.9	5.3
Deflator growth (π)	6.6	2.3	6.5	1.4
Real GDP growth (g)	6.8	4.9	5.1	5.8
Effective interest rate (e)	7.2	0.4	7.2	0.5
Real effective interest rate (\hat{e})	0.6	2.4	0.7	1.4
Primary deficit (pd)	1.7	0.9	2.0	0.9
Growth-effective interest differential ($g-\hat{e}$)	6.2	5.1	4.5	5.4
Contingent Liabilities (CL) as of 2021-22	3.3	-	-	-
Percentage points of CL absorbed each year for 5 years	0.65	-	-	-

Different Scenarios for Conducting Debt Sustainability Assessments

Scenarios	Debt level in 2021-22 (bt-1)	Primary Deficit (pd)	Real GDP growth (g)	Real Effective Interest Rate (\hat{e})	Change in Debt in first year (2022-23)	Cumulative change in Debt in next five years
Baseline (Scenario 1): 10-year averages (2012-13 to 2021-22)	28.6	1.7	6.8	0.6	-0.01	-0.03
Scenario 2: Higher growth (increasing growth by half a standard deviation over baseline)	28.6	1.7	9.2	0.6	-0.61	-2.61
Scenario 3: Lower Primary Deficit (reducing primary deficit by half a standard deviation over baseline)	28.6	1.2	6.8	0.6	-0.46	-2.03
Scenario 4: Contingent Liabilities in 2021-22 are absorbed 20% in each year	28.6	1.7	6.8	0.6	0.64	2.87
Scenario 5: Lower Primary Deficit and Higher Growth	28.6	1.2	9.2	0.6	-1.06	-4.53

Note: In Scenario 2, half a standard deviation of 10-year average of real GDP growth rate is added as a positive growth shock. In Scenario 3, half a standard deviation of 10-year average of primary deficit is removed as a positive fiscal shock. In Scenario 4, 0.65 percentage points of Contingent Liabilities are assumed to be taken on by the government in each fiscal year.

If real growth, real effective interest rate, and primary deficit are assumed to be at their 10-year average values, as assumed under our baseline scenario, Madhya Pradesh's debt to GSDP ratio is projected to remain at the elevated level of 28.6 percent by 2026-27. It's debt to GSDP ratio is projected to decline only under scenarios of higher real growth, or lower primary deficit, or a combination of the two



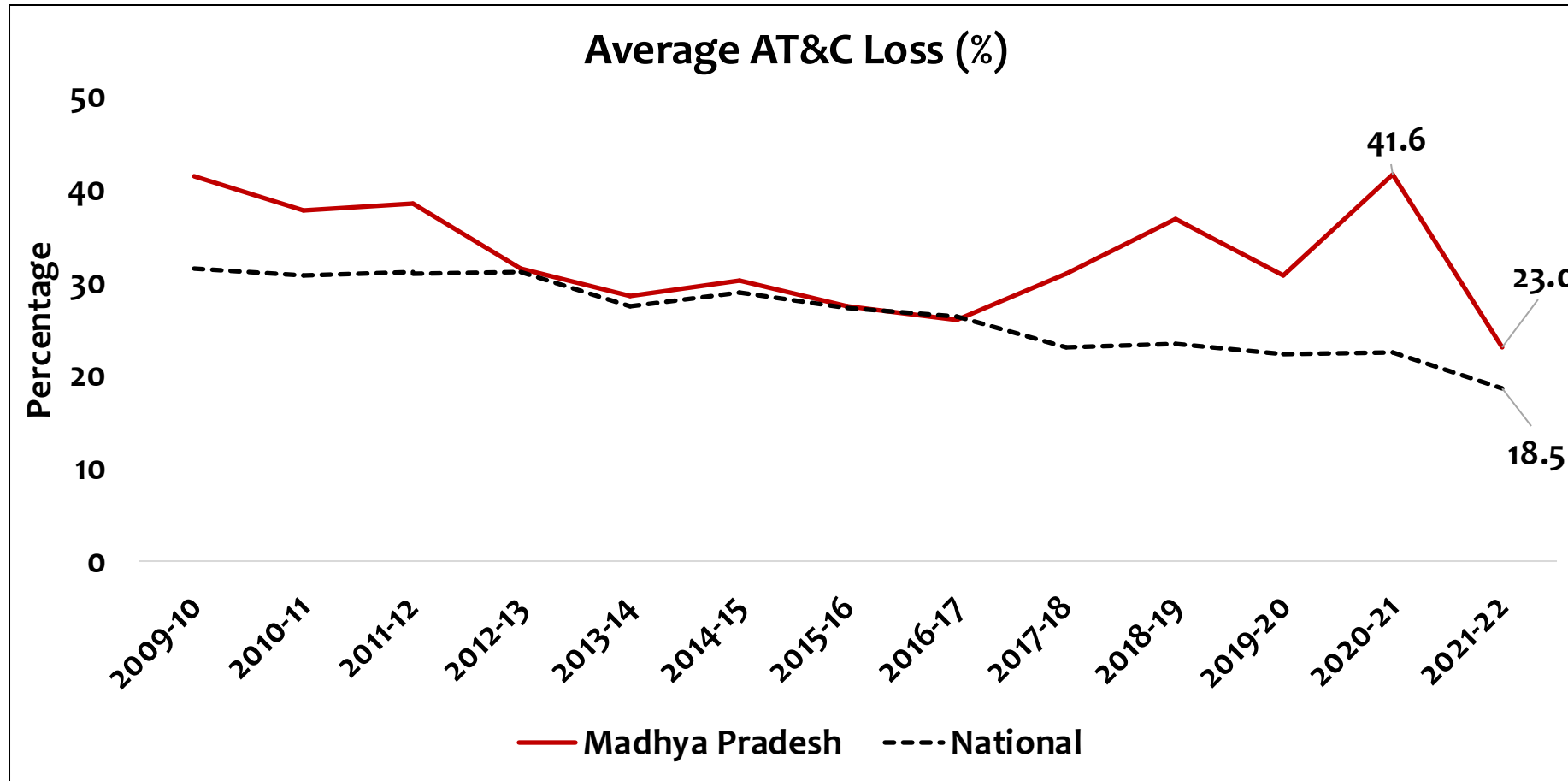
Note: Projection period is from 2022-23 till 2026-27. In Scenario 2, half a standard deviation of 10-year average of real GDP growth rate is added as a positive growth shock. In Scenario 3, half a standard deviation of 10-year average of primary deficit is removed as a positive fiscal shock. In Scenario 4, 0.65 percentage points of Contingent Liabilities are assumed to be taken on by the government in each fiscal year

Madhya Pradesh: Power Sector

- The State has three public (government-operated) distribution utilities/companies (DISCOMs): 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).
- Owing to their outstanding debt and corresponding financial assistance required from the State, the power sector remains a significant contributor to the State contingent liabilities. In 2020-21, about 25 percent of the contingent liabilities arose on account of the power sector [[refer to CAG SFAR 2020-21, Pg. 82](#)].
- Under the Ujwal DISCOM Assurance Yojana (UDAY) scheme launched by the GoI, the State availed financial assistance under the financial turnaround and financing of future losses component of the scheme.
- The State govt. (GoMP) has been unsuccessful in taking over the required amount of loans from the DISCOMs, and providing them the corresponding grants since 2018-19. For 2019-20, the consent was not given by the Finance Department for transfer of funds to DISCOMs, and for the year 2020-21 there was no provision of funds transfer to DISCOMs in the budget [[refer to CAG SFAR 2020-21, Pg. 67-68](#)].
- The GoMP apart from being the owner is also one of the major consumers of the DISCOMs, and it was found that it was irregular in its electricity payments. Some of the socio-economic intervention schemes that offer subsidies to specific categories of consumers (like the Bijli Bill Maafi Yojana launched by the GoMP), the portion of the subsidies borne by GoMP has to be recouped by the DISCOMs, which further worsens their financial position. **The dues recoverable from the GoMP formed 7 percent of the total debt of DISCOMs as of March 2020** [[refer to CAG Report on the Performance of DISCOMs pre and post UDAY, GoMP, Pg. 11-12](#)].

Source: Madhya Pradesh State Finances Report (CAG) 2022, Report on Performance of State Power Utilities (2009-10 to 2021-22), 15th Finance Commission Report.

Aggregate Technical & Commercial (AT&C) losses of DISCOMs in Madhya Pradesh declined until 2016-17. However, between 2016-17 and 2020-21, AT&C losses increased due to an increase in collection and billing inefficiency



Source: PFC Report on Performance of State Power Utilities (2009-10 to 2021-22).

Note: i. The figure shows the average AT&C Loss across the 3 DISCOMs in the State; ii. The National average is across all DISCOMs in the 29 States and 2 Union Territories (Delhi & Puducherry).

6. Devolution to Madhya Pradesh from Centre in 14th and 15th Finance Commissions (FC)

Tax Devolution Criteria of 14th and 15th Finance Commission to all States

- The Net Proceeds of all taxes¹ collected by the Union are shareable with the States, and constitute the divisible pool of taxes.
- The 14th FC placed the States' share of tax devolution to 42 percent of the divisible pool, and the 15th FC adjusted it to 41 percent of the divisible pool due to the changed status of Jammu & Kashmir into the Union Territories of Ladakh and Jammu & Kashmir.
- Below table highlights the tax devolution matrix used by the two FCs, and the corresponding weights for each criteria.

Criteria	14th FC (2015-20)	15th FC (2021-26)
Income Distance	50	45
Area	15	15
Population (1971)	17.5	0
Population (2011) ²	10	15
Demographic Performance	0	12.5
Forest Cover	7.5	0
Forest and Ecology	0	10
Tax and fiscal efforts ³	0	2.5
Total	100	100

Source: 14th and 15th FC Reports.

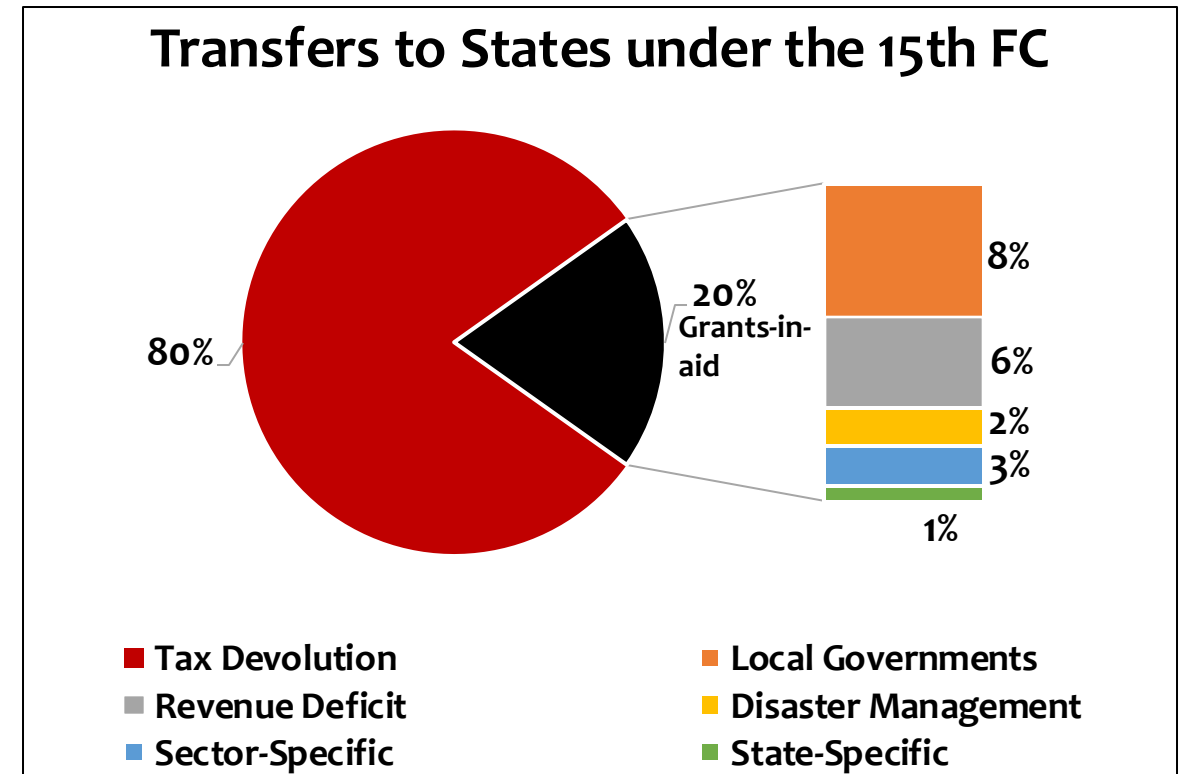
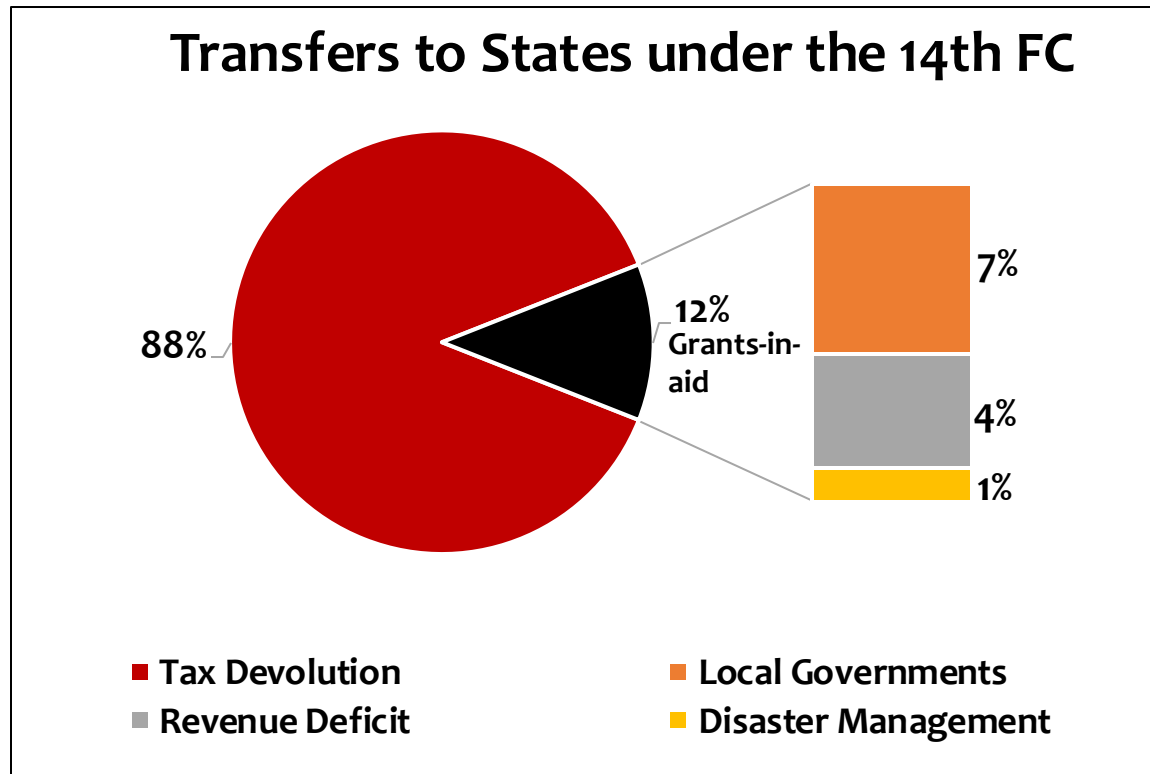
Note: i. Per Articles 270 and 279, Net Proceeds of taxes is defined as all the taxes, except cess and surcharges, reduced by the cost of collection; ii. 14th FC used the term “demographic change” which was defined as Population in 2011; iii. The 15th FC reintroduced the “tax and fiscal efforts” criteria. The definitions of all criteria can be referred to from the [15th FC Report](#).

Grants-in-Aid

- There were three types of grants recommended by the 14th FC – revenue deficit grants, grants for local governments, and grants for disaster management. The 15th FC, in addition to the three, also recommended sector-specific and State-specific grants.
 1. **Revenue-deficit grants:** Post tax devolution, those States which remain in a state of revenue deficit, are allocated this grant in the magnitude of their deficit (estimated for the award period based on the projected revenues and tax devolution).
 2. **Grants for Local Governments:** These are distributed between the rural and urban local bodies (65:35 ratio per the 15th FC). The States' shares are calculated with 90 percent weightage given to population and 10 percent to area.
 3. **Grants for Disaster Management:** The corpus of the State Disaster Response Fund (envisaged under the Disaster Management Act, 2005, which covers both natural and man-made disasters) is recommended by the FC per Article 275 (1) of the Constitution. Under the 14th FC, it was recommended that Centre contribute 90 percent of the SDRF and States provide the remaining 10 percent. The 15th FC reinstated the previous sharing arrangement, wherein Centre's contribution to SDRF for General Category States is 75 percent contribution and it remains 90 percent for the North-Eastern and Himalayan States.
 4. **Sector-Specific Grants:** The 15th FC reinstated recommendations for social sectors like health and education, rural economy (encouraging agricultural reforms and grants for the Pradhan Mantri Gram Sadak Yojana), administrative and governance reforms (for judiciary, improved statistics, and incentivizing aspirational districts and blocks).
 5. **State-specific Grants:** To help States address special needs and overcome cost disabilities, State-specific grants were recommended by the 15th Finance Commission. These span six broad areas: a) social needs, b) administrative governance and related infrastructure, c) conservation and sustainable use of water, drainage and sanitation, d) preserving culture and historical monuments, e) high-cost physical infrastructure, and f) tourism.

Source: 14th and 15th FC reports.

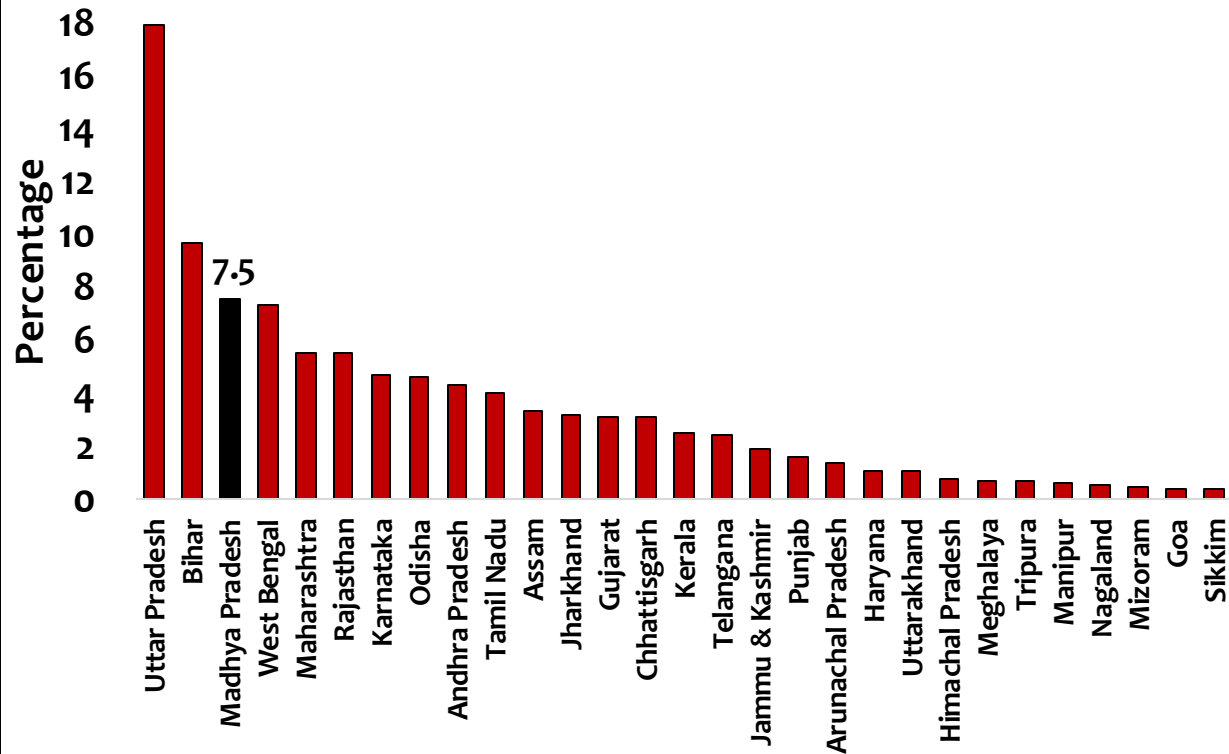
Proposed transfers from the Centre to all States: The 15th Finance Commission reinstated recommendations on sector-specific and State-specific grants, which the 14th Finance Commission had excluded from the grants-in-aid to States, thus increasing the share of grants in the total transfers recommended from Centre to States to 20 percent



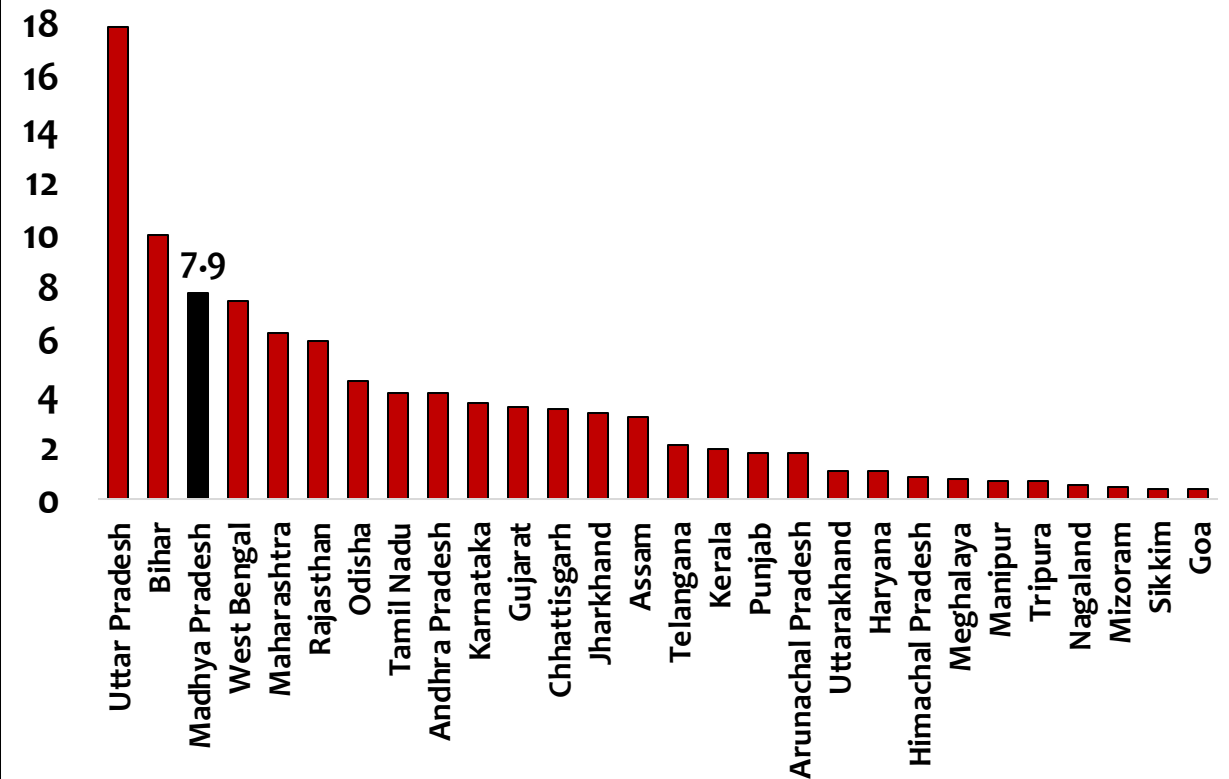
- Sector-Specific Grants are further divided into three categories:
 - Social Sector - health and education
 - Rural Economy - agriculture reforms, self reliance, export & sustainability, and PMGSY roads
 - Governance and Administrative Reforms - judiciary, statistics, aspirational districts and blocks

Madhya Pradesh's share in the Taxes from Centre, as per the FC recommendations, increased from 7.5 percent under 14th Finance Commission to 7.9 percent under 15th FC recommendations

States' Shares under the 14th FC



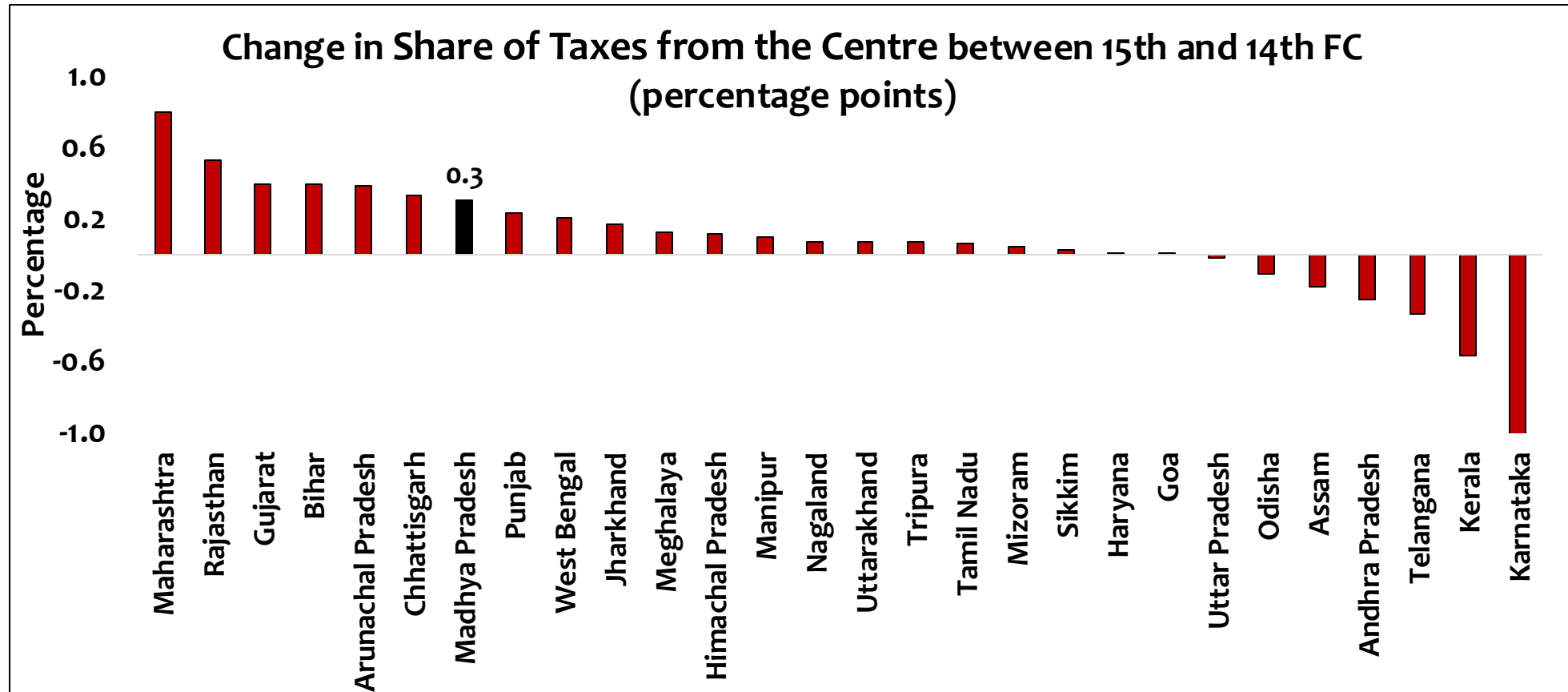
States' Shares under the 15th FC



Source: 14th and 15th FC Reports.

Note: Due to the changed status of Jammu & Kashmir into the new Union Territories of Ladakh and Jammu and Kashmir, the 15th FC did not include it in the States' share of taxes from the Centre.

Madhya Pradesh had a 0.3 percentage point increase in Tax Devolution shares between 14th and 15th Finance Commission recommendations



Source: 14th and 15th FC Reports.

Note: Due to the changed status of Jammu & Kashmir into the new Union Territories of Ladakh and Jammu and Kashmir, the 15th FC did not include it in the States' share of taxes from the Centre, and it has been excluded from this chart.

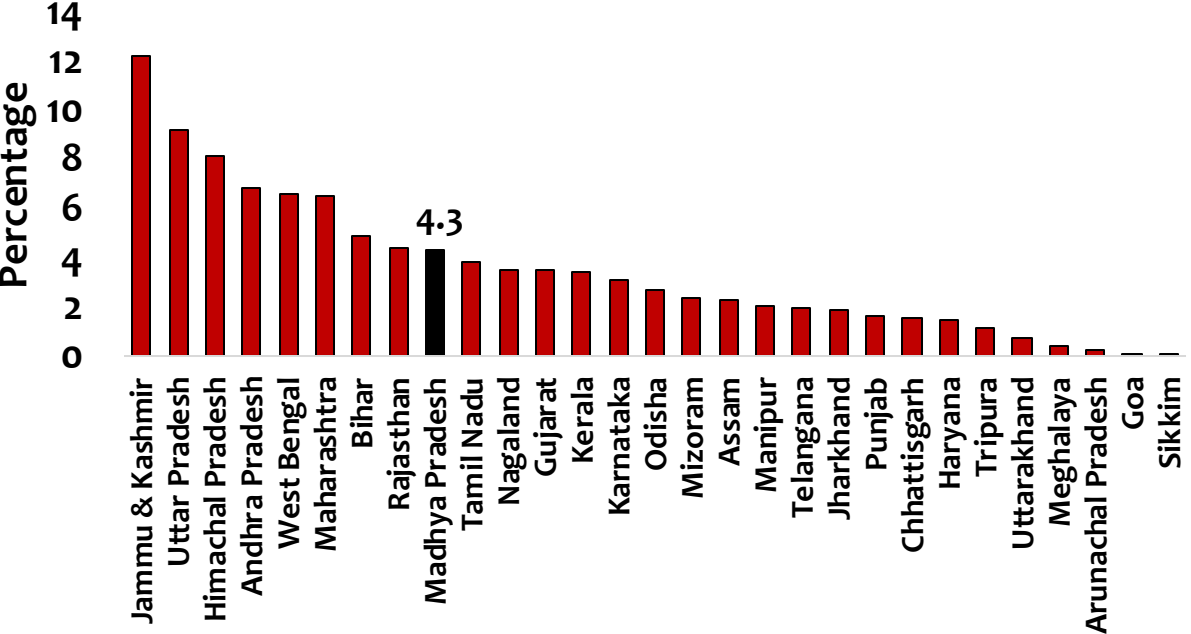
Grants-in-Aid: Madhya Pradesh

- There were three types of grants recommended by the 14th FC – revenue deficit grants, grants for local governments, and grants for disaster management. The 15th FC, in addition to the three, also recommended sector-specific and State-specific grants.
- **Total:** The State's share in the total grants-in-aid **increased by 0.7 percentage points** under the 15th FC, compared to the 14th FC, at **5 percent**.
 1. **Revenue-deficit grants:** Madhya Pradesh **did not receive any revenue-deficit grants** by the 14th or 15th FC. Per their estimation, the State would be running a revenue surplus post tax-devolution from the Centre, and hence no revenue-deficit grants were allocated to the State.
 2. **Grants for Local Governments:** The State has the **fifth highest share** in grants to local governments, standing at 6.6 percent under the 15th FC recommendations.
 3. **Grants for Disaster Management:** Madhya Pradesh received 8.2 percent of the total grants for disaster management under the 15th FC recommendations, **ranking it third** in descending order of States' shares of the grant. In its case, the disasters considered in the index include floods, drought (which carries the maximum weight), earthquakes, and others.
 4. **Sector-Specific Grants:** Per the 15th FC recommendations, it has the **second highest share** in the sectoral grants (following Uttar Pradesh), **driven by its shares in agricultural performance incentive grants, grants for improving statistical data collection and dissemination** (10 and 9 percent of the total for each respectively). Other sector-specific grants and the State's shares in each include health & education grant (7 percent), maintenance of PMGSY roads (8 percent), judiciary (6.6 percent).
 5. **State-specific Grants:** Madhya Pradesh received Rs. 1,765 crores in State-specific grants, attributed to a number of causes including solar pump project, conservation and development of monuments and museums, restoration of ancient heritage gardens, construction of multiple new education complex for girls, upgradation of tourism infrastructure, ensuring water supply from Chambal river to Gwalior city and Morena city, repair, maintenance and development of Mahakaleshwar temple in Ujjain.

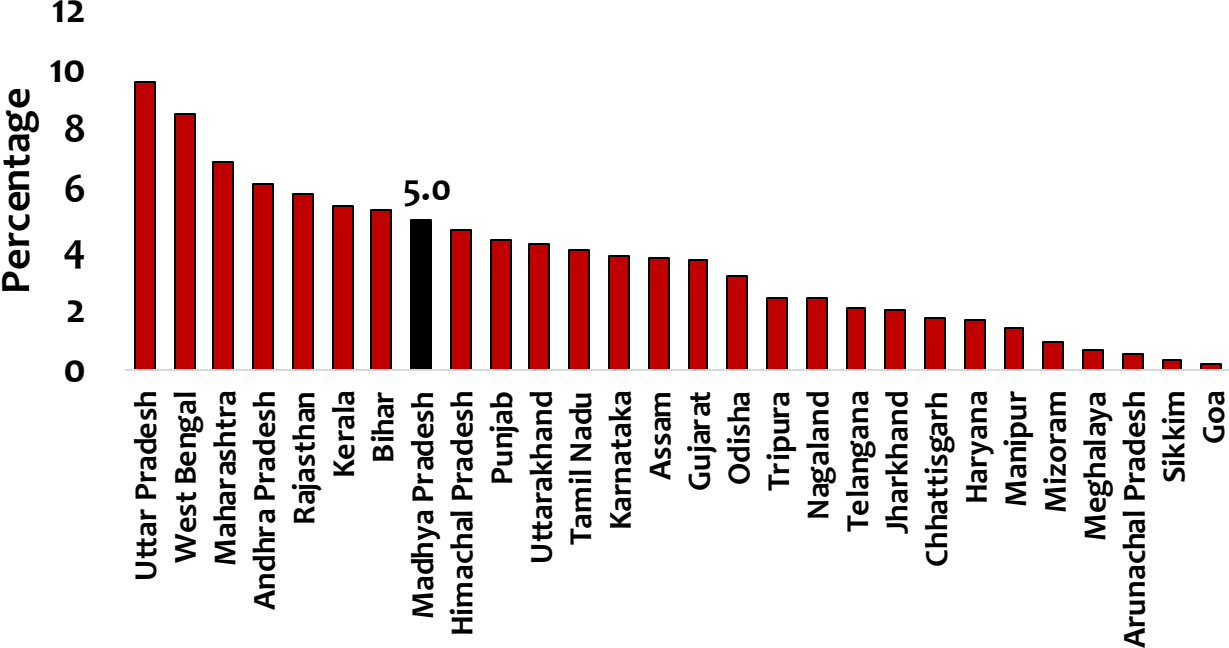
Source: 14th and 15th finance commission reports.

Madhya Pradesh noted an increase of 0.7 percentage points in its share of the Total Grants-in-Aid recommended between 14th and 15th FCs

States' Share in Total Grants (%) under 14th FC

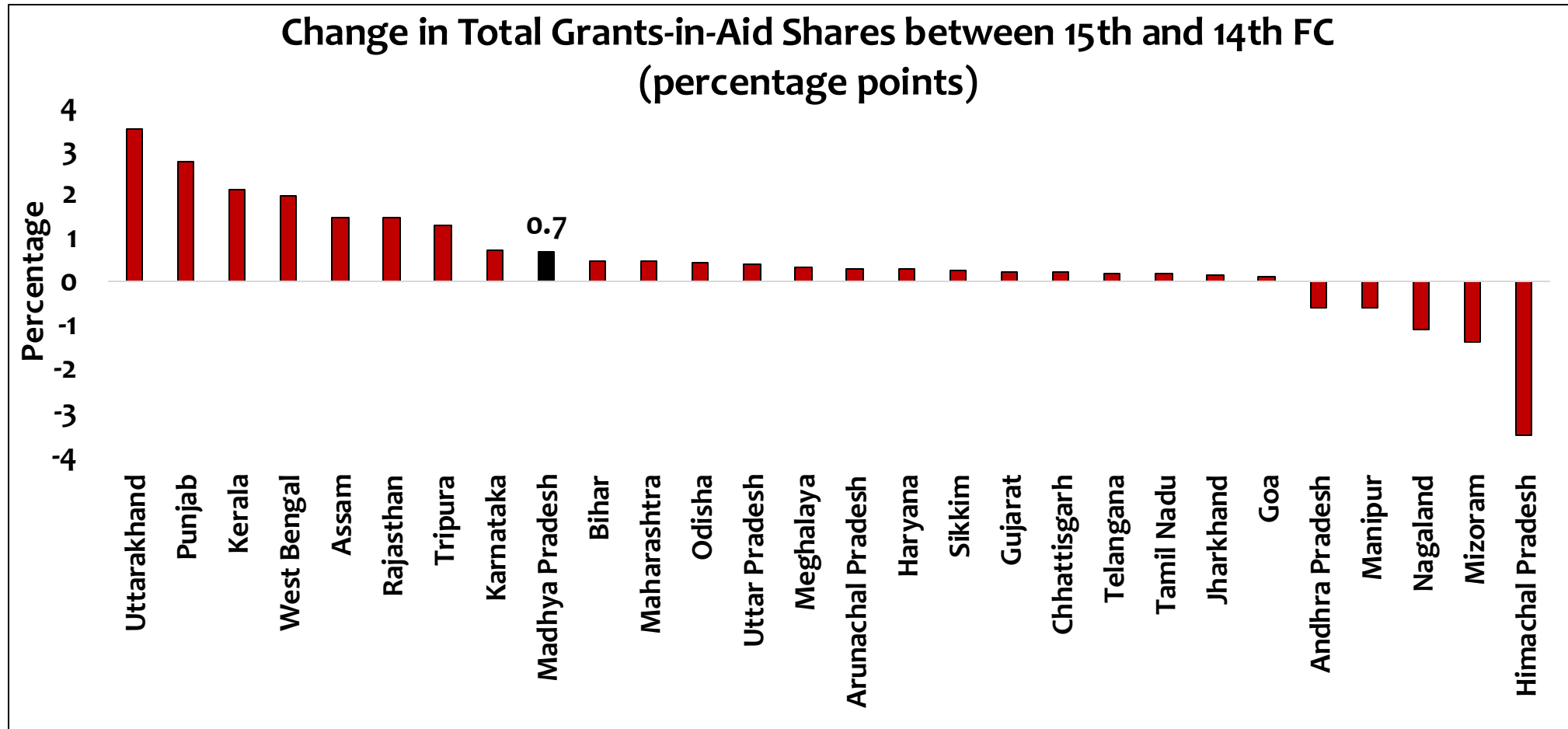


States' Share in Total Grants (%) under 15th FC



Source: 14th and 15th FC Reports.
 Note: i. Due to the changed status of Jammu & Kashmir into the new Union Territories of Ladakh and Jammu and Kashmir, the 15th FC did not include it in the States' share of grants-in-aid from the Centre; ii. An amount of Rs. 16,400 crore is not included in the total Grants-in-aids figure for the 15th FC. This comprises of three grants (a) School Education (Rs. 4,800 crore), (b) Grants for aspirational districts and blocks (Rs. 3,150 crore) and (c) Local Bodies grants for (i) Incubation of new Cities (Rs. 8,000 Crore) and (ii) National Data Centre (Rs. 450 Crore). These were not included in the table which reports the State-wise shares in the 15th FC Report.

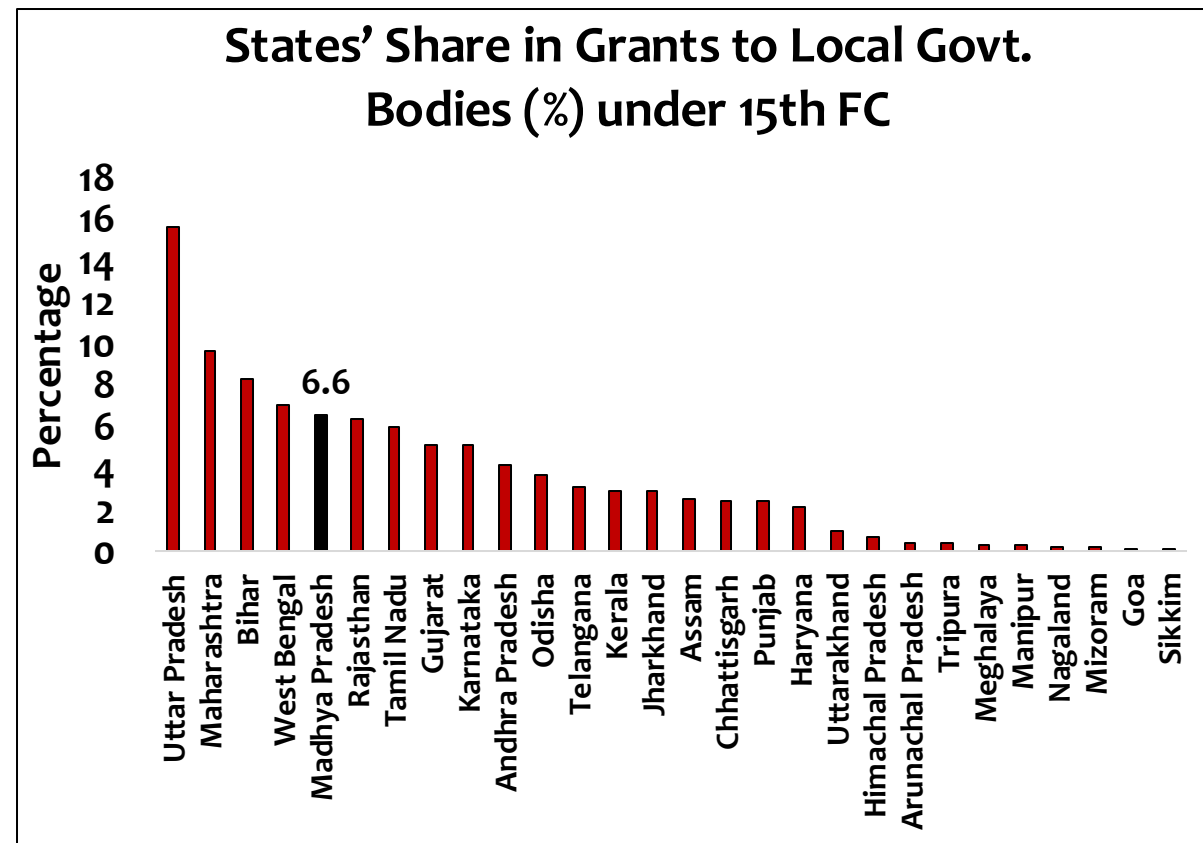
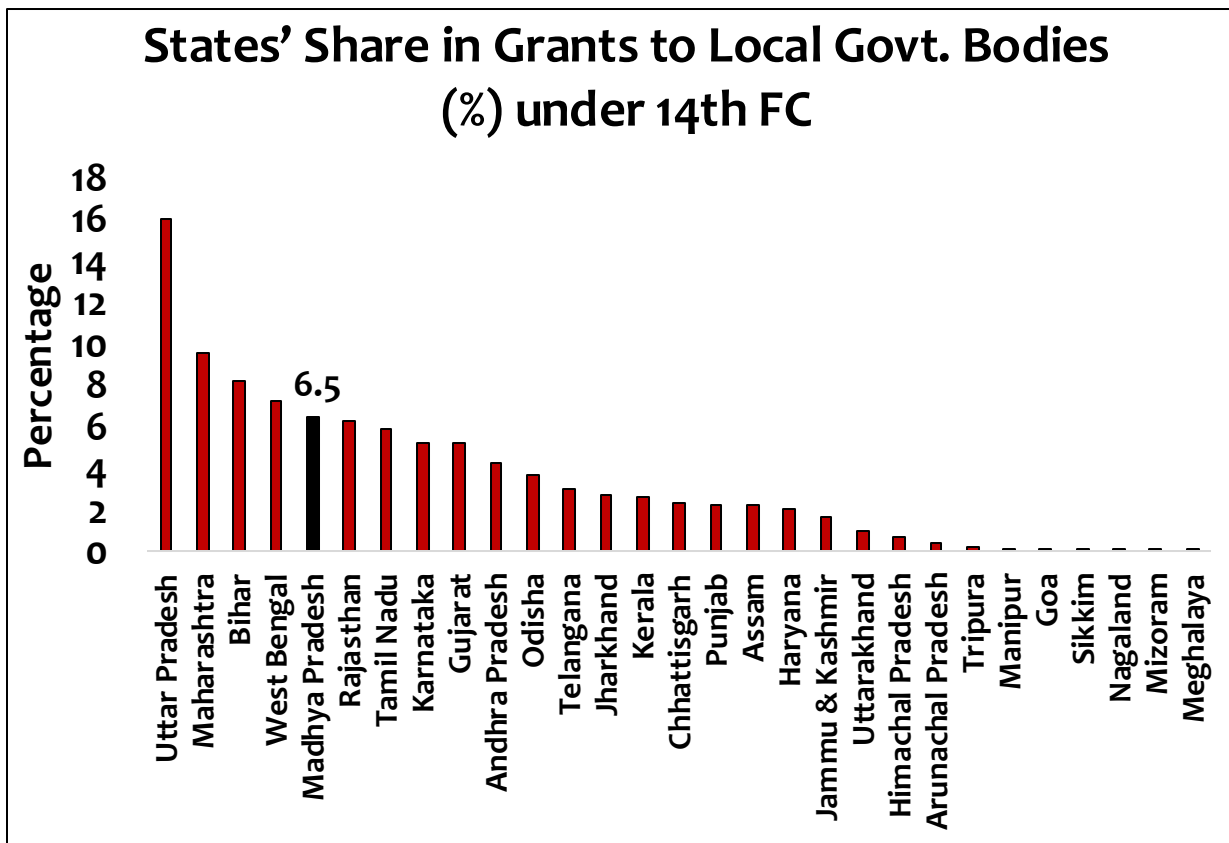
Madhya Pradesh has a 0.7 percentage point increase in shares of Total Grants-in-Aid between the 14th and 15th FC recommendations



Source: 14th and 15th FC Reports.

Note: Due to the changed status of Jammu & Kashmir into the new Union Territories of Ladakh and Jammu and Kashmir, the 15th FC did not include it in the States' share of total grants-in-aid from the Centre, and it has been excluded from this chart.

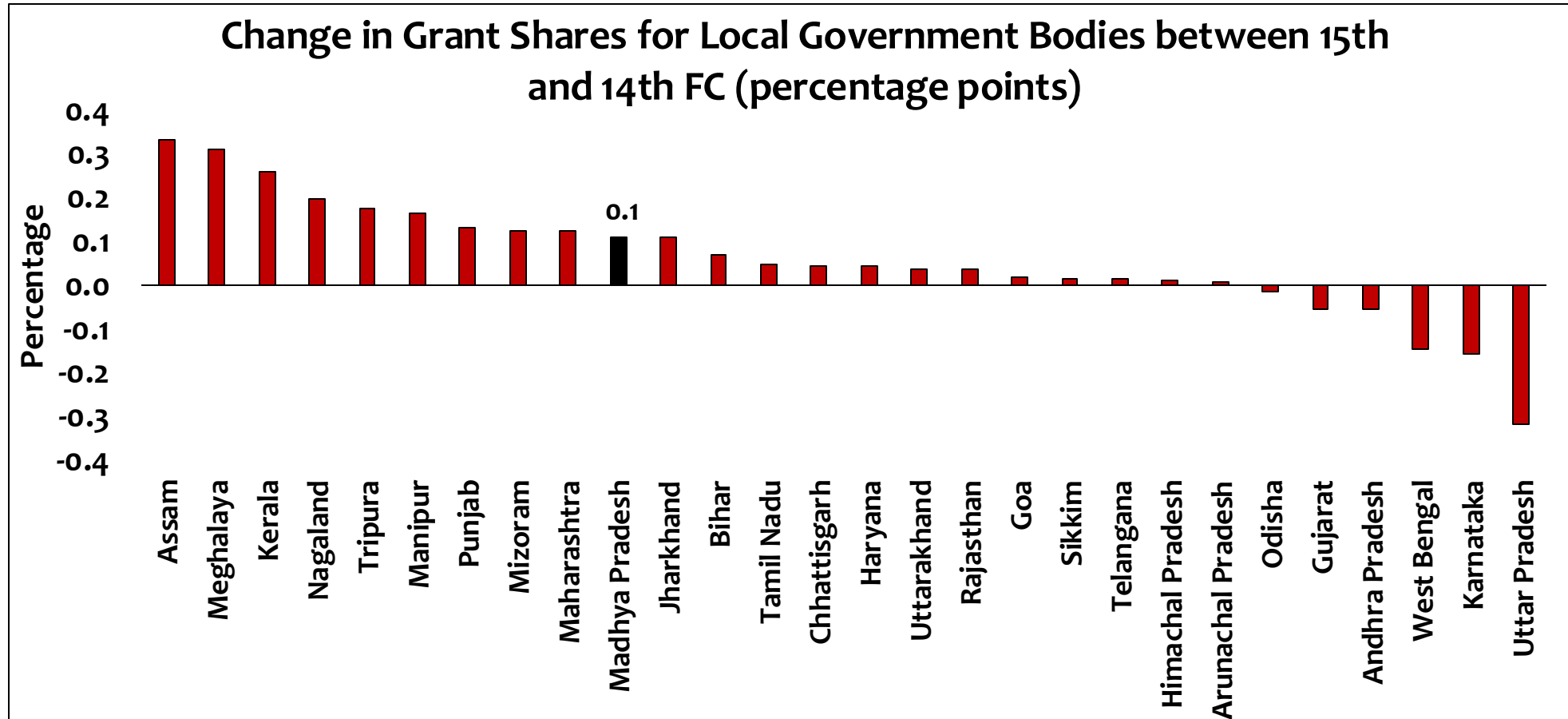
Madhya Pradesh's recommended share in the Grants to Local Government Bodies from the Centre remained at about 6.5 percent under both 14th and 15th Finance Commissions



Source: 14th and 15th FC Reports.

Note: An amount of Rs. 8,450 crore is not included in the grants for Local Bodies, these include (a) Incubation of new Cities (Rs. 8,000 Crore) and (b) National Data Centre (Rs. 450 Crore). These were not included in the table which reports the State-wise shares in the 15th FC Report.

Madhya Pradesh had 0.1 percentage point rise in Local Government Bodies' Grants between the 14th and 15th FC recommendations

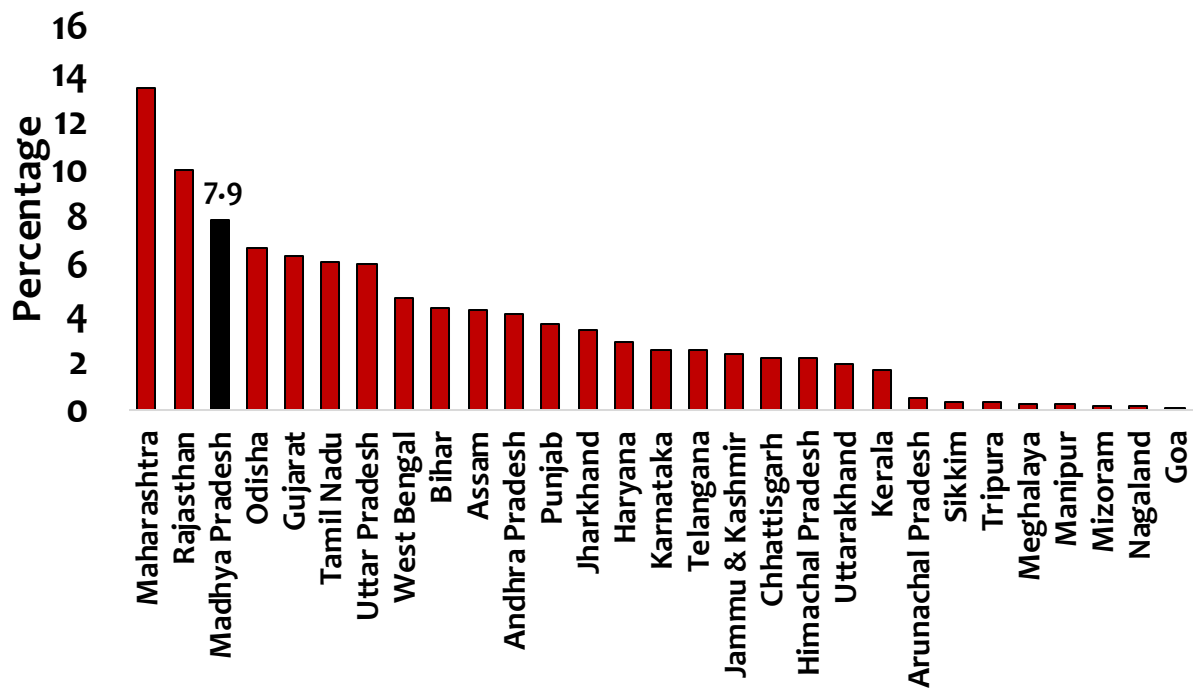


Source: 14th and 15th FC Reports.

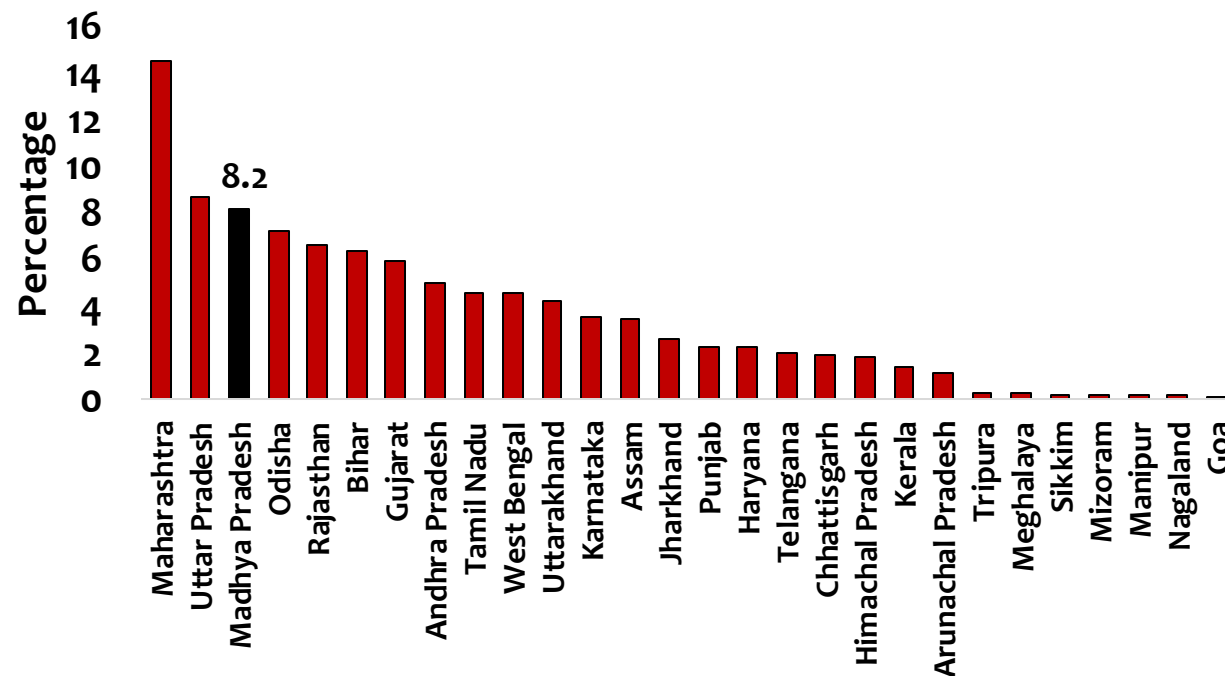
Note: Due to the changed status of Jammu & Kashmir into the new Union Territories of Ladakh and Jammu and Kashmir, the 15th FC did not include it in the States' share of Local Government Bodies' Grants from the Centre, and it has been excluded from this chart.

Madhya Pradesh's recommended share in the Grants for Disaster Management from the Centre increased from 7.9 percent by 14th FC to 8.2 percent by 15th FC

States' Share in Disaster Management Grants (%) under 14th FC



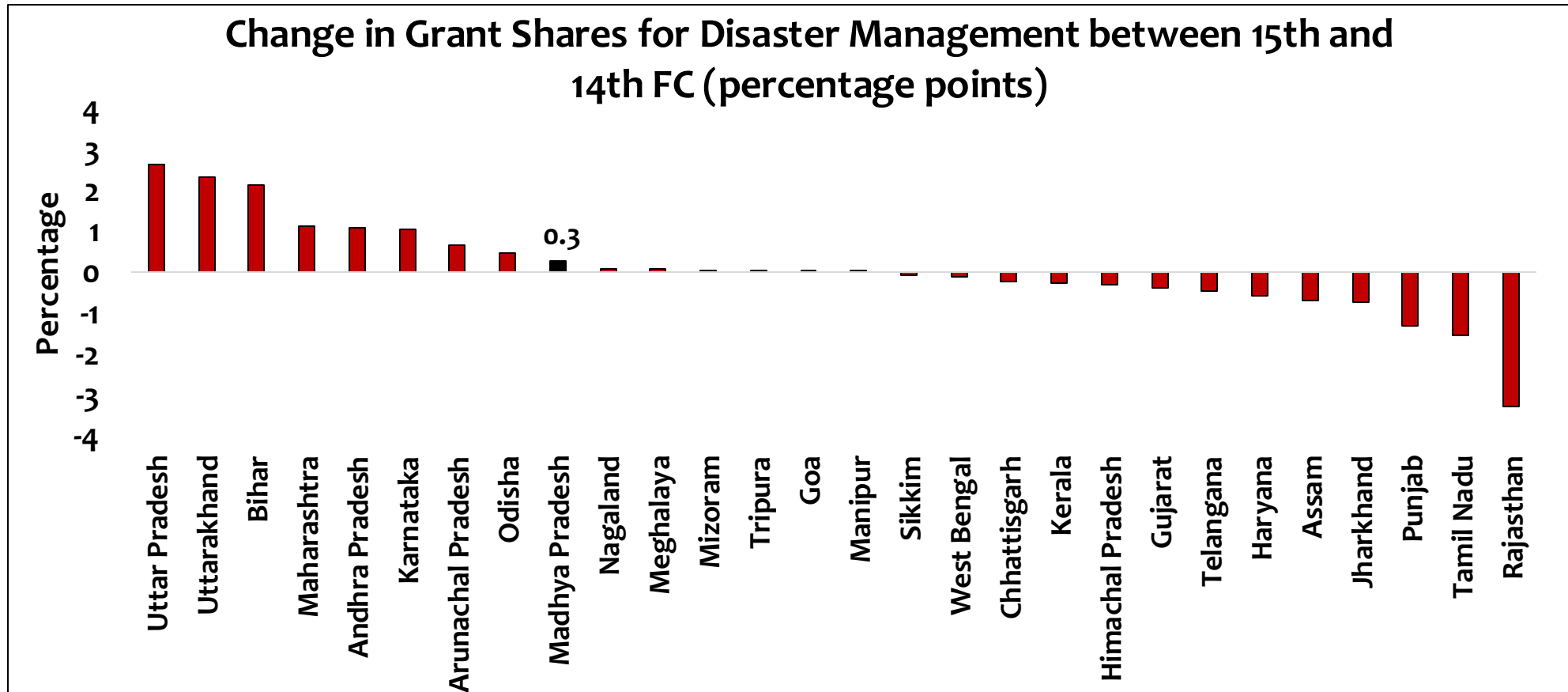
States' Share in Disaster Management Grants (%) under 15th FC



Source: 14th and 15th FC Reports.

Note: A Disaster Risk Index is calculated for all States, taking into consideration the natural calamities different States are prone to, poverty, and other factors. This index is then weighed by a factor accounting for the aggregate expenditure of States on disaster management, area and population, to calculate the States' shares in disaster management grants. In Madhya Pradesh's case, the disasters accounted for in the index are floods, drought (maximum weightage), earthquake and others.

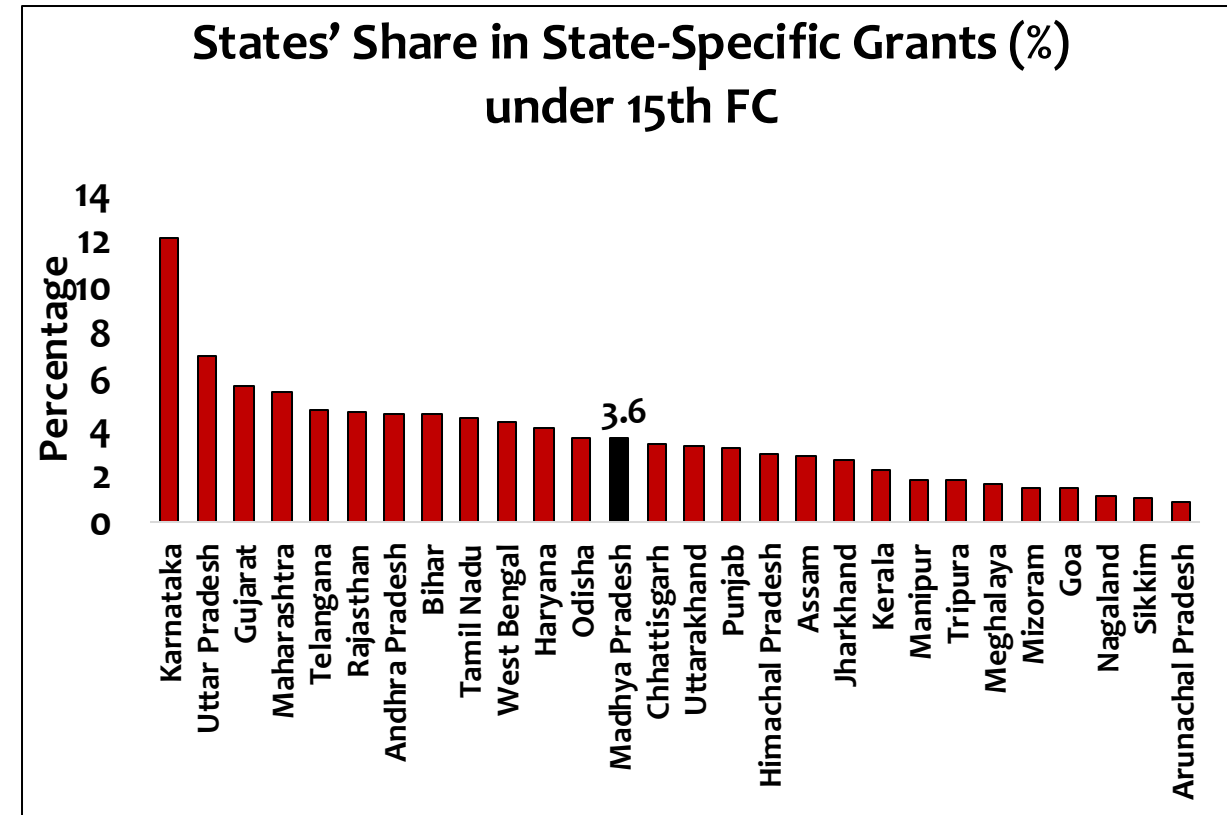
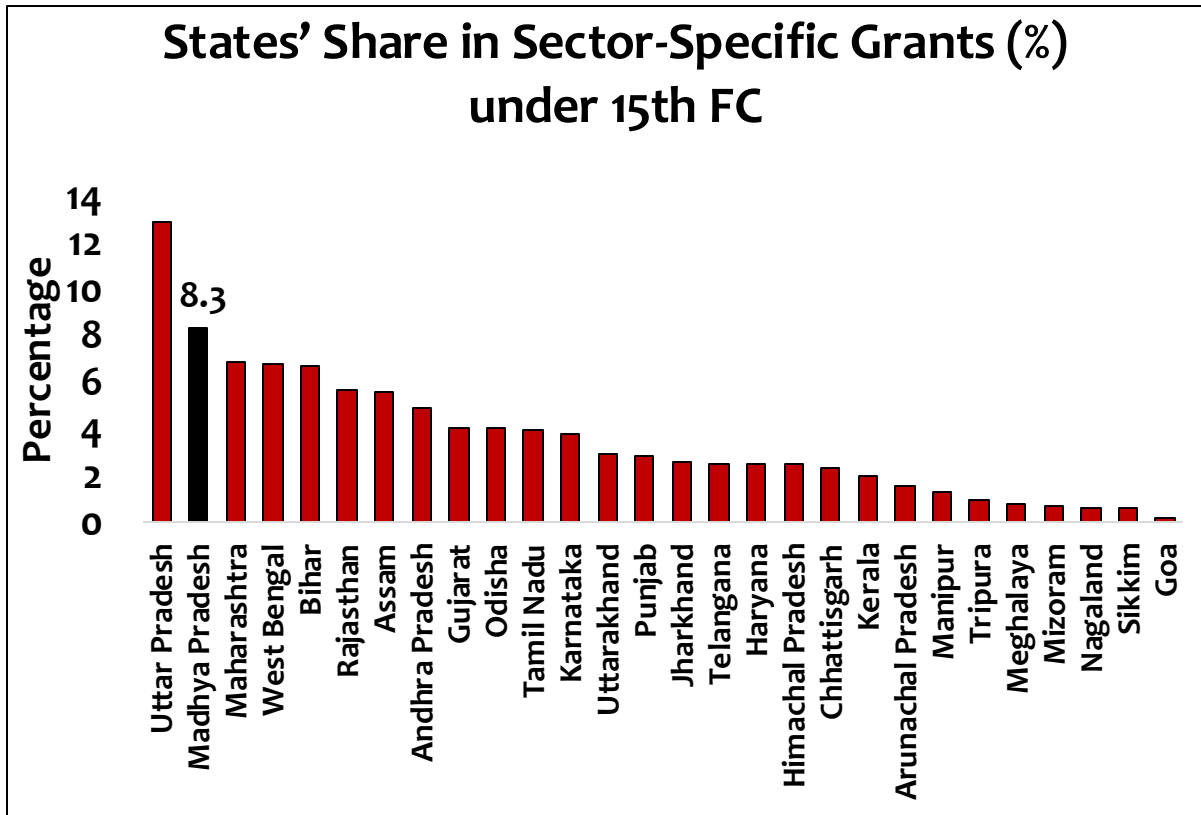
Madhya Pradesh had a 0.3 percentage point increase in Grants for Disaster Management between the 14th and 15th FC recommendations



Source: 14th and 15th FC Reports.

Note: Due to the changed status of Jammu & Kashmir into the new Union Territories of Ladakh and Jammu and Kashmir, the 15th FC did not include it in the States' share of Disaster Management Grants from the Centre, and it has been excluded from this chart.

Madhya Pradesh's high share in Sector-Specific Grants is driven by its shares in agricultural performance incentive grants, grants for improving statistical data collection and dissemination (10 and 9 percent respectively). A total of Rs. 1,765 crores was recommended in State-Specific Grants, for various purposes including a solar pump project, construction of multiple new girls' education complex, conservation of monuments and development of tourism infrastructure



Source: 14th and 15th FC Reports.

Note: i. Other sector-specific grants and the State's shares in each include health & education grant (7 percent), maintenance of PMGSY roads (8 percent), judiciary (6.6 percent). It has the second highest share in the agricultural grants (following Uttar Pradesh), and is among the States with largest shares in health and education grants; ii. Madhya Pradesh received Rs 1,765 crores in State-specific grants, attributed to a number of causes including solar pump project, conservation and development of monuments and museums, restoration of ancient heritage gardens, construction of multiple new education complex for girls, upgradation of tourism infrastructure, water supply from Chambal river to Gwalior city and Morena city, repair, maintenance and development of Mahakaleswar temple in Ujjain.

Climate Change under the FC

- Looking at the last two decades, there has been a shift in how the issue of climate change has been addressed by different Finance Commissions.
- **12th and 13th FCs**
 - The **12th FC** recommended grants worth Rs. 1,000 crore to be shared by States for the Maintenance of Forests, in addition to what the States were spending through their respective forest departments. The amount was distributed among the States based on their forest area, and it was to be spent for preservation of forest wealth [*refer to Chapter 10, pg. 175, 184-185*].
 - Expanding on the same, the **13th FC** recommended Environment Grants worth Rs. 15,000 crore to States, which covered three areas: protection of forests, renewable energy, and water sector management (Rs. 5,000 crore each) [*refer pg. 205 (table 12.1), pg. 210-217*].
- **14th and 15th FCs**
 - The **14th FC** approached climate change and sustainable economic development from a fiscal perspective, and with the view that tax devolution should be the primary route of transfer of resources to States, increased the States' share in the divisible pool to 42 percent (from 32 percent under the 13th FC) [*refer pg. 31 (point 2.33), pg. 103, 107 (point 8.27), pg. 180 (point 12.34-12.35)*].
 - Forest cover was introduced as a criteria for tax devolution by the 14th FC, to continue accounting for concerns related to climate change and to encourage States to maintain higher forest covers. They assigned 7.5 percent weight to forest cover in the tax devolution matrix.
 - The **15th FC** maintained this recommendation, and assigned a higher weight of 10 percent to forest and ecology in the tax devolution matrix.
 - The 15th FC also made State-specific grant recommendations (based on specific requests from States). Very few of them are categorized under climate-change, and some others align with one or more of the three environment goals specified by the 13th FC: Arunachal Pradesh (Rs. 355 crore, renewable energy), Goa (Rs. 500 crore, alternative power sources, waste management), Jharkhand (Rs. 700 crore, renewable energy), Kerala (Rs. 500 crore, forest conservation), Maharashtra (Rs. 500 crore, forest conservation), Punjab (Rs. 390 crore, includes support for reduction in environment pollution caused by stubble burning), Rajasthan (Rs. 400 crore, integrated water management), Tamil Nadu (Rs. 200 crore, revamping water bodies to adapt to climate change) [*refer Annex 10.9, pg. 803-810 (summary), Annex 10.10, pg. 811-837*].

7. Madhya Pradesh Fiscal Responsibility and Budget Management Act, 2005

Status of Fiscal Rule in Madhya Pradesh

- In pursuance of recommendations of the Twelfth Finance Commission, Madhya Pradesh Rajkoshiya Uttardayitva Evam Budget Prabandhan Adhiniyam, 2005 (MPFRBM Act) was enacted in line with the Union Fiscal Responsibility and Budget Management Act, 2003.
- As per MPFRBM Act, 2005, the State Government was required to adhere to the following fiscal targets:
 - **Revenue Deficit:** Reduce revenue deficit in each financial year so as to eliminate it by 31 March, 2009 and generate revenue surplus thereafter;
 - **Fiscal Deficit:** Reduce fiscal deficit in each financial year so as to bring it down to not more than three percent of GSDP by 31 March 2009.
 - **Total Outstanding Liabilities:** Ensure that within a period of 10 years, i.e. as on the 31 March 2015, total liabilities do not exceed 40 per cent of the estimated GSDP for that year;
 - **Outstanding Guarantee Limit:** Limit the annual incremental guarantees so as to ensure that the guarantees do not exceed 80 percent of the total revenue receipts in the year preceding the current year.
- The Act further required the State Government to present before both the Houses of the Legislature, the following statements of fiscal policy along with the budget:
 - **The Macroeconomic Framework Statement**
 - **The Medium Term Fiscal Policy Statement**
 - **Fiscal Policy Statement**

Status of Fiscal Rule in Madhya Pradesh

- The MPFRBM Act has been amended in the following years: 2009, 2011, 2012, 2016, 2017. For 2020-2021 and 2021-22 onwards, targets have been provided in the FRBM Report of the State.
- 2009 Amendment
 - In 2009, the MPFRBM Act was amended to reduce fiscal deficit in each financial year to not more than 4 percent of GSDP by 31st March, 2010.
- 2011 Amendment
 - In 2011, the MPFRBM Act was amended to reduce fiscal deficit to not more than 3 percent of GSDP for 2010-11 and 2011-12, respectively, and maintain it thereafter
- 2012 Amendment
 - In 2012, the Act was amended to modify the total outstanding debt targets for the State for the period 2011-12 to 2014-15 such that the total outstanding debt to GSDP ratio does not exceed 37.6 percent, 36.8 percent, 36 percent, and 35.3 percent for the financial years 2011-12, 2012-13, 2013-14 and 2014-15 respectively

Source: The Madhya Pradesh Government Gazette, State Finances Audit Reports of the CAG; FRBM Reports 2013-14 to 2021-22.

Status of Fiscal Rule in Madhya Pradesh

➤ 2016 Amendment

In 2016, the Government of Madhya Pradesh adopted the Fourteenth Finance Commission's recommendations for modifying the fiscal deficit target. As per the recommendations:

- (I) **Fiscal deficit** of the State would be anchored to an annual limit of **3 percent of GSDP**. The State would be eligible for **flexibility of 0.25 percent over and above** this for any given year **if the debt-GSDP Ratio is less than or equal to 25 percent in the preceding year**.
- (II) The State would be further eligible for an **additional borrowing limit of 0.25 percent of GSDP** in a given year **if the interest payments are less than or equal to 10 percent of the revenue receipts in the preceding year**.
- (III) The two options under these flexibility provisions could be availed by the State either separately, if any of the above criterion was fulfilled, or simultaneously if both the above stated criterion were fulfilled. Thus, **the State could have a maximum fiscal deficit- GSDP limit of 3.5 percent in any given year**.
- (IV) The flexibility for availing the additional limit under either of the two options or both would be available to the **State only if there was no revenue deficit** in the year in which borrowing limits were to be fixed and the immediately preceding year.
- (V) In case a State was not able to fully utilise its sanctioned borrowing limit of 3 percent of GSDP in any particular year during the first four years of the Fourteenth Finance Commission's award period (2015-16 to 2018-19), it would have the option of availing this un-utilised borrowing amount (calculated in rupees) in the succeeding year but within the Fourteenth Finance Commission's award period.

Status of Fiscal Rule in Madhya Pradesh

➤ 2017 Amendment

- In 2017, an amendment was made to the Act stipulating that the borrowings under the Ujwal Discom Assurance Yojana (UDAY) for financial construction of the Companies of the Energy Department, would not be reckoned against the State's normal permissible net borrowing ceiling.

➤ Targets as per the FRBM Reports of 2020-21 & 2021-22

- As per the FRBM report of 2020-21, the cap for fiscal deficit for 2019-20 was further increased by an amount of Rs. 4,443 crore over and above the limits prescribed in the MPFRBM Act'
- During the year 2020-21, the Union Government decided to extend the additional loan facility of 1.5 per cent with conditions (on achieving a set of four reforms) and 0.50 per cent without conditions to the State Governments. Therefore, target set by the Union Government for fiscal deficit was 5 per cent of GSDP for the year 2020-21 and was incorporated for Madhya Pradesh.
- The State further adopted the recommendations of the Fifteenth Finance Commission within which the Commission recommended the following fiscal deficit limits (as percent of GSDP) for States: 4 percent in 2021-22, 3.5 percent in 2022-23, and 3 percent during 2023-26.
- Additionally, the Fifteenth Finance Commission recommended the following total outstanding debt to GSDP ratio for Madhya Pradesh: 31.3 percent of GSDP in 2020-21, 31.7 percent of GSDP in 2021-22, 32.9 percent of GSDP in 2022-23, 33.3 percent of GSDP in 2023-24, 33.6 percent of GSDP in 2024-25, 33.7 percent of GSDP in 2025-26.

State Finances Audit Report of the Comptroller and Auditor General (CAG) of India for Madhya Pradesh

Table 1.4: Compliance with provisions of MPFRBM Act /MTFPS

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 ⁴	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 ⁵ (Not exceeding 28.83% of GSDP)
		✓	✓	✓	✗	✗

- The State achieved its fiscal targets set in the Act until 2018-19, however, it could not maintain the same from 2019-20 to 2020-21.
- As per the State Finances Audit Report of the CAG for 2020-21, the increase in revenue deficit and fiscal deficit was due to low economic activity during COVID-19 Pandemic.
- Further, the State Government's borrowing from market loans and loans from the Union Government increased by Rs 28,063 crore, from Rs 20,197 crore in 2019-20 to Rs 48,260 crore in 2020-21.
- The State Government met the three percent limit of Guarantee Redemption Fund and loan repayment criteria but it did not honor its commitment/obligation made in its MoU with the Union Government and the DISCOMs under the UDAY Scheme.

Source: State Finances Audit Reports of the CAG from 2020-21.

Recommendations by the Comptroller and Auditor General of India (CAG)

- The CAG has recommended that the Finance Department, Government of Madhya Pradesh needs to:
 - 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;
 - Rationalise its investments and loans advanced to various entities, such that the return on investment and loans at least matches the Government borrowing costs;
 - Honor 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.

Status of Fiscal Rule in Madhya Pradesh

- The 2023-24 Budget estimates a **revenue surplus** of Rs. 413 crore (0.03 percent of GSDP). As per the revised estimates, the revenue surplus is estimated at 0.11 percent of GSDP in 2022-23. The 2022-23 Budget had previously estimated a revenue surplus of 0.32 percent of GSDP.
- **Fiscal deficit** as a percentage of GSDP is expected to exceed the 3.5 percent target in 2023-24. It is estimated to be at 4 percent of GSDP during this period. The 2022-23 revised estimate for fiscal deficit is expected to be 3.6 percent of GSDP relative to the budget estimate of 4.6 percent.
- At the end of 2023-24, the **outstanding liabilities** of the State are estimated to be 30 percent of the GSDP.
- The entire amount of **outstanding government guarantees** as of December 31, 2022, was Rs. 39,775 crore.

Table 5A: Fiscal Parameters set in the Madhya Pradesh FRBM Act in various years

Fiscal Parameters	Fiscal Parameters set in the Act			
	2005	2009	2011	2012
Revenue Deficit(-)/Surplus(+) (Rs crore)	Reduce revenue deficit in each financial year so as to eliminate it by 31 March 2009 and generate revenue surplus thereafter	Eliminate revenue deficit or generate revenue surplus thereafter	Eliminate revenue deficit or generate revenue surplus thereafter	Eliminate revenue deficit or generate revenue surplus thereafter
Fiscal Deficit (as percentage of GSDP)	Reduce fiscal deficit in each financial year so as to bring it down to not more than 3 percent of GSDP by 31 March 2009	Reduce fiscal deficit in each financial year to not more than 4 percent of GSDP by 31 st March, 2010	Reduce fiscal deficit to not more than 3 percent by 31 March 2012, and maintain it thereafter	Reduce fiscal deficit in each financial year so as to bring it down to not more than 3 percent of GSDP by 31 March 2012
Ratio of Debt to GSDP (per cent)	Ensure that within a period of 10 years, i.e. as on the 31 March 2015, total liabilities do not exceed 40 percent of the estimated GSDP for that year	40 percent of GSDP by 31 March 2015	40 percent of GSDP by 31 March 2015	Ensure that the total outstanding debt to GSDP ratio does not exceed 37.6 percent in 2011-12, 36.8 percent in 2012-13, 36 percent in 2013-14, and 35.3 percent in 2014-15, respectively.
Outstanding Guarantees	do not exceed 80 per cent of the total revenue receipts in the preceding year	do not exceed 80 per cent of the total revenue receipts in the preceding year	do not exceed 80 per cent of the total revenue receipts in the preceding year	do not exceed 80 per cent of the total revenue receipts in the preceding year

Source: The Madhya Pradesh Government Gazette, State Finances Audit Reports of the CAG. Fiscal deficit limit set at no more than 4 percent of GSDP ([of which 0.5 percent of GSDP becomes available upon undertaking power sector reforms](#)) for 2022-23 and 3.5 percent of GSDP for 2023-24 ([of which 0.5 percent of GSDP becomes available upon undertaking power sector reforms](#)).

Table 5B: Fiscal Parameters set in the Madhya Pradesh FRBM Act in various years

Fiscal Parameters	Fiscal Parameters set in the Act			
	2016	2017	2020-21	2021-22
Revenue Deficit(-)/Surplus(+) (Rs crore)	Eliminate revenue deficit or generate revenue surplus thereafter	Eliminate revenue deficit or generate revenue surplus thereafter	Eliminate revenue deficit or generate revenue surplus thereafter	Eliminate revenue deficit or generate revenue surplus thereafter
Fiscal Deficit (as percentage of GSDP)	The State can have a maximum fiscal deficit-GSDP limit of 3.5 percent in any given year, subject to conditions.	The State can have a maximum fiscal deficit- GSDP limit of 3.5 percent in any given year, subject to conditions.	5 per cent for 2020-21 The cap for fiscal deficit for 2019-20 was increased by an amount of Rs. 4,443 crore over and above the limits prescribed in sub-section 2(b)(1) of section 9	Fiscal deficit targets for States for the 2021-26 period (as a percent of GSDP): (i) 4 percent for 2021-22, (ii) 3.5 percent for 2022-23, and (iii) 3 percent for 2023-26 (0.5 percent of targets for 2021-22 and 2022-23, each, becomes available upon undertaking power sector reforms)
Ratio of Debt to GSDP (per cent)	25 percent of GSDP	25 percent of GSDP	25 percent of GSDP	As per 15 th Finance Commission's recommendation: 31.3 percent of GSDP for 2020-21 31.7 percent of GSDP for 2021-22 32.9 percent of GSDP for 2022-23 33.3 percent of GSDP for 2023-24 33.6 percent of GSDP for 2024-25 33.7 percent of GSDP for 2025-26
Outstanding Guarantees	Do not exceed 80 per cent of the total revenue receipts in the preceding year	Do not exceed 80 per cent of the total revenue receipts in the preceding year	Do not exceed 80 per cent of the total revenue receipts in the preceding year	Do not exceed 80 per cent of the total revenue receipts in the preceding year

Source: The Madhya Pradesh Government Gazette, State Finances Audit Reports of the CAG. Fiscal deficit limit set at no more than 4 percent of GSDP ([of which 0.5 percent of GSDP becomes available upon undertaking power sector reforms](#)) for 2022-23 and 3.5 percent of GSDP for 2023-24 ([of which 0.5 percent of GSDP becomes available upon undertaking power sector reforms](#)).

8. Extra Slides on Fiscal Variables

- Fiscal Data covers the fiscal period 1990-91 to 2022-23

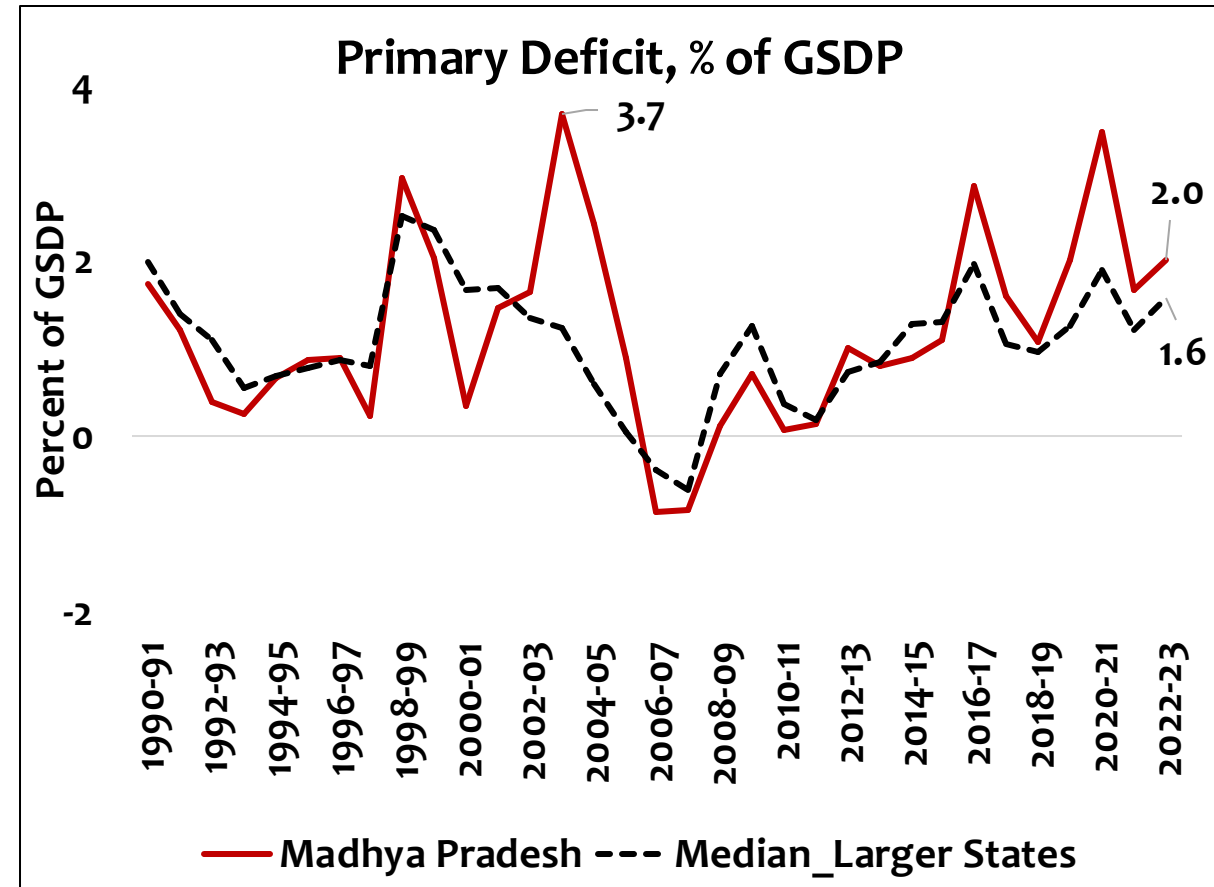
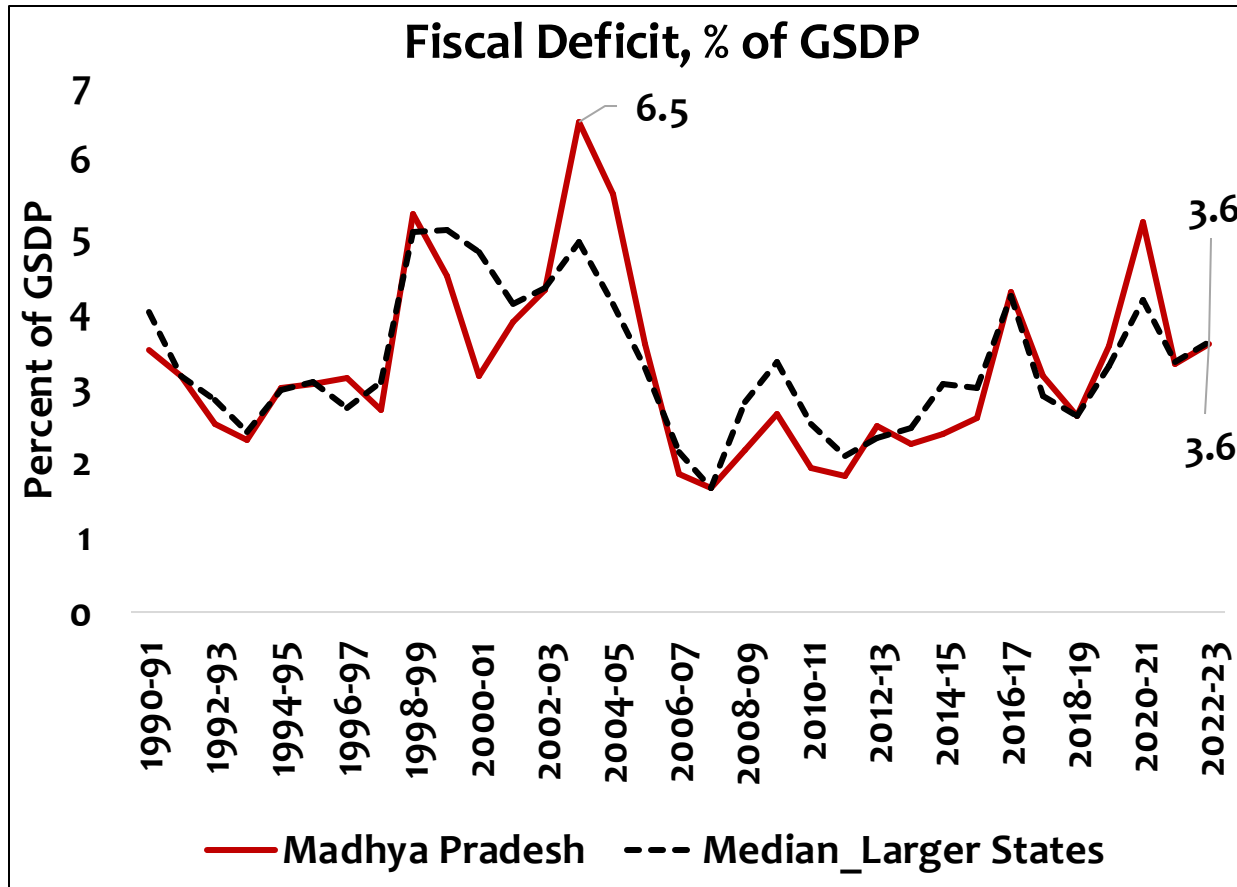
Fiscal Indicators

(I) Benchmarked with respect to *Median of Larger States*

Note: In Section 5, the benchmark was defined as the median of all States. This variable was computed as a percentage of GSDP for each State, and the median was taken across 29 States (excluding all Union Territories).

In contrast, the benchmark in this section refers to the median of larger States only. This variable was computed as a percentage of GSDP for each State, and the median was taken across 22 major States (Andhra Pradesh, Assam, Bihar, Chhattisgarh, Goa, Gujarat, Haryana, Himachal Pradesh, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Odisha, Punjab, Rajasthan, Sikkim, Tamil Nadu, Telangana, Uttar Pradesh, Uttarakhand and West Bengal).

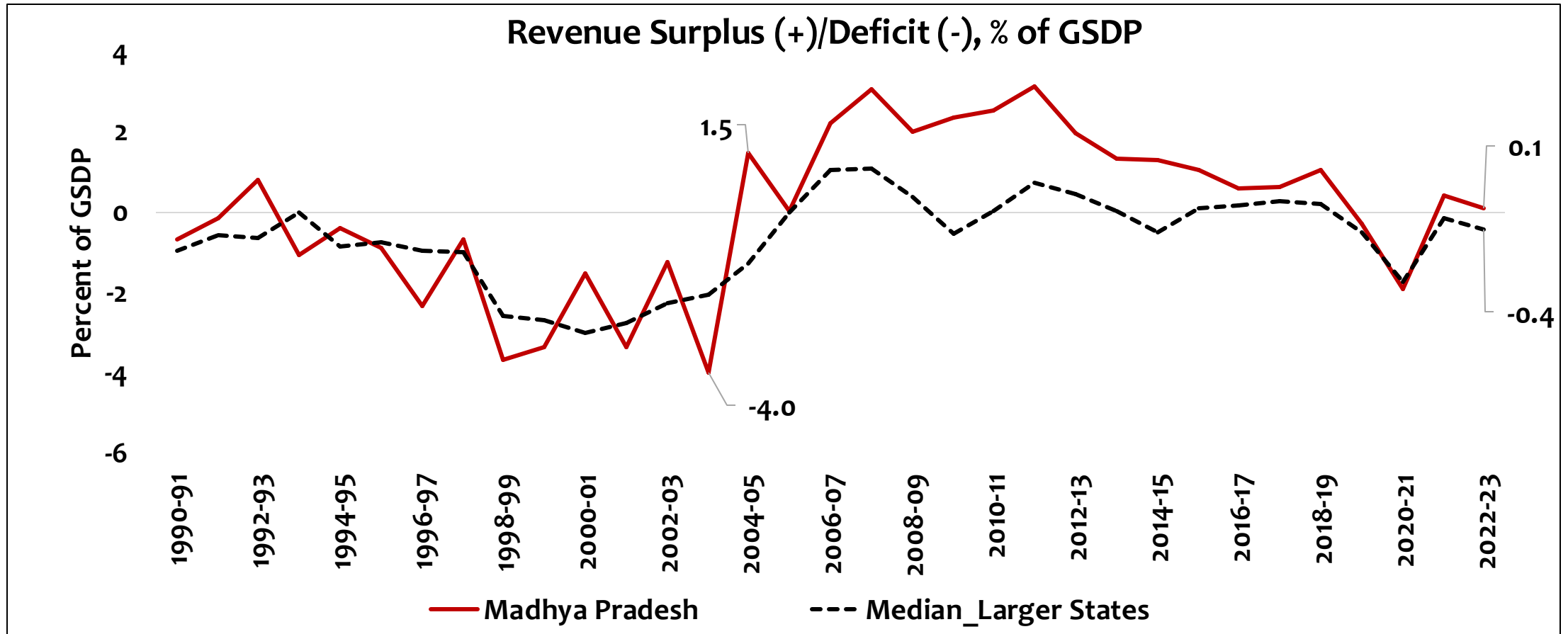
In 2022-23, Madhya Pradesh ran a Fiscal Deficit of 3.6 percent of it's GSDP, at par with that of a median State. Its Primary Deficit was 2.0 percent of GSDP, 0.4 percentage points higher than that of a median State



Source: i. Fiscal Deficit (FD) is from RBI SFR (2022-23); ii. State GSDP data is from MoSPI (2022-23).

Note: i. Primary Deficit (PD) is calculated as Fiscal Deficit minus Interest Payments. Interest Payments is sourced from RBI SFR; ii. The variable as a percent of GSDP has been calculated for each State, and its median across 22 States has been shown (all Union Territories and North Eastern States, except Assam, are excluded); iii. The significant fiscal and primary deficit in 2003-04 could result from a very low Own Tax and Own Non-Tax Revenue collected and Transfers from the Centre received by the State.

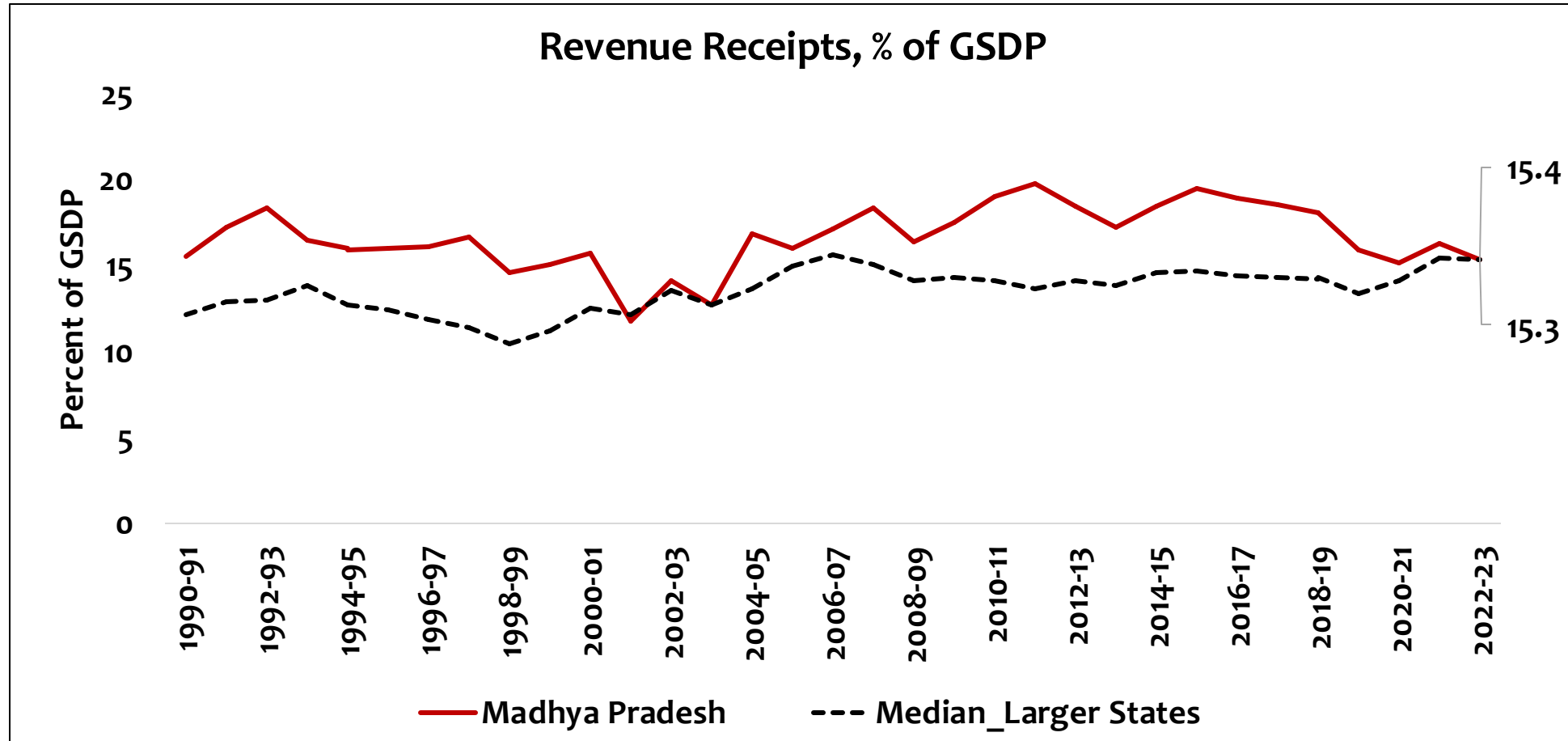
Madhya Pradesh ran a Revenue Surplus of 0.1 percent of its GSDP in 2022-23, whereas a median State ran a Revenue Deficit of 0.4 percent



Source: i. Revenue Deficit - RBI SFR (2022-23); ii. State GSDP – MoSPI (2022-23).

Note: i. The variable as a percent of GSDP has been calculated for each State, and its median across 22 States has been shown (all Union Territories and North Eastern States, except Assam, are excluded); ii. The significant revenue deficit in 2003-04 could result from a very low Own Tax and Own Non-Tax Revenue collected and Transfers from the Centre received by the State; iii. Increase in the collection of revenue receipts by Rs. 5,454 crore helped State Government in achieving the revenue surplus of Rs. 1,717 crore during 2004-05 [Source – [CAG Report, 2005](#)].

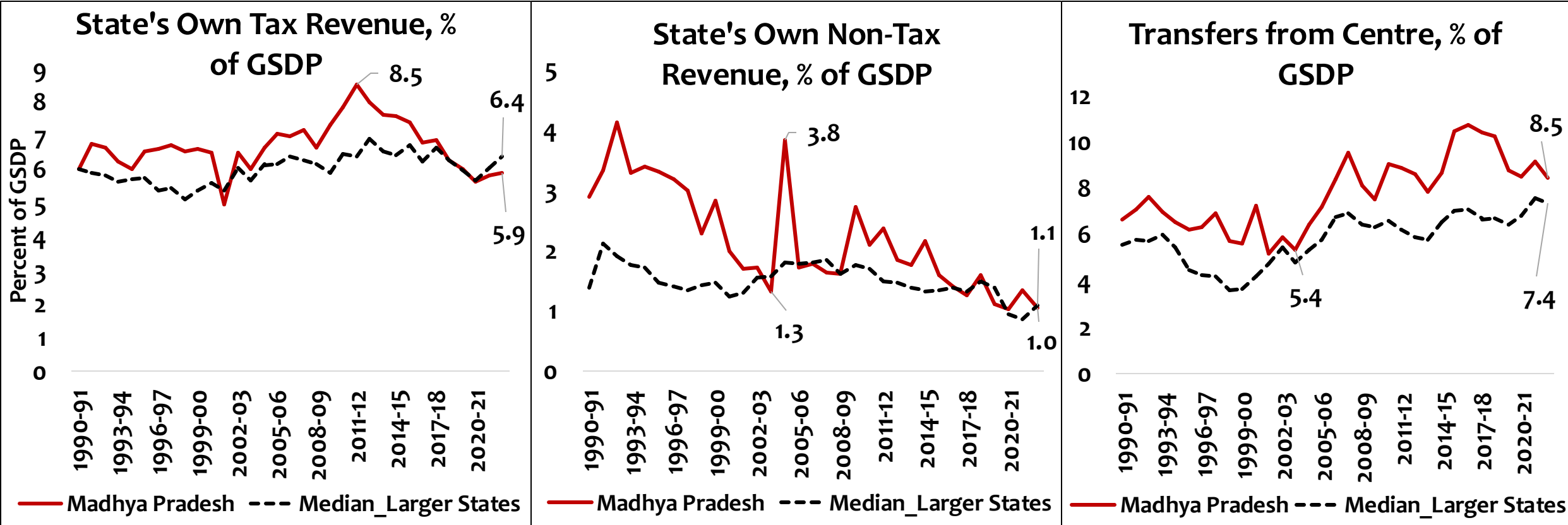
In 2022-23, Madhya Pradesh's total Revenue Receipts (Own Tax, Own Non-Tax, and shared by the Centre) were close to what a median State collected, at about 15.4 percent of its GSDP



Source: i. Revenue Receipt - RBI SFR (2022-23); ii. State GSDP – MoSPI (2022-23).

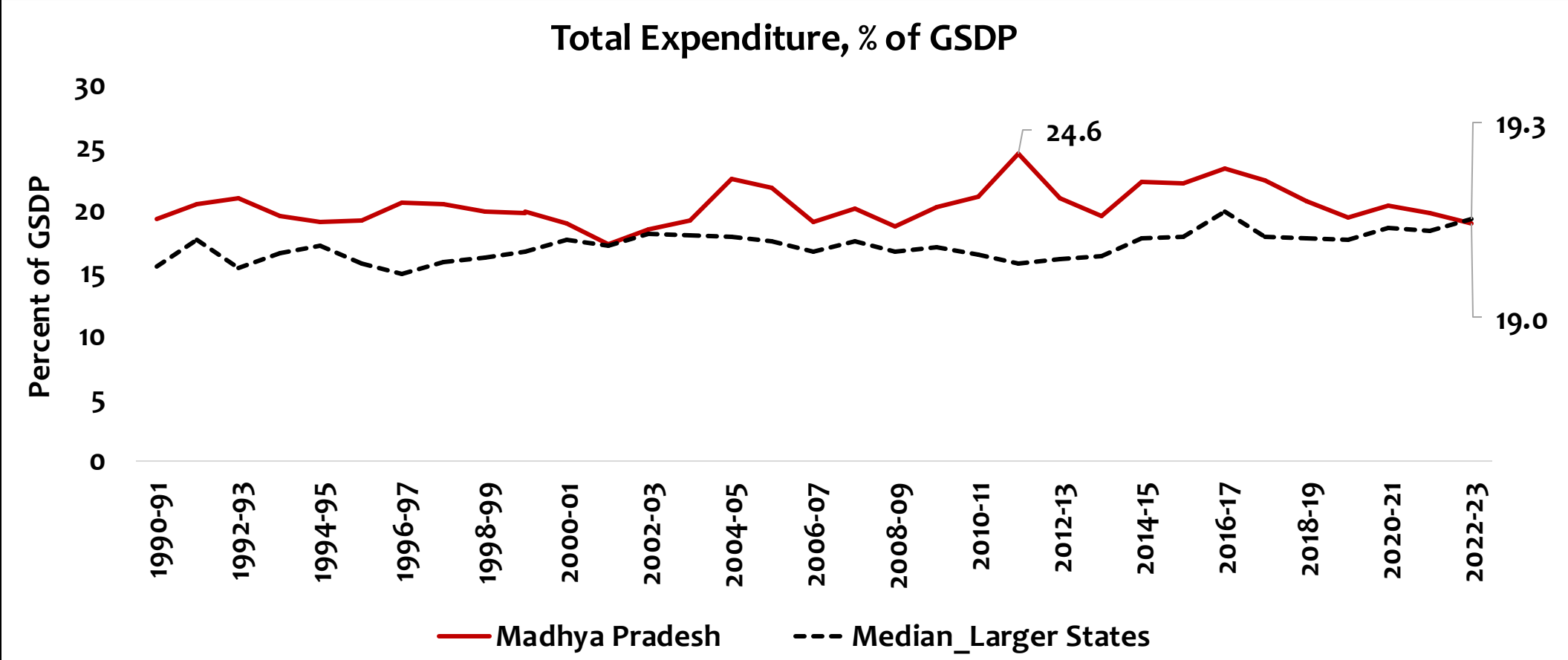
Note: The variable as a percent of GSDP has been calculated for each State, and its median across 22 States has been shown (all Union Territories and North Eastern States, except Assam, are excluded).

As of 2022-23, Madhya Pradesh's Own Tax Revenue and Own Non-Tax Revenue at 5.9 percent and 1.0 percent of its GSDP respectively, were lower than those of a median State. Transfers from Centre at 8.5 percent of the GSDP were slightly higher than that of a median State and accounted for 55 percent of Total Revenue Receipts



Source: i. Own-Tax Revenue, Own Non-Tax Revenue, and Transfers from the Centre - RBI SFR (2022-23); ii. State GSDP – MoSPI (2022-23).
 Note: i. The variable as a percent of GSDP has been calculated for each State, and its median across 22 States has been shown (all Union Territories and North Eastern States, except Assam, are excluded); ii. Transfers from the Centre include both Tax and Non-Tax transfers; iii. The sudden increase in the State's Own Non-Tax Revenue was due to increase in receipts under the Power sector (Rs. 2,749 crore) [Source – [CAG Report, 2005](#)].

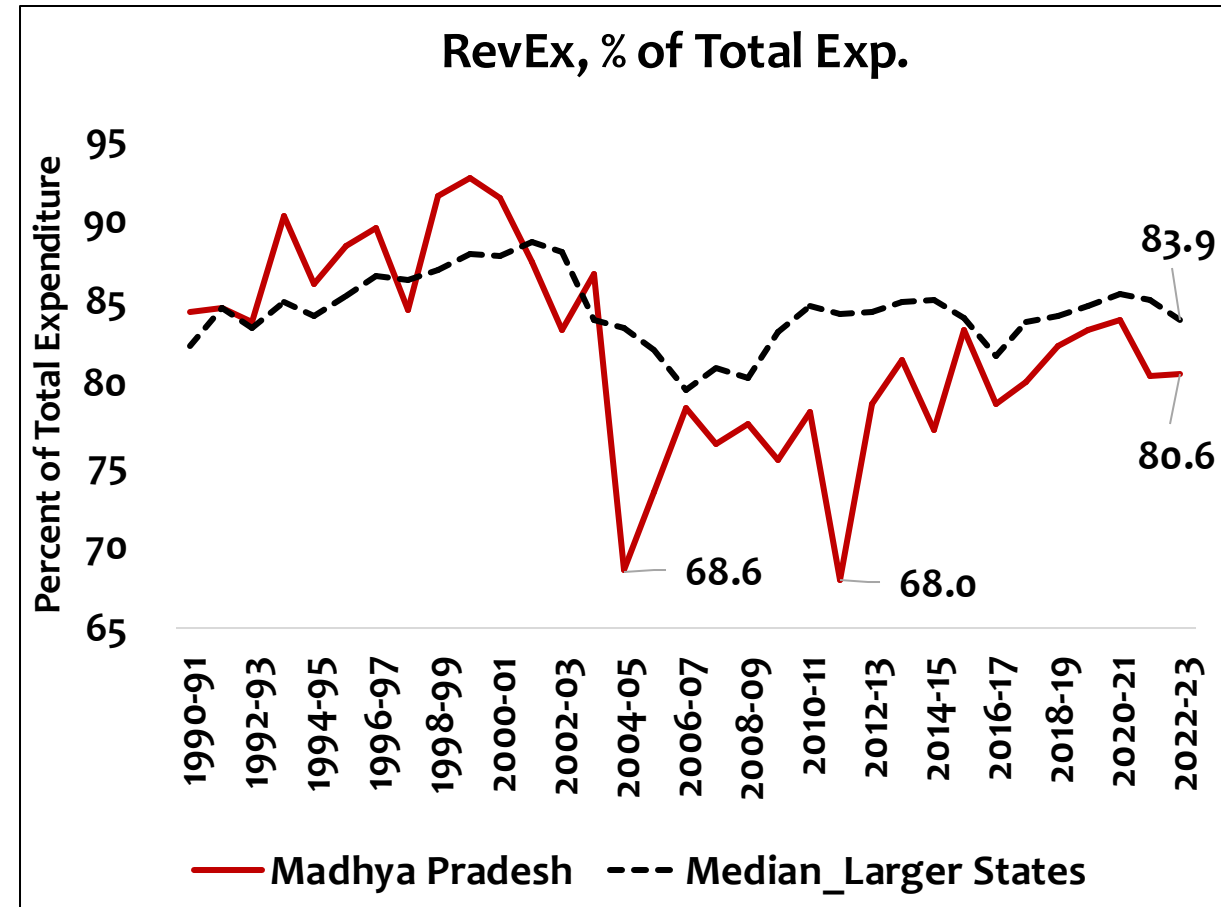
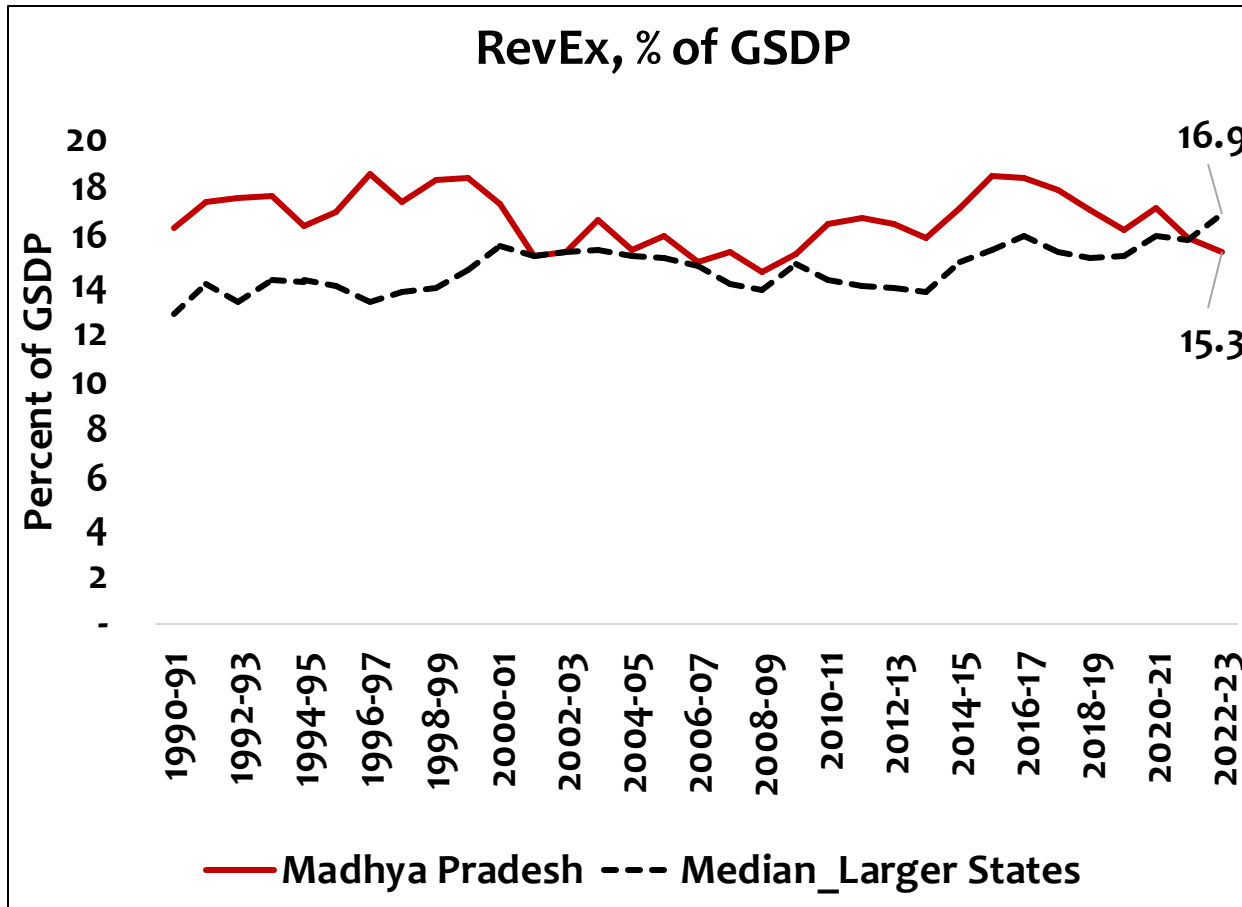
In 2022-23, Madhya Pradesh's Expenditure at 19 percent of its GSDP closely aligned with that of a median State



Source: i. Total Expenditure - RBI SFR (2022-23); ii. State GSDP – MoSPI (2022-23).

Note: i. Total Expenditure is calculated as Revenue Expenditure (RevEx) plus Capital Expenditure (CapEx); ii. The variable as a percent of GSDP has been calculated for each State, and its median across 22 States has been shown (all Union Territories and North Eastern States, except Assam, are excluded); iii. The significant increase in Total Expenditure during 2011-12 was primarily driven by a spike in CapEx (percent of GSDP), largely due to a sharp rise in Loans and Advances payments [Source – [CAG report,2011-12](#)].

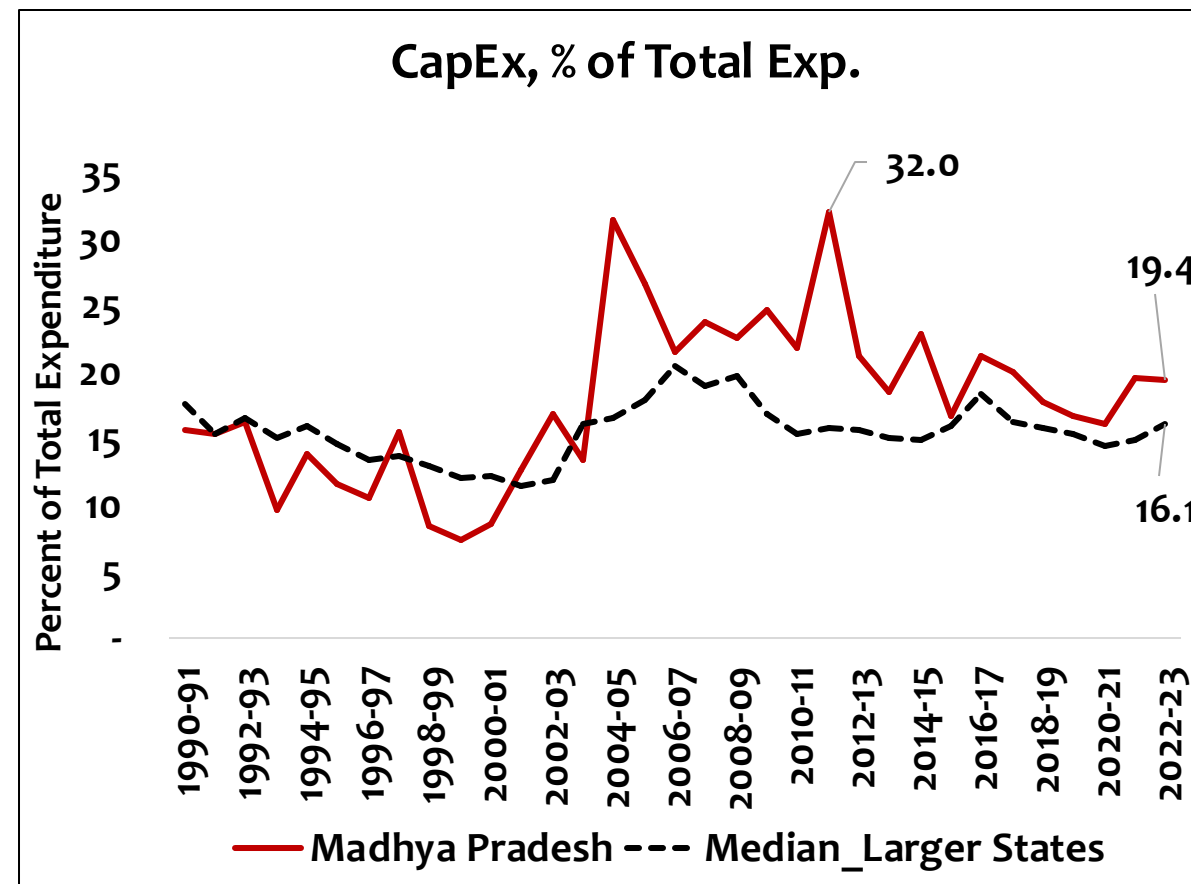
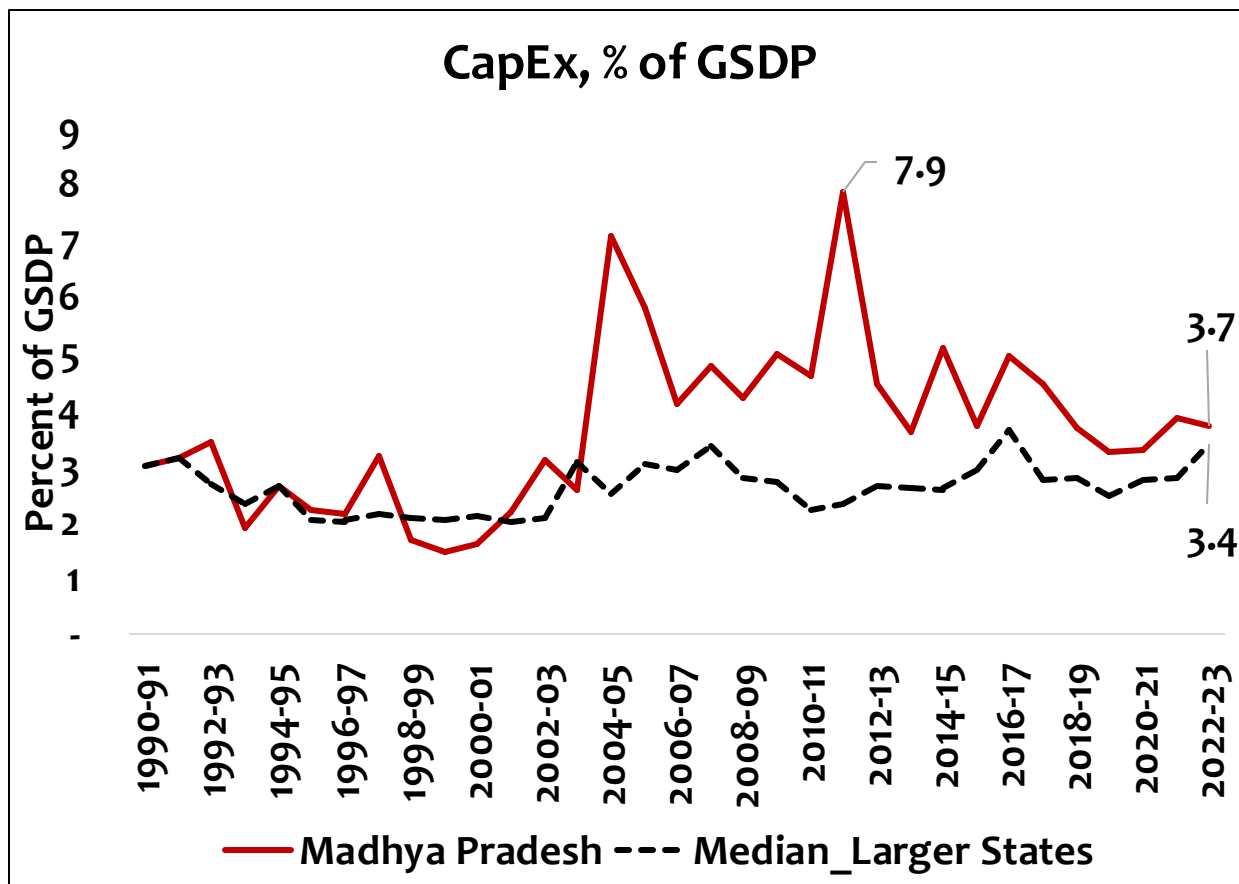
Madhya Pradesh's RevEx, at 15.3 percent of its GSDP and 80.6 percent of its Total Expenditure, was lower than that of a median State, in 2022-23



Source: i. RevEx - RBI SFR (2022-23); ii. State GSDP – MoSPI (2022-23).

Note: i. Total Expenditure is calculated as RevEx plus CapEx; ii. The variable as a percent of GSDP has been calculated for each State, and its median across 22 States has been shown (all Union Territories and North Eastern States, except Assam, are excluded).

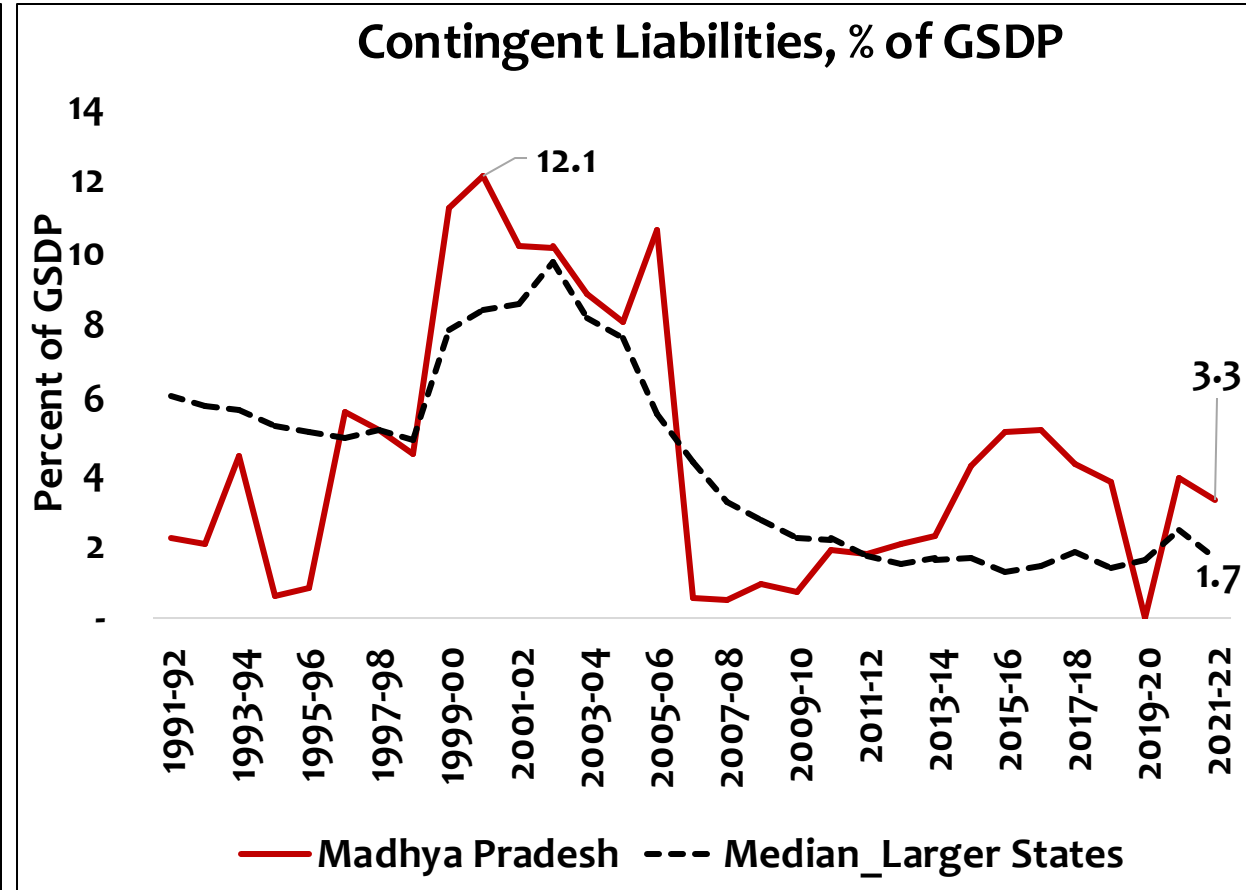
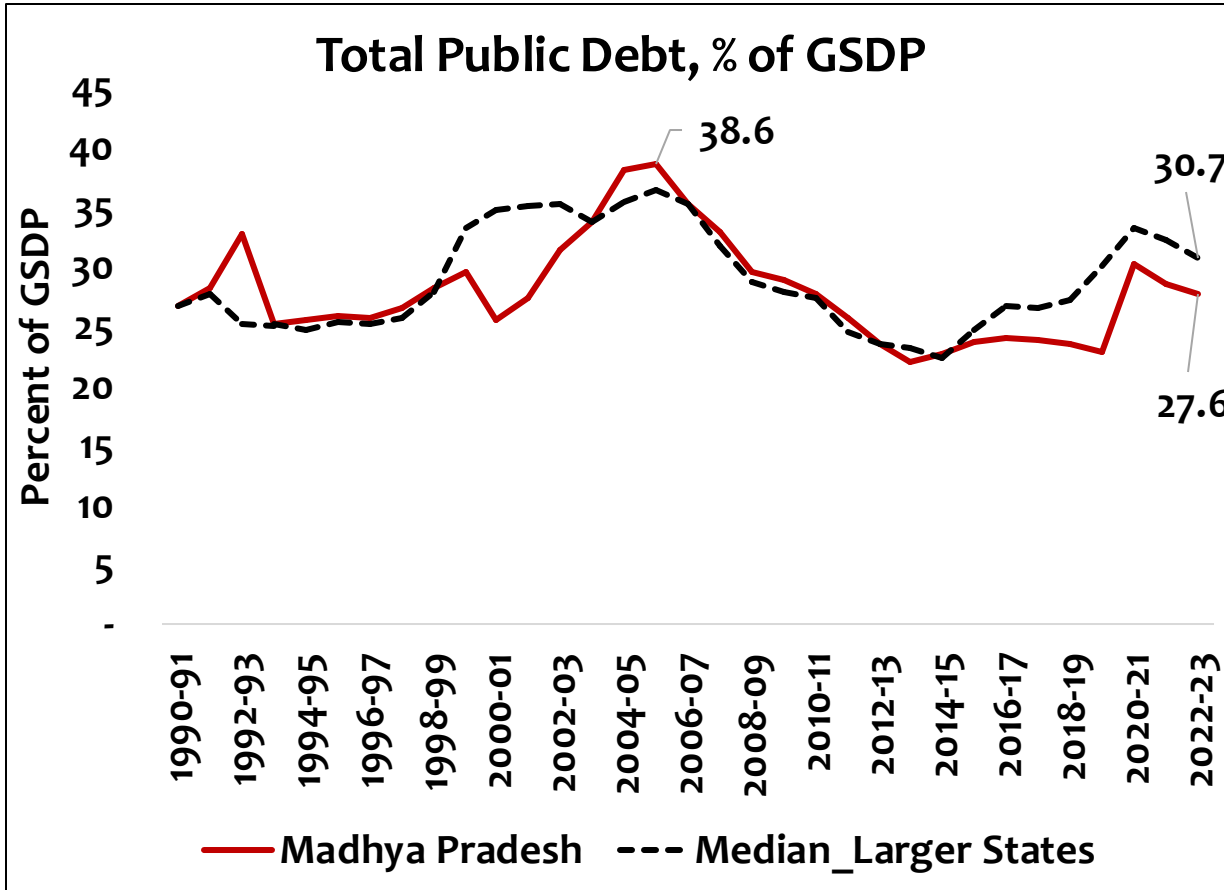
In 2022-23, Madhya Pradesh's CapEx at 3.7 percent of its GSDP, was about 0.3 percentage points higher than what a median State spent on CapEx. As a share of Total Expenditure, CapEx was 3.3 percentage points higher than that of a median State



Source: i. CapEx is calculated as Capital Outlay plus Loans and Advances given by the State government and the data for both is taken from RBI SFR (2022-23); ii. State GSDP – MoSPI (2022-23).

Note: i. Total Expenditure is calculated as RevEx plus CapEx; ii. The variable as a percent of GSDP has been calculated for each State, and its median across 22 States has been shown (all Union Territories and North Eastern States, except Assam, are excluded); iii. The spike in CapEx (% of GSDP) during 2011-12 is primarily due to a sharp increase in Loans and Advances payments, which rose to Rs. 15,760 crore from the previous year's Rs. 3,715 crore [Source – [CAG report, 2011-12](#)].

Madhya Pradesh has seen a decline in its Public Debt since 2005-06, and at 27.6 percent of its GSDP in 2022-23, it was lower than that of a median State. Its Contingent Liabilities as of 2021-22 were 3.3 percent of its GSDP, nearly two times that of a median State's Contingent Liabilities



Source: i. Public Debt and State-wise contingent liabilities - RBI SFR (2022-23); ii. State GSDP – MoSPI (2022-23).

Note: The variable as a percent of GSDP has been calculated for each State, and its median across 22 States has been shown (all Union Territories and North Eastern States, except Assam, are excluded).

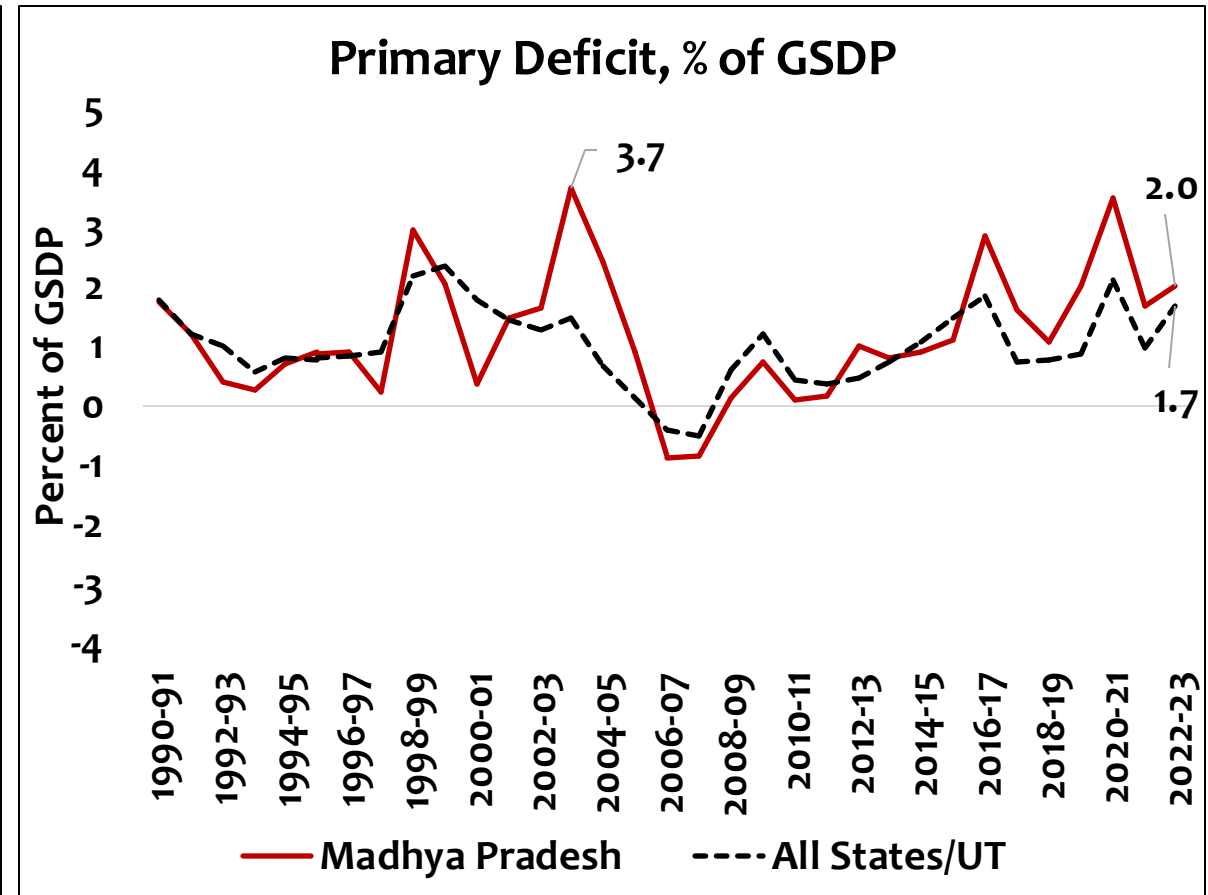
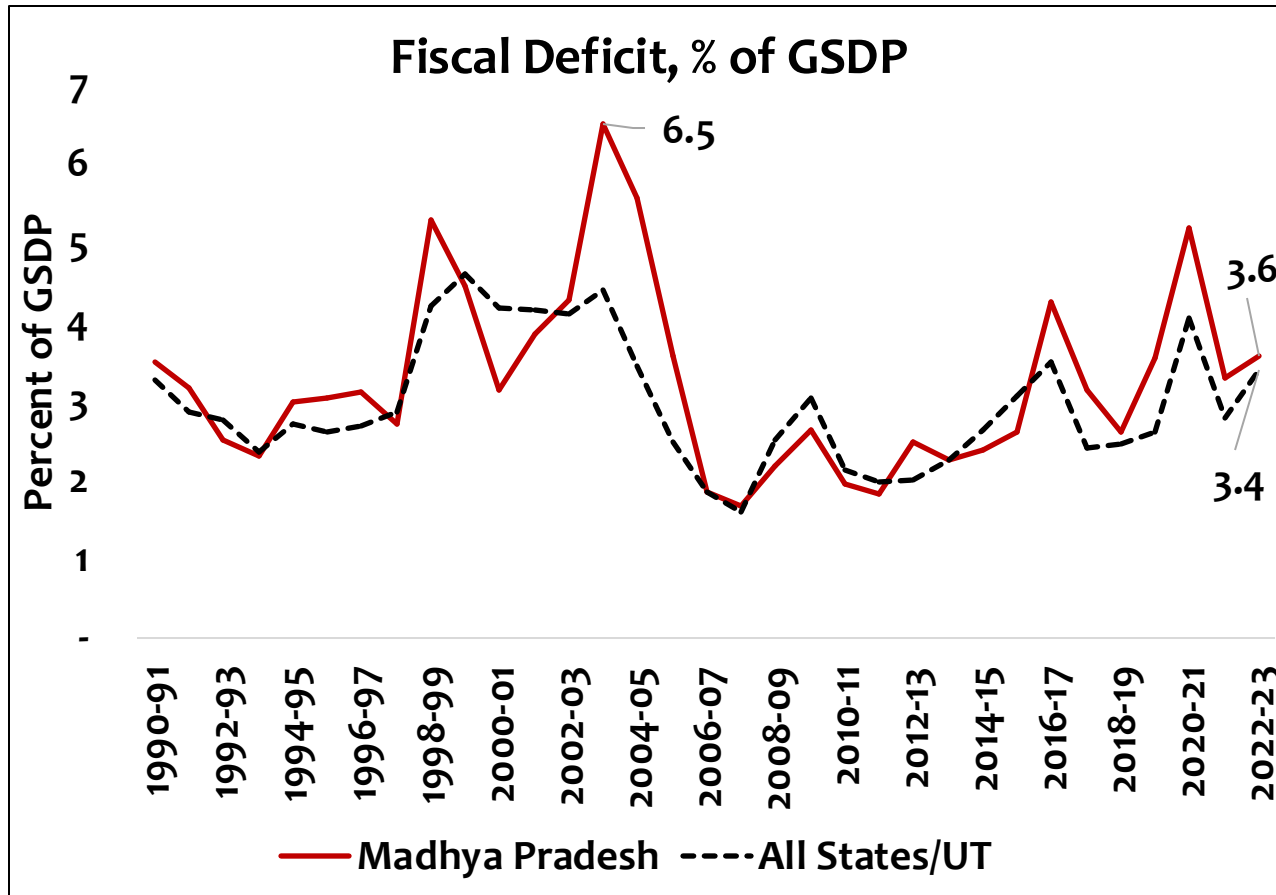
Fiscal Indicators

(II) Benchmarked with respect to *All States/UTs*

Note: In Section 5, the benchmark was defined as the median of all States. This variable was computed as a percentage of GSDP for each State, and the median was taken across 29 States (excluding all Union Territories).

In contrast, the benchmark in this section refers to the All States/UTs number, taken as available from the source and expressed as a percentage of national Gross Domestic Product.

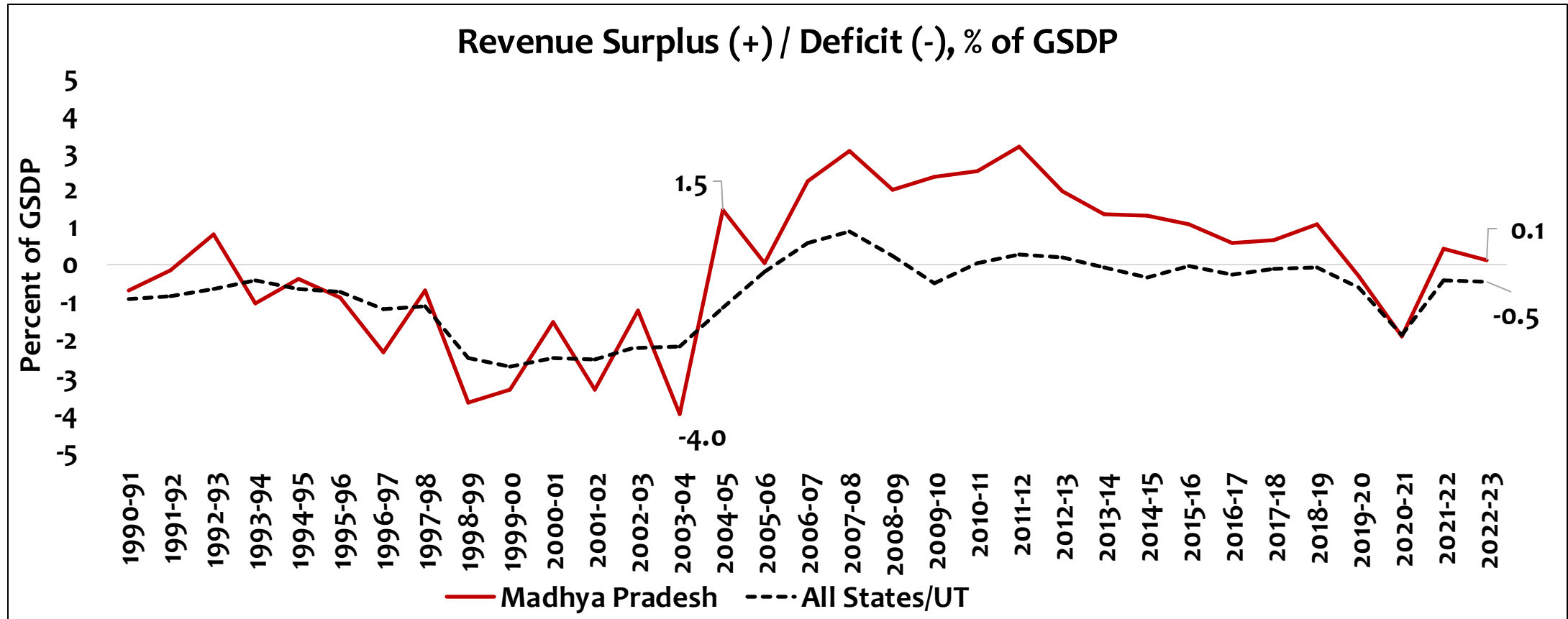
In 2022-23, Madhya Pradesh ran a Fiscal Deficit and Primary Deficit of 3.6 and 2.0 percent of its GSDP respectively, both marginally higher than that of an average State



Source: i. Fiscal Deficit is from RBI SFR (2022-23); ii. State GSDP and national GDP data is from MoSPI (2022-23)

Note: i. Primary Deficit calculated as Fiscal Deficit minus Interest Payments. Interest Payments was sourced from RBI SFR; ii. All States/UTs shows the total of all States, Delhi and Puducherry as a % of national gross domestic product; iii. The significant fiscal and primary deficit in 2003-04 could result from a very low Own Tax and Own Non-Tax Revenue collected and Transfers from the Centre received by the State.

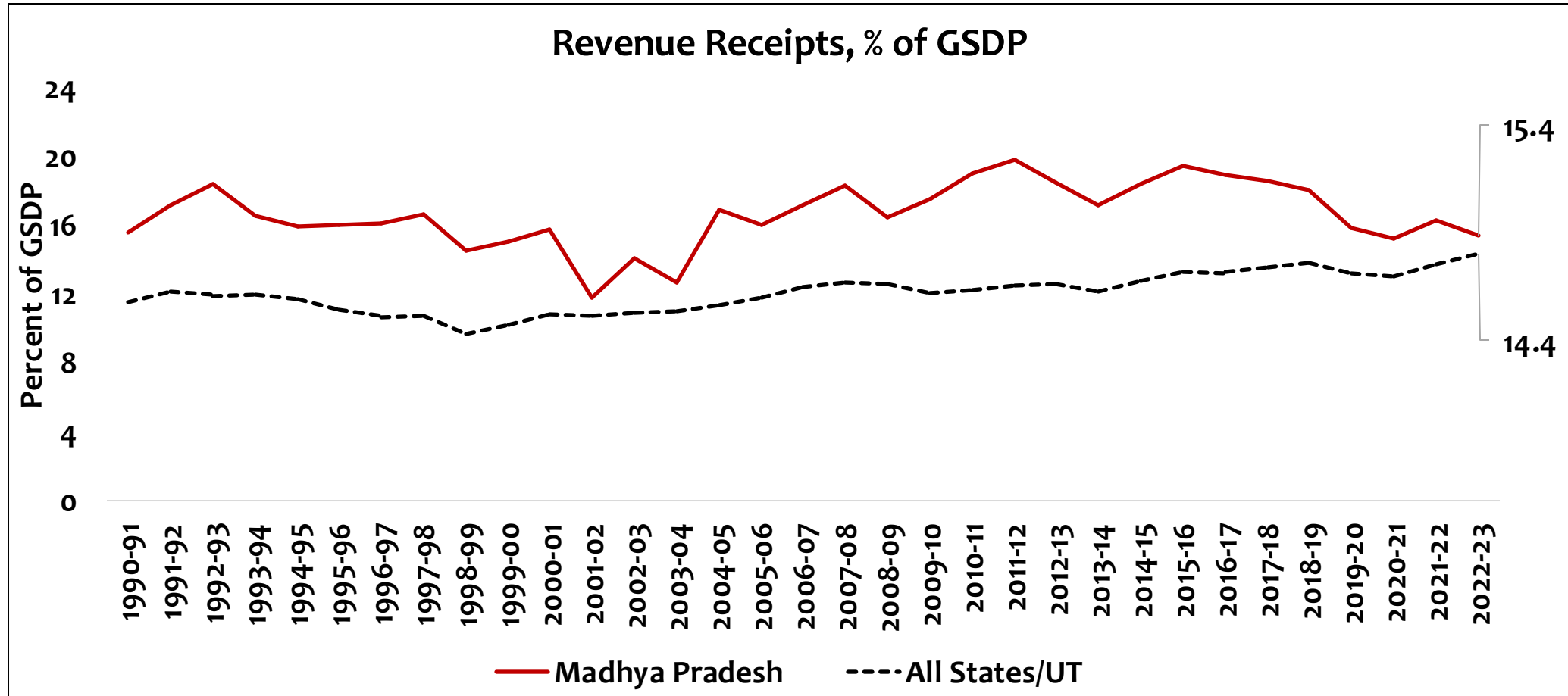
Madhya Pradesh ran a Revenue Surplus of 0.1 percent of its GSDP in 2022-23, while an average State ran a Revenue Deficit of 0.5 percent of the GSDP in the same year



Source: i. Revenue Deficit from RBI SFR (2022-23); ii. State GSDP and national GDP data is from MoSPI (2022-23).

Note: i. All States/UTs shows the total of all States, Delhi and Puducherry as a % of national gross domestic product; ii. The significant revenue deficit in 2003-04 could result from a very low Own Tax and Own Non-Tax Revenue collected and Transfers from the Centre received by the State; iii. Increase in the collection of revenue receipts by Rs. 5,454 crore helped State Government in achieving the revenue surplus of Rs. 1,717 crore during 2004-05 [Source – [CAG Report,2005](#)].

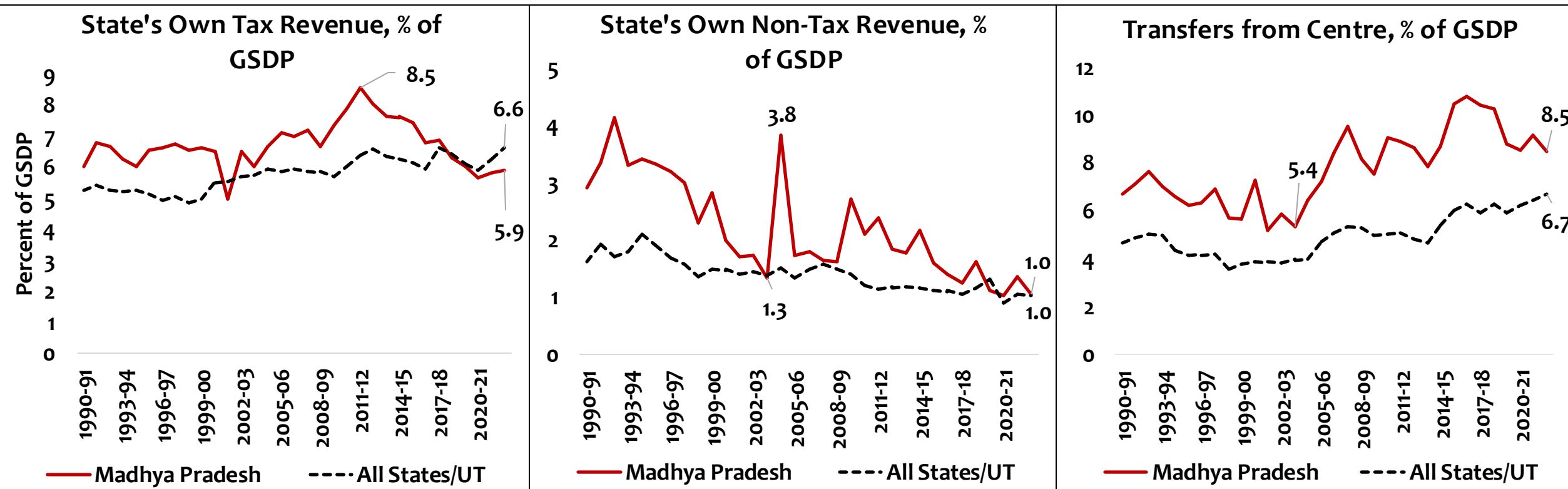
In 2022-23, Madhya Pradesh's Revenue Receipts (Own Tax, Non-Tax, shared by the Centre) at 15.4 of its GSDP, were 1 percentage point higher than that of an average State



Source: i. Revenue Receipts from RBI SFR (2022-23); ii. State GSDP and national GDP data is from MoSPI (2022-23).

Note: All States/UTs shows the total of all States, Delhi and Puducherry as a % of national gross domestic product.

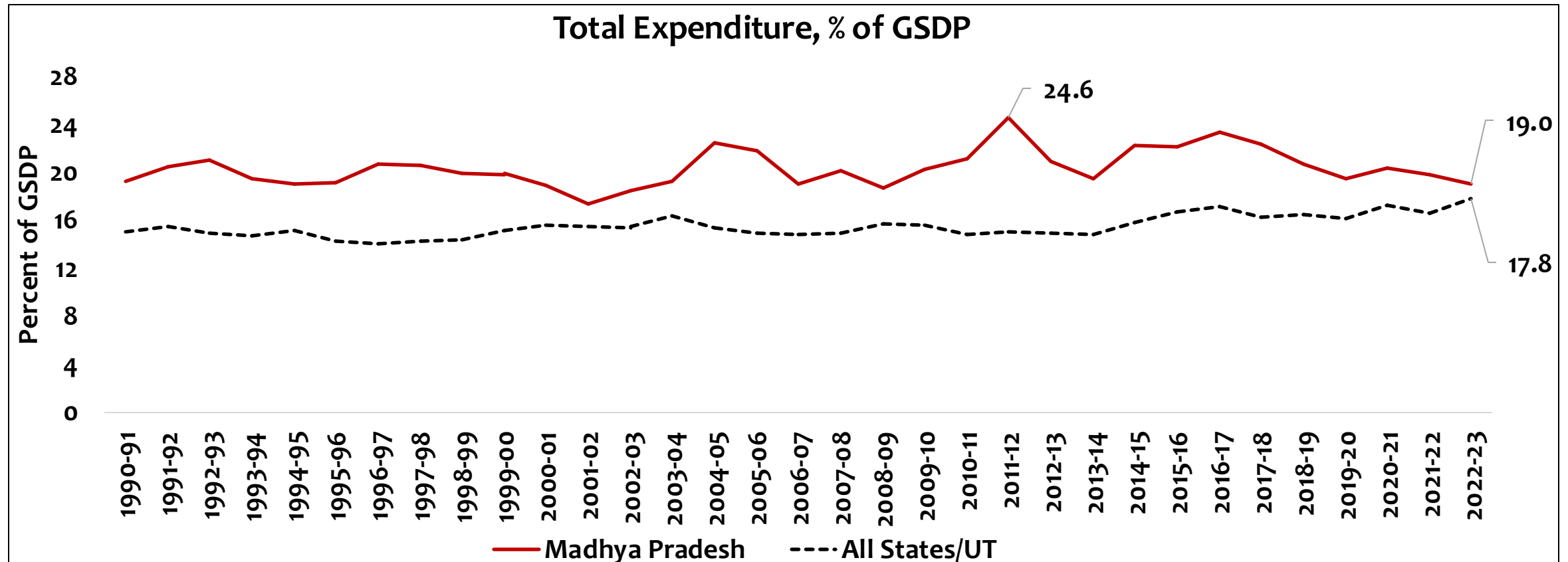
As of 2022-23, Madhya Pradesh's Own Tax Revenue was lower than that of an average State, while its Own Non-Tax Revenue was at par with that of an average State. Transfers from the Centre accounted for 55 percent of its revenue receipts and were higher than those of an average State



Source: i. Own Tax and Non-Tax Revenue, and Transfers from Centre from RBI SFR (2022-23); ii. The State GSDP and national GDP data is from MoSPI (2022-23).

Note: i. Transfers from the Centre include both tax- and non-tax revenue transfers; ii. All States/UTs shows the total of all States, Delhi and Puducherry as a % of national gross domestic product; iii. The sudden increase in the State's Own Non-Tax Revenue was due to increase in receipts under the Power sector (Rs. 2,749 crore) [Source – [CAG Report, 2005](#)].

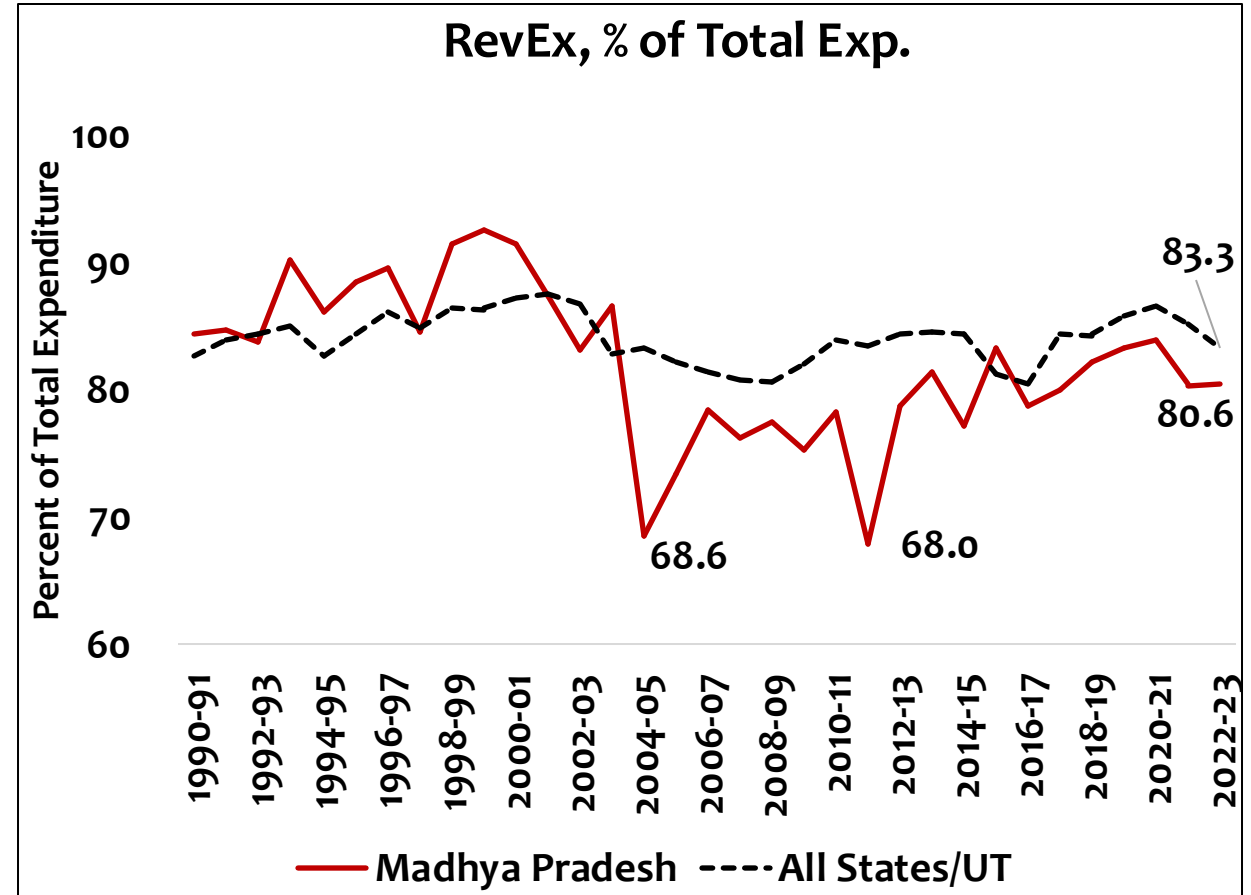
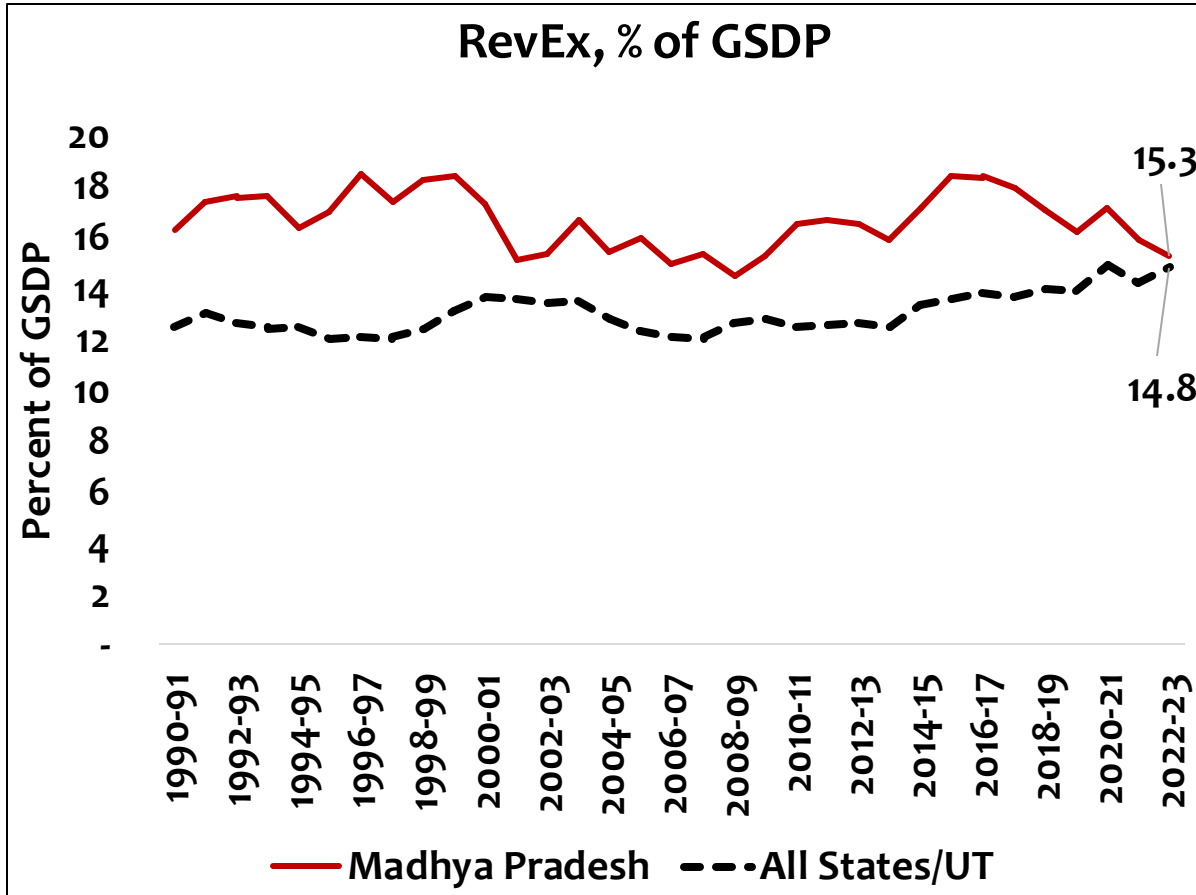
In 2022-23, Madhya Pradesh's Expenditure at 19 percent of its GSDP, was about 1.2 percentage points greater than an average State



Source: i. Total Expenditure is from RBI SFR (2022-23); ii. The State GSDP and national GDP data is from MoSPI (2022-23).

Note: i. The Total Expenditure is calculated as sum of revenue expenditure (RevEx) and capital expenditure (CapEx); ii. All States/UTs shows the total of all States, Delhi and Puducherry as a % of national gross domestic product; iii. The significant increase in Total Expenditure during 2011-12 was primarily driven by a spike in CapEx (% of GSDP), largely due to a sharp rise in Loans and Advances payments [Source – [CAG report, 2011-12](#)].

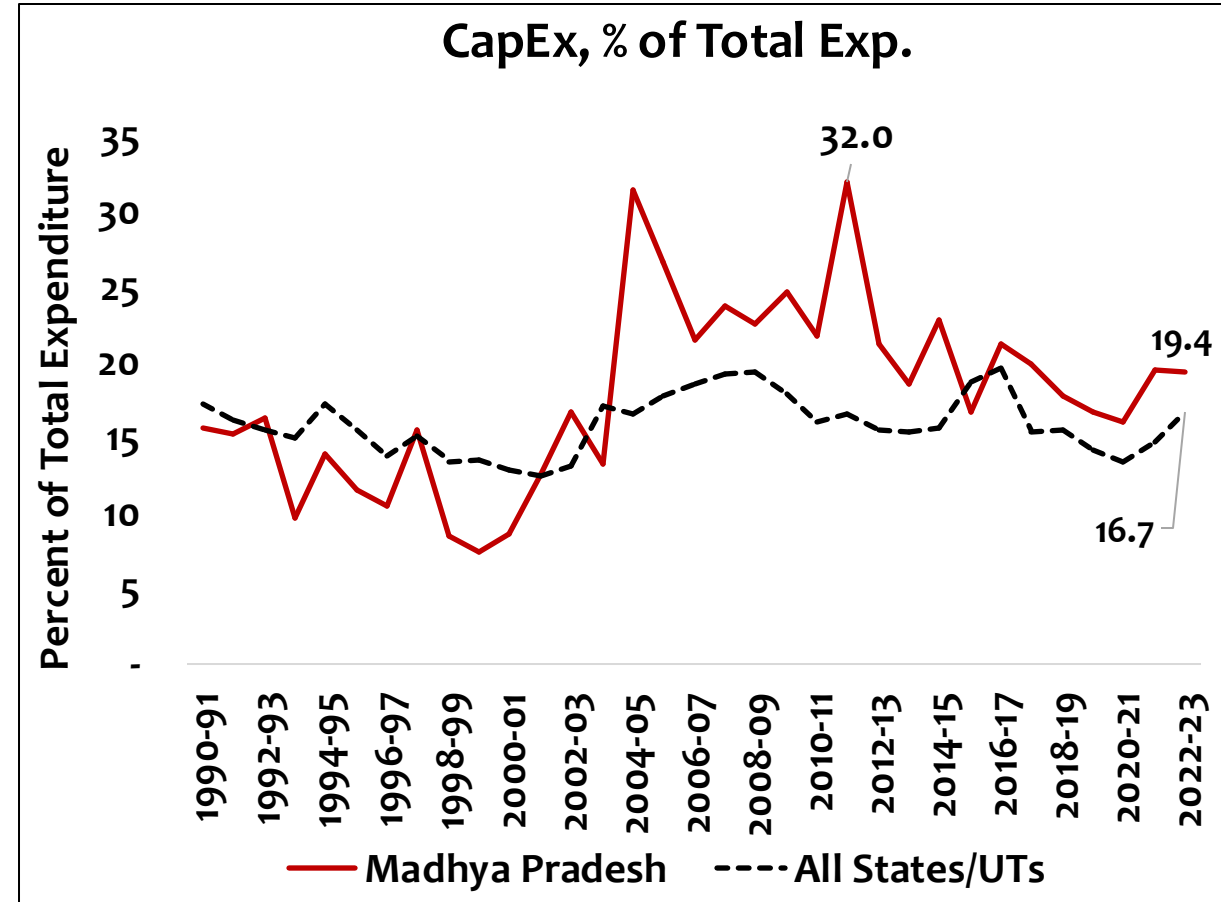
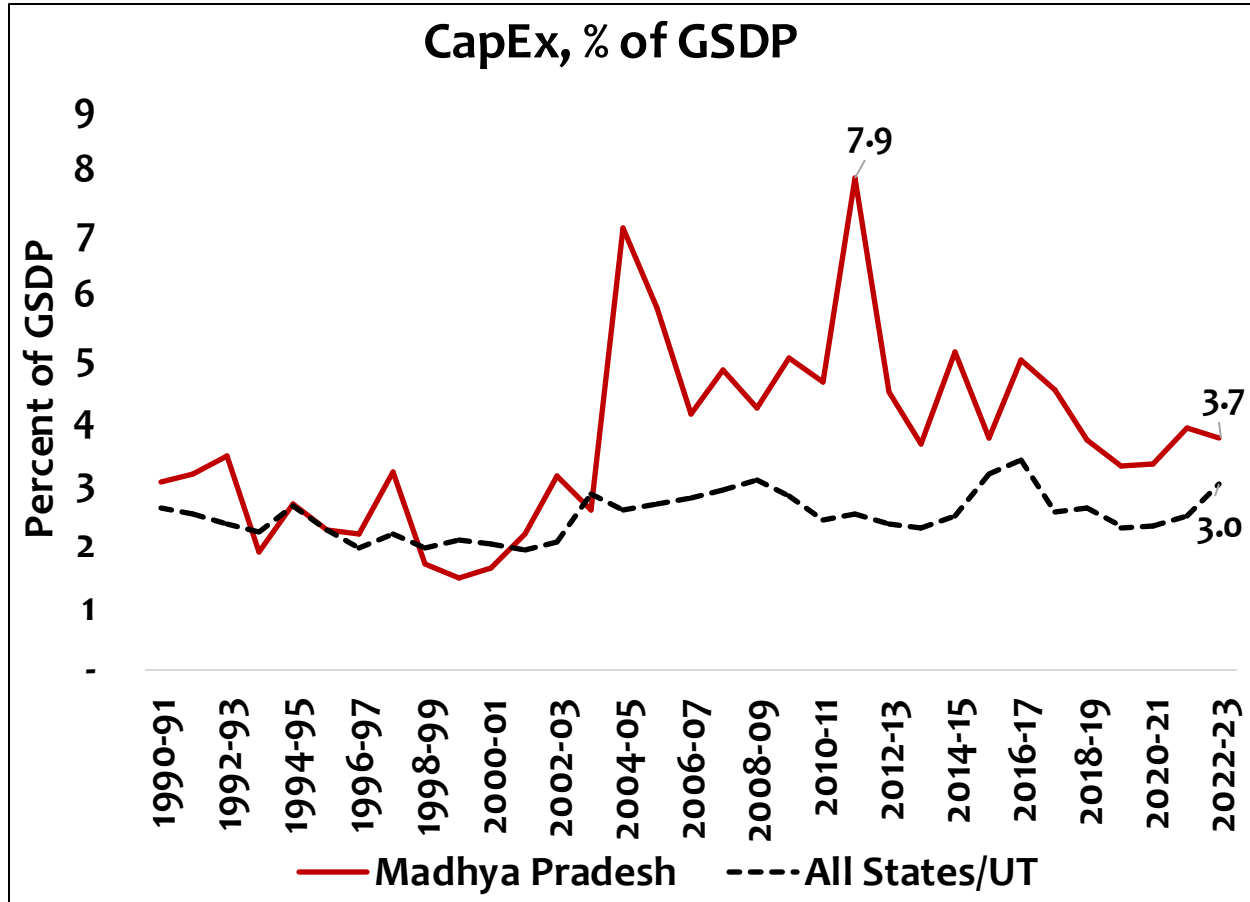
Madhya Pradesh's RevEx at 15.3 percent of its GSDP in 2022-23, was about 0.5 percentage points higher than that of an average State. However, as a share of Total Expenditure, RevEx was lower than that of an average State



Source: i. Revenue Expenditure is from RBI SFR (2022-23); ii. State GSDP and national GDP data is from MoSPI (2022-23).

Note: i. Total Expenditure is calculated as RevEx plus CapEx; ii. All States/UTs shows the total of all States, Delhi and Puducherry as a % of national gross domestic product.

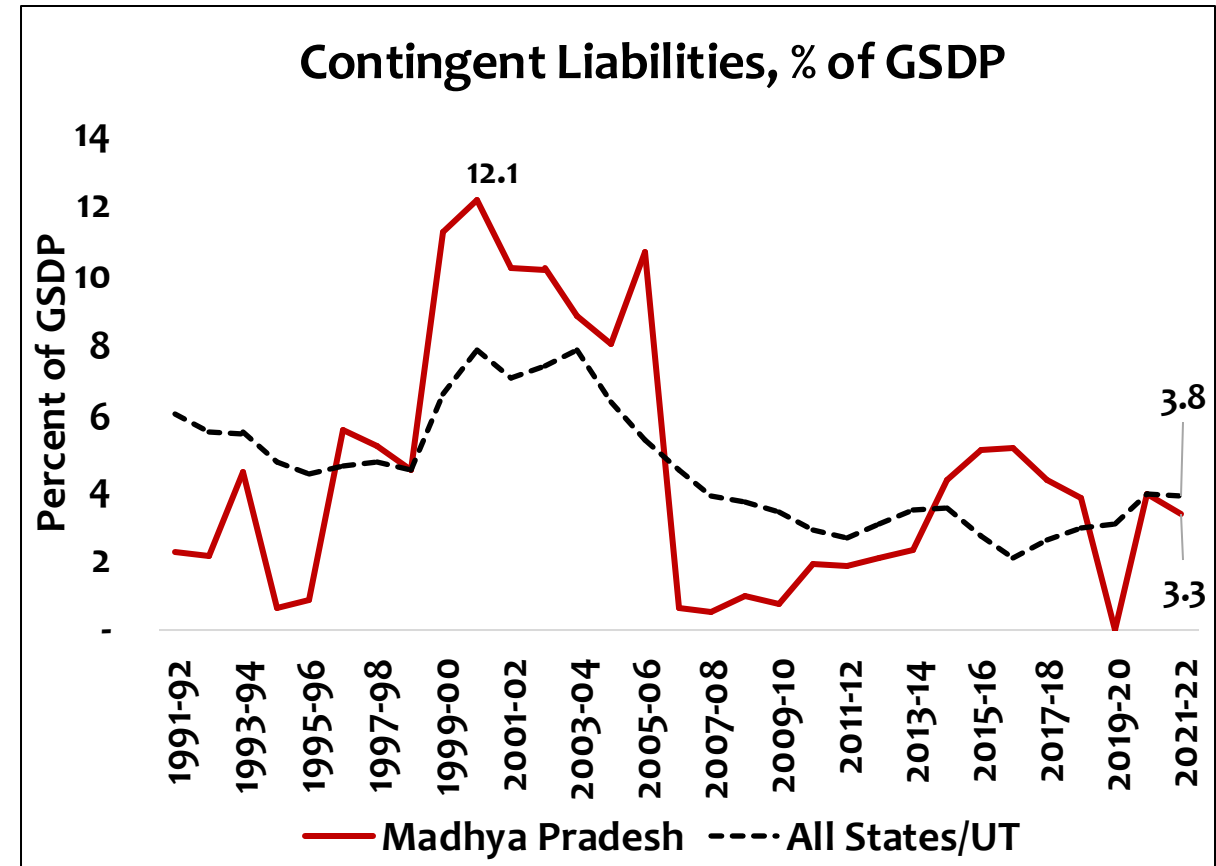
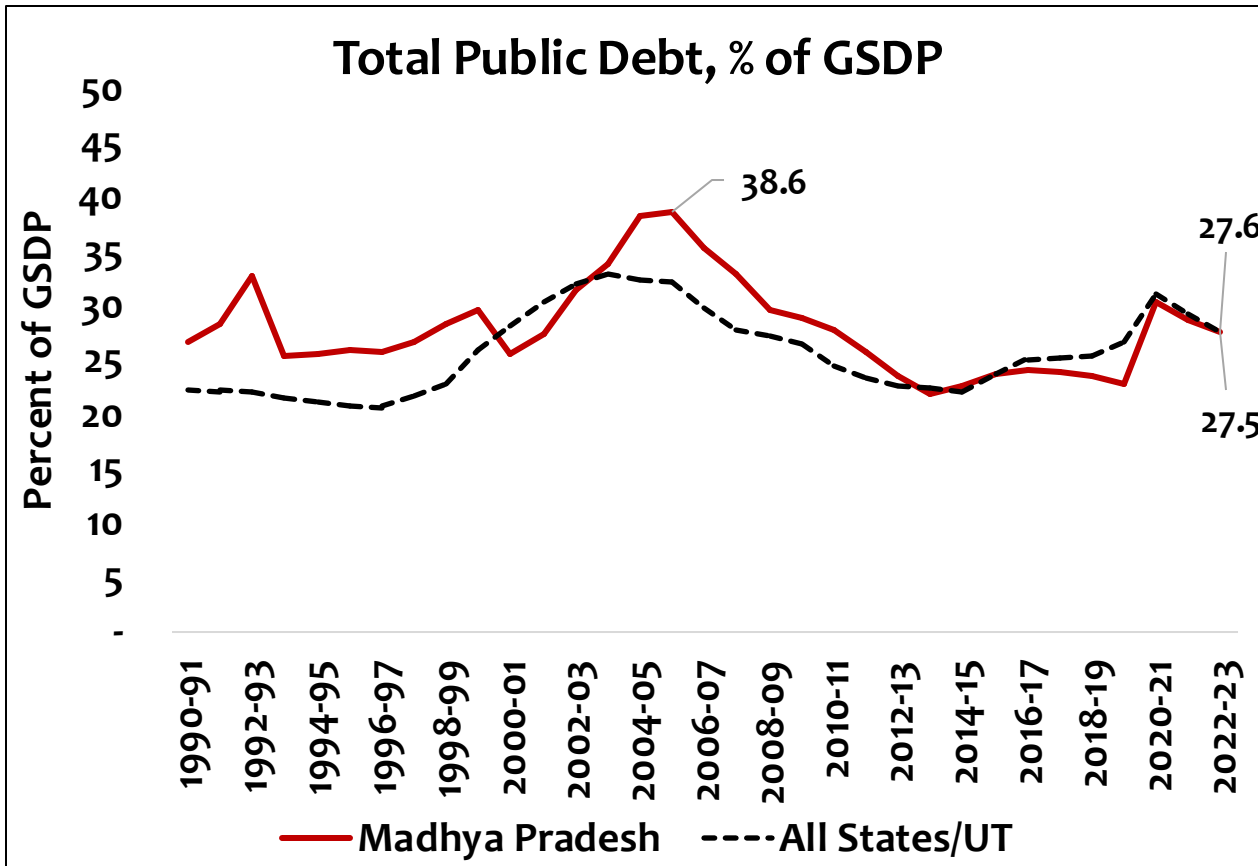
In 2022-23, Madhya Pradesh's CapEx at 3.7 percent of its GSDP, was about 0.7 percentage points higher than what an average State spent on CapEx. As a share of Total Expenditure, CapEx was 2.7 percentage points higher than that of an average State



Source: i. CapEx is calculated as Capital Outlay plus Loans and Advances given by the State government and the data for both is taken from RBI SFR (2022-23); ii. State GSDP and national GDP data is from MoSPI (2022-23).

Note: i. Total Expenditure is calculated as RevEx plus CapEx; ii. All States/UTs shows the total of all States, Delhi and Puducherry as a % of national gross domestic product; iii. The spike in CapEx (% of GSDP) during 2011-12 is primarily due to a sharp increase in Loans and Advances payments, which rose to Rs. 15,760 crore from the previous year's Rs. 3,715 crore [Source – [CAG report, 2011-12](#)].

Madhya Pradesh's Public Debt has been declining since 2005-06, and at 27.6 percent of its GSDP, it was at par with the average of all States, as of 2022-23. Its Contingent Liabilities were marginally lower than that of an average State at 3.3 percent of its GSDP



Source: i. Public Debt and State-wise contingent liabilities data has been taken from RBI SFR (2022-23); ii. State GSDP and national GDP data is from MoSPI (2022-23).

Note: All States/UTs shows the total of all States, Delhi and Puducherry as a % of national gross domestic product.

9. Annexure

Glossary of Select Terms

Variable	Section	Definition
Dependency Ratio	Demography and Employment	The dependency ratio is the number of dependents—comprising children aged 0-14 years and older adults aged 60 years and above—per 100 individuals in the working-age population (15-59 years).
Sex Ratio	Demography and Employment	The Child Sex Ratio from Census is the number of females per 1,000 males in the age group of 0-6 years. The NFHS Sex Ratio at Birth is the number of female births per 1,000 male births for children born in the last five years preceding the survey.
Unemployment Rate	Demography and Employment	The unemployment rate measures the proportion of unemployed individuals within the labour force, aged 15 years and above, based on the Usual Status (PS+SS) approach. This method integrates data from both the Principal Status (PS) and Subsidiary Status (SS) across rural and urban areas.
Female Labour Force Participation Rate	Demography and Employment	The Female Labour Force Participation Rate (LFPR) refers to the percentage of females aged 15 years and above who are part of the labour force, either working or actively seeking/available for work, relative to the total female population in the same age group. It is measured using the Usual Status (PS+SS) approach, which combines data from the Principal Status (PS) and Subsidiary Status (SS) to account for both rural and urban areas.
Urbanization Rate	Demography and Employment	The urbanization rate is the annual percentage change in the proportion of the population that lives in urban areas.
SDG Index	Demography and Employment	The SDG Index calculates goal-specific scores for the 16 Sustainable Development Goals (SDGs) across 113 indicators set by MoSPI to combine into composite scores, ranging from 0 to 100 representing the overall performance of a State. The higher the score, the closer the State is to meeting the SDG targets.

Glossary of Select Terms

Variable	Section	Definition
MPI	Demography and Employment	The National Multidimensional Poverty Index (MPI) is calculated by multiplying the Headcount Ratio (proportion of multidimensionally poor people) and the Intensity of Poverty (the average percentage of deprivations experienced by poor individuals) across 12 indicators of health, education and living standards.
Inflation Rate	Economic Structure	The Inflation Rate is calculated as the annual growth rate of the Consumer Price Index (CPI), which has been calculated by averaging the monthly CPI values for each financial year.
GSDP	Economic Structure	Gross State Domestic Product (GSDP), at current market prices with 2011-12 as the base year, represents the total value of goods and services produced within a State. This series has been spliced with earlier GSDP series to generate the long time series.
GSVA	Economic Structure	Gross State Value Added (GSVA) is the sum of the value added by all sectors—agriculture, industry, and services—at current market prices with 2011-12 as the base year. This series has been spliced with earlier GSDP series to generate the long time series.
Decadal Average of Growth Rates	Economic Structure	The decadal average of growth rates is calculated using real variables to determine the shares of sectors. It represents the simple average of the annual growth rates over a ten-year period, from 2013-14 to 2022-23.
Foreign Direct Investment (FDI)	Trade	Investment through capital instruments by a resident outside India in an unlisted Indian company; or in 10 percent or more of the post-issue paid-up equity capital of a listed Indian company. Additionally, in case an existing investment by a resident outside India in capital instruments of a listed Indian company falls to a level below 10 percent, the investment shall continue to be treated as FDI.
Exports	Trade	Exports refer to transactions where goods are supplied with/without leaving the country, and payment for these supplies is received either in Indian rupees or in freely convertible foreign exchange.

Glossary of Select Terms

Variable	Section	Definition
Pupil-Teacher Ratio	Socio-Economic Indicators (Education)	The Pupil-Teacher Ratio is the average number of students (pupils) per teacher in a school or educational institution.
Infant Mortality Rate	Socio-Economic Indicators (Health)	The probability of a child dying between birth and the first birthday, expressed per 1,000 live births.
Under-Five Mortality Rate	Socio-Economic Indicators (Health)	The probability of a child dying between birth and the fifth birthday, expressed per 1,000 live births.
Total Fertility Rate	Socio-Economic Indicators (Health)	The average number of children a woman is expected to have by the end of her childbearing years, assuming she experiences the current age-specific fertility rates throughout her reproductive life. Age-specific fertility rates are calculated based on the three years preceding the survey, using detailed birth histories provided by women.
Children Fully Immunized	Socio-Economic Indicators (Health)	Includes children aged 12-23 months who have received one dose of Bacillus Calmette Guerin (BCG) vaccine for tuberculosis, three doses of DPT vaccine for diphtheria, pertussis and tetanus, three doses for polio vaccine and one dose of measles vaccine at any time before the survey.
Underweight Children	Socio-Economic Indicators (Health)	Children under five years whose weight-for-age score is below minus two standard deviations from the median of the reference population are classified as underweight.
Stunting among Children	Socio-Economic Indicators (Health)	Children under age five years whose height-for-age score is below minus two standard deviations from the median of the reference population are considered short for their age (stunted).

Glossary of Select Terms

Variable	Section	Definition
Anaemia among Children, Anaemia among Women	Socio-Economic Indicators (Health)	Children under five years and Women aged 15-49 years with haemoglobin levels below 11 grams/decilitre are considered anaemic.
Fiscal Deficit	Fiscal Indicators	Fiscal Deficit is calculated as the difference between the total expenditure and the total revenue (excluding borrowings).
Primary Deficit	Fiscal Indicators	Primary Deficit is calculated as the difference between fiscal deficit and interest payments.
Revenue Surplus (+)/Deficit (-)	Fiscal Indicators	Revenue Surplus/Deficit is a measure of the difference between the revenue receipts and revenue expenditure.
Total Revenue Receipts	Fiscal Indicators	Total Revenue Receipts is calculated as the sum of own tax revenue, own non-tax revenue and transfers from the centre.
Own Tax Revenue	Fiscal Indicators	Own Tax Revenue is the revenue collected by the government through taxes.
Own Non Tax Revenue	Fiscal Indicators	Own Non-Tax Revenue is the revenue collected by the government from non-tax sources like various services, fees, and penalties.
Revenue Expenditure	Fiscal Indicators	Revenue Expenditure refers to government spending that is incurred for the regular functioning of its departments and services, meeting its operational needs, and fulfilling its recurring liabilities.

Glossary of Select Terms

Variable	Section	Definition
Transfers from the Centre	Fiscal Indicators	Transfers from the Centre refer to central taxes and grants devolved to States as untied funds for States to spend according to their discretion, under the recommendations of the Finance Commission.
Capital Expenditure	Fiscal Indicators	Capital Expenditure refers to government spending on creating physical and financial assets or reducing its liabilities.
Total Public Debt	Fiscal Indicators	Public debt include borrowings and other financial commitments arising from past fiscal operations that are yet to be repaid at a given point in time.
Contingent Liabilities	Fiscal Indicators	Contingent Liabilities are the commitments made by State governments to repay loans or other liabilities incurred by entities such as public sector undertakings (PSUs), corporations, local bodies, or other organizations if they fail to meet their debt obligations.
Off-Budget Borrowings	Fiscal Indicators	Off-Budget Borrowings involve the government taking on debt through entities, public sector undertakings (PSUs), or other off-budget mechanisms, rather than directly from the government's own borrowing channels that are not included in the official government budget.
Health Expenditure	Fiscal Indicators	Health Expenditure is calculated as the sum of Medical, Public Health, and Family Welfare expenditure.
Subsidies	Fiscal Indicators	Subsidies are financial assistance provided by the government to individuals, businesses, or sectors to support the production, consumption, or pricing of specific goods and services.
Buoyancy of Revenue Expenditure with GSDP	Fiscal Indicators	The Buoyancy of Revenue Expenditure is calculated as the ratio between the year-on-year growth rate of Revenue Expenditure and that of GSDP.
Committed Expenditure	Fiscal Indicators	Committed Expenditure is calculated as the sum of Wages, Salaries, and Pensions.

List of Acronyms

- **AISHE** All India Survey on Higher Education
- **AT&C** Aggregate Technical & Commercial
- **BSR** Basic Statistical Returns
- **CAG** Comptroller and Auditor General
- **CapEx** Capital Expenditure
- **CHIPS** Connect, Harness, Innovate, Protect and Sustain
- **DGFT** Directorate General of Foreign Trade
- **DISCOMS** Distribution Utilities/Companies
- **EPWRF** Economic and Political Weekly Research Foundation
- **FC** Finance Commission
- **FLPR** Female Labour Participation Rate
- **FRA** Fiscal Responsibility Act
- **GPI** Gender Parity Index
- **GSDP** Gross State Domestic Product
- **GDP** Gross Domestic Product
- **GSVA** Gross State Value Added
- **GVA** Gross Value Added

List of Acronyms

- **MoSPI** Ministry of Statistical Programme and Implementation
- **MPFRBM** Madhya Pradesh Fiscal Responsibility and Budget Management
- **MPI** Multidimensional Poverty Index
- **MTFP** Medium Term Fiscal Policy
- **NFHS** National Family Health Survey
- **PFC** Power Finance Corporation
- **PLFS** Periodic Labour Force Survey
- **RBI** Reserve Bank of India
- **RevEx** Revenue Expenditure
- **SDG** Sustainable Development Goal
- **SFR** State Finances Report
- **SPSE** State Public Sector Enterprises
- **SRS** Sample Registration System
- **SC** Scheduled Caste
- **ST** Scheduled Tribe
- **UDAY** Ujwal DISCOM Assurance Yojana
- **U-DISE** Unified District Information System for Education

Selected Research Topics

STATE REPORTS

DATA REPOSITORY

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This is a product of the NCAER-NITI States' Economic Forum. Prepared under the team led by Dr Poonam Gupta and Dr Anil Sharma, comprising of Dr Arjita Chandna, Dr Janani Rangan, Dr Jayanta Talukder, Ayesha Ahmed, S Priyadarshini, Aakansha Atal, Aliva Smruti, Shubhashree Jha, Sneha Jyoti Kundu and Rochelle Prakash; Product Design by Devanshi Mankotia; Co-ordination by Pooja Singh; IT Support by Praveen Sachdeva; Webpage by Mesmer Studios and Tableau Dashboards by Uneecops Business Solutions. Comments are welcome at stateseconforum@ncaer.org.

