

Preface

1. This Report has been prepared for submission to the Governor under Article 151 of the Constitution.
2. Chapters I and II of this Report contain audit observations on matters arising from examination of the Finance Accounts and the Appropriation Accounts of the Government of Madhya Pradesh for the year ended 31 March 2010.
3. Chapter III on 'Financial Reporting' provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the current year.

EXECUTIVE SUMMARY

Background

In January 2006, the Madhya Pradesh Government enacted the Fiscal Responsibilities and Budget Management (FRBM) Act. It laid down a reform agenda through a fiscal correction path in the medium term with the long term goal of securing growth stability for its economy. The Government's commitment to carry forward these reforms is reflected in the policy initiatives announced in its subsequent budgets. The benefits of the FRBM legislation have been realized in terms of achieving of revenue and fiscal deficit targets relative to GSDP and keeping the ratio of total liabilities to GSDP within the ceiling limit of 40 *per cent* prescribed under the FRBM Act.

The Report

Based on the audited accounts of the Government of Madhya Pradesh for the year ended March 2010, this report provides an analytical review of the Annual Accounts of the State Government. The report is structured in three Chapters.

Chapter 1 is based on the audit of the Finance Accounts and gives an assessment of the Madhya Pradesh Government's fiscal position as at 31 March 2010. It provides an insight into the trends of committed expenditure and borrowing patterns besides giving a brief account of Central funds transferred directly to State implementing agencies through the off-budget route.

Chapter 2 is based on audit of Appropriation Accounts and gives a grant-wise description of appropriations and the manner in which the allocated resources were managed by the service delivery departments.

Chapter 3 is an inventory of the Madhya Pradesh Government's compliance with various reporting requirements and financial rules. The report also compiles the data collated from various government departments/ organizations in support of the findings.

Audit findings and recommendations

Management of Fiscal imbalances and resource mobilization

- The fiscal position of the State viewed in terms of the key fiscal parameters—revenue, fiscal and primary deficit/surplus – indicated a mixed trend in 2009-10 as the revenue surplus, fiscal deficit and primary deficit substantially increased relative to the previous year.
- The increase in the revenue surplus of the State was mainly due to the increase of growth in the State's own resources including Central transfers comprising the State's share in Central taxes and duties and grants-in-aid from GOI during

2009-10 as compared to the previous year.

- Fiscal deficit relative to GSDP increased from 2.58 *per cent* in 2008-09 to 3.19 *per cent* in the current year, but remained within the 3.73 *per cent* ceiling prescribed in Budget Estimate and less than four *per cent* permitted by GOI in order to counter the impact of the economic slowdown.

Arrears of Revenue

- The arrears of revenue as on 31 March 2010 amounted to ₹897.46 crore, of which ₹615.93 crore (excluding the amount related to the Transport Department) were outstanding for more than five years. In addition, ₹1,720.92 crore was pending in respect of the Mining Department on account of litigations in courts.
- The Compound Annual Growth Rate (CAGR) of non-tax revenue receipts in Madhya Pradesh during the last decade has been slow in comparison to that in other General Category States.

Management of liabilities

- The high growth of fiscal liabilities (12.28 *per cent* over the previous year) is a matter of concern and prudent debt management will have to be ensured to keep the growth of fiscal liabilities in check.
- A Sinking Fund for amortization of loans had not been set up by the State Government. The ratio of total liabilities to GSDP, although within the ceiling limit of 40 *per cent* prescribed by the FRBM Act 2005 continued to increase due to persistent increase in fiscal deficits till the current year.
- The maturity profile for repayment of about 16 *per cent* of the State's debt was not available as information had not been received from the State Government/Reserve Bank of India. It is critical to have clarity on the repayment schedule of debts.

Net availability of funds

- During the current year, internal debt redemption was 71 *per cent* of fresh debt receipts and redemption of GOI loans was 86 *per cent* while in the case of other obligations, repayments were 93 *per cent* of the fresh receipts, indicating that the fresh debt receipts were mainly utilised for repayment of debt.
- Repayments of internal debt and loans and advances from the Government of India included 68 *per cent* on account of payment of interest and debt relief, indicating that only 32 *per cent* was for repayment of Principal Debt.

Return on Government investments

- The average return on the investment made by the Government was 0.61 *per cent* during the last three years while the Government paid an average interest rate of 7.30 *per cent* on its borrowings during 2007-10. The Government needs not only to invest its high cost borrowings more judiciously to get better returns but also to address the losses on account of various sick units by their restructuring and rehabilitation and/or by considering disinvestment of such units.

Expenditure Management and Fiscal Priority

- The expenditure pattern of the State revealed that the revenue expenditure as a percentage of total expenditure continued to share a dominant proportion of the total expenditure at 75 *per cent* during 2009-10, leaving less resources for expansion of services and creation of assets. Moreover, within the revenue expenditure, the Non-Plan Revenue expenditure (NPRE) of ₹26,059 crore in 2009-10, remained significantly higher than the normatively assessed level of Twelfth Finance Commission (TFC) (₹19,257 crore) for the year. Further, salary and wages expenditure, pension payments, interest payments and subsidies constituted about 78 *per cent* of the NPRE during the year. Decrease in the proportion of capital expenditure on Social Services and marginal decline in the Economic Services to total expenditure and also fall in revenue expenditure on Operation and Maintenance during the current year over the previous year indicated decline in the quality of services.
- During 2000-09, the CAGR of revenue expenditure on the education and health sectors in the case of Madhya Pradesh was less than that of other General Category States. This means that the expenditure in these sectors needs to be increased.
- The expenditure pattern in the education and health sectors needs correction in the ensuing years as per the norms of the TFC according to which the Non-Plan salary expenditure in these sectors should increase only by five to six *per cent* while non-salary expenditure under Non-Plan heads should increase by 30 *per cent* per annum during the award period.
- The priority given to expenditure on the education and health sectors in Madhya Pradesh, however, was not adequate in both the years 2005-06 and 2009-10 as their ratios to Aggregate Expenditure (AE) were lower than the General Category States' Average. Greater fiscal priority may be given to these sectors as other General Category States are spending a greater proportion of the aggregate expenditure on these heads than Madhya Pradesh.

Oversight of funds transferred directly from Government of India to State implementing agencies

- Funds flowing directly to State implementing agencies through the off-budget routine inhibits FRBM requirements of transparency and therefore bypasses accountability. A system has to be put in place to ensure proper accounting and accountability of GOI funds that are transferred directly to State implementing agencies.

Financial management and budgetary control: Slow progress in implementation of various social and developmental programmes in the State left an overall saving of ₹11,930 crore. Excess expenditure of ₹4,691 crore pertaining to the period 1993-95, 1997-2007 and 2008-09 requires regularization under Article 205 of the Constitution of India. There were instances of inadequate or excessive provision of funds and unnecessary or excessive re-appropriations. Rush of expenditure at the end of the financial year was another chronic feature noticed in the State. In many cases, the anticipated savings were either not surrendered or surrendered on the last two days of the year, leaving no scope for utilizing these funds for other developmental purposes. Detailed countersigned contingent bills were not submitted for large amounts of advances drawn on abstract contingent bills. There was un-reconciled expenditure of ₹3,040 crore, transfers of ₹398 crore to 8443-Civil Deposit and 800-Other Deposits and addition of ₹413 crore to the balances under 106-Personal Deposit Accounts. Moreover, ₹1,905 crore was lying in 773 Personal Deposit Accounts as on 31 March 2010. Budgetary controls should be strictly observed to avoid such deficiencies in financial management. Last minute issuance of re-appropriation/ surrender orders should be avoided.

Financial Reporting: The State Government's compliance with various rules, procedures and directives was lacking in various Government departments. This was evident from delays in furnishing of utilization certificates against loans and grants by various grantee institutions. Delays were noticed in the submission of Annual Accounts by autonomous bodies and departmental undertakings. There were instances of losses and misappropriations for which departmental action was pending for long periods. Departmental inquiries in such cases should be expedited to bring the defaulters to book. Internal controls in all the organizations should be strengthened to prevent such cases in future.

CHAPTER I

Finances of the State Government

1.1 Introduction

Madhya Pradesh is an agrarian landlocked State and also one of the leading States in the country in mineral production. The composite State of Madhya Pradesh was founded on 1 November 1956. In terms of the Madhya Pradesh Reorganization Act 2000 (No.28 of 2000)¹, 16 districts of the erstwhile State of Madhya Pradesh formed the new State of Chhattisgarh on 1 November 2000. As indicated in **Appendix-1.1**, Madhya Pradesh has higher poverty levels as compared to the all-India average. The density of its population (196 persons per sq. km) as per the 2001 census was lower than all India density (325 persons per sq. km). The State has shown lower economic growth in the past decade as the compound annual growth rate of its Gross State Domestic Product for the period 2000-01 to 2008-09 has been 10.14 *per cent* as compared to 12.50 *per cent* in other General Category States. During this period, its population grew by 16.87 *per cent* against 13.42 *per cent* in other General Category States. The Gini coefficient² shows that the inequality of income distribution in case of rural areas of Madhya Pradesh was less than the all-India average but more in case of urban areas.

This chapter provides a broad perspective of the finances of the Government of Madhya Pradesh during 2009-10 and analyses the critical changes observed in the major fiscal aggregates relative to the previous year, keeping in view the overall trends during the last five years. The structure and form of Government Accounts and the layout of the Finance Accounts are depicted in **Appendix-1.2-Part-A and B**. The apportionment of assets and liabilities of the composite State of Madhya Pradesh prior to the date of reorganization as well as other financial adjustments are carried out in accordance with the provisions of the Act³. The actual progress achieved in this direction is indicated in **Appendix-1.2-Part-C**. The methodology adopted for the assessment of the fiscal position and norms/ceilings prescribed by the Fiscal Responsibility and Budgetary Management (FRBM) Act, 2005 and trends in select indicators are depicted in **Appendix-1.3- Part-A, B and C**.

1.1.1 Summary of Current Year's Fiscal Transactions

A summary of the State Government's fiscal transactions during the current year (2009-10) vis-à-vis the previous year is presented in **Table-1.1**.

¹ Bastar, Bilaspur, Dantewara, Dhamtari, Durg, Janjgir-Champa, Jashpur, Kanker, Kawardha, Korba, Korla, Mahasamund, Raigarh, Raipur, Rajnandgaon and Surguja.

² It is a measure of inequality of income distribution where zero refers to perfect equality and one refers to perfect inequality.

³ *ibid*

Appendix-1.5-Part-A provides details of receipts and disbursements as well as the overall fiscal position during the current year.

Table-1.1: Summary of Current Year's Fiscal Transactions

(₹ in crore)

2008-09	Receipts	2009-10	2008-09	Disbursements	2009-10		
Section-A: Revenue							
					Non-Plan	Plan	Total
33,577.21	Revenue Receipts	41,394.70	29,513.88	Revenue expenditure	26,059.22	9,837.68	35,896.90
13,614.05	Tax revenue	17,272.81	10,162.34	General services	11,889.97	123.81	12,013.78
3,342.86	Non-tax revenue	6,382.04	10,145.94	Social services	7,249.73	5,712.12	12,961.85
10,766.59	Share of Union Taxes/ Duties	11,076.98	7,431.16	Economic services	4,719.15	3,652.22	8,371.37
5,853.71	Grants from Government of India	6,662.87	1,774.44	Grants-in-aid and Contributions	2,200.37	349.53	2,549.90
Section-B: Capital							
24.00	Misc. Capital Receipts	21.69	6,713.15	Capital Outlay	61.05	7,863.82	7,924.87
53.62	Recoveries of Loans and Advances	23.37	1,861.46	Loans and Advances disbursed	3,769.63	47.25	3,816.88
0.79	Inter-State settlement	2.76	0.73	Inter-State settlement			2.78
6,552.97	Public Debt receipts*	8,602.51	1,961.01	Repayment of Public Debt*			2,394.05
--	Contingency Fund	--	--	Contingency Fund			--
46,460.26	Public Account receipts	52,353.12	45,988.97	Public Account disbursements			50,871.84
1,792.45	Opening Cash Balance	2,422.10	2,422.10	Closing Cash Balance			3,912.93
88,461.30	Total	1,04,820.25	88,461.30	Total			1,04,820.25

* Excluding net transactions under Ways and Means advances and overdrafts.

(Source: State Finance Accounts of the respective years)

The following are the major changes during 2009-10 over the previous year:

- Revenue receipts increased by 23 per cent mainly due to increase in the State's own tax revenue by 27 per cent, non-tax revenue by 91 per cent, State's share of Union taxes and duties by three per cent and grants from Government of India (GOI) by 14 per cent. The State also received debt relief of ₹363.06 crore under the Debt Consolidation and Relief Facility (DCRF) from GOI.
- Revenue expenditure increased by 22 per cent {(Non-Plan: 19 per cent and Plan: 29 per cent)} and Capital expenditure increased by 18 per cent (Non-Plan decreased by 71 per cent and Plan increased by 21 per cent).
- The recovery of loans and advances decreased by 56 per cent during the current year as compared to the previous year mainly due to decrease under Loans for Industries and Minerals (₹17 crore) and Water Supply, Sanitation and Urban Development (₹10 crore). Disbursement of loans and advances by the State Government increased by ₹1,955 crore mainly on account of loans under power projects (₹1,989 crore) and Miscellaneous General Services (₹18 crore), partly offset by decrease under Water Supply, Sanitation, Housing and Urban Development (₹33 crore) and Transport (₹19 crore).
- Public debt receipts and repayments increased by 31 per cent and 22 per cent respectively in 2009-10 over the previous year. The increase in public debt receipts was mainly due to increase in internal debt by ₹1,859 crore and loans and advances by GOI (₹191 crore).
- Public Account receipts and disbursements increased by ₹5,893 crore and ₹4,883 crore respectively in 2009-10 relative to the previous year resulting in a net increase of ₹1,010 crore.

- As a result of inflow/outflow of the funds stated above, the cash balances of the State at the close of 2009-10 increased by ₹1,491 crore over the previous year.

1.1.2 Review of the Fiscal Position

In response to the Twelfth Finance Commission's (TFC) recommendation, the Government of Madhya Pradesh enacted its FRBM Act, 2005 which came into force from 1 January 2006 with a view to ensure prudence in fiscal management and fiscal stability by progressive elimination of revenue deficit, sustainable debt management consistent with fiscal deficit, greater transparency in fiscal operations of the Government and conduct of fiscal policy in a medium term fiscal framework.

- An increase of 22 per cent in revenue expenditure during 2009-10 in comparison to that of 23 per cent increase in revenue receipts resulted in an increase in the revenue surplus from ₹4,063 crore in 2008-09 to ₹5,498 crore in 2009-10.
- Given an increase of ₹1,435 crore in the revenue surplus and decrease of ₹31 crore in non-debt capital receipts during the year accompanied by increase of ₹1,212 crore in capital expenditure and increase of ₹1,958 crore in the disbursement of loans and advances including inter-state settlement, there was an increase of ₹1,766 crore in the fiscal deficit in 2009-10 over the previous year.
- Given the increase in fiscal deficit (₹1,766 crore) as well as in interest payments (₹262 crore), the primary deficit of ₹241 crore in 2008-09 increased to ₹1,745 crore in 2009-10.
- The fiscal performance of the State vis-à-vis FRBM targets and those framed in the Mid-Term Fiscal Policy Statement (MTFPS) for the year 2009-10 is presented in **Table 1.2** below:

Table-1.2: Fiscal forecasts under FRBM Act and MTFPS

Fiscal forecasts	FRBM Targets	Projection as per MTFPS	Actual
Revenue Deficit (-)/ Surplus (+) (₹ in crore)	To be wiped out by 2008-09	(+)1,699	(+) 5,498
Fiscal Deficit (-)/ Surplus (+) (₹ in crore)	To reduce to not more than 4 per cent of GSDP by 2009-10 (₹7777 crore)	(-) 6,436 (3.73 per cent of GSDP)	(-) 6,199 (3.19 per cent of GSDP)
Total Fiscal Liabilities (including guarantees)	40 per cent of GSDP by 31 March 2015	41.24 per cent of GSDP	35.74 per cent of GSDP
Outstanding Guarantees	Not to exceed 80 per cent of the total RR of preceding year	** per cent of RR of preceding year	4.85 per cent* of RR of preceding year

*To the extent information was available in Finance Accounts.

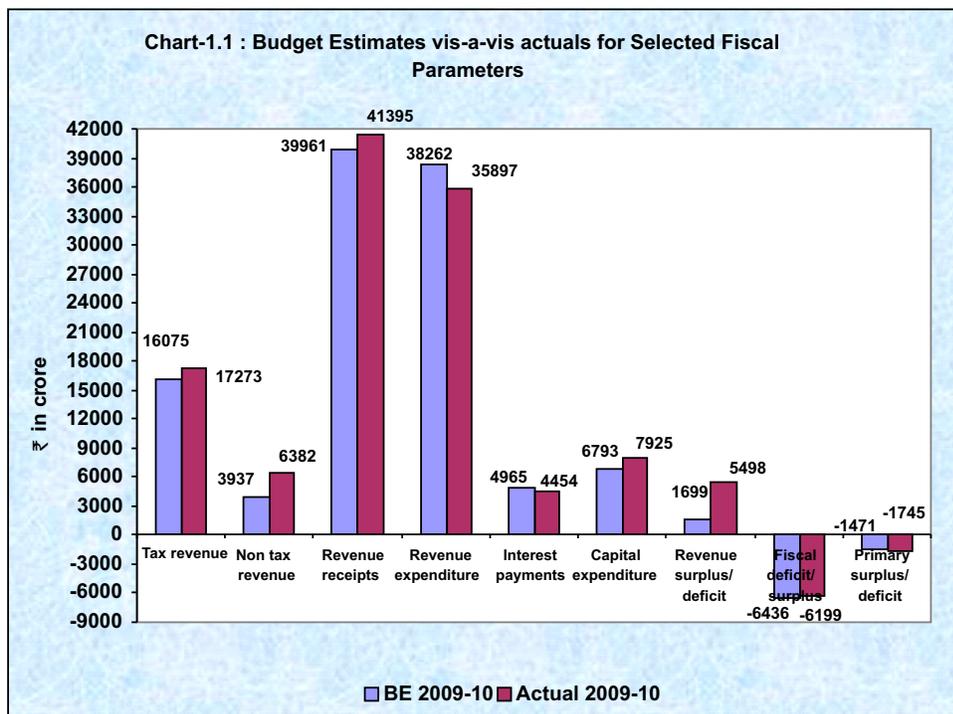
** BE figure of outstanding guarantees for 2009-10 not available

(Source: Statement laid before the legislature under FRBM Act during 2009-10 and State Finance Accounts of the respective years)

The State Government had achieved revenue surplus five years ahead of the scheduled period of 2008-09. The table above reveals that the fiscal deficit was within the amended limit of four *per cent* of GSDP prescribed in the FRBM targets/TFC and less than the 3.73 *per cent* of the projections of MTFPS. The total fiscal liabilities (including guarantees) to GSDP ratio at 35.74 *per cent* was within the FRBM target to be achieved by 31 March 2015 and was significantly less than the projected 41 *per cent* in MTFPS. The outstanding guarantees during the year were only 4.85 *per cent* of the revenue receipts of the preceding year.

The actual tax revenue and non-tax revenue was more than both the assessed levels of TFC and MTFPS while non-plan revenue expenditure (NPRE) in 2009-10 was more than the normatively assessed level of TFC but less than the projection made by the State Government in its MTFPS (Tables 1.6 and 1.10).

Chart 1.1 presents the budget estimates and actuals for some important fiscal parameters:



(Source: State Finance Accounts and Budget Estimates 2009-10)

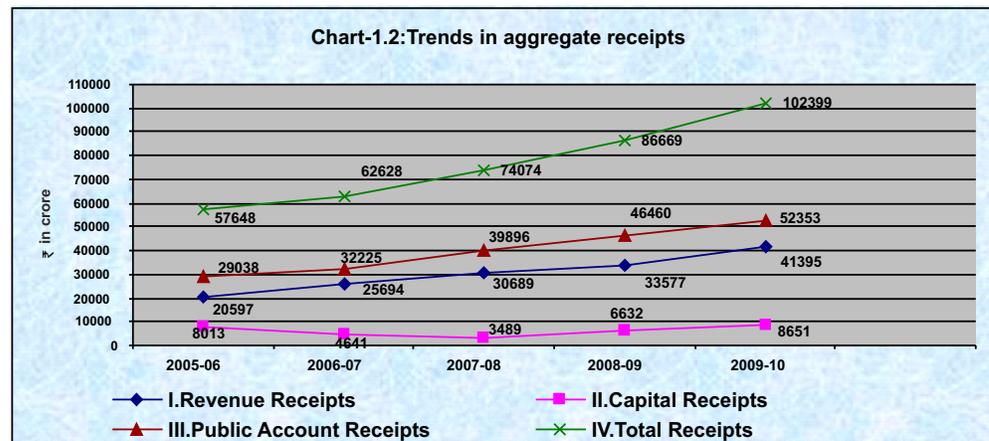
The key fiscal indicators viz revenue surplus and fiscal deficit showed improvement with reference to the budget estimates (BE) while primary deficit was more than the BE. Revenue expenditure and interest payments were well within the BE while capital expenditure and non-tax revenue were more than the BE. Tax revenue was more than the BE mainly due to more receipts under taxes and duties on electricity (₹1,147 crore), stamps duty and registration fees (₹223 crore) and State excise (₹192 crore), partly offset by less receipt under taxes on sales, trades etc. (₹288 crore) and

taxes on goods and passengers (₹127 crore). Capital expenditure was more than the BE mainly due to more expenditure under Power Projects (₹1,512 crore), partly offset by less expenditure under Major Irrigation (₹213 crore).

1.2 Resources of the State

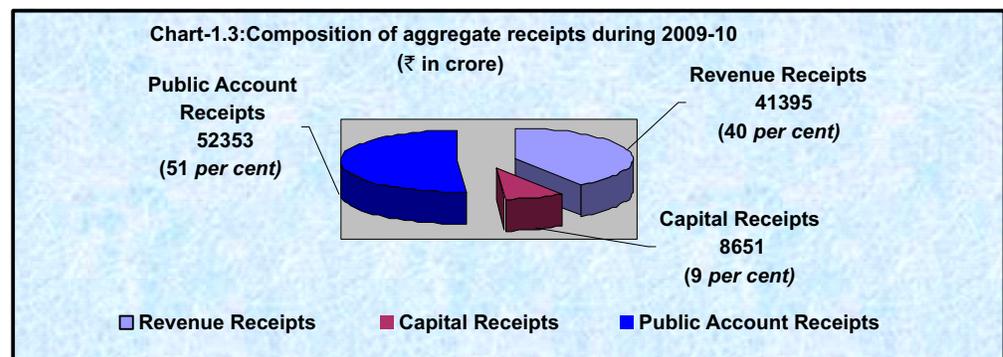
1.2.1 Resources of the State⁴ as per Annual Finance Accounts

Table-1.1 presents the receipts and disbursements of the State during the current year as recorded in its Annual Finance Accounts while **Chart-1.2** depicts the trends of various components of the receipts of the State during 2005-10.



(Source: State Finance Accounts of the respective years)

Chart-1.3 depicts the composition of resources of the State during the current year.



(Source: State Finance Accounts of the respective years)

⁴ Revenue and capital are the two streams of receipts that constitute the resources of the State Government. Revenue receipts consist of tax revenues, non-tax revenues, State's share of Union taxes and duties and grants-in-aid from the GOI. Capital receipts comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans and borrowings from financial institutions/commercial banks) and loans and advances from GOI as well as accruals from the Public Account.

- The revenue, capital and Public Account receipts constituted 40, nine and 51 per cent of the total receipts respectively during 2009-10. The total receipts of the State increased by 78 per cent during 2005-10 of which revenue receipts and capital receipts increased by 101 per cent and eight per cent.
- The relative share of revenue receipts in total receipts increased from 36 per cent in 2005-06 to 40 per cent in 2009-10 and the share of capital receipts in total receipts decreased from 14 per cent in 2005-06 to eight per cent in 2009-10. The increase in public debt receipts from ₹6,553 crore (7.56 per cent) in 2008-09 to ₹8,603 crore (8.40 per cent) in 2009-10 was due to an increase in market loans and GOI loans.
- Although the receipts under the Public Account increased at an annual growth rate of 16.06 per cent during the period 2005-10, their share in the total receipts of the State ranged between 50 per cent in 2005-06 to 51 per cent during 2009-10.

1.2.2 Funds Transferred to State Implementing Agencies outside the State Budget

The Central Government has been transferring a sizeable quantum of funds directly to State implementing agencies⁵ for the implementation of various schemes/programmes in the social and economic sectors. As these funds are not routed through the State Budget/State Treasury System, the Annual Finance Accounts do not capture the flow of these funds and to that extent, the State's receipts and expenditure as well as other fiscal variables/ parameters derived from them are underestimated. To present a holistic picture on availability of aggregate resources, substantial funds directly transferred to State implementing agencies are presented in Table-1.3.

Table-1.3: Funds transferred directly to State Implementing Agencies in the State (funds routed outside State Budget)

(₹ in crore)

Sl. No	Implementing Agency/ Department in the State	Name of the Programme/ Scheme	GOI releases 2009-10
1.	Madhya Pradesh State Employment Guarantee, Bhopal	National Rural Employment Guarantee Scheme	2,863.19
2.	District Rural Development Agency, Bhopal		656.05
3.	Madhya Pradesh Rural Roads Development Authority, Bhopal	Pradhan Mantri Gram Sadak Yojana	1,350.24
4.	Madhya Pradesh Sarva Shiksha Abhiyan, Mission	Sarva Shiksha Abhiyan	1,057.49
5.	Rajiv Gandhi Shiksha Mission		75.00
6.	State Health Society	National Rural Health Mission Centrally Sponsored	424.61

⁵ State implementing agencies include any organizations/institutions including non-governmental organizations which are authorized by the State Government to receive funds from the Government of India for implementing specific programmes in the State, e.g. State implementation society for Sarva Shiksha Abhiyan, State Health Mission for National Rural Health Mission etc.

Sl. No	Implementing Agency/ Department in the State	Name of the Programme/ Scheme	GOI releases 2009-10
7.	State Health Society (TB), Madhya Pradesh	National Rural Health Mission Centrally Sponsored	10.52
8.	State Health Society, Madhya Pradesh-NPCB	--do--	12.87
9.	SENTINEL Surveillance Unit (NPCB) MGM Medical College, Indore	--do--	0.03
10.	SWSM, Madhya Pradesh, Bhopal	Accelerated Rural Water Supply Scheme	252.29
11.	District Rural Development Agency, (All Districts)	Rural Housing-Indira Awas Yojana	242.99
12.	District Rural Development Agency, (All Districts)	Swaranjayanti Gram Swarozgar Yojana	137.18
13.	Program Manager, Bhartiya Samruddhi Investments, Bhopal		0.16
14.	District Rural Development Agency, (All Districts)	Integrated Watershed Management Programme	115.43
15.	Bhopal Watershed Cell Agency, Madhya Pradesh		4.41
16.	Rajiv Gandhi Mission for Watershed Management, Bhopal		4.50
17.	CRSP, Bhopal	Central Rural Sanitation Scheme	79.87
18.	SWSM Madhya Pradesh, Bhopal		20.00
19.	Madhya Pradesh Madhyamik Shiksha Abhiyan Samiti	Rashtriya Madhyamik Shiksha Abhiyan	92.58
20.	District Collector (All Districts)	MP Local Area Development Scheme	78.00
21.	State Institute of Agriculture Extension and Training	National Food Security Mission	59.33
22.	IMC Society of ITI (All Society)	Upgradation of 1396 Government ITI's through PPP	45.00
23.	IMC Society of Tribal Women ITI, Chhindwara		2.50
24.	Indian Institute of Information Technology, Jabalpur	Indian Institute of Information Technology, Jabalpur, DHE	41.00
25.	State Urban Development Agency, Madhya Pradesh	Swarn Jayanti Shahari Rojgar Yojana	40.88
26.	Maulana Azad National Institute of Technology, Bhopal	National Institute of Technology, DHE	39.15
27.	Madhya Pradesh Madhyamik Shiksha Abhiyan Samiti	Scheme for setting up of 6000 Model Schools at block level as benchmark of excellence	37.37
28.	Mission Director State Horticulture Mission, Bhopal	National Horticulture Mission	35.45
29.	Jila Micro Irrigation Committee, Ujjain	Micro Irrigation	34.75
30.	District Rural Development Agency (All districts)	District Rural Development Agency Administration	33.42
31.	Other Centrally Sponsored/ Central Sector schemes		307.26
	Total		8,153.52

(Source: CPSM Cell of AG(A&E), Madhya Pradesh and State Finance Accounts for the year 2009-10)

Government of India transferred grants-in-aid of ₹8,153.52 crore during 2009-10 directly to the implementing agencies for implementation of various Plan schemes. During the year 2009-10, larger GOI transfers were of ₹2,863 crore under National Rural Employment Guarantee Scheme, ₹1,350 crore under Pradhan Mantri Gram Sadak Yojana, ₹1,057 crore under Sarva Shiksha Abhiyan, ₹656 crore under District Rural Development Agency, Bhopal, ₹425 crore under National Rural Health

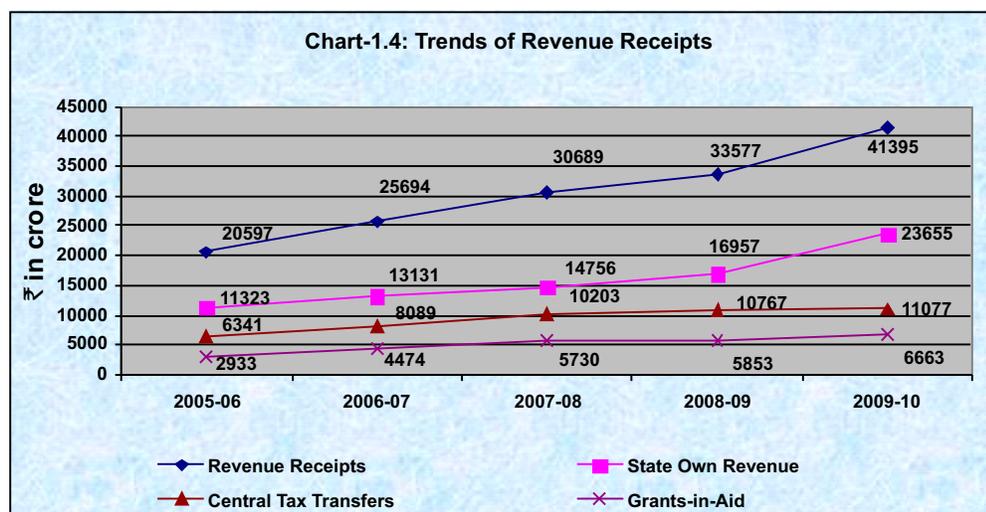
Mission, ₹252 crore under Accelerated Rural Water Supply Scheme, ₹243 crore under Rural Housing-Indira Awas Yojna, ₹137 crore under Swarnjayanti Gram Swarajgar Yojna and ₹115 crore under Integrated Watershed Management Programme. The receipt of ₹8,228⁶ crore aided the State Government in augmenting the revenue receipts to ₹49,623 crore (17 per cent) during the year 2009-10. Consolidated data on actual expenditure under these schemes/programmes was not readily available.

1.2.3 Funds transferred directly from Government of India to Non-Government Organisations (NGOs)/Voluntary Organisations (VOs) during the year 2009-10

During 2009-10, Government of India directly released ₹74.75 crore to various voluntary organisations (VOs)/non-Government organisations (NGOs). Out of these, eight NGOs/VOs received an amount of ₹25 lakh or more each totaling ₹5.64 crore during the year (**Appendix-1.8**). These organizations attract audit by CAG of India under provisions of Section 14 of CAGs (DPC) Act, 1971. The State Government should take remedial action for formal entrustment of audit and submission of annual accounts to the Principal Accountant General.

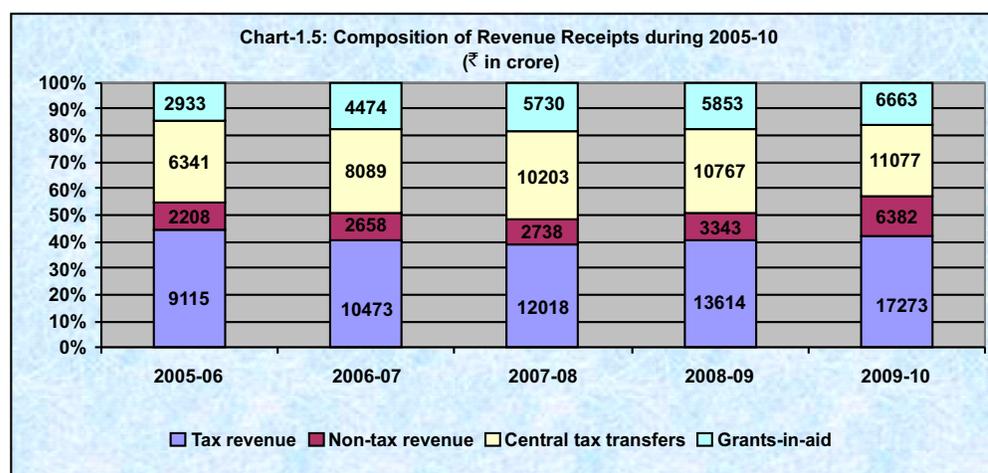
1.3 Revenue Receipts

Statement-11 of the Finance Accounts details the revenue receipts of the Government. The revenue receipts consist of the State's own tax and non-tax revenues, Central tax transfers and grants-in-aid from GOI. The trends and composition of revenue receipts over the period 2005-10 are presented in **Appendix-1.4** and also depicted in **Charts-1.4** and **1.5** respectively.



(Source: State Finance Accounts of the respective years)

⁶ ₹8,153 crore pertaining to State implementing agencies and ₹75 crore pertaining to NGOs/VOs.



(Source: State Finance Accounts of the respective years)

- The revenue receipts of the State consistently increased at an average annual growth rate of 20 per cent from ₹20,597 crore in 2005-06 to ₹41,395 crore in 2009-10. While 57 per cent of the revenue receipts during 2009-10 had come from the State's own resources comprising tax revenue (42 per cent) and non-tax revenue (15 per cent), the balance 43 per cent was contributed by Central tax transfers and grants-in-aid together.
- The relative shares of the State's own tax and non-tax revenue exhibited a decreasing trend during 2005-08 and thereafter an increasing trend during 2008-10 while that of Central tax transfers and grants-in-aid showed an increasing trend during 2005-08 and thereafter a decreasing trend from 2008-10.
- Of the total increase of ₹7,818 crore in the revenue receipts of the State during 2009-10, ₹1,120 crore (14 per cent) was contributed by Central transfers and the remaining ₹6,698 crore (86 per cent) by the State's own resources. The trends of revenue receipts relative to GSDP are presented in **Table-1.4** below:

Table-1.4: Trends of revenue receipts relative to GSDP

(₹ in crore)

	2005-06	2006-07	2007-08	2008-09	2009-10
Revenue receipts (RR)	20,597	25,694	30,689	33,577	41,395
Rate of growth of RR (per cent)	4.33	24.75	19.44	9.41	23.28
RR/GSDP (per cent)	17.52	19.31	20.48	19.57	21.29
Buoyancy Ratios⁷					
Revenue buoyancy with reference to GSDP	0.43	1.88	1.54	0.65	1.75
State's Own Tax Buoyancy with reference to GSDP	1.71	1.13	1.17	0.92	2.01

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

⁷ Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For instance, revenue buoyancy at 0.6 implies that revenue receipts tend to increase by 0.6 percentage points, if the GSDP increases by one per cent.

The revenue receipts relative to GSDP increased consistently from 17.52 *per cent* in 2005-06 to 21.29 *per cent* in 2009-10 except in 2008-09 when it decreased to 19.57 *per cent* which indicated the adequacy and accessibility of the State to resources.

The revenue as well as the State's own tax buoyancies increased in 2009-10 as compared to the previous year primarily on account of the rise in the rates of growth of both revenue receipts and the State's own taxes and the less growth of GSDP during the current year. A steep rise of about 13.9 percentage points in the rate of growth of revenue receipts along with a rise of 13.6 *per cent* in the growth of the State's own taxes in 2009-10 as compared to the previous year led to a rise in revenue buoyancy with reference to the State's own taxes in the current year.

1.3.1 State's Own Resources

As the State's share in Central taxes and grants-in-aid are determined on the basis of recommendations of the Finance Commission, collection of Central tax receipts, Central assistance for Plan schemes etc, the State's performance in mobilization of additional resources should be assessed in terms of its own resources comprising revenue from its own tax and non-tax sources. The gross collection in respect of major taxes and duties as well as the components of non-tax receipts vis-à-vis budget estimates, the expenditure incurred on their collection and the percentage of such expenditure to the gross collection during the years from 2005-06 to 2009-10 along with the respective all India average are presented in **Appendix-1.6**.

During 2009-10, the percentage of expenditure on the collection of Stamp duty and registration fees was comparable with the all-India average for 2008-09 but was significantly higher than the all-India average for 2008-09 in case of State excise. During 2009-10, the gross collection was more than the Budget Estimate in respect of taxes on vehicles, State excise, stamp duty and registration fees and non-ferrous mining and metallurgical industries and less than the Budget Estimate in respect of taxes on sales, trades etc. and forestry and wild life, mainly on account of receipts under State Sales Tax Act and State trading in timber. Efforts may be made to reduce administration costs on excise collection.

Tax Revenue

- Taxes on sales, trades etc. were the major contributors (45 *per cent*) of the State's own tax revenue followed by State excise (17 *per cent*), Stamps and Registration fees (10 *per cent*), taxes on goods and passengers (eight *per cent*) and taxes on vehicles (five *per cent*) during 2009-10.
- There was a growth of 13 *per cent* in taxes on sales, trades etc., 28 *per cent* in State excise, 526 *per cent* in taxes and duties on electricity and 21 *per cent* in stamps and registration fees, 19 *per cent* on taxes on vehicles and a decline of 47 *per cent* in growth of land revenue in 2009-10 over the previous year.

- The increase in receipts under taxes on sales, trades etc. was due to increase in receipts under the State Sales Tax Act- Turnover Tax. The increase in State excise receipts was mainly under country spirits (₹1,459 crore), which was partly offset by decrease in receipts under foreign liquors and spirits (₹467 crore) and the residual head 'Other Receipts' (₹266 crore). The increase of ₹1,803 crore under taxes and duties on electricity was mainly under the head 'Tax on consumption and sale of electricity' (₹1,421 crore). The increase under Stamps and Registration fees was due to increase in receipt of stamps- under the heads 'Stamps Non-judicial' (₹431 crore), which was partly offset by less receipts under the head Stamps judicial (₹327 crore). The decrease under land revenue was mainly due to less receipt under the head 'Land Revenue/Tax' (₹169 crore).
- **Table-1.5** below shows the trends of the composition of tax revenue of the State during 2005-10:

Table-1.5: Tax Revenue

(₹ in crore)

	2005-06	2006-07	2007-08	2008-09	2009-10
Taxes on Sales, Trades etc.	4,508	5,261	6,045	6,843	7,724
State Excise	1,370	1,547	1,854	2,302	2,952
Stamps and Registration fees	1,009	1,251	1,532	1,479	1,783
Taxes on Vehicles	556	634	703	773	919
Land Revenue	77	132	129	339	180
Taxes on goods and passengers	579	745	916	1,333	1,333
Other Taxes	1,016	903	839	545	2,382*
Total	9,115	10,473	12,018	13,614	17,273

* Other taxes include taxes and duties on electricity (₹2,147 crore), other taxes on income and expenditure (₹204 crore), other taxes and duties on commodities and services (₹19 crore) and hotel receipt tax (₹12 crore).

(Source: State Finance Accounts of the respective years)

Non-Tax Revenue

- Non-tax revenue increased by ₹3,039 crore from ₹3,343 crore in 2008-09 to ₹6,382 crore in 2009-10, mainly due to increase in receipts under Power (₹1,082.06 crore), Education, Sports, Art and Culture (₹426.03 crore), Non-Ferrous Mining and Metallurgical Industries (₹229.39 crore), Forestry and Wildlife (₹116.40 crore) and Interest receipts (₹1,120.75 crore).
- Non-tax revenue of ₹6,382 crore during 2009-10 included debt relief of ₹363.06 crore and thus, the actual cash based non-tax revenue was ₹6,019 crore.
- Major contributors of the non-tax revenue sources during 2009-10 were Non-Ferrous Mining and Metallurgical Industries (25 per cent), Power (17 per

cent), Forestry and Wildlife (13 per cent), Education, Sports, Art and Culture (12 per cent) and interest receipts, dividend and profits (21 per cent) and Miscellaneous General Services which included booking of debt waivers of ₹363.06 crore received for the current year (Six per cent).

- It has been observed that during 2000-09, the Compound Annual Growth Rate (CAGR) in case of Madhya Pradesh was much less than that of other General Category States (**Appendix-1.1**). This means that the State has the scope to increase its non-tax revenue receipts.

The actual receipts under the State's tax revenue and non-tax revenue vis-à-vis assessments made by TFC and the State government during 2009-10 are given in **Table 1.6** below:

Table-1.6: Non-Tax Revenue

(₹ in crore)

	Assessments made by TFC	Projections by State Government in MTFPS	Actuals
Tax Revenue	15,474	16,075	17,273
Non-Tax Revenue	3,316	3,937	6,382

(Source : State Finance Accounts of the respective year and Statement laid before the legislature under F.R.B.M. Act during 2009-10 and T.F.C. recommendation 2005-10)

Actual realization under tax revenue and non-tax revenue was higher than the assessment made by TFC (11.63 and 92.46 per cent) and the MTFPS projection (7.45 and 62.10 per cent). Higher collection of non-tax revenue was partly due to a contra-entry of the debt waiver of ₹363.06 crore received under the Debt Consolidation and Relief Facility as per the recommendations of TFC as receipts under the head 'Miscellaneous General Services'.

Recovery of cost of Operations and Maintenance expenses

The current levels of cost recovery of operations and maintenance (O&M) expenses (ratio of non-tax revenue receipts to O&M expenses) were 88.90 for education, sports, art and culture; 4.10 for Health and Family Welfare; 0.28 for Water Supply, Sanitation, Housing and Urban Development; 108.61 for Agriculture and Allied Activities; 0.02 for Transport; 1.66 for Irrigation and Flood Control and 93.93 for Power. This indicated that O&M expenses on Water Supply, Sanitation, Housing and Urban Development and Transport sectors were more than the non-tax revenue in these sectors. The cost of O&M charges in respect of major components incurred in non-tax revenue is given in **Appendix-1.7**. The State Government should increase the non-tax revenue receipts and curtail the O&M expenses in respect of Water Supply, Sanitation, Housing and Urban Development and Transport sectors.

1.3.2 Loss of Revenue due to evasion of Taxes, Write off/Waivers and Refunds

About 8,441 cases (Sales tax: 467 (as of 31 March 2009), State excise: 34 and Stamp duty and registration fees: 7,940) of evasion of taxes were pending as on 31 March 2010, while 2,074 refund cases involving ₹19.02 crore were outstanding at the end of

the year 2009-10 as reported by the Sales Tax, State Excise and Stamp Duty and Registration Fee Departments. Details of outstanding refund cases are given in **Table-1.7** below:

Table-1.7: Loss of Revenue due to Evasion of Taxes, Write off/Waivers and Refunds

Head	No. of cases	Amount (₹ in crore)
State Excise	11	0.17
Sales Tax	766	16.46
Stamp duty and Registration fees	1297	2.39
Total	2074	19.02

(Source : Information furnished by AG (W&RA) Madhya Pradesh)

There was an increase in the number of pending cases in respect of evasion of taxes and number of refund cases at the end of the year in comparison to the previous year. Had these pending cases been settled, there would have been an increase in State's own revenue.

Test check of the records of 449 units of Commercial tax, State excise, Motor vehicles, Forest and other departmental offices conducted during the year 2009-10 revealed underassessment/short levy/loss of revenue aggregating ₹3,366.12 crore in 28,674 cases. During the course of the year, departments accepted underassessment and other deficiencies of ₹1,738.52 crore involved in 18071 cases which were pointed out in audit during 2009-10. The departments collected ₹4.64 crore in 1940 cases during 2009-10.

1.3.3 Revenue Arrears

Department-wise status of arrears of revenue including arrears pending on account of litigation in courts during 2009-10 is given in **Table-1.8**.

Table-1.8: Department-wise status of arrears of revenue during 2009-10

(₹ in crore)

Sl. No.	Department	Arrears of revenue	Arrears of revenue for more than five years	Arrears of revenue pending in courts
1.	Transport (Tax on vehicles)	53.63	Not maintained by the department	Not furnished by the department
2.	State Excise	60.28	55.27	5.22
3.	Electricity	25.54	14.34	4.18
4.	Sales Tax	586.95	441.30	Not received
5.	Mining	12.17	12.17	1,720.92
6.	Co-operation	87.65	66.37	Not furnished by the department
7.	Stamp duty and Registration	71.24	26.48	28.62
	Total	897.46	615.93	

(Source : Information furnished by AG (W&RA) Madhya Pradesh)

The arrears of revenue as on 31 March 2010 (given in Table No. 1.8) amounted to ₹897.46 crore, of which ₹615.93 crore (excluding the amount related to Transport Department) was outstanding for more than five years. In addition ₹1,720.92 crore was pending in respect of the Mining Department on account of litigations in courts. The position of arrears of revenue in respect of other departments at the end of 2009-10 had not been furnished (September 2010) by the Government. Also, the stages at which arrears were pending for collection were not furnished by the departments (September 2010).

1.3.4 Non-utilisation of funds sanctioned under Twelfth Finance Commission (Forest Department)

Financial Rules prohibit drawal of money from the treasury unless required for immediate disbursement. It is obligatory for the State Government not only to utilize the funds on the programmes for which the funds are provided but also within the specified period and refund the unspent balance, if any, to the Government of India.

Scrutiny of records in the office of the Additional Principal Chief Conservator of Forests (Development), M.P. Bhopal revealed (July 2010) that an amount of ₹25.86 crore (including the lapsed amount of ₹2.86 crore of previous years re-validated/re-allotted for 2009-10) was released to the Forest Department as Special Central Assistance for various works recommended by the TFC for the year 2009-10. Against this, the department booked an expenditure of ₹24.24 crore, out of which ₹1.85 crore was transferred to 8443-Civil Deposits-800-Other Deposits on 31 March 2010 and ₹1.62 crore was not incurred. Thus, ₹3.47 crore was not utilized by the State Government during 2009-10.

The amount released and expenditure booked by the Forest Department for various works recommended by the TFC for the years 2005-06 to 2009-10 is presented in the **Table-1.9**.

Table-1.9: Amount released and expenditure booked by the forest department
(₹ in crore)

Year	Amount released	Expenditure booked	Amount transferred to K-Deposit out of expenditure booked
2005-06	23.00	22.21	4.00
2006-07	23.74	21.95	--
2007-08	23.00	22.81	3.53
2008-09	23.00	22.49	3.29
2009-10	25.86	24.24	1.85
Total	118.60	113.70	12.67

(Source : Information furnished by AG (W&RA) Madhya Pradesh)

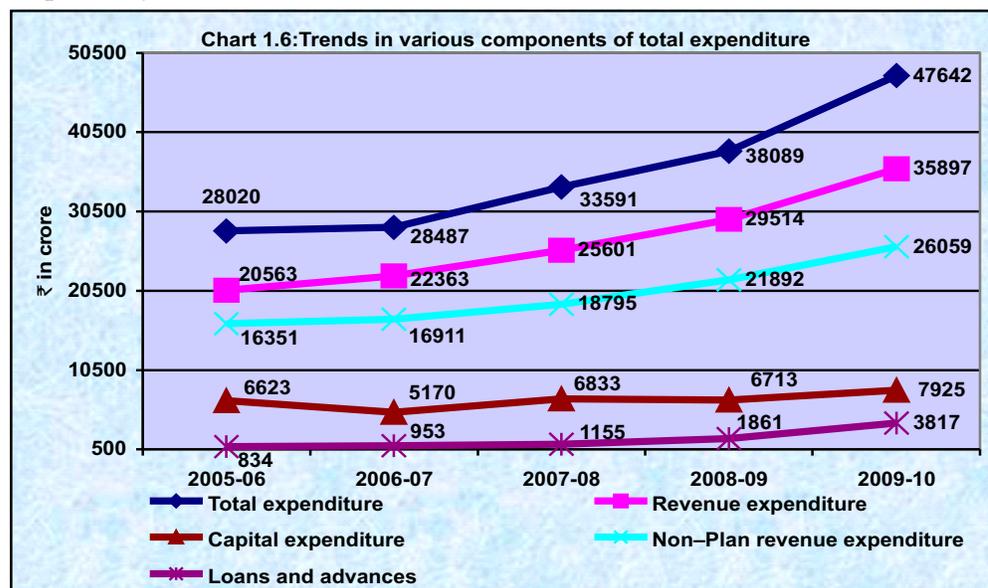
The above table indicates that during the period 2005-10, out of the released amount of ₹118.60 crore, ₹17.57 crore (₹4.90 crore saving + ₹12.67 crore transferred to Civil Deposits) remained unutilized.

1.4 Application of resources

Analysis of the allocation of expenditure at the State Government's level assumes significance since major expenditure responsibilities are entrusted with them. Within the framework of fiscal responsibility legislations, there are budgetary constraints in raising public expenditure financed by deficit or borrowings. It is, therefore, important to ensure that the ongoing fiscal correction and consolidation process at the State level is not at the cost of expenditure, especially expenditure directed towards development and social sectors. The trends in fiscal indicators (Time series data) are given in **Appendix-1.4**.

1.4.1 Growth and Composition of Expenditure

The trends observed in total expenditure over a period of five years (2005-10) are shown in **Chart-1.6** and its composition, both in terms of 'economic classification' and 'expenditure by activities', is depicted respectively in **Charts-1.7 and 1.8** respectively.



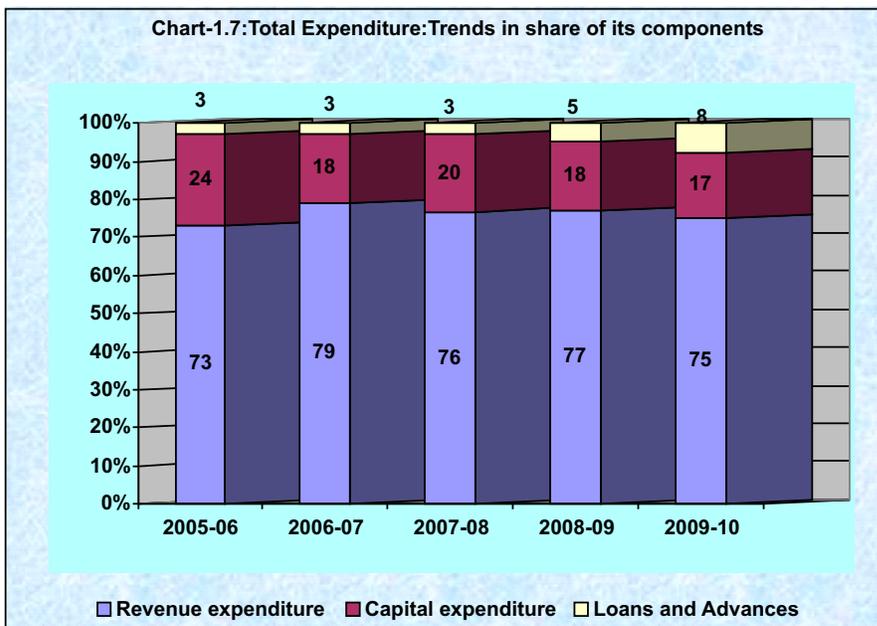
(Source : State Finance Accounts of the respective years)

The total expenditure of the State increased from ₹28,020 crore to ₹47,642 crore at an annual average growth rate of 14.01 per cent per annum during 2005-10. The capital and revenue expenditure components increased by ₹1,302 crore (20 per cent) and ₹15,334 crore (75 per cent) respectively during the period 2005-10. These trends indicate that the increase in capital and revenue expenditure was in the ratio of 1:12 during the five year period.

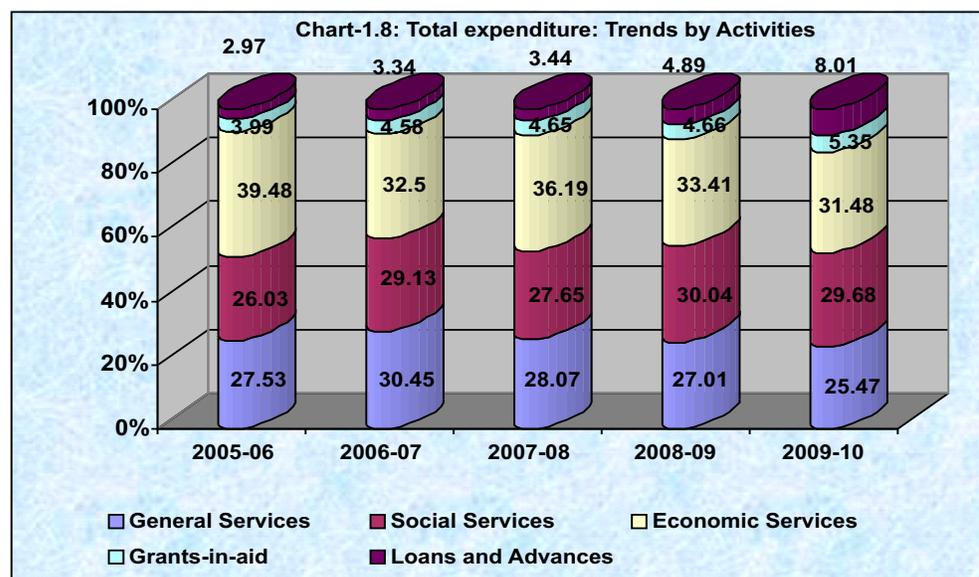
The ratio of revenue expenditure to total expenditure increased from 73 per cent in 2005-06 to 75 per cent in 2009-10 and continued to share the dominant portion of the total expenditure of the State Government. The Capital expenditure relative to total expenditure correspondingly decreased from 24 per cent in 2005-06 to 17 per cent in 2009-10 with inter-year fluctuations. In terms of Plan and Non-Plan expenditure, the Plan expenditure increased by ₹2,947 crore and Non-Plan expenditure registered a growth of ₹6,604 crore over the last year.

The significant increase of ₹9,553 crore in total expenditure (25 per cent) during 2009-10 was mainly due to increase of ₹6,383 crore in revenue expenditure, ₹1,958 crore in disbursement of loans and advances including Inter-State Settlement and ₹1,212 crore in capital expenditure. The increase in capital expenditure was mainly due to increase in capital outlay on Energy (₹1,069 crore), Road and Bridges (₹319 crore), Medium Irrigation (₹79 crore) and Minor Irrigation (₹61 crore), which was partly offset by decrease under Water Supply, Sanitation, Housing and Urban Development (₹81 crore) and Major Irrigation (₹136 crore).

The decreasing ratio of Total Expenditure (TE)/Revenue Receipts (RR) from 136 per cent in 2005-06 to 115 per cent in 2009-10 indicates increasing reliance on revenue receipts to finance the TE and decreasing dependence on borrowed funds. This is also reflected by the decreasing trend of the fiscal liabilities to revenue receipts ratio during the period 2005-10. The buoyancy ratio of TE with reference to GSDP increased from 0.92 in 2008-09 to 1.88 in 2009-10 due to higher growth of TE and less growth of GSDP while it with reference to RR, decreased from 1.42 in 2008-09 to 1.08 in 2009-10 due to higher growth of revenue receipts.



(Source: State Finance Accounts of the respective years)



(Source: State Finance Accounts of the respective years)

The share of revenue expenditure in total expenditure remained in the range of 73 to 79 per cent during 2005-10. The share of loans and advances in total expenditure showed an increasing trend during 2005-10 while that of capital expenditure showed a decreasing trend with inter-year variations during 2005-10. It was observed that a major portion of the total capital expenditure was Plan capital expenditure during the period. During 2009-10, 99.23 per cent of the total capital expenditure was Plan capital expenditure (₹7,864 crore) which increased by ₹1,361 crore from the level of ₹6,503 crore in 2008-09.

The share of General Services (including Interest Payments), considered as non-developmental expenditure declined marginally from 27.53 per cent to 25.47 per cent over the period 2005-10 while the share of Social Services increased by 3.65 per cent over the period 2005-10. The share of Economic Services indicated a significant decrease from 39.48 per cent in 2005-06 to 31.48 per cent in 2009-10 with wide inter-year fluctuations. The development expenditure comprising Social and Economic Services together decreased from 63.45 per cent in 2008-09 to 61.16 per cent in 2009-10. The share of grants-in-aid and loans and advances showed increasing trends during the period 2005-10.

Trends in the growth of revenue expenditure

The overall revenue expenditure of the State increased from ₹20,563 crore in 2005-06 to ₹35,897 crore in 2009-10, showing an increase of 75 per cent over the period. Out of the total increase of revenue expenditure of ₹6,383 crore (21.63 per cent) during 2009-10, NPRE amounted to ₹4,167 crore (65 per cent) while increase under plan revenue heads was ₹2,216 crore (35 per cent). The increase in NPRE during the current year was mainly due to increase in expenditure on General Education (₹964 crore), Pension and other retirement benefits (₹644 crore), Compensation and

assignment to local bodies and Panchayati Raj Institutions (₹652 crore), State excise (₹303 crore), Police (₹335 crore), Interest Payments (₹262 crore), Power (₹218 crore), Medical and Public Health (₹214 crore) and Other Rural Development Programmes (₹30 crore), partly offset by decrease under Social Security and Welfare (₹126 crore). The actual NPPE vis-à-vis the assessment made by TFC and the State government are given in **Table-1.10**.

Table-1.10: Trends in the growth of non-plan revenue expenditure
(₹ in crore)

Year	Assessments made by TFC	Assessments made by State Government in MTFPS	Actual NPPE
	(1)	(2)	(3)
2007-08	16,478	19,113	18,795
2008-09	17,819	23,245	21,892
2009-10	19,257	26,976	26,059

(Source : State Finance Accounts of the respective year and T.F.C. Recommendation and Statement laid under F.R.B.M. Act)

The actual NPPE at ₹26,059 crore in 2009-10 was more than the normatively assessed level of TFC (35.3 per cent) but marginally less than the projection made by the State Government in its MTFPS (3.4 per cent). Relative to the assessment made by TFC, the increase was mainly under interest payments (₹107 crore), General Services excluded interest payments (₹2,360 crore), Social Services (₹1,626 crore) and Economic Services (₹2,817 crore).

The Plan revenue expenditure (PRE), which consistently increased during the period 2005-10, increased by 29.07 per cent during the current year. The increase in PRE in 2009-10 was mainly under General Education (₹355 crore), Medical and Public Health (₹146 crore), Social, Security and Welfare (₹673 crore), Crop Husbandry (₹132 crore), Other Rural Development Programme (₹413 crore) and Welfare of SC, ST and OBC (₹176 crore), which was partly offset by a decrease in expenditure under Rural Employment (₹170 crore).

1.4.2 Committed Expenditure

The committed expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages, pensions and subsidies. **Table-1.11** and **Chart-1.9** present the trends of expenditure on these components during 2005-10.

Table-1.11: Components of committed expenditure

(₹ in crore)

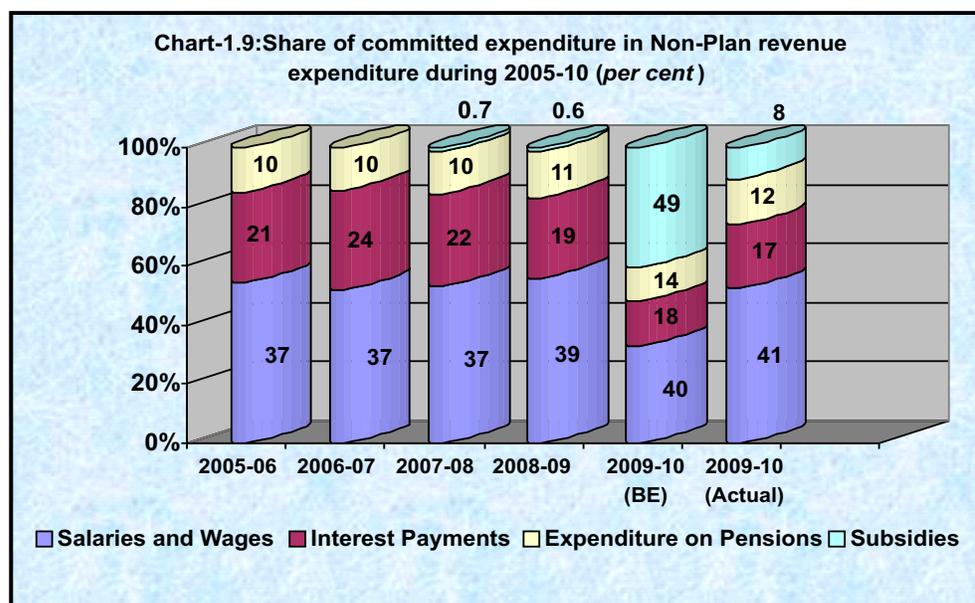
Components of Committed Expenditure	2005-06	2006-07	2007-08	2008-09	2009-10	
					BE	Actuals
Salaries and Wages, of which	6,024 (29.25)	6,337 (24.66)	6,984 (22.76)	8,547 (25.45)	10,848 (27.15)	10,678 (25.80)
Non-Plan Head	5,258	5,639	6,221	7,660	10,848	9,406
Plan Head**	766	698	763	887	--	1,272
Interest Payments	3,422 (16.61)	4,029 (15.68)	4,191 (13.66)	4,192 (12.48)	4,965 (12.42)	4,454 (10.76)
Expenditure on Pensions	1,557 (8)	1,752 (7)	1,964 (6)	2,433 (7)	3,641 (9.11)	3,077 (7)
Subsidies	NA	NA	141 [@] (0.46)	132 [@] (0.39)	13,184 (32.99)	2,033 [@] (4.91)
Total	11,003 (53)	12,118 (47)	13,280 (43)	15,304 (46)	32,638 (82)	20,242 (49)

(Source : State Finance Accounts of the respective years and information furnished by A.G. (A&E) Madhya Pradesh)

Figures in parentheses indicate percentage of Revenue Receipts

** Plan Head also includes the salaries and wages paid under Centrally Sponsored Schemes.

@ To the extent information is available in the Finance Accounts



(Source : State Finance Accounts of the respective years and information furnished by A.G. (A&E) Madhya Pradesh)

The overall committed expenditure increased by 84 per cent during 2005-10. Committed expenditure during 2009-10 constituted 78 per cent of the NPRES. As a percentage of revenue receipts, it showed a decreasing trend during 2005-08 and increasing trend during 2008-09 and 2009-10. During 2009-10, it constituted 49 per cent of the revenue receipts and was more than the previous year but less than the Budget projections. The component-wise analysis is as follows:

Salaries and wages

The expenditure on salaries and wages increased by 77 *per cent* from ₹6,024 crore in 2005-06 to ₹10,678 crore in 2009-10. Expenditure on salaries and wages as a percentage of revenue receipts showed a decreasing trend during 2005-08 and an increasing trend in 2008-09 and 2009-10. An increase of 23 *per cent* in expenditure on salaries and wages under the Non-Plan head during 2009-10 over the previous year was mainly due to payment of arrears as per recommendation of the Sixth Pay Commission to State Government employees. Actual expenditure on salaries and wages of ₹10,678 crore in 2009-10 was within the projections in MTFPS (₹10,848 crore). The salary bill relative to revenue expenditure, net of interest payments and pensions at 38 *per cent* was more than the norm of 35 *per cent* recommended by TFC.

Pension Payments

Pension payments increased by 26 *per cent* from ₹2,433 crore during 2008-09 to ₹3,077 crore during 2009-10 mainly on account of increase in the payment of dearness relief given to pensioners. The increase was noticed mainly under superannuation and retirement allowances (₹413 crore), family pension (₹152 crore), leave encashment (₹21 crore) and gratuity (₹63 crore). Actual pension payment at ₹3,077 crore in 2009-10 was less than ₹3,641 crore (15.49 *per cent*) as projected in MTFPS but more than ₹2,342 crore (31.38 *per cent*) as projected by TFC.

Interest payments

- Interest payments of ₹4,454 crore during 2009-10 accounted for 10.76 *per cent* of the revenue receipts and constituted 12.41 *per cent* of revenue expenditure during 2009-10. Interest payments during the year were on special securities issued to National Small Saving Fund (NSSF) of the Central Government by the State Government (₹1,382 crore), market loans (₹1,488 crore), loans borrowed from the Central Government (₹703 crore), State Provident funds (₹549 crore), other internal debt (₹326 crore) and management of debt (₹ six crore).
- The increase of ₹262 crore in interest payments during 2009-10 over the previous year was the result of increase mainly under market loans (₹479 crore) and loans from the Central Government (₹10 crore), partly offset by a decrease under other internal debt (₹229 crore), interest on special securities issued to NSSF of Central Government (₹14 crore).
- It was observed that interest payments as a percentage of revenue receipts during the year 2009-10 was 10.76 *per cent* which was within the norm of 15 *per cent* to be achieved by 2009-10 as per the recommendation of TFC. Interest payments of ₹4,454 crore paid during the year were less than the BE of ₹4,965 crore but more than the projection of (₹4,347 crore) TFC for 2009-10.

Subsidies

Subsidy payment of ₹2,033 crore (Non-Plan: ₹1,793 crore and Plan: ₹240 crore) accounted for 4.91 *per cent* of the revenue receipts and constituted 5.66 *per cent* of the revenue expenditure during 2009-10. The details of subsidies in Non-Plan and Plan revenue expenditure are presented below in **Table-1.12**.

Table-1.12: Details of subsidies payment during 2009-10

(₹ in crore)

S. No.	Department	Description and Head of Account	2009-10			
			Non-Plan	Plan	Centrally Sponsored Schemes (including Central Sector)	Total
1.	Food	2408-Food Storage and Warehousing	58.85	--	--	58.85
2.	Energy	2801-Power	1,734.52	72.00	--	1,806.52
3.	Farmers Welfare and Agriculture Development	2401-Crop Husbandry	--	58.99	32.20	91.19
4.	Tribal Welfare	2401- Crop Husbandry	--	27.43	9.47	36.90
5.	Scheduled Castes Welfare	2401- Crop Husbandry	--	20.22	5.41	25.63
6.	Panchayat and Rural Development	2401- Crop Husbandry	--	--	13.80	13.80
	Total		1,793.37	178.64	60.88	2,032.89⁸

(Source: State Finance Accounts 2009-10)

Out of the total subsidies of ₹2,033 crore, ₹1,807 crore (89 *per cent*) were mainly for Power and Energy Department. The increase in the amount of subsidy during 2009-10 over previous year was mainly due to opening of distinct object head (Raj Sahayata) in the Budget 2009-10, which was not available in the Budget Estimates of previous year. The expenditure incurred for food subsidy was within the limit prescribed in the TFC.

1.4.3 Financial Assistance by State Government to local bodies and other institutions

The quantum of assistance provided by way of grants and loans to local bodies and others during the current year relative to the previous years is presented in **Table-1.13**.

⁸ To the extent available in Finance Accounts

Table-1.13: Financial Assistance to Local Bodies etc.

(₹ in crore)

Financial Assistance to institutions	2005-06	2006-07	2007-08	2008-09	2009-10	
					BE	Actual
Educational Institutions (Aided Schools, Aided Colleges, Universities)	133.37	235.09	166.76	161.99	167.17	118.85
Municipal Corporations and Municipalities	1,027.34	1,499.61	1,872.65	1,880.40	2,878.17	2,654.32 ⁹
Zila Parishad and Other Panchayati Raj Institutions	685.98	736.45	885.87	756.21	928.43	926.64 ¹⁰
Development Agencies	2.00	5.91	6.81	13.00	8.14	6.17
Hospital and other charitable institutions	7.14	6.49	7.29	7.29	25.18	25.18
Other Institutions	311.43	470.46	603.38	965.00	821.20	775.27 ¹¹
Total	2,167.26	2,954.01	3,542.76	3,783.89	4,828.29	4,506.43
Assistance as per percentage of Revenue Expenditure	10.54	13.20	13.84	12.82	12.62	12.55

(Source: Information collected from various departments)

Financial assistance to local bodies and institutions increased by ₹722.54 crore from ₹3,783.89 crore in 2008-09 to ₹4,506.43 crore in 2009-10. The increase was mainly under Municipal Corporations (₹773.92 crore), Zila Parishads and Other Panchayati Raj Institutions (₹170.43 crore), Hospital and other charitable institutions (₹17.89 crore), which was partly offset by decrease of ₹43.14 crore under educational institutions, ₹189.73 crore under other institutions and ₹6.83 crore under Development Agencies.

The increase of ₹773.92 crore under Municipal Corporations, ₹170.43 under Zila Parishads and other Panchayati Raj institutions and ₹17.89 crore under hospitals and other charitable institutions was mainly in respect of the increase in basic facilities i.e. drinking water, road repairs and integrated development of urban areas and slum colonies and implementation of the recommendations of the Sixth Pay Commission by giving of pay and allowances at enhanced rates and providing arrears of pay fixation.

As against the BE of ₹4,828.29 crore, a sum of ₹4,506.43 crore was provided as assistance to various institutions during the year. Decrease in expenditure compared to the BE in 2009-10 was observed mainly in respect of Municipal Corporations and Municipalities, Educational Institutions (Aided Schools, Colleges and Universities) and other institutions due to 10 per cent economic cut imposed by the Finance Department.

⁹ Includes ₹303.22 crore in respect of central schemes under MH-2217, 4217 and 6217

¹⁰ Includes ₹509.84 crore related to Twelfth Finance Commission

¹¹ Includes mainly Food, Civil Supply and Consumer Protection (₹519.92 crore), Co-operatives and Co-operative Societies (₹79.56 crore), Farmers Welfare and Agriculture Development (₹59.15 crore), Public Health Engineering (₹26.72 crore), Town and Country Planning (₹16.40 crore), M.P. Science and Technology (₹20.65 crore), Culture (₹12.59 crore), Schedule Caste Development (₹10.52 crore), Sports Youth Welfare (₹3.92 crore), Handlooms (₹10.01 crore), Environment Planning and Co-ordination organization (₹3.14 crore) and Others (₹12.69 crore).

The assistance as percentage of revenue expenditure decreased from 12.82 per cent in 2008-09 to 12.55 per cent in 2009-10, which was less than BE of 12.62 per cent.

1.5 Quality of Expenditure

The availability of better social and physical infrastructure in the State generally reflects the quality of its expenditure. Improvement in the quality of expenditure basically involves three aspects, viz., adequacy of the expenditure (i.e. adequate provisions for providing public services); efficiency of expenditure use and effectiveness (assessment of outlay-outcome relationships for select services).

1.5.1 Adequacy of Public Expenditure

The expenditure responsibilities relating to the social sector and economic infrastructure are largely assigned to the State Governments. Enhancing human development levels require the States to step up their expenditure on key social services like education, health etc. The low level of spending on any sector by a particular State may be due to the low fiscal priority attached by the State Government. Low fiscal priority (ratio of expenditure category to aggregate expenditure) is attached to a particular sector if it is below the respective General Category States' Average. **Table-1.14** analyses the fiscal priority of the State with regard to development expenditure, social sector expenditure, education and health sector expenditure and capital expenditure.

Table-1.14: Fiscal Priority of the State in 2005-06 and 2009-10

(In per cent)

Fiscal Priority by the State	AE/ GSDP	DE/ AE	SSE/ AE	CE/AE	Expenditure on Education/ AE	Expenditure on Health/ AE
General Category States' Average (Ratio) 2005-06	17.58	61.39	30.91	13.92	15.02	4.06
Madhya Pradesh's Average (Ratio) 2005-06	23.83	66.72	26.28	23.64	10.39	3.53
General Category States' Average (Ratio) 2009-10	18.18	66.11	35.76	14.85	16.18	4.29
Madhya Pradesh Average (Ratio) 2009-10	24.50	69.08	30.10	16.63	13.65	3.49
AE: Aggregate Expenditure DE: Development Expenditure SSE: Social Sector Expenditure CE: Capital Expenditure # Development expenditure includes Development Revenue Expenditure, Development Capital Expenditure and Loans and Advances disbursed. *Expenditure on Social Sector, Education and Health Sector includes revenue expenditure, capital expenditure and loans and advances disbursed in these sectors. Source : For GSDP, Information was collected from the State's Directorate of Economics and Statistics.						

Table-1.14 shows the comparison of fiscal priority given to different categories of expenditure of the State in 2005-06 (the first year of the Award Period of TFC) and the current year 2009-10 (terminal year of the TFC's award period).

Fiscal Priority

- In 2005-06 and 2009-10, the Government had given adequate fiscal priority to AE, DE and SSE as the ratios of AE/GSDP, DE/AE and CE/AE were higher for Madhya Pradesh than the General Category States' Average.
- The priority given to Social Sector Expenditure (SSE) and expenditure on the Education and Health Sectors, however, was not adequate in both the years 2005-06 and 2009-10 as their ratios to AE were lower than the General Category States' Average. Greater fiscal priority needs to be given to Social Sector, Education and Health by the Government.

1.5.2 Efficiency of Expenditure Use

In view of the importance of public expenditure on development heads from the point of view of social and economic development, it is important for the State Governments to take appropriate expenditure rationalization measures and lay emphasis on provision of core public and merit goods¹². Apart from improving the allocation towards development expenditure¹³, particularly in view of the fiscal space being created on account of the decline in debt servicing in the recent years, the efficiency of expenditure use is also reflected by the ratio of capital expenditure to total expenditure (and/or GSDP) and the proportion of revenue expenditure being spent on operation and maintenance of the existing Social and Economic Services. The higher the ratio of these components to the total expenditure (and/or GSDP), the better would be the quality of expenditure. While **Table-1.15** presents the trends in development expenditure relative to the aggregate expenditure of the State during the current year vis-à-vis budgeted and the previous years.

12 *Core public goods are goods which all citizens enjoy in common in the sense that each individual's consumption of such a good leads to no subtractions from any other individual's consumption of those good, e.g. enforcement of law and order, security and protection of our rights, pollution free air and other environmental goods and road infrastructure etc.*

Merit goods are commodities that the public sector provides free or at subsidized rates because an individual or society should have them on the basis of some concept of need, rather than the ability and willingness to pay the Government and therefore, wishes to encourage their consumption. Examples of such goods include the provision of free or subsidized food for the poor to support nutrition, delivery of health services to improve quality of life and reduce morbidity, providing basic education to all, drinking water and sanitation etc.

13 *The analysis of expenditure data is disaggregated into development and non-development expenditure. All expenditure relating to Revenue Account, Capital Outlay and Loans and Advances is categorized into Social Services, Economic Services and General Services. Broadly, the Social and Economic Services constitute development expenditure, while expenditure on General Services is treated as non-development expenditure.*

Table-1.15: Development expenditure

₹ in crore)

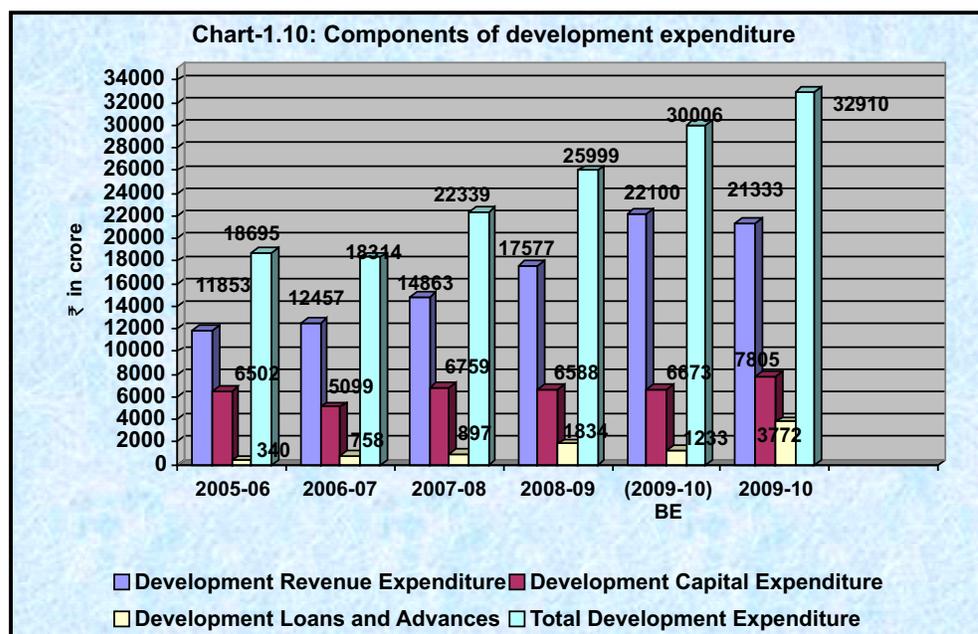
Components of Development Expenditure	2005-06	2006-07	2007-08	2008-09	2009-10	
					BE	Actuals
Development Expenditure (a to c)	18,695 (66)	18,314 (64)	22,339 (66)	25,999 (68)	30,006 (65)	32,910 (69)
a. Development Revenue Expenditure	11,853 (42)	12,457 (44)	14,683 (44)	17,577 (46)	22,100 (48)	21,333 (45)
b. Development Capital Expenditure	6,502 (23)	5,099 (18)	6,759 (20)	6,588 (17)	6,673 (14)	7,805 (16)
c. Development Loans and Advances	340 (1)	758 (3)	897 (3)	1,834 (5)	1,233 (3)	3,772 (8)

Figures in parentheses indicate percentage to aggregate expenditure

(Source: State Finance Accounts of the respective years)

Table-1.15 presents trends in respect of development expenditure to total expenditure of the State during the period 2005-10, which ranged between 64 and 69 *per cent* during 2005-10. The share of development loans and advances showed an increasing trend while the development revenue and capital expenditure indicated decline of one *per cent* each in 2009-10 as compared to previous year. The increase in the share of development loans and advances were under Social and Economic Services. The decrease in the share of development revenue and capital expenditure during 2009-10 over the previous year was under Economic and Social Services respectively. The share of development revenue expenditure was less than both the BE and actuals of previous year and the share of capital expenditure during 2009-10 was higher than the BE but less than the actuals of previous year.

Chart-1.10 presents component-wise development expenditure during 2005-10.



(Source: State Finance Accounts of the respective years)

Table-1.16 provides the details of capital expenditure and the components of revenue expenditure incurred on the maintenance of selected Social and Economic Services.

Table-1.16: Efficiency of Expenditure Use in Selected Social and Economic Services
(per cent)

Social/Economic Infrastructure	2008-09			2009-10		
	Share of CE to TE	In concerned sector of RE, the share of		Share of CE to TE	In concerned sector of RE, the share of	
		S &W	O&M		S&W	O &M
Social Services (SS)						
Education, Sports, Art and Culture	4.79	61.46	0.14	3.54	59.53	0.13
Health and Family Welfare	4.96	66.13	0.40	4.73	69.63	0.34
Water Supply, Sanitation, Housing and Urban Development	32.70	21.50	9.13	29.55	25.04	9.95
Other Social Services	10.58	12.07	0.11	7.19	11.02	0.07
Total (SS)	11.09	43.88	1.13	8.21	42.87	1.00
Economic Services (ES)						
Agriculture and Allied Activities	1.65	42.25	0.26	0.94	45.67	0.27
Irrigation and Flood Control	83.34	81.78	9.23	80.85	86.70	7.65
Power & Energy	23.11	0.00	0.79	27.34	0.00	0.68
Transport	72.43	27.39	65.38	77.97	46.36	46.19
Other Economic Services	18.83	10.60	0.50	15.91	11.43	0.39
Total (ES)	36.95	24.97	6.29	35.69	27.74	3.88
Total (SS+ES)	25.34	35.89	3.31	23.72	36.93	2.13

TE: Total Expenditure; CE: Capital Expenditure; RE: Revenue Expenditure; S&W: Salaries and Wages; O&M: Operations and Maintenance

(Source : State Finance Accounts of the respective years and information furnished by A G (A&E) Madhya Pradesh)

Table-1.16 reveals that the share of capital expenditure on Social Services decreased from 11.09 per cent in 2008-09 to 8.21 per cent in 2009-10 and on Economic Services, it marginally declined from 36.95 per cent to 35.69 per cent in 2009-10.

- The decrease in share of capital expenditure under Social Services was mainly under Education, Sports, Art and Culture, Water Supply, Sanitation, Housing and Urban Development and other Social Services while the decline in the share of capital expenditure under Economic Services was mainly under the Agriculture and Allied Activities, Irrigation and Flood Control and other Economic Services.
- Of the revenue expenditure, the share of salaries and wages under Social and Economic Services increased marginally from 35.89 per cent in 2008-09 to 36.93 per cent in 2009-10. In the case of O&M, expenditure decreased from 3.31 per cent in 2008-09 to 2.13 per cent in 2009-10, mainly under Irrigation and Flood Control and the Transport Sector.

- Thus a significant decrease in the proportion of capital expenditure on Social Services and the marginal decline in the Economic Services to total expenditure and also the fall in revenue expenditure on O&M during the current year over the previous year indicated decline in the quality of services.
- It was observed that during 2000-09, the Compound Annual Growth Rate (CAGR) of revenue expenditure on Education and Health sector in case of Madhya Pradesh was less than that of other General Category States. This means that the expenditure in these sectors needed to be increased (**Appendix-1.1**).
- Recognising the need to improve the quality of education and health services, TFC recommended that the Non-Plan salary expenditure under Education and Health and Family Welfare should increase only by five to six *per cent* while non-salary expenditure under Non-Plan heads should increase by 30 *per cent* per annum during the award period. The Non-Plan salary component under the Education sector increased by 23 *per cent* over 2008-09 while the Non-Plan non-salary components increased by 36 *per cent*. Under the Health and Family Welfare Sector, the Non-Plan salary component increased by 27 *per cent* and the Non-Plan non-salary component increased by nine *per cent* over the previous year. The expenditure pattern in the Education Sector and Non-plan salary expenditure in the Health Sector needed correction in the ensuing years as per the norms of TFC.

1.6 Financial Analysis of Government Expenditure and Investments

In the post-FRBM framework, the Government is expected to keep its fiscal deficit (and borrowings) not only at low levels but also meet its capital expenditure/investment (including loans and advances) requirements. In addition, in a transition to complete dependence on market based resources, the Government should initiate measures to earn adequate returns on its investments and recover its cost of borrowed funds rather than bearing the same on the budget in the form of implicit subsidies and take requisite steps to infuse transparency in financial operations. This section presents a broad financial analysis of investments and other capital expenditure undertaken by the Government during the current year vis-à-vis the previous years.

1.6.1 Investment and Returns

The Government invested ₹11,686.28 crore in Statutory Corporations, Government Companies, Other Joint Stock Companies and Co-operatives Banks and Societies etc. as of 31 March 2010 (**Table-1.17**). The average return on these investments was 0.61 *per cent* in the last three years while the Government paid an average rate of interest of 7.30 *per cent* on the borrowings during 2007-2010.

Table-1.17: Return on investments

(₹ in crore)

Investment/return/cost of borrowings	2005-06	2006-07	2007-08	2008-09	2009-10
Investment at the end of the year (₹ in crore)	6,965.99	8,161.71	8,844.99	9,643.35	11,686.28
Return (₹ in crore)	5.72	14.40	59.23	69.05	49.75
Return (<i>per cent</i>)	0.08	0.18	0.67	0.72	0.43
Average rate of interest on Government borrowings (<i>per cent</i>)	7.33	7.86	7.72	7.24	6.94
Difference between interest rate and return (<i>per cent</i>)	7.25	7.68	7.05	6.52	6.51

(Note: BE Figure for 2009-10 not available)

(Source : State Finance Accounts of the respective years)

- Out of the total investment of ₹11,686.28 crore at the end of March 2010, ₹1,082.58 crore pertained to the composite State of Madhya Pradesh but was retained in Madhya Pradesh pending allocation between Madhya Pradesh and Chhattisgarh Statutory Corporations (₹411 crore), Government Companies (₹187.04 crore), Co-operative Banks and Societies (₹483.00 crore) and Joint-Stock Companies (₹1.54 crore)}. The return on these investments was 0.43 *per cent* in 2009-10 while the Government paid interest at the average rate of 6.94 *per cent* on its borrowings during 2009-10.
- The increase in investments in 2009-10 over the previous fiscal year was mainly on account of investments under Madhya Pradesh Electricity Board (MPEB), Jabalpur (₹1,735 crore), provision for settlement of guaranteed loans (₹34 crore), transmission system works of successor companies of MPEB (₹146 crore) and Malwa Thermal Power Projects (₹49 crore).
- Major investments were made under the successor companies of the Madhya Pradesh Electricity Board (₹3,810 crore), Madhya Pradesh Electricity Board, Jabalpur (₹4,221 crore), Satpura/ Malwa/ Amarkantak/ Veersingpur Thermal Power Projects (₹735 crore), Narmada Hydroelectric Development Corporation (₹822 crore) and the Madhya Pradesh Financial Corporation, Indore (₹324 crore), which constituted 85 *per cent* of the total investments made up to March 2010.
- Of these, two Statutory Corporations and 14 Government Companies with an aggregate investment of ₹6,843 crore for the latest year for which accounts were finalized up to 2009-10 were running in losses which accumulated to ₹7,142 crore as per the accounts furnished by these Companies up to 2009-10 (Appendix-1.9).
- Major loss-making units included Madhya Pradesh State Industrial Development Corporation Limited, Bhopal (₹621 crore), Madhya Pradesh Paschim Kshetra Vidyut Vitran Company Limited, Indore (₹1,034 crore), Madhya Pradesh Madhya Kshetra Vidyut Vitran Company Limited, Bhopal (₹1,323 crore), Madhya Pradesh Poorv Kshetra Vidyut Vitran Company

Limited, Jabalpur (₹2,234 crore), Optel Telecommunication Limited, Bhopal (₹107 crore), Madhya Pradesh Power Generating Company Limited (₹363 crore), Madhya Pradesh State Road Transport Corporation (₹1,025 crore), Madhya Pradesh Financial Corporation, Indore (₹241 crore) and Madhya Pradesh State Textile Corporation Ltd. Bhopal (₹85 crore).

- The Government needs not only to invest the high cost borrowings more judiciously to get better returns, but also address the losses on account of these sick units either by their restructuring and rehabilitation and/or by considering the disinvestments of such units.

1.6.2 Loans and advances by the State Government

In addition to investments in co-operative societies, Corporations and Companies, Government has also been providing loans and advances to many of these institutions/ organizations. **Table-1.18** presents the outstanding loans and advances as on 31 March 2010, interest receipts vis-à-vis interest payments during the last three years.

Table-1.18: Average interest received on loans advanced by the State Government

(₹ in crore)

Quantum of loans/interest receipts/ cost of borrowings	2007-08	2008-09	2009-10	
			BE	Actual
Opening Balance	4,773	5,823		7,630
Amount advanced during the year	1,155	1,861	1,390	3,817
Amount repaid during the year	105	54	47	23
Closing Balance	5,823	7,630		11,424
<i>of which</i> Outstanding balance for which terms and conditions have been settled				
Net addition	1,050	1,807		3,794
Interest received	29	64	177	1,102
Interest receipts as percentage of outstanding Loans and Advances	0.55	0.95		11.57
Interest payments as percentage of outstanding fiscal liabilities of the State Government	7.72	7.24		6.94
Difference between interest payments and interest receipts (<i>per cent</i>)	7.17	6.29		-4.63

(Source : State Finance Accounts of the respective year and Budget Estimate 2009-10)

- The total outstanding loans and advances as on 31 March 2010, was ₹11,424 crore. The interest received against these loans advanced was ₹1,102 crore and increased from 0.55 *per cent* in 2007-08 to 11.57 *per cent* in 2009-10. Loans advanced to various State Government institutions increased at a rate higher than the speed of recovery of loans and advances resulting in an increase in outstanding loans and advances during this period.
- It was observed that 69 *per cent* (₹7,869 crore) of outstanding loans and advances (₹11,424 crore) as on 31 March 2010 pertained to MPSEB and its successor companies and another 16 *per cent* were to be recovered from units engaged in water supply, sanitation, housing and urban development (₹1,868 crore), nine *per cent* from those under Miscellaneous General Services (₹1,015 crore) and three *per cent* from those in Agriculture and allied activities (₹356 crore).

- The average interest paid on borrowings at the rate of 6.94 per cent was less than the interest received at the rate of 11.57 per cent on loans and advances given by the Government during 2009-10.
- The significant increase in disbursement of loans and advances was mainly in respect of loans to power transmission and distribution companies.
- The recovery of loans and advances of ₹23 crore during the year was less than the BE of ₹47 crore mainly due to non-recovery from MPSEB and its successor companies. The decrease of ₹31 crore in actual recoveries over the previous year was mainly under Loans to Industries and Minerals (₹17 crore) and Water Supply, Sanitation and Urban Development (₹10 crore).
- Interest received (₹1,102 crore) in 2009-10 was more than the BE (₹177 crore) and actuals (₹64 crore for 2008-09) mainly due to more receipt of interest from power projects.

1.6.3 Cash Balances and Investment of Cash balances

Table-1.19 depicts the cash balances and investments made by the State Government out of the cash balances during the year:

Table-1.19: Cash Balances and Investment of Cash Balances

(₹ in crore)

Particulars	As on 1 April 2009	As on 31 March 2010	Increase(+)/ Decrease(-)
Cash Balances	2,422.10	3,912.93	(+)1,490.83
Investments from Cash Balances (a to d)	2,929.47	5,559.72	(+)2,630.25
a. GOI Treasury Bills	2,926.15	5,556.19	(+)2,630.04
b. GOI Securities	3.32	3.53	(+)0.21
c. Other Securities	--	--	--
d. Other Investments	--	--	--
Funds-wise Break-up of Investments from earmarked balances (a to d)	316.75	379.95	(+)63.20
a. Famine Relief Fund	0.35	1.13	(+)0.78
b. Revenue Reserve Fund	10.56	9.41	-1.15
c. State Agriculture Credit Relief and Guarantee Fund	0.18	0.18	--
d. Guarantee Redemption Fund	305.66	369.23	(+)63.57
Interest Realized	95.95	172.84	(+)76.89

(Source : State Finance Accounts of the respective years)

- The cash balances of the Government at the end of the year increased by ₹1,491 crore (62 per cent) from the level of ₹2,422 crore in the previous year. Having large idle cash balances is not advisable as they are borrowed at a high cost but invested in low interest-bearing treasury bills and government securities.
- Under an agreement with the Reserve Bank of India (RBI), the Government of Madhya Pradesh has to maintain with the RBI a minimum cash balance of ₹1.96 crore. If this balance falls below the agreed minimum on any day, the deficiency is made good by taking Ordinary and Special Ways and Means

Advances/Overdrafts from time to time. As on 31 March 2010, nothing was outstanding on account of transactions relating to Ways and Means advances. Investment from earmarked balances increased by ₹63.20 crore during 2009-10 mainly under the Guarantee Redemption Fund, partly offset by a decrease under the Revenue Reserve Fund.

1.7 Assets and Liabilities

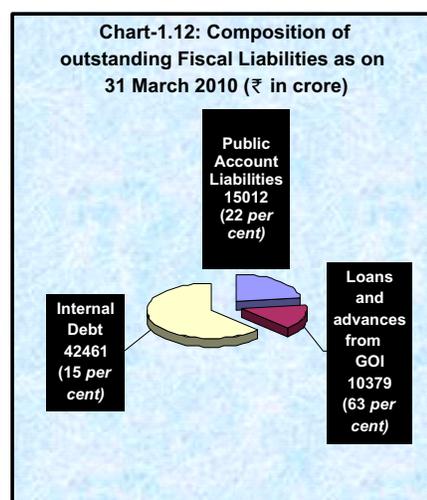
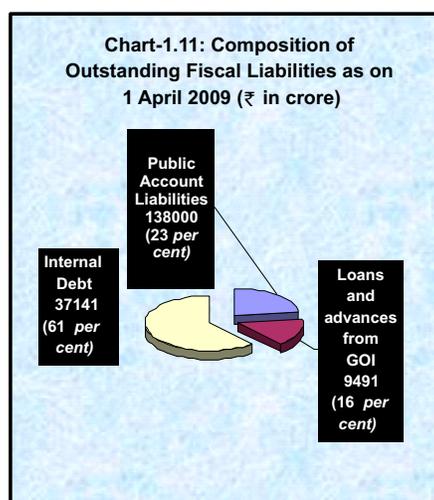
1.7.1 Growth and composition of Assets and Liabilities

In the existing Government accounting system, comprehensive accounting of fixed assets like land and buildings owned by the Government is not done. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred. **Appendix-1.5 Part-B** gives an abstract of such liabilities and assets as on 31 March 2010, compared with the corresponding position on 31 March 2009. While the liabilities in this Appendix consist mainly of internal borrowings, loans and advances from the GOI, receipts from the Public Account and Reserve Funds, the assets comprise mainly the capital outlay and loans and advances given by the Government and cash balances.

The FRBM Act, 2005, describes 'Total Liabilities' as the liabilities under the Consolidated Fund and the Public Account of the State and includes risk weighted guarantee obligations of the State Government where the principal and/or interest are to be serviced out of the State Budget.

1.7.2 Fiscal Liabilities

The trends in outstanding fiscal liabilities of the State are presented in **Appendix-1.4**. The composition of fiscal liabilities during the current year vis-à-vis the previous year are presented in **Charts-1.11 and 1.12**.



(Source : State Finance Accounts of the respective year)

- The overall fiscal liabilities of the State increased from ₹49,173 crore in 2005-06 to ₹67,853 crore in 2009-10. The growth rate increased to 12.28 *per cent* during 2009-10 as against 9.26 *per cent* in 2008-09. The increase in 2009-10 over the previous year was mainly under market loans (₹5,016 crore), loans from GOI (₹888 crore) and loans from National Bank of Agriculture and Rural Development (₹281 crore) partly offset by a decrease mainly under compensation and other bonds (₹361 crore).
- Fiscal liabilities of the State comprised Consolidated Fund liabilities and Public Account liabilities. As of 31 March 2010, the Consolidated Fund liabilities (₹52,841 crore) comprised market loans (₹21,620 crore), special securities issued to NSSF (₹14,666 crore); compensation and issue of other bonds (₹2,495 crore); loans from NABARD (₹2,844 crore); loans and advances from GOI (₹10,379 crore) and other loans (₹837 crore). The Public Account liabilities (₹15,012 crore) comprised small savings, provident funds etc. (₹8,451 crore), interest bearing obligations (₹241 crore) and non-interest bearing obligations like deposits and other earmarked funds (₹6,320 crore).
- These liabilities stood at 34.90 *per cent* of GSDP which was 1.6 times the revenue receipts and 2.87 times the State's own resources as at the end of 2009-10. The buoyancy of these liabilities with respect to GSDP increased from 0.64 in 2008-09 to 0.92 during the year mainly due to sharp increases in their growth rate from 9.26 *per cent* in 2008-09 to 12.28 *per cent* in 2009-10.
- A Sinking Fund for amortization of all loans, including loans from banks, liabilities on account of NSS etc. had not been set up by the Government. The Government was of the view that except where it may be obligatory to do so, provision for amortization of loans received from GOI should be made out of revenues only where sufficient revenue resources were available to finance such amortization arrangements. The State Government did not consider it necessary to make arrangements for amortization of any such loans in spite of having revenue surpluses.

1.7.3 Status of Guarantees-Contingent liabilities

Guarantees are liabilities contingent on the Consolidated Fund of the State in cases of default by the borrowers for whom the guarantee are extended.

As shown in Statement 9 of the Finance Accounts, the maximum amounts for which guarantees were given by the State and the outstanding guarantees for the last three years are given in **Table-1.20**.

Table-1.20: Guarantees given by the Government of Madhya Pradesh

(₹ in crore)

Guarantees	2007-08	2008-09	2009-10	
			Budget estimate	Actual
Maximum amount guaranteed	12,086.00	11,991.33	9,250.97	11,823.20
Outstanding amount of guarantees*	855.73	1,930.09	NA	1,629.60
Percentage of maximum amount guaranteed to total revenue receipts	39.38	35.71	23.15	28.56
Actual figures against criteria as per FRBM Act as under: (Limit the annual incremental guarantees so as to ensure that the guarantees do not exceed 80 per cent of the total revenue receipts in the year preceding the current year)	3.33*	6.29*	NA	4.85*

*To the extent information was available in Finance Accounts

(Source: State Finance Accounts of the respective years and Statement laid before the legislature and projection made under FRBM Act)

- The outstanding amount of guarantees is in the nature of a contingent liability, which was 3.94 per cent of the revenue receipts. Guarantees had been given by the State Government for the discharge of certain liabilities like loans raised by Statutory Corporations, Government Companies, Joint Stock Companies, Co-operative institutions, local bodies, firms etc.
- The maximum amount guaranteed by the Government decreased from ₹11,991 crore in 2008-09 to ₹11,823 crore (including ₹9,250 crore still to be allocated between Madhya Pradesh and Chhattisgarh as per the M.P. Reorganisation Act, 2000) in 2009-10, out of which ₹1,630 crore was outstanding at the end of the year.
- The major recipients of such guarantees were Statutory Corporation and Boards and Co-operative Banks and Societies. Out of the outstanding guarantees of ₹1,630 crore, ₹123 crore was outstanding on account of interest.
- The Government constituted the Guarantee Redemption Fund and at the end of year 2009-10, there was a closing balance of ₹369.23 crore in the Fund. The FRBM Act, 2005 prescribes the fiscal target of limiting annual incremental guarantees so as to ensure that the total guarantees do not exceed 80 per cent of the total revenue receipts in the year preceding the current year. The annual incremental guarantee was within the limit fixed under the FRBM Act.
- As per the FRBM Act 2005, the Government is to ensure that within a period of 10 years, i.e. as on 31 March 2015, total liabilities do not exceed 40 per cent of the estimated GSDP for that year. It was observed that this ratio at 35.74 per cent (including guarantees liabilities) was within the ceiling limit laid down in the Act for the year 2015. The Thirteenth Finance Commission has

recommended that the aggregate debt to GSDP ratios of States should be reduced to 25 per cent by 2014-15. The Government should take appropriate action to reduce the Debt/GSDP ratio to the prescribed limit. The ratios of total liabilities to GSDP and revenue receipts during the year at 35.74 per cent and 167.85 per cent respectively, were also less than the corresponding BE of 40.70 per cent and 175.61 per cent respectively.

1.8 Debt Sustainability

Apart from the magnitude of debt of the Government, it is important to analyze various indicators that determine the debt sustainability¹⁴ of the State. This section assesses the sustainability of debt of the Government in terms of debt stabilization¹⁵; sufficiency of non-debt receipts¹⁶; net availability of borrowed funds¹⁷; the burden of interest payments (measured by the ratio of interest payments to revenue receipts) and the maturity profile of Government securities. **Table-1.21** analyzes the debt sustainability of the State according to these indicators for the period of five years beginning from 2005-06.

Table 1.21: Debt Sustainability: Indicators and Trends

(₹ in crore)

Indicators of Debt Sustainability	2005-06	2006-07	2007-08	2008-09	2009-10
Debt Stabilisation (Quantum Spread + Primary Deficit)	63	3,890	2,740	3,764	2,117
Sufficiency of Non-debt Receipts (Resource Gap)	1,921	1,816	(-)29	(-)1,649	(-)1,766
Net Availability of Borrowed Funds (percentage in bracket)	1,529 (14)	101 (1)	(-)2,160 (-20)	791 (5)	3,131 (16)
Burden of Interest Payments (Interest Payments/Revenue Receipt Ratio)	0.17	0.16	0.14	0.12	0.11

14 Debt sustainability is defined as the ability of the State to maintain a constant debt-GSDP ratio over a period of time and also embodies the concern about the ability to service its debt. Sustainability of debt, therefore, also refers to sufficiency of liquid assets to meet current or committed obligations and the capacity to keep a balance between costs of additional borrowings with returns from such borrowings. It means that the rise in fiscal deficit should match the increase in capacity to service the debt.

15 A necessary condition for stability states that if the rate of growth of the economy exceeds the interest rate or cost of public borrowings, the debt-GSDP ratio is likely to be stable provided the primary balances are either zero or positive or are moderately negative. Given the rate spread (GSDP growth rate – interest rate) and quantum spread (Debt × rate spread), the debt sustainability condition states that if the quantum spread, together with the primary deficit is zero, the debt-GSDP ratio would be constant or the debt would stabilize eventually. On the other hand, if the primary deficit together with the quantum spread turns out to be negative, the debt-GSDP ratio would be rising and in case it is positive, the debt-GSDP ratio would eventually be falling.

16 Adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. The debt sustainability could be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure.

17 Defined as the ratio of the debt redemption (Principal + Interest Payments) to total debt receipts and indicates the extent to which the debt receipts are used in debt redemption indicating the net availability of borrowed funds.

1.8.1 Debt Stabilisation

An analysis of primary deficit vis-à-vis the quantum spread revealed that their sums continued to be positive during 2005-10 showing that the debt was stabilizing.

1.8.2 Sufficiency of Non-debt receipts

During the two years (2005-07), non-debt receipts met not only the incremental requirement of the primary expenditure but after meeting the incremental interest liabilities, resulted in a positive resource gap indicating the increasing capacity of the State to sustain its debt. However, during 2007-08, the incremental non-debt receipts were sufficient to meet the additional requirement of primary expenditure, which increased sharply during the year but were not enough to meet the incremental interest liability resulting in a moderate negative resource gap. During 2008-10, the incremental non-debt receipts were not enough to meet the incremental requirements of primary expenditure resulting in a substantial negative resource gap during the year. This position needs to be reversed in future years.

1.8.3 Net availability of funds

- The debt redemption ratio increased from 0.86 to 1.20 during the period 2005-08, but decreased to 0.95 and 0.84 in 2008-09 and 2009-10 mainly due to significant receipts under internal debt and loans and advances from GOI. During the current year, internal debt redemption was 71 *per cent* of fresh debt receipts, redemption of GOI loans was 86 *per cent* while in case of other obligations, repayments were 93 *per cent* of fresh receipts. These trends indicated that the debt receipts were mainly utilised for repayment of debt.
- Out of receipts of ₹7,258 crore under Internal Debt, the Government raised market loans of ₹5,821 crore during the year at an average interest rate of 8.37 *per cent* per annum, ₹603 crore from NABARD and ₹810 crore from NSSF. The Government borrowed ₹1,345 crore from GOI. The receipt of loans and advances from GOI increased from ₹1,154 crore in 2008-09 to ₹1,345 crore in 2009-10 mainly due to increase in the receipt of Block Loans under 'Loan for State/Union Territories Plan Scheme'.
- Repayments of Internal Debt (₹5,140 crore) and Loans and Advances from GOI (₹1,159 crore) included payment of interest of ₹3,905 crore (62 *per cent*) and debt relief of ₹363 crore (six *per cent*) with only ₹2,031 crore (32 *per cent*) for repayment of principal debt. This indicated that most of the amounts of repayments were for payment of interest. As on 31 March 2010, 27 *per cent* of the existing market loans of the Government carried an interest rate exceeding 10 *per cent*.

1.8.4 Maturity Profile of State Debt

Table-1.22: Maturity Profile of State Debt for the years 2008-09 and 2009-10

(₹ in crore)

In Years	FY 2008-09				FY 2009-10			
	6003-Internal Debt Amount	6004-Loans and Advances Amount	Total Amount	Per-centage of Repayment due to total debt	6003-Internal Debt Amount	6004-Loans and Advances Amount	Total Amount	Per-centage of Repayment due to total debt
0-1	1,123.12	456.70	1,579.82	3.39	1,099.42	516.27	1,615.69	3.06
1-3	2,540.99	1,030.95	3,571.94	7.66	3,293.24	1,064.44	4,357.68	8.25
3-5	4,005.97	1,152.16	5,158.13	11.06	5,013.71	1,112.10	6,125.81	11.59
5-7	5,298.33	1,206.40	6,504.73	13.95	4,799.48	1,141.27	5,940.75	11.24
7-9	5,509.21	1,202.36	6,711.57	14.39	7,911.45	1,133.99	9,045.44	17.12
9-11	5,330.45	1,197.24	6,527.69	14.00	7,362.20	1,131.08	8,493.28	16.07
11-13	1,460.20	1,193.99	2,654.19	5.69	1,541.20	1,127.80	2,669.00	5.05
13-25 years and above	5,509.96	2,046.70	7,556.66	16.20	5,265.85	1,113.39	6,379.24	12.07
Misc.*	6,363.40	4.17	6,367.57	13.65	6,175.26	2,038.61	8,213.87	15.54
Total	37,141.63	9,490.67	46,632.30		42,461.81	10,378.95	52,840.76	

(Source : State Finance Accounts of the respective years and information furnished by A.G. (A&E) Madhya Pradesh)

* Information about the maturity of loans not available and awaited from State Government/Reserve Bank of India

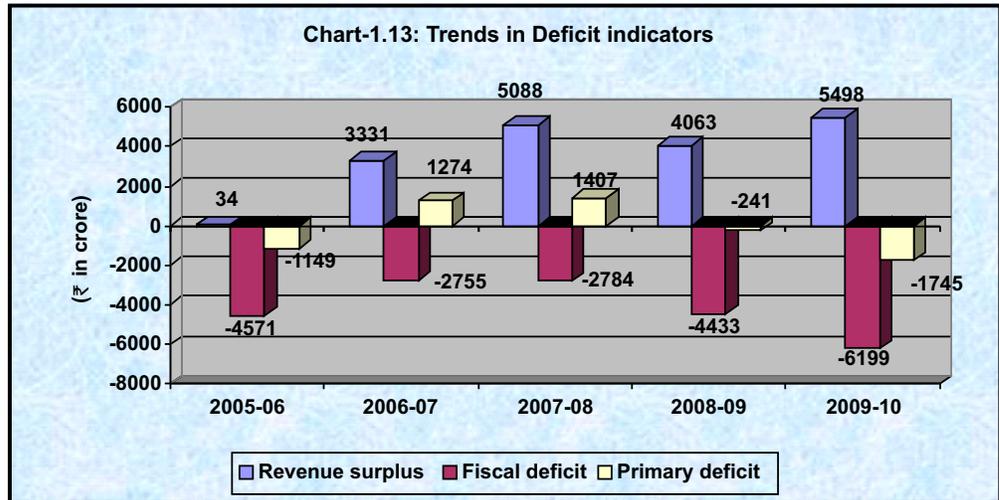
The maturity profile of State debt as given above indicates that the State Government will have to repay eight *per cent* of its debt between one and three years, 12 *per cent* between three and five years, 11 *per cent* between five and seven years, 17 *per cent* between seven and nine years, 16 *per cent* between nine and 11 years, five *per cent* between 11 and 13 years and 12 *per cent* after 13 years. The maturity profile of repayment of about 16 *per cent* of State debt was not available as the information had not been received from the Government/Reserve Bank of India. It is critical to have clarity on the repayment schedule of debt. Liability on account of State debt was continuously increasing year after year. As compared to the previous year, the internal debt of the Government and loans and advances from the Central Government had increased at growth rates of 14.32 *per cent* and 9.36 *per cent* respectively at the year ending March 2010 but the burden of interest payments showed a decreasing trend during 2005-10.

1.9 Fiscal Imbalances

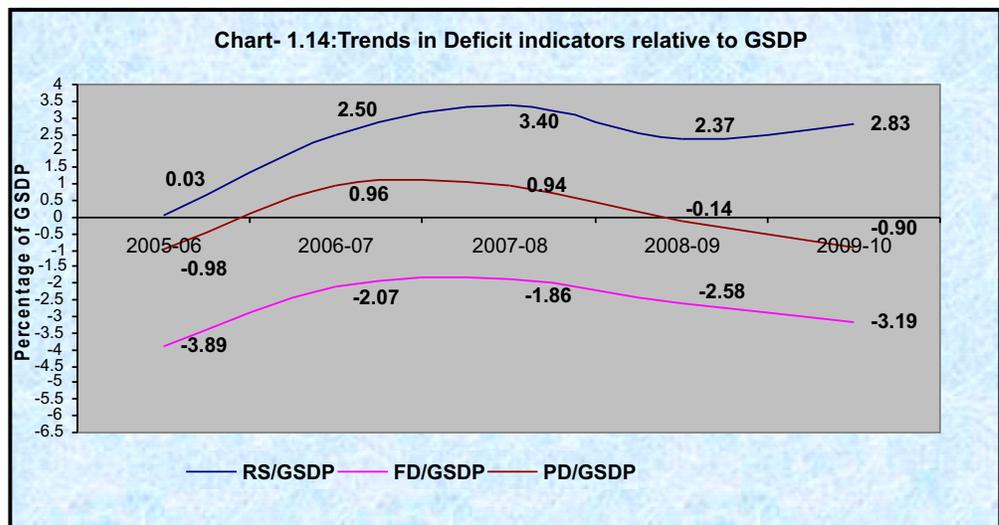
Three key fiscal parameters - revenue, fiscal and primary deficits - indicate the extent of overall fiscal imbalances in the finances of the State Government during a specified period. The deficit in the Government accounts represents the gap between its receipts and expenditure. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further, the ways in which the deficit is financed and the resources raised are applied are important pointers to its fiscal health. This section presents the trends, nature, magnitude and the manner of financing these deficits and also the assessment of actual levels of revenue and fiscal deficits vis-à-vis the targets set under FRBM Act/Rules for the financial year 2009-10.

1.9.1 Trends of deficits

Charts-1.13 and 1.14 present the trends in deficit indicators over the period 2005-10.



(Source : State Finance Accounts of the respective years)



(Source : State Finance Accounts of the respective years and Directorate of Economic and Statistic, Government of Madhya Pradesh)

- The State had a revenue surplus during 2005-06 to 2009-10. The revenue surplus increased from ₹4,063 crore during 2008-09 to ₹5,498 crore during 2009-10. An increase of 21.63 per cent (₹6,383 crore) in revenue expenditure during 2009-10 in comparison to that of 23.28 per cent (₹7,818 crore) in revenue receipts over 2008-09 led to the increase in the revenue surplus during 2009-10.
- The increase in revenue surplus of the State may however, be seen in view of the fact that there was an increase of 13.60 per cent in the rate of growth of the State's own taxes as against about three per cent in the rate of growth of NPRES in 2009-10 over the previous year. There was also an increase of 6.74 per cent (₹1,120 crore) in 2009-10 as against 4.31 per cent (₹687 crore) in 2008-09

relative to the previous years under Central transfers comprising the State's share in Central taxes and duties and grants-in-aid from GOI.

- Fiscal deficit, defined as the gap between the total expenditure of the Government and its total resources, decreased from ₹4,571 crore in 2005-06 to ₹2,784 crore in 2007-08 but increased from ₹4,433 crore in 2008-09 to ₹6,199 crore in 2009-10. Given an increase in the incremental revenue surplus of ₹1,435 crore during the year, the fiscal deficit increased by ₹1,766 crore, on account of increase in capital expenditure (₹1,212 crore) and increase in disbursement of loans and advances including inter-State settlement (₹1,958 crore) and decrease in non-debt capital receipts (₹31 crore) during 2009-10, relative to the previous year.
- Given the increase in fiscal deficit (₹1,766 crore) and increase in interest payments (₹262 crore), the primary deficit of ₹241 crore in 2008-09 increased to ₹1,745 crore in 2009-10.
- The revenue surplus as a percentage of GSDP increased from 2.37 per cent in 2008-09 to 2.83 per cent in 2009-10 which was more than the BE of 0.99 per cent. Though the fiscal deficit relative to GSDP increased from 2.58 per cent in 2008-09 to 3.19 per cent in the current year, it remained within the 3.73 per cent ceiling prescribed in the BE as well as the amended norm of four per cent recommended under the FRBM Act 2005.

1.9.2 Components of Fiscal Deficit and its Financing pattern

The financing pattern of the fiscal deficit has undergone a compositional shift as reflected in the **Table-1.23**.

Table-1.23: Components of Fiscal Deficit and its Financing Pattern

(₹ in crore)

Sl. No.	Particulars	2005-06	2006-07	2007-08	2008-09	2009-10
Decomposition of Fiscal Deficit		- 4,571	- 2,755	- 2,784	- 4,433	- 6,199
1	Revenue Surplus	34	3,331	5,088	4,063	5,498
2	Net Capital Expenditure	- 6,623	- 5,161	- 6,822	- 6,689	- 7,903
3	Net Loans and Advances	2,018	- 925	- 1,050	- 1,807	- 3,794
Financing pattern of Fiscal Deficit						
1	Market Borrowings	944	1,063	1,337	3,957	5,016
2	Loans from GOI	-121	-311	102	709	888
3	Special Securities issued to NSSF	2,998	2,045	128	-126	492
4	Loans from Financial Institutions	385	76	128	51	-188
5	Reserve Funds	246	422	-34	12	324
6	Small Savings, PF etc.	1	158	193	204	412
7	Deposits and Advances	595	782	274	237	705
8	Suspense and Misc.	60	71	-18	-43	10
9	Remittances	39	23	57	62	31
10	Others	-8	8			
11	Cash balances increase(+)/ decrease(-)	568	1,582	- 617	630	1,491

(Source: State Finance Accounts of the respective years)

During 2005-06 to 2007-08, the fiscal deficit was mainly financed from the resources raised in respect of market borrowings, loans from financial institutions and special securities issued to NSSF, while during 2008-09 to 2009-10, the fiscal deficit

substantially increased and was financed by a significant increase in market borrowings and loans from GOI.

1.9.3 Quality of Deficit/Surplus

The ratio of revenue deficit to fiscal deficit and the decomposition of primary deficit into primary revenue deficit and capital expenditure (including loans and advances) would indicate the quality of deficit in the States' finances. The ratio of revenue deficit to fiscal deficit indicates the extent to which borrowed funds were used for current consumption. A persistently high ratio of revenue deficit to fiscal deficit also indicates that the asset base of the State was continuously shrinking and a part of the borrowings (fiscal liabilities) was not having any asset backup. The bifurcation of the primary deficit (**Table-1.24**) would indicate the extent to which the deficit was on account of enhancement in capital expenditure, which may be desirable to improve the productive capacity of the State's economy.

Table-1.24: Primary deficit/surplus – bifurcation of factors

(₹ in crore)

Year	Non-debt Receipts	Primary Revenue Expenditure	Capital Expenditure (CE)	Loans and Advances*	Primary Expenditure (PE)	Non-debt receipt vis-à-vis Primary revenue expenditure	Primary Deficit (-)/surplus(+)	CE as per cent to PE
1	2	3	4	5	6 (3+4+5)	7 (2-3)	8 (2-6)	9
2005-06	23,449	17,141	6,623	834	24,598	6,308	-1,149	26.92
2006-07	25,732	18,334	5,170	954	24,458	7,398	1,274	21.14
2007-08	30,807	21,410	6,833	1,157	29,400	9,397	1,407	23.24
2008-09	33,656	25,322	6,713	1,862	33,897	8,334	-241	19.80
2009-10	41,443	31,443	7,925	3,820	43,188	10,000	-1,745	18.35

* Including Inter-State settlement

(Source : State Finance Accounts of the respective years)

- The bifurcation of the factors resulting in primary deficit or surplus of the State during the period 2005-10 reveals that the non-debt receipts were enough to meet the primary revenue expenditure, thereby generating a surplus, which consistently increased from ₹6,308 crore in 2005-06 to ₹9,397 crore in 2007-08 but decreased to ₹8,334 crore in 2008-09 and significantly increased to ₹10,000 in 2009-10, due to the higher rate of growth of revenue receipts mainly on account of own tax revenue and Central transfers and less increase in rate of growth of NPRES. In other words, the non-debt receipts of the State were enough to meet the primary expenditure¹⁸ requirements in the revenue account and left some receipts to meet the expenditure under the capital account.
- Capital expenditure as a percentage of primary expenditure showed a decreasing trend during 2005-08 and declined from 26.92 per cent in 2005-06 to 18.35 per cent in 2009-10. During 2006-08, the State achieved a primary surplus but reverted to primary deficits during 2005-06 and 2008-10 when the total non-debt receipts fell short of the total primary expenditure. During

18 Primary expenditure of the State defined as the total expenditure net of the interest payments, indicates the expenditure incurred on the transactions undertaken during the year.

2009-10, an increase in primary deficit was experienced mainly due to the increase in the disbursement of loans and advances.

1.10 Conclusion

Management of Fiscal imbalances

- The fiscal position of the State viewed in terms of the key fiscal parameters – revenue, fiscal and primary deficit/surplus – indicated a mixed trend in 2009-10 as revenue surplus, fiscal deficit and primary deficit substantially increased relative to the previous year.
- The increase in the revenue surplus of the State was mainly due to the increase of growth in the State's own Resources including Central transfers comprising the State's share in Central taxes and duties and grants-in-aid from GOI during 2009-10 as compared to the previous year.
- The fiscal deficit relative to GSDP, increased from 2.58 *per cent* in 2008-09 to 3.19 *per cent* in the current year, but remained within the 3.73 *per cent* ceiling prescribed in BE and less than four *per cent* permitted by GOI in order to counter the impact of the economic slowdown.
- The Compound Annual Growth Rate of non-tax revenue receipts in Madhya Pradesh during the last decade has slowed down in comparison to that in other General Category States.

Management of liabilities

- The high growth of fiscal liabilities (12.28 *per cent* over the previous year) is a matter of concern and prudent debt management will have to be ensured to keep the growth of fiscal liabilities in check.
- A Sinking Fund for amortization of loans had not been set up by the Government. The annual incremental guarantees were within the limit fixed under the FRBM Act and the ratio of total liabilities to GSDP, although within the ceiling limit of 40 *per cent* prescribed by FRBM Act 2005 continued to increase due to persistent increase in fiscal deficits till the current year.
- The maturity profile for repayment of about 16 *per cent* of the State's debt was not available as information had not been received from the State Government/Reserve Bank of India. It is critical to have clarity on the repayment schedule of debts.

Net availability of funds

During the current year, internal debt redemption was 71 *per cent* of fresh debt receipts and redemption of GOI loans was 86 *per cent* while in the case of other obligations, repayments were 93 *per cent* of the fresh receipts, indicating that the fresh debt receipts were mainly utilised for repayment of debt.

Expenditure Management

The expenditure pattern of the State revealed that the revenue expenditure as a percentage of total expenditure continued to share a dominant proportion of the total expenditure at 75 per cent during 2009-10, leaving less resources for expansion of services and creation of assets. Moreover, within the revenue expenditure, the NPPE of ₹26,059 crore in 2009-10, remained significantly higher than the normatively assessed level of TFC (₹19,257 crore) for the year. Further, salary and wages expenditure, pension payments, interest payments and subsidies constituted about 78 per cent of the NPPE during the year. Decrease in the proportion of capital expenditure on Social Services and marginal decline in the Economic Services to total expenditure and also fall in revenue expenditure on Operation and Maintenance during the current year over the previous year indicated decline in the quality of services.

Return on investment

The average return on investments made by the Government was 0.61 per cent during the last three years while the Government paid an average interest rate of 7.30 per cent on its borrowings during 2007-10.

1.11 Recommendations

- Arrears of revenue amounting to ₹897 crore as on 31 March 2010 may be got realized by strengthening tax recovery measures (**Paragraph 1.3.3**).
- The Government needs not only to invest its high cost borrowings more judiciously to get better returns but also address the losses on account of various sick units by their restructuring and rehabilitation and/or by considering disinvestment of such units (**Paragraph 1.6.1**).
- Trends indicate that the increasing fiscal liabilities accompanied with negligible rates of return on Government investments and inadequate recovery of interest on loans and advances might put fiscal stress on the State in the medium to long run unless suitable measures are initiated to make the investments including loans and advances, commercially viable, compress the Non-Plan revenue expenditure and mobilize additional resources both through tax and non-tax sources in the ensuing years (**Paragraph 1.7.2, 1.6.1 and 1.6.2**).
- Greater fiscal priority may be given to the education and health sectors as other General Category States are spending a greater proportion of the aggregate expenditure on these heads than Madhya Pradesh (**Paragraph 1.5.1**).

- The expenditure pattern in the education and health sectors needs correction in the ensuing years as per the norms of the Twelfth Finance Commission according to which the Non-Plan salary expenditure in these sectors should increase only by five to six *per cent* while non-salary expenditure under Non-Plan heads should increase by 30 *per cent* per annum during the award period. The actual Non-Plan salary component under the education sector increased by 23 *per cent* over 2008-09 while the Non-Plan non-salary components increased by 36 *per cent*. Under the health and family welfare sector, the Non-Plan salary component increased by 27 *per cent* and the Non-Plan non-salary component increased by nine *per cent* over the previous year (**Paragraph 1.5.2**).
- A system has to be put in place to ensure proper accounting and accountability of GOI funds that are transferred directly to State implementing agencies (**Paragraph 1.2.2**).
- No information in respect of incomplete projects was received from the State Government. A system of providing such information to the Accountant General (Accounts and Entitlement) may be ensured by the State Government to include in Finance Accounts of the State. Transparency in the status of incomplete projects along with complete details of revised costs and reasons for delay will go a long way in avoiding time and cost over runs.

CHAPTER II

Financial Management and Budgetary Control

2.1 Introduction

2.1.1 Appropriation Accounts are accounts of the expenditure, voted and charged, of the Government for each financial year, juxtaposed with the amounts of voted grants and appropriations charged for different purposes as specified in the schedules appended to the Appropriation Acts. These Accounts list the original budget estimates, supplementary grants, surrenders and re-appropriations distinctly and indicate actual capital and revenue expenditure on various specified services vis-à-vis those authorized by the Appropriation Act in respect of both charged and voted items of the budget. Appropriation Accounts thus facilitate management of finances and monitoring of budgetary provisions and are therefore, complementary to the Finance Accounts.

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

2.2 Summary of Appropriation Accounts

The summarized position of actual expenditure during 2009-2010 against 82 grants/appropriations was as given in **Table-2.1**.

**Table-2.1: Summarized Position of Actual Expenditure vis-à-vis Original/ Supplementary Provisions
(₹ in crore)**

	Nature of expenditure	Original grant/ appropriation	Supplementary grant/ appropriation	Total	Actual expenditure	Saving (-)/ Excess (+)
Voted	I Revenue	33,575.66	2,914.83	36,490.49	31,315.76	-5,174.73
	II Capital	7,168.48	2,649.36	9,817.84	8,101.94	-1,715.90
	III Loans and Advances	1,399.52	2,880.29	4,279.81	3,829.66 ¹	-450.15
Total Voted		42,143.66	8,444.48	50,588.14	43,247.36²	-7,340.78
Charged	IV Revenue	5,468.27	16.42	5,484.69	4,792.75	-691.94
	V Capital	30.77	--	30.77	30.02	-0.75
	VI Public Debt- Repayment	6,290.46	--	6,290.46	2,394.05	-3,896.41
Total Charged		11,789.50	16.42	11,805.92	7,216.82	-4,589.10
Grand Total		53,933.16	8,460.90	62,394.06	50,464.18³	-11,929.88

The overall saving of ₹11,929.88 crore was the result of savings of ₹12,053.83 crore in 70 grants and 44 appropriations under the Revenue Section, 48 grants and eight appropriations under the Capital Section, offset by excess of ₹123.95 crore in four grants under Revenue Section.

The savings/excesses were intimated from 2 to 26 July 2010 to the Controlling Officers asking them to explain the significant variations. Out of 849 sub-heads, explanations for variations were not received (August 2010) in respect of 657 sub-heads (savings: 554 sub-heads and excess: 103 sub-heads).

2.3 Financial accountability and budget management

2.3.1 Appropriations vis-à-vis allocative priorities

The outcome of appropriation audit revealed that in 27 cases, savings exceeded ₹10 crore in each case and also by more than 20 per cent of the total provisions aggregating ₹9,101.78 crore (**Appendix-2.1**). Against the total savings of ₹11,929.88 crore (**Table-2.1**), savings of ₹8,579.16 crore (71.91 per cent)⁴ occurred in 13 cases relating to 11 grants and two appropriations as indicated in **Table-2.2**.

¹ Includes ₹ 2.78 crore in respect of Inter-State Settlement.

² Gross figure without taking into account the recoveries adjusted as reduction of expenditure under revenue expenditure: ₹211.61 crore and capital expenditure ₹217.09 crore.

³ The actual expenditure was overstated to the following extent for the reasons mentioned below:

₹397.94 crore (Revenue Voted section: ₹229.93 crore and Capital Voted section: ₹168.01 crore) being the unspent amount was transferred to Major Head 8443-Civil Deposit, 800-Other Deposits through NIL payment vouchers.

₹413.27 crore (Deposit: ₹1,242.89 crore-Disbursements: ₹826.62 crore) in respect of Government and semi-Government institutions added to the balance of Major Head 8443-Civil Deposit, 106-Personal Deposit Account. Out of the total deposit of ₹1,242.89 crore during the year, ₹107.56 crore was credited through NIL payment vouchers.

Genuineness of expenditure of ₹11.47 lakh drawn on Abstract Contingent bills could not be vouchsafed, as Detailed Contingent bills were not submitted.

⁴ Exceeding ₹100 crore and also more than 20 per cent of the total provision in each case.

Table-2.2: List of Grants/Appropriations with savings of ₹100 crore and above
(₹ in crore)

Sl. No.	No. and Name of the Grant	Original	Supplementary	Total	Actual Expenditure	Savings
Revenue-Voted						
1.	06-Finance	4,567.47	11.55	4,579.02	3,144.70	1,434.32
2.	10-Forest	924.29	147.24	1,071.53	825.90	245.63
3.	13-Farmers Welfare and Agriculture Development	634.29	26.62	660.91	511.81	149.10
4.	58-Expenditure on Relief on Account of Natural Calamities and Scarcity	643.83	40.59	684.42	454.52	229.90
5.	64-Scheduled Caste Sub Plan	1,087.47	2.04	1,089.51	854.68	234.83
6.	77-Other Expenditure pertaining to School Education Department (Excluding Primary Education)	712.19	585.93	1,298.12	736.54	561.58
7.	80-Financial Assistance to three-tier Panchayati Raj Institution	2,756.34	277.62	3,033.96	2,396.23	637.73
Capital-Voted						
8.	06-Finance	164.41	1.43	165.84	52.51	113.33
9.	23-Water Resources Department	347.17	303.67	650.84	413.27	237.57
10.	41-Tribal Area Sub-Plan	1,410.69	72.66	1,483.35	948.35	535.00
11.	45-Minor Irrigation Works	309.93	235.35	545.28	383.60	161.68
Revenue-Charged						
12.	12-Energy	242.00	--	242.00	99.91	142.09
Capital-Charged						
13.	Public Debt	6,290.46	--	6,290.46	2,394.06	3,896.40
Total						8,579.16

Reasons for the substantial savings in the grants/appropriations shown in the above table are as under:-

Public Debt (Capital Charged): Significant savings occurred mainly under 6003-Internal Debt of the State Government- Ways and Means Advances (₹2,000.00 crore) and Advances to meet shortfalls (₹2,000.00 crore), which were partly offset by excesses under 6003-Internal Debt of the State Government-12.25 per cent Madhya Pradesh State Development-Loan, 2009 (₹30.58 crore) and Special Securities issued to National Small Savings Fund of Central Government (₹123.46 crore). Reasons for the savings/excesses had not been intimated (August 2010).

06-Finance (Revenue Voted): Substantial savings occurred mainly under 2070-Other Administrative Services-State Plan Schemes (Normal)-Other Expenditure (₹827 crore), 2071-Pension and Other Retirement Benefits-Minor Head 101-Composite State of Madhya Pradesh (₹583.60 crore), 104-Composite State of Madhya Pradesh (₹115.85 crore) and Madhya Pradesh (₹28.05 crore), 117-Contributory Pension Scheme (₹41.32 crore) and 200-Pension Payment to All India

Services officers (₹34 crore), which were partly offset by excesses mainly under 2071-Pension and other Retirement Benefits- 105- Composite State of Madhya Pradesh (₹221.18 crore). Reasons for the savings and excesses had not been intimated (August 2010).

06-Finance (Capital Voted): Substantial savings occurred mainly under 6075-Loans for Miscellaneous General Services-Provision for settlement of Guaranteed Loans (₹50 crore) and Loan Assistance for restructuring of State Government Undertakings (₹55.27 crore). Reasons for the above savings had not been intimated (August 2010).

10-Forest (Revenue Voted): Substantial savings occurred mainly under Major Head 2406-Forestry and Wild life- Regional Forest Divisions (₹14.83 crore), Centrally Sponsored scheme Normal- Modern Fire Safety Scheme in Forests (₹15.16 crore), Development of National Park and Sanctuaries, Bandhavgarh, Kanha National Park and Tiger Project (₹135.28 crore), Additional Central Assistance (Normal)- Public Forestry and Preparation of Plantation in Nurseries (₹23.54 crore) and Timber (₹36.22 crore). Saving of ₹36.22 crore above was due to non-cutting of timber and bamboo in Naxalite affected areas. Saving of ₹15.16 crore above was partly due to non-receipt of sanction from the GOI (₹1.55 crore). Reasons for other savings have not been intimated (August 2010).

12-Energy (Revenue Charged): Significant savings occurred under Major head 2045-Other Taxes and Duties on Commodities and Services-Transfer of Energy Development Cess to Energy Development Fund levied under M.P. Upkar Adhiniyam 1982 (₹142.09 crore). Reasons for the savings had not been intimated (August 2010).

13-Farmers Welfare and Agriculture Development (Revenue Voted): Substantial savings occurred mainly under Major head 2401-Crop Husbandry- State Plan Schemes (Normal)-National Agricultural Development Scheme (₹121.94 crore). Reasons for the savings had not been intimated (August 2010).

23- Water Resources Department (Capital Voted): Substantial savings occurred mainly under Major head 4700-Capital outlay on Major Irrigation-Minor head 22-Additional Central Assistance (Normal)-Canal and Appurtenant Works (₹44.86 crore), Major head 4702- Capital outlay on Minor Irrigation-Additional Central Assistance (Normal) in scheme Under Construction Minor Irrigation Schemes (₹27.66 crore), Improvement, Strengthening, Re-establishment (₹18.23 crore), Restoration of Canal Capacity (₹33.94 crore), New Minor Irrigation schemes (₹24.51 crore) and Command Area Development Rajghat Project (₹33.94 crore). The savings were mainly attributed to non-utilization of funds under the Bundelkhand Package due to shortage of time.

41-Tribal Area Sub-Plan (Capital Voted) : Substantial savings occurred mainly under 4225-Capital Outlay on Welfare of SCs, STs and Other Backward Classes-Central Sector schemes Normal- Miscellaneous Development Works in Tribal Area

Sub Plan Article [275(1)] (₹62.63 crore), 4515-Capital Outlay on Other Rural Development Programmes- Externally Aided Projects (TSP)- DPIP scheme (₹32 crore), 4700-Capital Outlay on Major Irrigation- Tribal Area Sub Plan-Omkareshwar Projects (₹180.14 crore), Lower Goi Project (₹30.99 crore), Major Head 4701-Capital outlay on Medium Irrigation-Halon Project (₹70.04 crore) and Upper Narmada Project (₹84.78 crore), which were partly offset by excesses mainly under 4515-Capital Outlay on Other Rural Development Programme-Madhya Pradesh Assembly Constituency Area Development Scheme (₹22.15 crore) and 4701-Capital Outlay on Medium Irrigation-Medium and Minor Irrigation Projects for Development of Narmada basin (₹21.50 crore). Savings of ₹62.63 crore above were due to non-receipt of the second instalment from Government of India, while savings of ₹32 crore, were due to non-receipt of demand from D.P.I.P. Excess of ₹21.50 crore was due to survey work of Medium and Minor Irrigation Projects. Reasons for the other savings and excesses had not been intimated (August 2010).

45-Minor Irrigation Works (Capital Voted): Substantial savings occurred mainly under 4702-Capital outlay on Minor Irrigation-Minor Head-101- State Plan scheme (Normal)- Maintenance, Strengthening and Rehabilitation (₹100 crore) and Minor Head 800-State Plan Schemes (Normal)-Direction and Administration (₹19.88 crore), which was partly offset by excess under Major head 4702, Minor head 101-State Plan scheme (Normal)- Minor and Micro minor irrigation schemes (₹13.96 crore). The excess of ₹13.96 crore above was partly due to payment of Compensation of Land Acquisition (₹5.02 crore). Reasons for the balance excess and the above savings had not been intimated (August 2010).

58-Expenditure on Relief on Account of Natural Calamities and Scarcity (Revenue Voted): Significant savings occurred under 2245-Relief on Account of Natural Calamities-Sub major head 01-Minor head-101-Implementation of Relief works through Tehsildars (₹19.90 crore), Additional Provision for Drought Relief and Employment (₹37 crore), Relief for outbreak of fire (₹23.39 crore), Minor Head 102- Drinking Water Supply (₹21.03 crore), Sub major head 02- Minor Head 193-Assistance to Local Bodies/Institutions and Other Non-Government Bodies in flood-affected areas (₹18 crore), Sub major head-80- Minor Head 800- Financial Aid in Calamities under Revenue Book 6-4 (₹16.95 crore) and Assistance and other work for restoration (₹58.47 crore). Savings of ₹37 crore, ₹23.39 crore and ₹58.47 crore above were partly attributed to non-occurrence of calamities (₹20 crore, ₹ seven crore and ₹12 crore respectively). Reasons for the other savings had not been intimated (August 2010).

64-Scheduled Castes Sub-Plan (Revenue Voted): Substantial savings occurred mainly under 2401-Crop Husbandry-National Agriculture Development scheme (₹32.85 crore), 2235-Social Security and Welfare-Indira Gandhi National Old Age Pension (₹17.87 crore), Social Security and Welfare (₹18.45 crore), Ladli Laxmi Yojana (₹13.55 crore) and 2236-Nutrition-Centrally Sponsored Schemes-Scheduled

caste sub Plan-Minimum Need Programme-Special Nutrition Scheme (₹98.35 crore). These savings were partly offset by excess of ₹10 crore under Major head 2202-Centrally Sponsored Scheme (SCSP)-Kasturba Gandhi Gram Balika Vidyalaya. Savings of ₹17.87 crore and ₹18.45 crore above were partly attributed to inadequate numbers of beneficiaries (₹17.08 crore and ₹10.21 crore respectively) and excess of ₹10 crore was attributed to requirement of funds for construction of hostel buildings. Reasons for the savings in other cases had not been intimated (August 2010).

77-Other expenditure pertaining to School Education Department (Excluding Primary Education) (Revenue Voted): Substantial savings occurred mainly under-2202-General Education- Centrally sponsored Schemes Normal-Implementation of National Secondary Education Abhiyan (₹362.47 crore), Establishment and Operation of Model Schools (₹87.86 crore) and Information and Communication Technology Schools (₹43 crore). Savings were attributed to non-receipt of funds from Government of India (₹362.47 crore, ₹87.86 crore) and non-receipt of Central Share from Government of India and non-receipt of sanctions for the schemes (₹43 crore).

80-Financial Assistance to Three Tier Panchayati Raj Institutions (Revenue Voted) : Significant savings occurred mainly Major Head 2202-General Education-01-103-State Plan Schemes (Normal)- Grant for Salary of Shiksha Karmies (₹93.29 crore), 02-191-Grant for Salary of Shiksha Karmies (₹51.50 crore), Major Head 2501-Special Programmes for Rural Development-State Plan Schemes (Normal)-Backward Region Grand Fund Scheme (₹128.67 crore), 2505-Rural Employment-Centrally Sponsored Schemes (Normal)-National Rural Employment Guarantee Scheme (₹53.87 crore) and Major Head 3604- Compensation and Assignments to Local Bodies and Panchayati Raj Institutions-State Plan Scheme Normal-Grant to Gram Panchayats for Basic Works (State Finance Commission) (₹278.47 crore). These savings were partly offset by excesses under Major head 2515-Other Rural Development Programme-Recommendation of Central Finance Commission (Normal)-Improvement of Sources relating to water supply and sanitation (₹26.82 crore) and Grant to Gram Panchayats for Minimum Basic Needs (₹26.61 crore). Savings of ₹93.29 lakh and ₹51.50 lakh above were mainly due to economy cuts imposed by the Finance Department. Savings of ₹128.67 crore and ₹53.87 crore above were due to receipt of administrative sanction/Central share for less amount from the Government of India. Reasons for other savings/excesses have not been intimated (August 2010).

2.3.2 Persistent savings

In eight cases, during the last five years, there were persistent savings of more than ₹ one crore in each case and also by 20 per cent or more of the total provision/grant (Table-2.3).

Table-2.3: List of grants/appropriations indicating persistent savings during 2005-10
(₹ in crore)

Sl. No.	Number and name of the grant	Amount of savings Percentage in brackets				
		2005-06	2006-07	2007-08	2008-09	2009-10
Revenue-Voted						
01	22-Urban Administration and Development-Urban Bodies	4.04 (30.93)	10.95 (52.52)	9.45 (39.84)	36.76 (56.61)	24.83 (40.24)
During 2007-08 and 2009-10, the savings were mainly under Major head 2217-Urban Development-Urban services programme for poor people and State Urban Cleanliness Mission due to non-filling of vacant posts, non-finalization of tenders/ agreement, non-supply of material and primary stage of consultancy works and conduction of work through Project UDAY. The savings during 2005-06 to 2006-07 were mainly under Major head 2217 in the scheme 'Development of Basic Facilities in Municipal Corporations' due to fixing of target for completion of work in the next financial year, late commencement of project implementation work, reduction in allotment by the State Planning Board, posts remaining vacant, non-preparation of work plan etc.						
Revenue-Charged						
02	06-Finance	2.56 (91.76)	3.09 (30.78)	10.44 (98.40)	10.70 (84.05)	9.99 (78.48)
During 2005-06 to 2009-10, savings occurred persistently under the schemes 2071-Pension and Other Retirement Benefits-01-101 and 102-Composite State of Madhya Pradesh, reasons for which were not intimated by the Finance Department.						
Capital-Voted						
03	01-General Administration	6.10 (100)	7.55 (100)	7.25 (77.54)	5.62 (39.86)	5.02 (52.29)
During 2005-06 to 2009-10, savings persistently occurred under the Major head 4059- Capital outlay on public works in the Scheme "Construction of proposed Madhyanchal Bhawan in Delhi" which were mainly due to slow progress of construction works, non-submission of bills by the contractor and surrender as per the decision of High-Powered Committee, stay order of Supreme Courts and cancellation of contract. In addition to this, savings during 2007-08 occurred under the scheme "Establishment of good governance and Policy Analysis School" as a result of providing funds in Revenue Major head 2052-Secretariate General Services in the second Supplementary Budget and under the scheme "Construction of Administrative Buildings" during 2009-10, reasons for which have not been intimated.						
04	40-Expenditure pertaining to Water Resources Department-Command Area Development	4.50 (40.18)	8.72 (52.28)	6.05 (39.08)	4.43 (27.86)	3.75 (21.44)
During 2005-06 to 2009-10, savings were mainly under the Major head 4705- Capital outlay on Command Area Development in the scheme "construction of field channels" and "correction of system deficiency". The savings during 2006-07 to 2008-09, were mainly due to non-receipt of approval/sanction from the Government of India, non-deposit of 10 per cent deposit by the farmers, delays in feeding of allotments in the treasury server, slow progress of work, non-completion of On Farm Development (OFD) works, non-sanction of estimates, non-settlement of objection of GOI etc. No reasons were given for 2005-06 and 2009-10.						

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05	57-Externally aided projects pertaining to Water Resources Department	49.70 (29.20)	93.04 (50.68)	172.85 (54.13)	111.18 (31.74)	89.69 (25.58)
<p>During 2005-06 to 2009-10, savings mainly occurred under the Major head 4700-Capital outlay on Major Irrigation in the schemes "Water Resources Management Institute and sources SWARA and SWAR TANK", "Improvement in productivity of pre-constructed Irrigation Schemes of Five Basins-Agriculture, Fisheries, Horticulture, Animal Husbandry, Water Resources, Agriculture Department" and Project Implementation Co-ordination Unit PICU. Reasons for most of the savings had not been intimated. However savings during 2009-10 were partly due to non-receipt of expected demands and savings in 2008-09 were partly due to adoption of economic measures, insufficient progress of consultancy agreement apart from receipts of less demands for training and slow progress in civil works. In 2007-08, savings were partly due to slow progress of works, non-completion of procedural work, non-appointment of contract employees, economy measures, posts remaining vacant, non-finalisation of proposals of consultancy services and training plan. In 2006-07, savings were partly due to non-commencement of work due to technical reasons and delay in finalisation of agency and non-finalisation of procedure for procurement of goods and equipment.</p>						
06	58-Expenditure on Relief on account of Natural Calamities and Scarcity	16.30 (100)	16.30 (100)	4.30 (100)	2.50 (100)	2.70 (64.29)
<p>Savings during 2005-06 to 2009-10 persistently occurred under the Major head 6245-Loans for relief on account of Natural Calamities in the scheme, "Loans for Redressal of water scarcity arising out of Natural Calamities". The reasons for savings in 2006-07 to 2008-09 were mainly due to non-supposition of calamities. No reasons were given for 2005-06 and 2009-10. In addition to the above, savings also occurred during 2005-06 and 2006-07 under the Major heads 4402- Capital outlay on soil and water conservation in the scheme "Construction work", 4702- Capital outlay on Minor Irrigation in scheme Minor Irrigation (Agriculture) and 5054- Capital outlay on Roads and Bridges in the Scheme "District and other Roads" reasons for which had not been intimated.</p>						
07	72-Gas Tragedy Relief and Rehabilitation	3.34 (60.62)	3.68 (59.94)	1.41 (21.08)	2.67 (54.05)	2.71 (55.19)
<p>During 2005-06 and 2009-10, savings persistently occurred under the Major head, 4210-Capital Outlay on Medical and Public Health in the Scheme "Kamla Nehru Hospital". However the reasons for savings had not been intimated.</p>						
Capital-Charged						
08	Public Debt	7,577.46 (88.82)	4,463.47 (72.05)	2,004.48 (54.45)	1,875.54 (48.88)	3,896.40 (61.94)
<p>During 2005-06 to 2009-10, savings persistently occurred mainly under the scheme 6003-110-779-Advances to Meet Shortfall and 637-Ways and Means Advances. Specific reasons for the savings were not intimated by the department.</p>						

2.3.3 Excess expenditure under schemes

In 29 cases of schemes, expenditure aggregating ₹1,372.76 crore exceeded the approved provisions by ₹10 crore or more in each case and also by more than 20 per cent of the total provisions. Details are given in **Appendix-2.2 (A)**.

2.3.4 Unutilized provisions under schemes

In 54 schemes, the entire provision of ₹ five crore or more in each case aggregating to ₹6,525.67 crore remained unutilized. The details are given in **Appendix-2.2 (B)**.

2.3.5 Excess over provisions relating to previous years requiring regularization

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/appropriation regularized by the State Legislature. Although no time limit for regularization of expenditure has been prescribed under the Article, the regularization of excess expenditure is done after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee. However, excess expenditure amounting to ₹4,691.44 crore for the years 1993-95, 1997-2007 and 2008-09 was still to be regularized as detailed in **Appendix-2.3**. The year-wise amounts of excess expenditure pending regularization for grants/appropriations are summarized in **Table-2.4**.

Table-2.4 : Excess over provisions relating to previous years requiring regularization

Year	Number of		Amount of excess over provision (₹ in crore)	Status of Regularization
	Grants	Appropriations		
1993-94	19	02	258.11	Explanatory notes submitted to PAC
1994-95	14	01	407.46	--do--
1997-98	10	03	302.79	Explanatory notes submitted except for ₹23,35,170
1998-99	12	05	1,276.45	Explanatory notes submitted
1999-2000	11	06	1,584.94	Explanatory notes submitted
2000-2001	03	04	265.07	Explanatory notes submitted
2001-2002	-	03	6.26	Explanatory notes submitted
2002-2003	03	05	424.79	Explanatory notes submitted except for ₹31,000
2003-2004	04	03	2.54	Explanatory notes submitted except for ₹2.46 crore
2004-2005	13	02	83.66	Explanatory notes submitted except for ₹4.44 crore
2005-2006	04	02	37.58	Explanatory notes submitted except for ₹29.23 crore
2006-2007	02	01	35.99	Explanatory notes not submitted for whole amount
2007-2008	Nil	Nil	Nil	Nil
2008-2009	02	02	5.80	Explanatory notes not submitted to PAC
Total	97	39	4,691.44	

2.3.6 Excess over provisions during 2009-10 requiring regularization

Table-2.5 contains a summary of total excesses in four grants amounting to ₹123.96 crore over authorization from the Consolidated Fund of the State during 2009-10 and requires regularization under Article 205 of the Constitution.

Table-2.5: Excess over provisions requiring regularization during 2009-10

(₹ in crore)

Sl. No.	Number and title of grant/appropriation		Total grant/ appropriation	Expenditure	Excess
Revenue Voted Grants -					
01	03	Police	1,615.90	1,701.62	85.72
02	27	School Education (Primary Education)	2,562.99	2,594.69	31.70
03	32	Public Relations	82.41	84.30	1.89
04	49	Scheduled Caste Welfare	54.61	59.26	4.65
Total			4,315.91	4,439.87	123.96

No reasons for the above excesses had been intimated (August 2010).

2.3.7 Unnecessary/Excessive/Inadequate supplementary provision

Supplementary provisions of ₹50 lakh or more in each case aggregating ₹1,272.27 crore obtained in 46 cases during the year, proved unnecessary as the expenditure did not come up to the level of the original provisions as detailed in **Appendix-2.4**. In 28 cases, against the additional requirement of ₹5,194.82 crore, supplementary provision of ₹6,796.06 crore proved excessive, resulting in savings in each case exceeding ₹20 lakh, aggregating ₹1,601.24 crore (**Appendix-2.5**). In four cases, supplementary provisions proved insufficient leaving uncovered excess expenditure of ₹123.97 crore as detailed in **Appendix-2.6**.

2.3.8 Excessive/unnecessary re-appropriation/surrender of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. Injudicious re-appropriations/surrenders (cases with 25 per cent and above) in respect of 44 schemes resulted in savings/excesses of more than ₹ one crore in each scheme as detailed in **Appendix-2.7**.

2.3.9 Defective sanctions for re-appropriation/surrenders

As per instructions (November 2006 and March 2007) of the State Government and its financial rules, (i) all sanctions for re-appropriations/ surrenders should be issued before the end of the financial year and should be received in Accountant General (A&E)'s office well in time for incorporation in the accounts, (ii) proper details of schemes should be furnished and total of sanctions should be correct (iii) re-appropriation of more than 10 per cent of the provision under the object heads salary, wages and office expenses are not permissible without the consent of the Finance

Department (iv) separate re-appropriation sanctions should be issued for the excess items under some detailed heads given in surrender sanction and (v) provisions in concerned heads should be available from which surrenders/re-appropriations are sanctioned. A total of 55 sanctions of re-appropriation or surrender of ₹671.99 crore issued during the year in violation of these instructions were not accepted by the Accountant General (A&E) for inclusion in the accounts. Details are given in **Appendix-2.8**.

2.3.10 Substantial surrenders

Substantial surrenders (cases where more than 50 *per cent* of the total provision) were made in 83 schemes. Out of total provisions of ₹2,038.56 crore in these 83 schemes, ₹1,582.12 crore (77.61 *per cent*) were surrendered, which included 100 *per cent* surrender in 35 schemes (₹530.01 crore). Details of selected 35 cases along with reasons are given in **Appendix-2.9**. The main reasons for the substantial surrenders were non-availability of provision in share capital under Rajiv Gandhi Rural Electrification Scheme, non-utilization of funds under Bundelkhand Package, non-commencement of work/implementation of the scheme, non-receipt of demand from D.P.I.P schemes, non-approval of proposal of strengthening by the Government, non-releasing of funds by the Government of India (GOI), restriction on purchases, non-allotment of DDO Code to new polytechnic, posts remaining vacant, slow progress of work, closing of the scheme by GOI etc. The reasons of surrenders in respect of 12 cases (**Appendix-2.9**) had not been intimated (August 2010).

2.3.11 Unrealistic and injudicious surrenders

(A) Surrender in excess of the actual savings

In eight cases, the amounts surrendered (₹one crore or more in each case) were in excess of the actual savings indicating lack of or inadequate budgetary control in these departments. As against savings of ₹1,129.75 crore, the amount surrendered was ₹1,270.79 crore, resulting in injudicious surrender of ₹141.04 crore. Details are given in **Appendix-2.10**.

(B) Surrender even after excess over provision

In three cases, the amounts were surrendered (₹ one crore or more in each case) when there was already excess expenditure indicating lack of or inadequate budgetary control in these department. Though there was excess expenditure of ₹119.30 crore, the amount surrendered was ₹83.28 crore. Details are given in **Appendix-2.10**.

2.3.12 Anticipated savings not surrendered

As per instructions (November 2006 and March 2007) of the State Government, spending departments are required to surrender the grants/appropriations or portions thereof to the Finance Department as and when savings are anticipated. At the close of the year 2009-10, there were, however, 28 grants and 22 appropriations in which

savings occurred but no part of them had been surrendered by the concerned departments. The amount involved in these cases was ₹5,167.36 crore (43.31 per cent of the total savings of ₹11,929.88 crore, as given in **Table-2.1**) (**Appendix-2.11**).

Similarly, out of the total savings of ₹5,276.96 crore under 47 other grants/appropriations of savings of ₹ one crore and above in each grant/appropriation, an amount aggregating ₹3,372.35 crore (63.91 per cent of the total savings in these schemes) was not surrendered, details of which are given in **Appendix-2.12**. Besides, in 51 major heads, (surrender of funds in excess of ₹10 crore in each case), a total of ₹3,188.67 crore (**Appendix-2.13**) was surrendered on the last two working days of March 2010, indicating inadequate financial control and the fact that these funds could not be utilized for other development purposes.

2.3.13 Rush of expenditure

According to the provisions of the Madhya Pradesh Treasury Code (MPTC) and instructions dated 23 March 1989, rush of expenditure in the closing month of the financial year should be avoided. Contrary to this, in respect of 56 schemes listed in **Appendix-2.14**, expenditure exceeding ₹10 crore and also more than 50 per cent of the total expenditure in each case aggregating ₹6,124.82 crore (77.76 per cent of the total expenditure in these cases) was incurred in March 2010.

Table-2.6 presents the major heads where more than 50 per cent expenditure was incurred either during the last quarter or during the last month of the financial year.

Table-2.6: Cases of Rush of Expenditure towards the end of the Financial Year 2009-10
(₹ in crore)

Sl. No.	Major head	Total expenditure during the year	Expenditure during last quarter of the year		Expenditure during March 2010	
			Amount	Percentage of total expenditure	Amount	Percentage of total expenditure
1.	4055	20.95	20.95	100	17.55	83.77
2.	4202	230.12	184.10	80	121.03	52.59
3.	4210	78.56	52.60	66.96	46.48	59.17
4.	4216	28.11	22.87	81.36	21.39	76.09
5.	4225	258.40	213.79	82.74	163.68	63.34
6.	4235	47.03	45.46	96.66	44.57	94.77
7.	4801	1,976.43	1,811.95	91.68	1,569.89	79.43
8.	5452	55.59	41.20	74.11	30.20	54.32
9.	6075	44.73	24.82	55.49	24.82	55.49
10.	6801	3,563.67	2,750.35	77.18	2,459.51	69.02
	Total	6,303.59	5,168.09	81.99	4,499.12	71.37

The percentage of expenditure spent in the month of March to total expenditure in respect of 10 Major heads ranged between 52.59 per cent to 94.77 per cent against the proportionate percentage of 8.33 per month indicating deficient financial

management and non-maintenance of uniform flow of expenditure which is a primary requirement of budgetary control.

2.4 Pendency in submission of DCC Bills, Non-reconciliation of Departmental figures and Non adjustment of Temporary Advances

2.4.1 Pendency in submission of Detailed Countersigned Contingent Bills against Abstract Contingent Bills

As per Rule 313 of MPTC, every drawing officer has to certify in each Abstract Contingent (AC) bill that Detailed Countersigned Contingent (DCC) Bills for all contingent charges drawn by him prior to the first of the current month have been forwarded to the respective controlling officers for countersignature and transmission to the Accountant General. There was an outstanding balance of DCC bills of ₹21.11 crore pertaining to the period from 1996-97 to 2009-10 as on 31 March 2010. Year-wise details are given in **Table-2.7**.

Table-2.7: Pendency in submission of detailed countersigned contingent bills against abstract contingent bills

(₹ in crore)

Sl. No.	Year	Amount of outstanding AC bills
1	1996-1997	0.16
2	1997-1998	0.03
3	1998-1999	2.41+0.01
4	1999-2000	4.01+4.03 ⁵
5	2000-2001	2.00
6	2001-2002	0.003
7	2002-2003	Nil
8	2003-2004	Nil
9	2004-2005	4.60 ⁶
10	2005-2006	2.74 ⁶
11	2006-2007	0.25 ⁶
12	2007-2008	0.04
13	2008-2009	Nil
14	2009-2010	0.83
Total		21.11

5 AC Bills of ₹4.03 crore pertaining to Major Head 2202 were destroyed in a fire accident that took place on 29.2.2000. Hence details were not available.

6 The details of AC Bills of ₹4.60 crore, ₹2.74 crore and ₹0.25 crore pertaining to Major Head 2070 (State Protocol Officer) were not available due to the seizure of records by Investigating Agency of embezzlement case.

Department-wise pending DCC bills for the years up to 2009-10 is detailed in **Appendix-2.15**.

2.4.2 Unreconciled expenditure

To enable controlling officers of departments to exercise effective control over expenditure to keep it within the budget grants and to ensure accuracy of their accounts, the Manual of Treasury Compilation (Second Edition 2007), Office of the Accountant General (A&E) stipulates that the expenditure recorded in their books should be reconciled by them every month during the financial year with that recorded in the books of the Accountant General. Even though non-reconciliation of departmental figures is pointed out regularly in Audit Reports, lapses on the part of Controlling Officers in this regard continued to persist during 2009-10 also. Controlling Officers of 12 departments did not reconcile expenditure amounting to ₹3,039.76 crore as of March 2010. Out of these 12 Controlling Officers, amounts exceeding ₹10 crore in each case aggregating ₹3,038.42 crore remained unreconciled during 2009-2010 in respect of 10 controlling officers as given in **Table-2.8**.

Table-2.8 : List of Controlling Officers under whom amounts exceeding ₹10 crore in each case remained unreconciled during 2009-10

(₹ in crore)

Sl. No.	Controlling Officers	Amount not reconciled
1.	Commissioner, Rehabilitation, Bhopal	10.86
2.	Commissioner, Panchayati Raj Directorate, Bhopal	2,187.58
3.	Director, Public Prosecution, Bhopal	357.36
4.	Commissioner, Women and Child Development, Bhopal	45.84
5.	Secretary, Panchayat and Rural Development, Bhopal	23.60
6.	Secretary, Finance Department, Bhopal	44.72
7.	Secretary, Energy Department, Bhopal	43.91
8.	Secretary, Commercial Industry and Employment, Bhopal	148.74
9.	Secretary Law and Legislative Affairs Department, Bhopal	58.52
10.	Chief Principal, Forest Conservator, Bhopal	117.29
Total		3,038.42

2.4.3 Non-adjustment of temporary advances

Drawing and Disbursing Officers (DDOs) draw temporary advances for the purpose of meeting contingent expenditure either on the authority of standing orders or specific sanctions of the State Government. According to the State Finance Departments' instructions (October 2001), temporary advances taken by Government employees for tours or contingent expenditure should be adjusted within three months or at the end of financial year, whichever was earlier. Otherwise interest as per the interest rate on fixed deposits of State Bank of India would be charged from the responsible employee/officer.

Test check of records (June 2004 to May 2010) of Drawing and Disbursing Officers in the State and information provided by the various departments (to the extent available) reveals that as of 31 March 2010, 1973 advances aggregating ₹42.68 crore were pending for adjustment by DDOs in their records. Adequate reasons for non-adjustment of temporary advances for periods ranging from one year to more than 10 years had not been intimated by the department. Age-wise analysis of advances pending is given in **Table-2.9**.

Table-2.9: Age wise analysis of advances pending

Sl. No	Pendency	No of Advances	Amount (₹ in lakh)
1	More than 10 years	608	25.00
2	More than five years upto 10 years	245	42.50
3	More than one years but less than five years	687	3,904.89
4	Less than one year	433	295.57
Total		1973	4,267.96

The Government should take appropriate action to adjust the advances pending for more than 10 years. Pendency indicates ineffective loan management of the concerned department.

2.5 Personal Deposit Accounts

Personal Deposit (PD) Accounts are created for parking funds by debit to the Consolidated Fund of the State and should be closed at the end of the financial year by minus debit to the relevant service heads. There were 773 PD Accounts (Government:763, Semi Government:10) having balances of ₹1,904.52 crore as of 31 March 2010 in 53 District Treasuries. Of these accounts, 235 PD Accounts with balances of ₹111.55 crore, had no transactions during 2009-10. The closing balances in the PD accounts indicated that the administrators had not followed the provisions of MPTC PART I Rule 543 regarding closing of PD Accounts by minus debit to the relevant service head before closing of the financial year.

(i) Test check of records (July 2010) of Project Director, Madhya Pradesh Urban Service Programme for Poorers (MPUSP) (Urban Administration and Development Department) revealed that a sum of ₹33.11 crore were drawn from the Consolidated Fund of the State (Grant no. 22-2217-05-800-7321) and deposited into PD Account No. 46 during 2009-10. The same amount was drawn from the PD Account and credited to the bank account during 2009-10. The unspent balances of ₹1.19 crore were still lying in the bank account as of 31 March 2010. According to Rule 6 of Madhya Pradesh Financial Code Part I Government money drawn from the treasury should not be kept in outside Government Accounts. No money should be drawn from the treasury unless it is required for immediate disbursement as per MPTC Part I Rule 284. Further, as per Finance Department instructions (February 2009), all the bank accounts were to be closed by 28 February 2009 and amounts transferred to Government Accounts. Thus the department irregularly transferred the funds to its

bank account from PD Accounts instead of closing it at the end of the financial year by minus debit of balances to the relevant service heads as per Rule 543 of MPTC Part I. The department stated that the amount was drawn from the PD Account for payment to a consultant and suppliers' bills which were paid in April and May 2010. The reply is not tenable as the department had not followed the instructions regarding closing of PD Account by transfer the balance amount to the consolidated fund by minus debit to the relevant service head. The matter was reported to Government (August 2010), reply had not been received (September 2010).

(ii) Test check of records (July 2010) pertaining to the Director, Medical Services, Bhopal revealed that two PD Accounts - out of which, one PD Account No. 26 for "Construction work" in the name of Commissioner, Medical Services and other PD Account No. 37 under Medicine Policy in the name of Director Medicine cell, Bhopal were in operation. There were balances of ₹8.68 crore under PD Account No. 26 and ₹69.39 crore (includes ₹30.31 crore relating to Central sector schemes) under PD Account No.37 as of 31 March 2010. These accounts were not closed at the end of the financial year by minus debit to the concerned service heads. Further, it was noticed that there were no transactions during 2009-10 in respect of PD Account No. 26 and as per sanction dated 17 March 2008 of Directorate Health Services M.P. Bhopal, an amount of ₹38.80 crore were transferred (29 March 2008) from PD Account No. 26 to PD Account No.37 above without the consent/approval of the Finance Department.

(iii) Test check (July 2010) of records pertaining to Land Acquisition Officer Bhopal revealed that an amount of ₹28.64 crore were lying in PD Account as of 31 March 2010. It was not closed at the end of the financial year by minus debit to the relevant service heads of the consolidated funds.

2.6 Outcome of Review of Selected Grants

A review of budgetary procedure and control over expenditure and test check of records pertaining to seven grants⁷ revealed the following:

2.6.1 Non-maintenance of expenditure control registers

For the purpose of effective control and monitoring over expenditure, a register is required to be maintained by controlling officers of grants the subordinate offices are required to send monthly expenditure statements regularly to these controlling officers. Figures of expenditure so received are to be posted in the Expenditure Control Register and progressive totals thereof worked out month-by-month by the controlling officers to enable them to update the position of expenditure.

Test check of records of grant nos. 2, 37, 45, 58, 64 and 69 revealed that neither were Expenditure Control Registers maintained by any of the controlling officers nor did

⁷ 02-Other expenditure pertaining to General Administration Department (Revenue Voted), 20-Public Health Engineering (Capital Voted), 37-Tourism (Capital Voted), 45-Minor Irrigation Works (Capital Voted), 58-Expenditure on Relief on account of Natural Calamities and Scarcity (Revenue Voted and Capital Voted), 64-Scheduled Castes Sub Plan (Revenue Voted) and 69-Information Technology (Revenue Voted)

the subordinate offices submit Monthly Expenditure Statements regularly. This indicated the absence of proper control and monitoring of expenditure which led to (a) heavy excesses/ large savings over the provisions under certain sub-heads, and (b) inadequate/unnecessary/ excessive supplementary provisions.

2.6.2 Defective preparation of budget estimates

The procedure followed in the test-checked grants and the Appropriation Accounts, 2009-10 revealed that demands for budget estimates were prepared on an ad hoc basis. The poor quality of budget preparation and budgetary operations led to huge savings totaling ₹489.09 crore ranging between ₹10.41 crore and ₹234.83 crore in four grants (2, 58, 64 and 69) under the Revenue voted section. In the Capital voted section also, excessive provisions totaling ₹233.96 crore ranged from ₹2.70 crore to ₹161.67 crore in four grants (20, 37, 45 and 58).

Substantial savings occurred of ₹ two crore or more and also more than 20 per cent of the provision in each case aggregating ₹689.92 crore under 43 schemes of the test-checked grants during 2009-10 (persistent savings had occurred in respect of 13 schemes) as per details given in **Appendix-2.16**. Under nine schemes, substantial excesses of more than ₹one crore in each case totaling ₹44.37 crore during 2009-10 were noticed as per details given in **Appendix-2.17**.

In two schemes, supplementary provisions totaling ₹108.35 crore remained unutilized and proved unnecessary and in another two schemes, the supplementary provisions were excessive by ₹26.68 crore. In one other scheme, the supplementary provision was inadequate in view of a total excess of ₹13.96 crore. Details are given in **Appendix-2.18**.

2.6.3 Parking of funds under Civil Deposit and Bank Account

Financial Rules prohibit drawal of money from the treasury unless required for immediate disbursement. Test check of records and Appropriation Accounts 2009-10 revealed that money was drawn and credited to Civil Deposit after being exhibited as final expenditure in the accounts to avoid the lapse of budget provisions. Details are given below: -

- (i) A sum of ₹37.26 crore was drawn from Grant no.58 under the heads 2245-80-103-7024- The amount received from National Contingency Calamities Relief Funds (₹27.83 crore) and 4059-01-051-0101-5720-Construction of Disaster Relief Buildings (₹1.50 crore); Grant no.20 under the heads 4215-01-102-0701-2580-Rural piped water supply scheme (₹ Three crore) and 4215-01-102-0701-9489-Flourosis control programme in the State (₹3.43 crore); Grant no.64 under the head 3451-789-101-0103-5612-Strengthening of Decentralized Scheme (₹1.50 crore) and credited to Major head 8443-Civil Deposit-800-other Deposits on 31 March 2010.

- (ii) An amount of ₹5.36 crore was drawn (February 2010) by Commissioner Tribal Development Bhopal in Grant no.64 under the scheme 2225-01-793-800-0603-4986-Grant to Special Authority for denotified nomadic castes and released to the Nomadic Castes Authority, which was credited to Bank A/C (PNB Jumerati, Bhopal). The funds were still lying unutilized (July 2010) in the bank account.
- (iii) An amount of ₹25.78 crore released in November 2006 (₹18.30 crore) and March 2008 (₹7.48 crore) by the Government of India in Grant no.69-under the Scheme 3435-60-600-0701-6873-National e-Governance Plan was deposited under major head 8443- Civil Deposits-800-Other Deposits on 31 March 2008 and 31 March 2009 respectively and these are still lying unutilized (July 2010). This resulted in blocking of GOI Funds. The controlling officer confirmed the facts.
- (iv) A sum of ₹7.29 crore was drawn by the Director, Information Technology under Grant no.69-3425-60-600-0701-6874-Establishment of State Wide Area Network (₹ seven crore) and 0101-6760-Assistance to MAPIT or other Institutions for new Technology (₹0.29 crore). Out of this, ₹4.29 crore remained unutilized (July 2010). The department stated the payment would be made after completion of all the works and formalities, tests etc. The reply of the department confirmed the fact that the said amount was not required for immediate payment and drawals were made to avoid lapse of budget provision.

2.6.4 Non-reconciliation of expenditure under selected grants

In order to enable the controlling officers to ascertain the exact and updated position of expenditure, figures of expenditure in departmental records should be reconciled with those shown in the records of the Accountant General (A&E)-I, Madhya Pradesh. Test check revealed that reconciliation of departmental expenditure figures for the year 2009-10 was not carried out with the figures of the Accountant General (A&E)-I by any of the Controlling Officers in respect of grant nos. 45, 64 and 69 demonstrating ineffective control over expenditure.

2.6.5 Excessive surrender of Funds

In Grant no. 64 under the scheme 2225-01-793-277-063-538- Grant to Educated youths for construction of infrastructure and training for self-employment, against the provision/allotment for ₹7.60 crore, an expenditure of ₹2.56 crore was booked with a saving of ₹5.04 crore. However, ₹6.26 crore was surrendered against the saving of ₹5.04 crore which resulted in excess surrender of ₹1.22 crore. This indicated ineffective control over expenditure by the department.

2.6.6 Irregular drawal of State's share

The Finance Department, Government of Madhya Pradesh issued instructions (March 2009) that funds allocated as the State's share in respect of Centrally

sponsored schemes (CSS) should be drawn only after receipt of the funds (Central Share) from the Central Government.

Scrutiny (July 2010) of records revealed that Government of India (Information Technology) sanctioned (October 2006) a project of State Wide Area Network (SWAN) for a total outlay of ₹174.21 crore in respect of Madhya Pradesh with Central share of 67 per cent (₹116.70 crore) and State share of 33 per cent (₹57.51 crore). During 2005-06 to 2008-09, the State Government drew the State share of ₹28.29 crore and received Central share of only ₹12 crore up to 2008-09 as against the required Central share of ₹56.48 crore, resulting in less receipt of ₹44.48 crore due in 2009-10. During 2009-10, the Director, Information Technology (DIT) drew (March 2010) the State's share of ₹ seven crore in Grant no.69 under the scheme 3425-60-600-0701- CSS (Normal)-6874-Establishment of SWAN while there was already less receipt of Central funds.

The department assured compliance of Government instructions in future.

2.6.7 Unauthorized drawal of funds from the State Plan scheme for Centrally Sponsored scheme

Government of India sanctioned (March 2009), payment of ₹12.20 crore as additional Central assistance under the National e-Governance Action Plan. However, the State Government made a budget provision of ₹8.67 crore under the Centrally Sponsored scheme (normal) and ₹17.35 crore in the State Plan scheme 'National e-Governance Plan' in grant no. 69.

Scrutiny (July 2010) of records revealed that during 2009-10, the Government sanctioned (November 2009) drawal of ₹12.20 crore from the State Plan scheme for implementation of the Centrally Sponsored scheme instead of from the allocation under the Centrally Sponsored scheme. Funds ₹8.67 crore provided under the Centrally Sponsored scheme was surrendered in January and March 2010 instead of utilising it.

The department replied that the scheme 'National e-Governance plan' was under State Plan scheme. The reply is not acceptable as the funds provided under Centrally Sponsored scheme in the Budget remained unutilized and consequently were surrendered notwithstanding the fact that the scheme being implemented was a Centrally Sponsored scheme.

2.6.8 Rush of expenditure in March under schemes

According to the provisions of the Madhya Pradesh Treasury Code (MPTC) and instructions dated 23 March 1989, rush of expenditure in the closing month of the financial year should be avoided. Regular flow of expenditure throughout the year is the primary requirement of budgetary control. In 20 schemes as per details given in **Appendix-2.19**, the expenditure incurred during March 2010 totaling ₹438.20 crore ranged from 60 per cent to 100 per cent of the total expenditure. This indicates inadequate financial control and possibility of drawal of funds to avoid lapse of budget provision.

2.6.9 Drawal of funds in excess of Budget allotment

Government of Madhya Pradesh Finance Department issued (April 2009) instructions, imposing a 10 *per cent* cut from the object head 42-Grant-in-aid (Non-Plan) during the year 2009-10.

Scrutiny of records relating to Grant no.02 revealed (July 2010) that ₹one crore and ₹15 lakh under the heads 2052-092-8243-Grant-in-aid to Human Rights Commission and 2235-60-107-7512-Bus passes for Freedom fighters respectively allocated in the State Budget (vote on Account) from 1 April 2009 to 31 July 2009, were drawn during May to September 2009 and March 2010, without deducting the 10 *per cent* cut imposed by the Finance Department, resulting in excess drawal of ₹11.50 lakh by the Department. Department accepted the facts and assured compliance in future.

2.7 Conclusion

Although the overall saving of ₹11,930 crore during the year was 19 *per cent* of the total budget provision (₹62,394 crore), the following facts indicate defective budget preparation, ineffective financial management and budgetary control over expenditure by the State Government :

Supplementary provisions of ₹8,461 crore obtained during the year were not required in view of the overall saving of ₹11,930 crore. Rupees 398 crore was transferred to Civil Deposit (Other Deposits) and ₹413 crore were transferred to the balances of PD Account during 2009-10 by exhibiting these as final expenditure in the accounts. There were cases of persistent savings, excess expenditure in 29 schemes and unutilized provision of ₹6,526 crore in 54 schemes during the year. A sum of ₹3,189 crore was surrendered on the last two days of the financial year. Government was still to regularize excess expenditure of ₹4,691 crore pertaining to the periods 1993-94, 1994-95 and 1997-98 to 2008-09. Excess expenditure of ₹123.96 crore in four grants during the year required regularization. There were defective sanctions of surrenders/re-appropriations amounting to ₹671.99 crore issued in violation of financial rules and instructions of the Government. AC bills amounting ₹21.11 crore remained outstanding for adjustment as on 31 March 2010. Twelve Controlling Officers did not reconcile expenditure of ₹3,039.76 crore. Government did not close 773 PD Accounts having huge balances of ₹1,904.52 crore as of 31 March 2010, of which 235 PD Accounts having balances of ₹111.55 crore remained un-operative during the year.

2.8 Recommendations

- Budgetary control should be strengthened by all the Government departments where savings/excesses have been observed. Transfer of funds to Civil Deposits at the fag end of the financial year with a view to avoid lapse of budget should be avoided.
- Regularization of excess expenditure pending from 1993-94 may be taken up on priority basis.

- Issuance of sanctions of re-appropriations/surrenders at the fag end of the financial year and excessive/unnecessary re-appropriation and surrender of funds should be avoided. Budget estimates should be prepared on a realistic basis as there were huge savings of ₹100 crore or more in each case under 13 grants/appropriation aggregating ₹8,579 crore.
- Regular flow of the expenditure should be maintained as there were substantial cases of rush of expenditure in the month of March.
- Supplementary provisions should be obtained after ascertaining the actual requirements of the departments concerned.

CHAPTER III

Financial Reporting

Sound internal financial reporting together with relevant and reliable information significantly contributes to efficient and effective governance by a Government. Compliance with financial rules, procedures and directives as well as the timeliness and quality of reporting on the status of such compliances are also attributes of good governance. Reports on compliance and controls, if effective and operational, assist the Government in meeting its basic stewardship responsibilities including strategic planning and decision-making. This Chapter provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the current year.

3.1 Delay in furnishing utilization certificates

The Madhya Pradesh Financial Code Rules (182,229 F) provide that Utilization Certificates (UCs) for grants provided for specific purposes should be obtained by the departmental officers from the grantees and forwarded to the Accountant General after verification within 18 months from the date of their sanction unless specified otherwise. However, 2,240 UCs for an aggregate amount of ₹5,656.02 (46 per cent) crore were in arrears. Out of which 259 UCs for ₹4.97 crore were in arrears for more than five years from the departments mainly the Co-operative and Co-operative Societies. Release of further assistance despite outstanding UCs indicated lack of internal control within the departments. The department-wise break up of outstanding UCs is given in **Appendix-3.1**. Age-wise delays in submission of UCs is given in **Table-3.1**.

Table-3.1: Age-wise arrears of utilization certificates

Sl. No.	Range of delay in number of years	Total grants paid		Utilization certificates outstanding	
		Number	Amount (₹ in crore)	Number	Amount (₹ in crore)
1.	0 - 1	1186	4,506.43	1,049	2,943.76
2.	1 - 3	2748	6,029.53	825	2,673.22
3.	3 - 5	NA	1,531.97	107	34.07
4.	5 and above	NA	170.90	259	4.97
	Total	NA	12,238.83	2240	5,656.02

3.2 Delays in submission of accounts/audit reports of autonomous bodies

The Government has set up several autonomous bodies in the field of Agriculture, Housing, Labour Welfare, Urban Development, etc. The audit of accounts of 48 autonomous bodies in the State has been entrusted to the CAG. The status of entrustment of audit, rendering of accounts to Audit, issuance of Separate Audit Reports and their placement in the Legislature are indicated in **Appendix-3.2**. The frequency distribution of autonomous bodies according to the delays in submission of accounts to Audit and placement of Separate Audit Reports (SAR) in the legislature after the entrustment of audit to CAG is summarized in **Table-3.2**.

Table-3.2: Delays in submission of accounts and tabling of Separate Audit Reports

Delays in submission of accounts (in months)	Number of autonomous bodies	Reasons for delay	Delays in submission of SARs in legislature (in years)	Number of autonomous bodies	Reasons for the delay
0 - 1	--	Non-approval of accounts by Board of Governors and non-submission of accounts by others. Correspondence with the units and at the ministry is going on for submission of accounts.	0 - 1		Accounts not received from any autonomous body.
1 - 6	--		1 - 2		
6 - 12	--		2 - 3		
12 - 18	-		3 - 4		
18 - 24	46		4 - 5		
24 & above	-		5 & above		
Total	46				

Out of 52 units, 45 units did not submit their accounts since the inception of the unit (1997-98 to 2006-07) even after the lapse of four to 12 years and three units did not submit their accounts regularly due to non-approval by the Board's of Governors and submission of account by others.

The remaining four Autonomous Bodies which are required to submit SARs have also been identified and Government is in the process of entrusting the audit of these bodies to CAG.

3.3 Misappropriations, losses, defalcations, etc.

The Government reported 3230 cases of misappropriation, defalcation, etc. involving Government money amounting to ₹36.70 crore up to the period March 2010 on which final action was pending. The department-wise break up of pending cases of misappropriation, defalcations etc. and write-offs for 2009-10 and their age-wise analysis are given in **Appendix-3.3** and **Appendix-3.4** and the nature of these cases is given in **Appendix-3.5**. The age-profile of the pending cases and the

number of cases pending in each category – theft and misappropriation/loss as emerging from these appendices are summarized in **Table-3.3**.

Table-3.3: Profile of misappropriations, losses, defalcations, etc.

Age-profile of the pending cases			Details of the pending cases		
Range in years	Number of cases	Amount involved (₹ in crore)	Nature of the case	Number of cases	Amount involved (₹ in crore)
0 - 5	615	23.84	Theft	264	2.46
5 - 10	458	2.76			
10 - 15	467	5.08	Misappropriation/ Loss of material	2966	34.24
15 - 20	484	1.90			
20 - 25	698	2.04	Total	3230	36.70
25 & above	508	1.08	Cases of losses written off during the year	95	13.54 lakh
Total	3230	36.70			

Ninety-five cases of losses involving an amount of ₹13.54 lakh written off during 2009-10 have been detailed in **Appendix-3.4**.

A further analysis indicates that the reasons for which the cases were outstanding could be classified in the categories listed in **Table-3.4**.

Table-3.4: Reasons for outstanding cases of misappropriation, loss, defalcation etc.

Reasons for the delay/outstanding pending cases		Number of cases	Amount (₹ in crore)
(i)	Awaiting departmental and criminal investigation	44	1.64
(ii)	Awaiting orders for recovery or write off	3185	35.03
(iii)	Pending in the courts of law	1	0.03
Total		3230	36.70

3.4 Conclusion

Utilization certificates in respect of grants and loans aggregating ₹12,238.83 crore, paid up to 2009-10 were required to be issued by the State. However, certificates for an aggregate amount of ₹5,656.02 crore (46 per cent) were in arrears. There were delays in submission of Accounts by 46 autonomous bodies and consequent issuance of Separate Audit Reports despite reporting of matter to the concerned units and the Government. A total of 3230 cases of misappropriation, defalcation, etc. involving Government money amounting to ₹36.70 crore up to the period March 2010 was pending, mainly because orders for recovery or write-off from the Government were awaited. All these deficiencies reflected lack of internal control within the departments and ineffective governance by the Government.

3.5 Recommendations

- The internal control mechanism of the departments needs to be strengthened to monitor the timely submission of utilization certificates.
- The departments should ensure that grants are released only after ascertaining proper utilisation of the grants released earlier.
- Timely submission of accounts by autonomous bodies should be ensured.
- A time-bound framework needs to be prepared for taking prompt action in cases of theft, misappropriation etc.

Gwalior
The

(B.R. KHAIRNAR)
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Madhya Pradesh

Countersigned

New Delhi
The

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Comptroller and Auditor General of India

Appendix-1.1
(Reference: Paragraph 1.1, 1.3.1 and 1.5.2, Page 1, 12 and 27)

STATE PROFILE (Madhya Pradesh)				
A. General Data				
Sl. No.	Particulars			Figures
1	Area			308245 sq km
2	Population			
	a.	As per 2001 Census.		6.03 crore
	b.	2009-2010		7.05 crore
3	Density of Population (2001) (All India Density = 325 persons per Sq.Km)			196 sq. km.
4	Population below poverty line (All India Average = 27.5 %)			38.30 per cent
5	Literacy (2001). (All India Average = 64.8%)			69.69 per cent
6	Infant mortality (per 1000 live births). (All India Average = 53 per 1000 live births)			70
7	Life Expectancy at birth (All India Average =63.5 years)			58
8	Gini Coefficient ¹			
	a.	Rural (All India = 0.30)		0.27
	b.	Urban (All India = 0.37)		0.39
9	Gross State Domestic Product (GSDP) 2009-2010 at current prices			194427 crore
10	GSDP CAGR ² (2000-01 to 2009-10)			10.49 per cent
11	Per capita GSDP CAGR (2000-01 to 2009-10)			8.59 per cent
12	GSDP CAGR (2000-01 to 2008-2009)		Madhya Pradesh	10.14 per cent
			Other General Category States	12.50 per cent
13	Population Growth (2000- 2001 to 2009-2010)		Madhya Pradesh	16.87 per cent
			Other General Category States	13.42 per cent
B. Financial Data				
Sl.No.	Particulars			Figures (in Per cent)
1	CAGR		2000-01 to 2008-09	
			General Category States	Madhya Pradesh
			2000-01 to 2009-10	
			Madhya Pradesh	
	a.	of Revenue Receipts	14.40	12.77
	b.	of Own Tax Revenue	13.59	11.65
	c.	of Non Tax Revenue	12.08	8.63
	d.	of Total Expenditure	12.38	11.11
	e.	of Capital Expenditure	21.41	25.22
	f.	of Revenue Expenditure on Education	9.33	7.47
	g.	of Revenue Expenditure on Health	8.95	5.82
	h.	of Salary and Wages	9.37 ³	9.02 ³
	i.	of Pension	12.03	12.29

Source: Financial data is based on figures in Finance Accounts. BPL (Planning Commission & NSSO data, 61st Round-http://planning_commission.nic.in/data/database/Data0910/tab%2021.pdf), Gini Coefficient (Unofficial estimates of Planning Commission & NSSO data, 61st Round 2004-05 MRP), Life Expectancy at birth (Office of the Registrar General of India; Ministry of Home Affairs; Economic Survey, 2009-10), Infant mortality rate (SRS Bulletin October, 2009), Density of population (Office of the Registrar General and census commissioner of India; Ministry of Home Affairs and Literacy (Office of the Registrar General of India; Ministry of Home Affairs).

1 It is a measure of inequality of income distribution where zero refers to perfect equality and one refers to perfect inequality.

2 GSDP= Gross State Domestic Product, CAGR= Compound Annual Growth Rate

3 Figures from 2001-02 to 2008-09

Appendix-1.2
(Reference: Paragraph 1.1, Page 1)

Part-A: Structure and Form of Government Accounts

Structure of Government Accounts: The accounts of the Government are kept in three parts (i) Consolidated Fund, (ii) Contingency Fund and (iii) Public Account.

Part I: Consolidated Fund : All revenues received by the Government, all loans raised by issue of treasury bills, internal and external loans and all moneys received by the Government in repayment of loans shall form one consolidated fund entitled 'The Consolidated Fund of State' established under Article 266(1) of the Constitution of India.

Part II: Contingency Fund: Contingency Fund of the Government established under Article 267(2) of the Constitution is in the nature of an imprest placed at the disposal of the Governor to enable him to make advances to meet urgent unforeseen expenditure, pending authorisation by the Legislature. Approval of the Legislature for such expenditure and for withdrawal of an equivalent amount from the Consolidated Fund is subsequently obtained, whereupon the advances from the Contingency Fund are recouped to the Fund.

Part III: Public Account: Receipts and disbursements in respect of certain transactions such as small savings, provident funds, reserve funds, deposits, suspense, remittances etc which do not form part of the Consolidated Fund, are kept in the Public Account set up under Article 266 (2) of the Constitution and are not subject to vote by the State legislature.

Appendix-1.2 Part-B: Layout of Finance Accounts

Statement	Layout
<p>The Finance Accounts have been divided into two volumes. Volume I presents the Financial Statements of the Government in the form of commonly understood summarised form while the details are presented in Volume II.</p> <p>Volume I contains the Certificate of the Comptroller and Auditor General of India, four Summary Statements as given below and Notes to Accounts including accounting policy.</p>	
Statement No.1	<p>Statement of financial position: Cumulative figures of assets and liabilities of the Government, as they stand at the end of the year, are depicted in the statement. The assets are largely financial assets with the figures for progressive capital expenditure denoting physical assets of the government. Assets, as per the accounting policy, are depicted at historical cost.</p>
Statement No.2	<p>Statement of receipts and disbursement: This is a summarised statement showing all receipts and disbursements of the Government during the year in all the three parts in which Government account is kept, namely the consolidated fund, contingency fund and public account. Further within the consolidated fund, receipts and expenditure on revenue and capital account are depicted distinctly</p>
Statement No.3	<p>Statement of receipt (consolidate fund): This statement comprises revenue and capital receipts and receipts from borrowings of the Government consisting of loans from the GOI, other institutions, market loans raised by the Government and recoveries on account of loans and advances made by the Government.</p>
Statement No.4	<p>Statement of expenditure (consolidated fund): This statement not only gives expenditure function (activity) but also summaries expenditure by name of activity (objects of expenditure).</p>
<p>In addition, the Volume comprises an appendix. Appendix I, which is a statement of Cash Balances and Investments of Cash Balances.</p> <p>Volume II comprises three parts. Part I contains six statements as given below:</p>	
Statement No.5	<p>Statement of progressive capital expenditure: This statement details progressive capital expenditure by functions, the aggregate of which is depicted in Statement I.</p>
Statement No.6	<p>Statement of Borrowings and other liabilities: Borrowings of the Government comprise market loans raised by it (internal debt) and Loans and Advances received from the GOI. Both these together form the public debt of the state Government. In addition, this summary statement depicts 'other liabilities' which are the balances under various sectors in the public account. In respect of the latter, the Government as a trustee or custodian of the funds, hence these constitute liabilities of the Government. The statement also contains a note on service of debt, i.e. a note on the quantum of net interest charges met from revenue receipts.</p>

Appendix-1.2 Part-B: Layout of Finance Accounts	
Statement	Layout
Statement No.7	Statement of Loans given by the Government: The loans and advances given by the Government are depicted in statement I and recoveries, disbursements feature in statement 2, 3 and 4. Here, loans and advances are summarised sector and loanee group wise. This is followed by a note on the recoveries in arrear in respect of loans, the details of which are maintained by the AG office and details of which are maintained by the State departments.
Statement No.8	Statement of Grants-in-aid given by the Government, organised by grantee institutions group wise. It includes a note on grants given in kind also.
Statement No.9	Statement of Guarantees given by the Government: Guarantees given by the Government for repayment of loans, etc. raised by Statutory corporations, Government companies, Local Bodies and Other institutions during the year and sums guaranteed outstanding as at the end of the year are present in this statement.
Statement No.10	Statement of Voted and Charged Expenditure: This statement presents details of voted and charged expenditure of the Government
Volume II Part II: This part contains nine statements presenting details of transactions by minor head corresponding to statements in Volume I and Part I of Volume II	
Statement No.11	Detailed Statement of Revenue and Capital Receipts by minor heads: This statement presents the revenue and capital receipts of the Government in detail.
Statement No.12	Detailed Statement of Revenue Expenditure by minor heads: This statement presents the details of revenue expenditure of the Government in detail. Non-plan and plan figures are depicted separately and a comparison with the figures for the previous year are available.
Statement No.13	Detailed Statement of Capital Expenditure by minor heads: This statement presents the details of capital expenditure of the Government in detail. Non-Plan and Plan figures are depicted separately and a comparison with the figures for the previous year are available. Cumulative capital expenditure upto the end of the year is also depicted.
Statement No.14	Detailed Statement of Investments of the Government: The position of Government Investment in the share capital and debentures of different concerns is depicted in this statement for the current and previous year. Details included type of shares held, face value, dividend received etc.
Statement No.15	Detailed Statement of Borrowings and other Liabilities: Details of borrowings (market loans raised by the Government and Loans etc. from GOI) by minor heads, the maturity and repayment profile of all loans is provided in this statement. This is the details statement corresponding to statement 6 in part 1 volume 2.
Statement No.16	Detailed Statement on Loans and Advances given by the Government: The details of loans and advances given by the Government, the changes in loan balances, loans written off, interest received on loans etc. is present in this statement. It also presents plan loans separately. This is the detailed statement corresponding to statement 7 in part 1 volume 2.
Statement No.17	Detailed Statement on Sources and Application of funds for expenditure other than revenue account. The capital and other expenditure (other than on revenue account and the sources of fund for the expenditure) is depicted in the statement
Statement No.18	Detailed Statement on Contingency Fund and other Public Account transaction: The Statement shows changes in contingency fund during the year, the appropriations to the fund, expenditure, amount recouped etc. It also depicted the transaction in public account in detail.
Statement No.19	Statement showing details of earmarked balances. This statement shows the details of investment out of reserve fund in public account.

Appendix-1.2 Concl...
(Reference: Paragraph 1.1, Page 1)
Part-C

Statement showing apportionment of assets and liabilities of the erstwhile State of Madhya Pradesh as on 31 March 2010 between successor States of Madhya Pradesh and Chhattisgarh

(₹ in crore)

Items	Balance as on 31 October 2000	Apportioned to		Balance retained in MP accounts pending apportionment	Reference to Finance Accounts Statements No.
		Madhya Pradesh	Chhattisgarh		
I- Liabilities-					
1. Small savings, provident funds, etc.	7371.51	5570.57	1239.45	561.49	17 and 18
2. Deposits	1872.19	1516.52	358.05	(-) 2.38	17 and 18
3. Reserve Funds	657.94(a)	45.49	11.55	102.46 (b)	17 and 18
4. Suspense and Miscellaneous Balances	39.58	25.46	5.93	8.18 (c)	18
II- Assets-					
1. Gross Capital Outlay	15760.57	4993.86	1499.12	8788.75 (d)	5 and 13
2. Loans and Advances	2883.18	559.83	135.91	2186.62 (e)	7 and 16
3. Guarantees	9709.60	--	--	9249.98 (f)	9

N.B.: For further details, see Finance Accounts.

- (a) Dropped ₹498.44 crore out of total of ₹657.94 crore, in terms of second proviso to Section 42(1) of M.P. Re-organisation Act, 2000.
- (b) Retained in M.P. pending decision of GOI.
- (c) Retained in M.P. for want of details.
- (d) Differs from the figures of ₹9267.59 crore due to proforma reduce of ₹478.85 crore.
- (e) Retained in M.P. due to non-receipt of decisions/details from successor States.
- (f) Differs from the figures of ₹9416.11 crore of 2008-09 by ₹166.13 crore due to old guarantees cancelled.

Appendix-1.3

(Reference: Paragraph 1.1, Page 1)

Methodology Adopted for the Assessment of Fiscal Position**Part-A**

The norms/ceilings prescribed by the TFC for selected fiscal variable along with its projections for a set of fiscal aggregates and the commitments/projections made by the State Governments in their Fiscal Responsibility Acts and in other Statements required to be laid in the legislature under the Act (**Part-B of Appendix-1.3**) are used to make qualitative assessment of the trends and pattern of major fiscal aggregates. Assuming that GSDP is the good indicator of the performance of the State's economy, major fiscal aggregates like tax and non-tax revenue, revenue and capital expenditure, internal debt and revenue and fiscal deficits have been presented as percentage to the Gross State Domestic Product (GSDP) at current market prices. The buoyancy coefficients for relevant fiscal variables with reference to the base represented by GSDP have also been worked out to assess as to whether the mobilization of resources, pattern of expenditure etc., are keeping pace with the change in the base or these fiscal aggregates are also affected by factors other than GSDP.

The trends in GSDP for the last five years are indicated below:

Trends in Gross State Domestic Product (GSDP)

	2005-06	2006-07	2007-08	2008-09	2009-10
Gross State Domestic Product (₹ in crore)	117565	133073	149840	171547	194427
Growth rate of GSDP*	10.07	13.19	12.60	14.49	13.34
<i>Source: The Directorate of Economics and Statistics, Government of Madhya Pradesh</i>					

*GSDP estimates for the period 2005-10 are revised, therefore, percentage ratio/buoyancies of various parameters with reference to GSDP for 2005-10 have also been revised.

The definitions of some of the selected terms used in assessing the trends and pattern of fiscal aggregates are given below:

Terms	Basis of calculation
Buoyancy of a parameter	Rate of Growth of the parameter/GSDP Growth
Buoyancy of a parameter (X) With respect to another parameter (Y)	Rate of Growth of parameter (X)/ Rate of Growth of parameter (Y)
Rate of Growth (ROG)	$[(\text{Current year Amount} / \text{Previous year Amount}) - 1] * 100$
Development Expenditure	Social Services + Economic Services
Average interest paid by the State	$\text{Interest payment} / [(\text{Amount of previous year's Fiscal Liabilities} + \text{Current year's Fiscal Liabilities}) / 2] * 100$
Interest spread	GSDP growth – Average Interest Rate
Quantum spread	Debt stock * Interest spread
Interest received as <i>per cent</i> to Loans Outstanding	$\text{Interest Received} / [(\text{Opening balance} + \text{Closing balance of Loans and Advances}) / 2] * 100$
Revenue Deficit	Revenue Receipt – Revenue Expenditure
Fiscal Deficit	Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts – Miscellaneous Capital Receipts
Primary Deficit	Fiscal Deficit – Interest payments
Balance from Current Revenue (BCR)	Revenue Receipts minus all Plan grants and Non-plan Revenue Expenditure excluding expenditure recorded under the major head 2048 – Appropriation for reduction of Avoidance of debt

Appendix-1.3 Contd...
Part-B*(Reference: Paragraph 1.1, Page 1)***Fiscal Responsibility and Budget Management (FRBM) Act, 2005**

The State Government has enacted the Madhya Pradesh Rajkoshiya Uttardayitva Avam Budget Prabandhan Adhiniyam, 2005 (Fiscal Responsibility and Budget Management (FRBM) Act 2005) which came into force from 1st January 2006 to ensure prudence in fiscal management and fiscal stability by progressive elimination of revenue deficit, reduction in fiscal deficit, prudent debt management consistent with fiscal sustainability, greater transparency in fiscal operations of the Government and conduct of fiscal policy in a medium term framework and for matters connected therewith or incidental thereto. To give effect to the fiscal management objectives as laid down in the Act, and/or the rules framed (30 January 2006) thereunder the following fiscal targets were prescribed for the State Government:

- Reduce revenue deficit in each financial year so as to eliminate it by 31st March 2009 and generate revenue surplus thereafter;
- Reduce fiscal deficit in each financial year so as to bring it down to not more than three *per cent* of GSDP by 31st March 2009. The GOI has relaxed the limit to four *per cent* of GSDP for all the states for the years 2008-09 and 2009-10 respectively;
- Ensure that within a period of 10 years, i.e. as on the 31st March 2015, total liabilities do not exceed 40 *per cent* of the estimated GSDP for that year; and
- Limit the annual incremental guarantees so as to ensure that the guarantees do not exceed 80 *per cent* of the total revenue receipts in the year preceding the current year.

Provided that revenue deficit and fiscal deficit may exceed the limits specified under this section due to ground(s) of shortfall in the Central tax devolutions in relation to the budgetary estimates of the Union of India and/or unforeseen demands on the finances of the State Government arising out of internal disturbance or natural calamity or such other exceptional grounds as the State Government may specify.

Roadmap to achieve the Fiscal Targets as laid down in FRBM Act/Rules

In accordance with the provisions of the FRBM Act 2005, the State Government has placed the (a) Macro-Economic framework Statement, (b) Medium Term Fiscal Policy Statement (MTFPS) and (c) Fiscal policy strategy statement along with the Budget for 2009-10. The actuals for 2007-08, RE for 2008-09 and BE for 2009-10 for select indicators are presented in MTFPS (**Appendix-1.3 Part-C**).

In terms of an incentive scheme of TFC, a reward for fiscal performance was built into the debt-write off package under DCRF⁴. According to the scheme, the quantum of write off of repayment of GOI loans after consolidation and re-schedulement will be linked to the absolute amount by which revenue deficit is reduced in each successive year during the award period. In effect, if the revenue deficit is brought to zero, the entire repayment during the period will be written off. For States which were in revenue surplus as per the base year figure (2003-04) and continued to remain so in the subsequent years till the end of TFC award period, the installment of repayment due on the Central loans (after consolidation and re-schedulement) may be written-off in each year from 2005-06 onwards so long as the revenue surplus of the State does not go below the base year level in absolute terms. As a result of improved fiscal performance in terms of this criterion, the State Government received a debt waiver of ₹1,815.30 crore during the period 2005-10.

Mid-Term Review of the Fiscal Situation

In compliance with Section 11 (1) of FRBM Act 2005, the Finance Minister undertook a half yearly review in July 2009 and the outcome of the review was placed before the legislature in July 2009. The outcome of the half yearly review of trends in receipt and expenditure at the end of the second quarter showed that the total non-debt receipts and the fiscal deficit were better than the benchmarks prescribed under Rule 8 of FRBM rules January, 2006. Therefore no further corrective measures were required to be taken by the State Government.

⁴ *In pursuance of the recommendations of the Twelfth Finance Commission (TFC) for fiscal consolidation and elimination of revenue deficit of the State, the Government of India formulated a scheme, "The States debt consolidation and Relief Facility (DCRF) (2005-06 to 2009-10)" under which general debt relief is provided by consolidating and rescheduling at substantially reduced rate of interest the Central loans granted to States on enacting the FRBM Act and debt waiver is granted based on fiscal performance, linked to the reduction of revenue deficits of State.*

Appendix-1.3 Concl...

(Reference: Paragraph 1.1, Page 1)

PART-C

Trends in Select Fiscal Indicators

(₹ in crore)

Sl.No.	Fiscal Indicators	2007-08 Accounts	Previous Year	Current Year	Percentage change in previous year over 2007-08	Percentage change in current year over previous year
			2008-09 Revised Estimate	2009-10 Budget Estimate		
1	2	3	4	5	6	7
1	Revenue Receipts (2+3+4)	30688.73	34949.00	39961.03	13.88	14.34
2	Tax Revenue (2.1+2.2)	22221.14	24767.52	27122.86	11.46	9.51
2.1	State Tax	12017.63	14001.86	16075.45	16.51	14.81
2.2	Share in Central Taxes	10203.51	10765.66	11047.41	5.51	2.62
3	Non-Tax Revenue	2738.18	3145.31	3936.54	14.87	25.16
4	Grant-in-aid from Central Government	5729.41	7036.17	8901.63	22.81	26.51
5	Capital Receipts (6+7+8)	1932.64	6483.49	6619.45	235.47	2.10
6	Recovery of loans and advances	118.10	49.83	47.36	-57.81	-4.96
7	Net public debt	1693.95	4754.26	6493.71	180.66	36.59
8	Net Receipts from Public Account	120.59	1679.40	78.38	1292.65	-95.33
9	Total Receipts (1+5)	32621.37	41432.49	46580.48	27.01	12.43
10	Revenue Expenditure (10.1+10.2)	25601.11	31778.94	38262.12	24.13	20.40
10.1	Non-Plan Revenue Expenditure	18794.82	23316.17	26976.35	24.06	15.70
10.2	Plan Revenue Expenditure	6806.29	8462.77	11285.77	24.34	33.36
10.3	Revenue Expenditure Of which					
10.3.1	Interest payments	4190.77	4483.75	4965.39	6.99	10.74
10.3.2	Subsidies	8468.27	11677.97	13184.00	37.90	12.90
10.3.3	Wages & Salaries	6983.08	8883.85	10848.09	27.22	22.11
10.3.4	Pension Payments	1964.28	2588.73	3641.00	31.79	40.65
11	Capital Expenditure (11.1+11.2)	6832.70	6653.02	6793.16	-2.63	2.11
11.1	Non-Plan Capital Expenditure	322.23	211.01	63.99	-34.52	-69.67
11.2	Plan Capital Expenditure	6510.47	6442.01	6729.17	-1.05	4.46
12	Loans and Advances (12.1+12.2)	1156.94	1938.03	1389.52	67.51	-28.30
12.1	Non Plan Loans and Advances	710.55	1136.01	376.43	59.88	-66.86
12.2	Plan Loans and Advances	446.39	802.02	1013.09	79.67	26.32
13	Total Expenditure (13.1+13.2)	33590.75	40369.99	46444.80	20.18	15.05
13.1	Non-Plan Expenditure (10.1+11.1+12.1)	19827.60	24663.19	27416.77	24.39	11.16
13.2	Plan Expenditure (10.2+11.2+12.2)	13763.15	15706.80	19028.03	14.12	21.15
14	Revenue Deficit (1-10)	5087.62	3170.06	1698.91	-37.69	-46.41
15	Fiscal Deficit (1+6-13)	-2783.92	-5371.16	-6436.41	92.94	19.83
16	Primary Deficit [1+6-(13-10.3.1)]	1406.85	-887.41	-1471.02	-163.08	65.77

Appendix-1.4

(Reference: Paragraph 1.3, 1.4 and 1.7.2, Page 8, 15 and 31)

Time series data on the State Government finances

(₹ in crore)

	2005-06	2006-07	2007-08	2008-09	2009-10
Part A. Receipts					
1. Revenue Receipts	20597	25694	30689	33577	41395
(i) Tax Revenue	9115(44)	10473(41)	12018(39)	13614(41)	17273 (42)
Taxes on Agricultural Income	--	--	--	--	--
Taxes on Sales, Trade, etc	4508(49)	5261(50)	6045(50)	6843(50)	7724 (45)
State Excise	1370(15)	1547(15)	1854(15)	2302(17)	2952 (17)
Taxes on Vehicles	556(6)	634(6)	703(6)	773(6)	919 (5)
Stamps and Registration fees	1009(11)	1251(12)	1532(13)	1479(11)	1783 (10)
Land Revenue	77(1)	132(1)	129(1)	339(2)	180 (1)
Taxes on Goods and Passengers	579(6)	745(7)	916(8)	1333(10)	1333 (8)
Other Taxes	1016(11)	903(9)	839(7)	545(4)	2382 (14)
(ii) Non-Tax Revenue	2208(11)	2658(10)	2738(9)	3343(10)	6382 (15)
(iii) State's share of Union taxes and duties	6341(31)	8089(31)	10203(33)	10767(32)	11077 (27)
(iv) Grants-in-aid from Government of India	2933(14)	4474(17)	5730(19)	5853(17)	6663 (16)
2. Miscellaneous Capital Receipts	--	9	11	24	22
2A. Inter-State settlement	--	1	2	1	3
3. Recoveries of Loans and Advances	2852	28	105	54	23
4. Total Revenue and Non-debt capital receipts (1+2+2A+3)	23449	25732	30807	33656	41443
5. Public Debt Receipts	5161	4603	3371	6553	8603
Internal Debt (excluding Ways and Means Advances and Overdrafts)	4867(94)	4172(91)	2832(84)	5399(82)	7258 (84)
Net transactions under Ways and Means Advances and Overdrafts	--	--	--	--	0
Loans and Advances from Government of India	294(6)	431(9)	539(16)	1154(18)	1345 (16)
6. Total Receipts in the Consolidated Fund (4+5)	28610	30335	34178	40209	50046
7. Contingency Fund Receipts	--	68	--	--	--
8. Public Account Receipts	29038	32225	39896	46460	52353
9. Total Receipts of the State (6+7+8)	57648	62628	74074	86669	102399
Part B. Expenditure/Disbursement					
10. Revenue Expenditure	20563(73)	22363(79)	25601(76)	29514(77)	35897 (75)
Plan	4212(20)	5452(24)	6806(27)	7622(26)	9838 (27)
Non-Plan	16351(80)	16911(76)	18795(73)	21892(74)	26059 (73)
General Services (including interest payments)	7593(37)	8602(38)	9354(37)	10162(34)	12014 (34)
Social Services	6658(32)	7577(34)	8146(32)	10146(34)	12962 (36)
Economic Services	5195(25)	4880(22)	6537(25)	7431(25)	8371 (23)
Grants-in-aid and contributions	1117(6)	1304(6)	1564(6)	1775(6)	2550 (7)
11. Capital Expenditure	6623(24)	5170(18)	6833(20)	6713(18)	7925 (17)
Plan	3700(56)	4855(94)	6511(95)	6503(97)	7864 (99)
Non-Plan	2923(44)	315(6)	322(5)	210(3)	61 (1)
General Services	121(2)	71(1)	74(1)	125(2)	119 (1)
Social Services	635(10)	722(14)	1141(17)	1295(19)	1178 (15)
Economic Services	5867(88)	4377(85)	5618(82)	5293(79)	6628 (84)

(₹ in crore)

	2005-06	2006-07	2007-08	2008-09	2009-10
12. Disbursement of Loans and Advances	834(3)	953(3)	1155(3)	1861(5)	3817 (8)
12A. Inter-state settlement	--	1	2	1	3
13. Total (10+11+12+12A)	28020	28487	33591	38089	47642
14. Repayments of Public Debt	954	1732	1677	1961	2394
Internal Debt (excluding Ways and Means Advances and Overdrafts)	539	989	1240	1516	1938
Net transactions under Ways and Means Advances and Overdraft	--	--	--	--	--
Loans and Advances from Government of India	415	743	437	445 ⁵	456
15. Appropriation to Contingency Fund	--	60	--	--	--
16. Total disbursement out of Consolidated Fund (13+14+15)	28974	30279	35268	40050	50036
17. Contingency Fund disbursements	8	--	--	--	--
18. Public Account disbursements	28096	30769	39423	45989	50872
19. Total disbursement by the State (16+17+18)	57078	61048	74691	86039	100908
Part C. Deficits					
20. Revenue Surplus (+) (1-10)	34	3331	5088	4063	5498
21. Fiscal Deficit (-) (4-13)	-4571	-2755	-2784	-4433	-6199
22. Primary Deficit(-)/Surplus(+) (21+23)	-1149	1274	1407	-241	-1745
Part D. Other data					
23. Interest Payments (included in revenue expenditure)	3422	4029	4191	4192	4454
24. Financial Assistance to local bodies etc.	2081	767	898	1087	1434
25. Ways and Means Advances/Overdraft availed (days)	--	--	--	--	--
Ways and Means Advances availed (days)	--	--	--	2	--
Overdraft availed (days)	--	--	--	--	--
26. Interest on Ways and Means Advances/Overdraft	--	--	--	0.01/00	--
27 Gross State Domestic Product (GSDP) ⁶	117565	133073	149840	171547	194427
28 Outstanding Fiscal liabilities (year end)	49173	53280	55311	60432	67853
29. Outstanding guarantees (year end) (including interest)	613	866	856	1930	1630
30. Maximum amount guaranteed (year end)	12637	12424	12086	11991	11823
31. Number of incomplete projects	NA	N.A.	3 ⁷	N.A.	N.A.
32. Capital blocked in incomplete projects	NA	N.A.	13 ⁷	N.A.	N.A.

5 Includes Debt relief of ₹363.06 crore under DCRF.

6 GSDP figures communicated by the Government adopted.

7 To the extent information available in the Finance Accounts.

Report on State Finances for the year ended 31 March 2010

	2005-06	2006-07	2007-08	2008-09	2009-10
Part E: Fiscal Health Indicators					
I Resource Mobilization					
Own Tax revenue/GSDP (<i>per cent</i>)	7.75	7.87	8.02	7.94	8.88
Own Non-Tax Revenue/GSDP (<i>per cent</i>)	1.88	2.00	1.83	1.95	3.28
Central Transfers ⁸ /GSDP (<i>per cent</i>)	7.89	9.44	10.63	9.69	9.12
Revenue Buoyancy with reference to State's own taxes (<i>per cent</i>)	0.25	1.66	1.32	0.71	0.87
II Expenditure Management					
Total Expenditure/GSDP (<i>per cent</i>)	23.83	21.41	22.42	22.20	24.50
Total Expenditure/Revenue Receipts (<i>per cent</i>)	136.04	110.87	109.46	113.44	115.09
Revenue Expenditure/Total Expenditure (<i>per cent</i>)	73.39	78.51	76.22	77.49	75.35
Expenditure on Social Services/Total Expenditure (<i>per cent</i>)	26.27	29.31	28.65	30.65	30.10
Expenditure on Economic Services/Total Expenditure (<i>per cent</i>)	40.44	34.98	37.85	37.61	38.98
Capital Expenditure/Total Expenditure (<i>per cent</i>)	23.64	18.15	20.34	17.62	16.63
Capital Expenditure on Social and Economic Services/Total Expenditure (<i>per cent</i>)	23.20	17.90	20.12	17.29	16.38
III Management of Fiscal Imbalances					
Revenue deficit(-)/surplus(+)/GSDP	+0.03	+2.50	+3.40	+2.37	+2.83
Fiscal deficit(-)/GSDP (<i>per cent</i>)	-3.89	-2.07	-1.86	-2.58	-3.19
Primary Deficit(-)/surplus(+)/GSDP	-0.98	+0.96	+0.94	-0.14	-0.90
Revenue Deficit/Fiscal Deficit	NA	NA	NA	NA	NA
Primary Revenue Balance/GSDP (<i>per cent</i>)	14.58	13.78	14.29	14.76	16.17
IV Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP (<i>per cent</i>)	41.83	40.04	36.91	35.23	34.90
Fiscal Liabilities/RR (<i>per cent</i>)	238.74	207.36	180.23	179.98	163.92
Primary deficit vis-à-vis quantum spread	63	3,890	2,740	3,764	2,117
Debt Redemption (Principal +Interest)/ Total Debt Receipts (Ratio)	0.86	0.99	1.20	0.95	0.84
V Other Fiscal Health Indicators					
Return on Investment (₹ in crore and <i>per cent</i> in bracket)	5.72 (0.08)	14.44 (0.18)	59.23 (0.67)	69.05 (0.72)	49.75 (0.43)
Balance from Current Revenue (₹ in crore)	2081	5294	7275	6846	10206
Financial Assets/Liabilities	0.77	0.85	0.94	1.01	0.91

Figures in brackets represent percentages (rounded) to total of each sub-heading

Explanatory Notes for Appendices 1.4 and 1.5

1. *The abridged accounts in the foregoing statements have to be read with comments and explanations in the Finance Accounts. Government accounts being mainly on cash basis the deficit on Government account as shown in Appendix 1.5 indicates the position on cash basis as opposed to accrual basis in commercial accounting. Consequently items payable or receivable or items like depreciation or variation in stock figures etc. do not figure in the accounts. Suspense and Miscellaneous balances include cheques issued but not paid payments made on behalf of the State and other pending settlements etc.*
2. *At the close of March 2010 accounts there remained a difference of ₹48.49 crore (Credit) between the figures of ₹2,043.74 crore (Credit)-reflected in accounts and those intimated by RBI ₹1,995.25 crore (Debit) under "Deposits with Reserve Bank". After close of April 2010 Accounts net difference to be reconciled was ₹48.88 crore (Credit). The difference under Deposits with Reserve Bank is due to mis-reporting of transactions by Agency Banks to RBI and Treasury Officers in the accounts*

8. Central transfers comprising of share of Union taxes/duties and grants from GOI.

Appendix-1.5

(Reference: Paragraph 1.1.1, Page 1)

Part-A: Abstract of receipts and disbursements for the year 2009-10

(₹ in crore)

Receipts				Disbursements				
2008-09			2009-10	2008-09		2009-10		
						Non-plan	Plan	Total
		Section-A: Revenue						
33577.21	I.	Revenue receipts	41394.70	29513.88	I. Revenue expenditure	26059.22	9837.68	35896.90
13614.05		- Tax-Revenue	17272.81	10162.34	General Services	11889.97	123.81	12013.78
				10145.94	Social Services	7249.73	5712.12	12961.85
3342.86		- Non-tax revenue	6382.04	4894.65	-Education, Sports, Arts and Culture	4735.93	1531.83	6267.76
				1308.15	-Health and Family Welfare	1185.25	397.74	1582.99
10766.59		- State's share of Union Taxes	11076.98	1092.48	-Water Supply, Sanitation Housing and Urban Development	383.72	757.63	1141.35
1014.79		- Non-Plan grants	1532.87	57.16	- Information and Broadcasting	62.78	5.57	68.35
				1109.50	-Welfare of Scheduled Castes/Scheduled Tribes/Other Backward classes	255.46	1057.33	1312.79
2823.78		-Grants for State Plan Schemes	3102.44	99.09	-Labour and Labour Welfare	84.04	34.55	118.59
				1562.69	-Social Welfare and Nutrition	516.65	1927.47	2444.12
2015.14		-Grants for Central and Centrally Sponsored Plan Schemes	2027.56	22.22	-Others	25.90		25.90
				7431.16	Economic Services	4719.15	3652.22	8371.37
				2571.35	-Agriculture and Allied Activities	1808.96	1060.20	2869.16
				1975.79	-Rural Development	209.87	2056.70	2266.57
				--	-Special Areas Programme			0.00

(₹ in crore)

Receipts				Disbursements				
2008-09		2009-10	2008-09		2009-10			
					Non-plan	Plan	Total	
			428.30	-Irrigation and Flood control	366.10	141.41	507.51	
			1443.50	-Energy	1536.32	152.46	1688.78	
			289.72	-Industries and Minerals	196.28	155.16	351.44	
			608.72	-Transport	554.30		554.30	
			50.64	-Science, Technology and Environment	3.20	42.40	45.60	
			63.14	-General Economic Services	44.12	43.89	88.01	
			1774.44	Grants-in-aid and contributions	2200.37	349.53	2549.90	
	II.	Revenue deficit carried over to Section B	4063.33	II-Revenue surplus carried over to Section B			5497.80	
33577.21		Total	41394.70	Total			41394.70	
		Section B						
1792.45	III	Opening cash balance including Permanent Advances and Cash Balance investment	2422.10	III. Opening overdraft from RBI	--	--		
24.00	IV	Miscellaneous Capital receipts	21.69	IV. Capital outlay	61.05	7863.82	7924.87	
			124.88	General Services	21.19	98.35	119.54	
			1295.08	Social services	2.46	1175.30	1177.76	
			246.54	-Education, Sports, Art and Culture		230.12	230.12	
			68.20	-Health and Family Welfare	0.20	78.36	78.56	
			642.88	-Water Supply, Sanitation, Housing and Urban Development		561.58	561.58	
			--	- Information and Broadcasting			0.00	
			275.93	-Welfare of Scheduled Castes/ Scheduled Tribes/ Other Backward Classes		258.40	258.40	

(*₹ in crore*)

Receipts					Disbursements			
						2009-10		
2008-09		2009-10	2008-09		Non-plan	Plan	Total	
			55.37	-Social Welfare and Nutrition	2.26	44.77		47.03
			6.16	-Other Social Services		2.07		2.07
			5293.19	Economic Services	37.39	6590.18		6627.57
			43.16	-Agriculture and Allied Activities	3.72	23.45		27.17
			460.81	-Rural Development		433.36		433.36
			2141.99	-Irrigation and Flood control		2142.12		2142.12
			907.01	-Energy	33.67	1942.76		1976.43
			31.89	-Industries and Minerals		22.75		22.75
			1649.01	-Transport		1961.27		1961.27
			8.00	-Science, Technology and Environment		8.50		8.50
			51.32	-General Economic Services		55.97		55.97
53.62	V	Recoveries of Loans and Advances	23.37	1861.46	V. Loans and Advances disbursed	3769.63	47.25	3816.88
		-From Power Projects		1574.92	-For Power Projects	3540.35	23.32	3563.67
1.40		-From Government Servants	0.15	0.10	-To Government Servants	0.01	-	0.01
52.22		-From others	23.22	286.44	-To others	229.27	23.93	253.20
0.79	VI	Inter-State Settlement	2.76	0.73	VI. Inter-State Settlement			2.78
4063.33	VII	Revenue Surplus brought down	5497.80	--	VII. Revenue deficit brought down			0.00
6552.97	VIII	Public debt receipt	8602.51	1961.01	VIII. Repayment of Public debt			2394.05
5399.29		-Internal debt other than ways and means advances and overdraft	7257.97	1516.15	-Internal debt other than ways and means advances and overdraft			1937.79
		Net transactions under Ways and Means Advances		--	Net transactions under Ways and Means Advances			
		Net transactions under overdraft		--				

(₹ in crore)

		Receipts		Disbursements				
2008-09			2009-10	2008-09		2009-10		
						Non-plan	Plan	Total
1153.68		-Loans and advances from Central Government	1344.54	444.86 ⁹	-Repayment of loans and advances to Central Government	--	--	456.26
--	IX	Appropriation to the Contingency Fund	--	--	IX. Appropriation to the Contingency Fund	--	--	--
--	X	Amount transferred to Contingency Fund	--	--	X Expenditure from Contingency Fund	--	--	--
46460.26	XI	Public Account receipts	52353.12	45988.97	XI. Public Account disbursements	--	--	50871.84
1387.23		-Small Savings and Provident Funds	1511.72	1183.52	-Small Savings and Provident Funds	--	--	1100.22
598.84		-Reserve funds	763.57	587.04	-Reserve Funds	--	--	439.52
27446.23		-Suspense and Miscellaneous	31457.41	27488.77	-Suspense and Miscellaneous	--	--	31447.33
9117.10		-Remittances	9286.11	9055.44	-Remittances	--	--	9255.08
7910.86		-Deposits and Advances	9334.31	7674.20	-Deposits and Advances	--	--	8629.69
	XII	Closing Overdraft from Reserve Bank of India		2422.10	XII Cash Balance at end of the year	--	--	3912.93
				2.67	-Cash in Treasuries and Local Remittances	--	--	2.67
				- 840.93	-Deposits with Reserve Bank	--	--	-2043.74 ¹⁰
				14.15	-Departmental Cash Balance including permanent Advances	--	--	14.33
				3246.21	-Cash Balance Investment and Investment of Earmarked Funds	--	--	5939.67
92524.63		Total	110318.05	92524.63	Total			110318.05

9 Includes ₹363.06 crore each for 2008-09 and 2009-10 received by the State Government on account of Debt Consolidation and Relief Facility to state under recommendation of the Twelfth Finance Commission from Government of India

10 At the close of March 2010 accounts there remained a difference of ₹48.49 crore (Credit) between the figures of ₹2043.74 crore (Credit)-reflected in accounts and those intimated by RBI ₹1995.25 crore (Debit) under "Deposits with Reserve Bank". After close of April 2010 Accounts net difference to be reconciled was ₹48.88 crore (Credit). The difference under Deposits with Reserve Bank is due to mis-reporting of transactions by Agency Banks to RBI and Treasury Officers in the accounts.

Appendix-1.5 Contd...
(Reference: Paragraph 1.7.1, Page 31)

Part-B

Summarised financial position of the Government of Madhya Pradesh as on 31 March 2010
(₹ in crore)

As on 31.03.2009	Liabilities	As on 31.03.2010
37141.63	Internal Debt -	42461.81
16602.67	Market Loans bearing interest	21619.92
1.13	Market Loans not bearing interest	0.38
139.79	Loans from Life Insurance Corporation of India	128.13
6223.61	Loans from other Institutions	6047.13
14174.43	Special Securities issued to NSS Fund of Central Government	14666.25
19.01	Ways and Means Advances (including interest paid)	--
--	Overdrafts from Reserve Bank of India	--
9490.67	Loans and Advances from Central Government -	10378.95
1.88	Pre 1984-85 Loans	1.88
65.66	Non-Plan Loans	61.54
9291.42	Loans for State Plan Schemes	10195.69
22.33	Loans for Central Plan Schemes	19.58
109.38	Loans for Centrally Sponsored Plan Schemes	100.26
100.00	Contingency Fund	100.00
8040.19	Small Savings Provident Funds etc.	8450.62
4137.02	Deposits	4840.24
1939.67	Reserve Funds	2100.88
102.07	Suspense and Miscellaneous balances	104.69
60951.25		68437.19
	Assets	
51218.52	Gross Capital Outlay on Fixed Assets -	59121.70
9643.33	Investments in shares of Companies, Corporations etc.	11686.28
41575.19	Other Capital Outlay	47435.42
7630.97	Loans and Advances -	11423.66
4305.18	Loans for Power Projects	7868.85
3295.08	Other Development Loans	3525.07
30.71	Loans to Government servants and Miscellaneous loans	29.74
14.19	Advances	12.80

(₹ in crore)

As on 31.03.2009	Assets	As on 31.03.2010
260.89	Remittance Balances	229.85
2422.10	Cash -	3912.93
2.67	Cash in Treasuries and Local Remittances	2.67
-840.93	Deposits with Reserve Bank	-2043.74 ¹¹
14.15	Departmental Cash Balance including Permanent Advances	14.33
2929.46	Cash Balance Investments	5559.72
316.75	Reserve Fund Investments	379.95
-595.42	Deficit on Government Account -	-6263.75
-4063.33	(i) Less Revenue Surplus of the current year	-5497.80
-0.05	(a) Inter-State Settlement	0.02
3.18	(b) Amount closed to Government account	3.97
76.35	(c) Proforma adjustment during the year	-174.52
3388.43	Accumulated deficit at the beginning of the year	-595.42
60951.25		68437.19

¹¹ At the close of March 2010 accounts there remained a difference of ₹48.49 crore (Credit) between the figures of ₹2,043.74 crore (Credit)-reflected in accounts and those intimated by RBI ₹1,995.25 crore (Debit) under "Deposits with Reserve Bank". After close of April 2010 Accounts net difference to be reconciled was ₹48.88 crore (Credit). The difference under Deposits with Reserve Bank is due to mis-reporting of transactions by Agency Banks to RBI and Treasury Officers in the accounts.

Appendix-1.6
(Reference: Paragraph 1.3.1, Page 10)

Details showing the collection of tax and non-tax revenue in respect of Major Components and expenditure incurred on their collection

(₹ in crore)

Sl. No.	Head of revenue	Year	BE	Collection	Expenditure on collection of revenue	Percentage of expenditure on collection	All India average percentage for the year
A.	Tax Revenue						
1.	Taxes on sales, trades etc.	2005-06	4676.00	4508.42	40.40	0.90	0.91
		2006-07	5357.00	5261.41	43.79	0.83	0.82
		2007-08	5900.00	6045.07	48.17	0.80	0.83
		2008-09	6600.00	6842.99	59.90	0.88	NA
		2009-10	8012.11	7723.83	85.33	1.10	NA
2.	Taxes on vehicles	2005-06	600.00	556.02	6.24	1.12	2.67
		2006-07	650.00	634.30	6.64	1.05	2.47
		2007-08	775.00	702.62	7.11	1.01	2.58
		2008-09	1000.00	772.56	9.21	1.19	NA
		2009-10	900.00	919.01	12.63	1.37	NA
3.	State excise	2005-06	1300.00	1370.38	289.53	21.13	3.40
		2006-07	1430.00	1546.68	303.79	19.64	3.30
		2007-08	1700.00	1853.83	396.04	21.36	3.27
		2008-09	2075.00	2301.95	505.46	21.96	3.66
		2009-10	2760.00	2951.94	818.34	27.72	NA
4.	Stamp duty and registration fee	2005-06	830.00	1009.45	28.84	2.86	2.87
		2006-07	1000.00	1251.10	36.48	2.92	2.33
		2007-08	1400.00	1531.54	44.54	2.91	2.09
		2008-09	1840.00	1479.29	41.72	2.82	2.77
		2009-10	1560.00	1783.15	51.69	2.90	NA
B.	Non-tax revenue						
1.	Non-ferrous Mining and Metallurgical industries	2005-06	800.00	815.31	NA	NA	NA
		2006-07	1100.00	923.91	NA	NA	NA
		2007-08	1275.00	1125.39	NA	NA	NA
		2008-09	1200.00	1361.08	NA	NA	NA
		2009-10	1566.00	1590.47	7.24	0.46	NA
2.	Forestry and Wild life	2005-06	422.00	490.40		NA	NA
		2006-07	450.00	536.50	NA	NA	NA
		2007-08	525.00	608.89	NA	NA	NA
		2008-09	600.00	685.60	NA	NA	NA
		2009-10	850.00	802.00	648.27	80.83	NA

Appendix-1.7

(Reference: Paragraph 1.3.1, Page 12)

Details showing the cost of Operations and Maintenance charges (O&M) in respect of major components incurred in non-tax revenue

(₹ in crore)

Sl. No.	Department	Non-tax Revenue Receipts	O&M expenses	Ratio of non-tax revenue receipts to O&M expenses
1.	Education, Sports, Art and Culture	745.00	8.38	88.90
2.	Health and Family Welfare	22.03	5.37	4.10
3.	Water Supply, Sanitation, Housing and Urban Development	31.40	113.59	0.28
4.	Agriculture and Allied Activities	836.31	7.70	108.61
5.	Irrigation and Flood Control	64.51	38.84	1.66
6.	Power and Energy	1082.09	11.52	93.93
7.	Transport	4.22	256.03	0.02

Appendix-1.8
(Reference: Paragraph 1.2.3, Page 8)

Funds transferred directly from Government of India to Non-Government Organisations/Voluntary Organisation for ₹25 lakh or more each during 2009-10

(₹ in lakh)

SNo.	GOI Scheme	Name of NGO/VO	GOI releases (2009-10)
1.	Educational Complex in low literacy Pockets	Savyasanchi Centre for Urban and Rural Development	54.11
2.	Educational Complex in low literacy Pockets	Bandhewal Shiksha Samiti	30.86
3.	Museums	Mannu Raje Trust	217.93
4.	Grants-in-aid to NGOs and for coaching ST Students	Kothari Institute	36.82
5.	Grants-in-aid to NGOs and for coaching ST Students	Krestar Education and Welfare Society	30.44
6.	Grants-in-aid to NGOs and for coaching ST Students	Sewa Bharti (Madhya Bharat)	25.98
7.	Support to NGOs Institutions SRCs for Adult Education	State Resource Centre for A.E. Indore	97.52
8.	Support to NGOs Institutions SRCs for Adult Education	Resource Centre for Adult and Continuing Education, Bhopal	69.92
	Total		563.58

Appendix-1.9
(Reference: Paragraph 1.6.1, Page 28)
Financial position of Statutory Corporations/Government Companies as on 31 March 2010 running in loss
for the latest year for which accounts were finalised
(₹ in crore)

Sl. No	Name of the Companies/Corporations	Years up to which accounts furnished.	Amount invested (paid-up-capital) at the end of the year			Accumulated loss(-) at the end of 31 March of the year	Sector	
			State	Central	Others			Total
1.	2.	3.	4.	5.	6.	7.	8.	9.
A	Government Companies (Working)							
1.	M.P. State Agro Industries Development Corporation Limited, Bhopal	2006-07	3.30	--	--	3.30	9.90	Agriculture and Allied
2.	M.P. State Industrial Development Corporation Limited, Bhopal	2007-08	81.09	--	--	81.09	621.01	Finance
3.	M.P. Tourism Development Corporation Limited, Bhopal	2005-06	24.97	--	--	24.97	10.10	Tourism
4.	M.P. Paschim Kshetra Vidyut Vitran Company Limited, Indore	2007-08	662.80	--	--	662.80	1034.02	Power
5.	M.P. Madhya Kshetra Vidyut Vitran Company Limited, Bhopal	2007-08	529.88	--	--	529.88	1322.55	Power
6.	M.P. Poorva Kshetra Vidyut Vitran Company Limited, Jabalpur	2008-09	603.79	--	--	603.79	2233.76	Power
7.	M.P. Power Transmission Company Limited, Jabalpur	2008-09	1324.53	--	--	1324.53	14.41	Power

1.	2.	3.	4.	5.	6.	7.	8.	9.
8.	M.P. State Electronics Development Corporation Limited, Bhopal	2006-07	21.91	--	--	21.91	10.01	Electronics
9.	M.P. Power Generating Company Limited	2008-09	2865.68	--	185.00	3050.85	363.22	Electronics
B	Government Companies (Non-working)							
1.	Optel Telecommunication Limited, Bhopal	2006-07	--	--	23.96	23.96	106.97	Electronics
2.	M.P. State Industries Corporation Limited, Bhopal	2005-06	15.12	--	--	15.12	57.58	Industries
3.	M.P. State Textiles Corporation, Limited, Bhopal	2005-06	6.86	--	--	6.86	84.70	Textiles
E	Statutory Corporations (Working)							
1.	M.P. State Road Transport Corporation,	2007-08	109.96	31.85	--	141.81	1024.52	Transport
2.	M.P. Financial Corporation, Indore	2008-09	318.70	--	22.44	341.14	240.78	Finance
F	Government Companies (Non-working)							
	Companies under liquidation							
1.	M.P. Rajya Setu Nirman Nigam Limited, Bhopal	1989-90	5.00	--	--	5.00	2.15	Construction
2.	M.P. Lift Irrigation Corporation Limited	2001-02	5.92	--	--	5.92	6.38	Construction
	Total		6579.68	31.85	231.40	6842.93	7142.06	

Appendix-2.1

(Reference: Paragraph 2.3.1, Page 44)

Statement of various grants/appropriations where saving was more than ₹10 crore and more than 20 per cent of the total provision

(₹ in crore)

Sl. No.	Grant No	Name of the grant/appropriation	Total grant/appropriation	Savings	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
1.	PD	Public Debt (Capital Charged)	6290.46	3896.40	61.94
2.	02	Other Expenditure Pertaining to General Administration Department (Revenue Voted)	39.50	10.41	26.36
3.	06	Finance (Revenue Voted)	4579.03	1434.33	31.32
4.	06	Finance (Capital Voted)	165.84	113.33	68.34
5.	10	Forest (Revenue Voted)	1071.53	245.63	22.92
6.	10	Forest (Revenue Charged)	10.25	10.13	98.83
7.	12	Energy (Revenue Charged)	242.00	142.09	58.71
8.	13	Farmers Welfare and Agriculture Development (Revenue Voted)	660.91	149.10	22.56
9.	13	Farmers Welfare and Agriculture Development (Capital Voted)	87.19	87.19	100
10.	21	Housing and Environment (Revenue Voted)	123.47	40.88	33.11
11.	22	Urban Administration and Development-Urban Bodies (Revenue Voted)	61.70	24.83	40.24
12.	23	Water Resources Department (Capital Voted)	650.84	237.57	36.50
13.	34	Social Welfare (Revenue Voted)	72.41	17.36	23.98
14.	39	Food, Civil Supplies and Consumer Protection (Capital Voted)	56.52	53.92	95.40
15.	41	Tribal Area sub-Plan (Capital Voted)	1483.35	535.00	36.07
16.	44	Higher Education (Capital Voted)	61.96	19.99	32.26
17.	45	Minor Irrigation works (Revenue Voted)	99.77	29.77	29.84
18.	45	Minor Irrigation works (Capital Voted)	545.27	161.67	29.65
19.	48	Narmada Valley Development (Revenue Voted)	31.47	10.90	34.64
20.	57	Externally Aided Projects pertaining to Water Resources Department (Capital Voted)	350.60	89.69	25.58
21.	58	Expenditure on Relief on account of Natural Calamities and Scarcity (Revenue Voted)	684.42	229.90	33.59

(1)	(2)	(3)	(4)	(5)	(6)
22.	59	Externally aided projects pertaining to Rural Development Department (Capital Voted)	86.70	86.70	100
23.	63	Minority Welfare (Revenue Voted)	37.70	26.91	71.38
24.	64	Schedule Castes Sub-Plan (Revenue voted)	1089.51	234.83	21.55
25.	69	Information Technology (Revenue Voted)	37.65	13.95	37.05
26.	77	Other Expenditure pertaining to School Education Department (excluding Primary Education) (Revenue Voted)	1298.12	561.57	43.26
27.	80	Financial Assistance to Three Tier Panchayati Raj Institutions (Revenue Voted)	3033.96	637.73	21.02
Total			22952.13	9101.78	39.66

Appendix-2.2 (A)

(Reference: Paragraph 2.3.3, Page 50)

Statement of various schemes under grants/appropriations where expenditure was more than ₹10 crore each and also more than 20 per cent of the total provision

(₹ in crore)

Sl. No.	Grant No	Name of the grant/appropriation	Total grant/appropriation	Expenditure	Excess	Percentage of excess expenditure
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	Interest Payments and Servicing of Debt	2049-01-101-1571-8.50% Madhya Pradesh State Development Loan (Auction), 2011	3.66	167.82	164.16	4485.25
2.	Interest Payments and Servicing of Debt	2049-01-101-5519-8.40% Madhya Pradesh State Development Loan, 2017	63.00	144.91	81.91	130.02
3.	Interest Payments and Servicing of Debt	2049-01-101-5520-8.43% Madhya Pradesh State Development Loan, 2017	42.15	56.50	14.35	34.05
4.	Interest Payments and Servicing of Debt	2049-01-101-5898-8.20% Madhya Pradesh State Development Loan, 2017	Token	14.35	14.35	Excess against token provision
5.	Interest Payments and Servicing of Debt	2049-01-101-6415-8.30% Madhya Pradesh State Development Loan, 2012	13.39	65.26	51.87	387.38
6.	Interest Payments and Servicing of Debt	2049-01-101-6764-6.35% Madhya Pradesh State Development Loan, 2013	12.69	38.14	25.45	200.55
7.	Interest Payments and Servicing of Debt	2049-01-101-6767-5.85% Madhya Pradesh State Development Loan, 2015	12.87	59.67	46.80	363.64
8.	Interest Payments and Servicing of Debt	2049-01-101-6957-7.77% Madhya Pradesh State Development Loan, 2015	32.48	74.25	41.77	128.60
9.	Public Debt	6003-111-6835-Special Securities issued to National Small Saving Fund of Central Government	194.72	318.18	123.46	63.40
10.	Public Debt	6004-02-105-6983-Consolidated loan recommended by the 12 th Finance Commission	242.04	363.06	121.02	50.00
11.	06-Finance	2071-01-105-9999-Composite State of Madhya Pradesh	154.05	375.23	221.18	143.58
12.	15-Financial Assistance to Three Tier Panchayati Raj Institutions under Special Component Plan for Scheduled Castes	2216-03-789-102-0103-Scheduled Castes Sub Plan 5131-Mukhya Mantri Awas Yojna	2.53	15.81	13.28	524.90
13.	24-Public Works Roads and Bridges	5054-03-101-0101-State Plan Scheme (Normal)-4149-Construction of Major Bridges	25.00	39.65	14.65	58.60

(1)	(2)	(3)	(4)	(5)	(6)	(7)
14.	27-School Education (Primary Education)	2202-01-101-0701-6716-Supply of Cost Free Uniforms to Girls	31.65	75.72	44.07	139.24
15.	41-Tribal Area Sub-Plan	20-School Education Department 2202-01-796-101-0702-6809-Kasturba Gandhi Gram Balika Vidyalaya	16.98	34.78	17.80	104.83
16.	41-Tribal Area Sub-Plan	50-Women and Child Development Department 2235-02-796-102-0102-5643-Additional Honorarium to Anganwadi Workers and Assistants	15.00	33.27	18.27	121.80
17.	41-Tribal Area Sub-Plan	23-Planning, Economics and Statistic Department 4515-796-103-0102-8284-Madhya Pradesh Assembly Constituency Area Development Scheme	14.32	36.48	22.16	154.75
18.	41-Tribal Area Sub-Plan	27-Narmada Valley Development Department 4701-80-796-800-0102-5869-Medium and Minor Irrigation Projects for Development of Narmada Basin	1.00	22.50	21.50	2150.00
19.	42-Public Works relating to Tribal Areas Sub-Plan-Roads and Bridges	19-Public Works Department 5054-03-796-101-0102-Tribal Area Sub-Plan 4149-Construction of Major Bridges	10.00	23.22	13.22	132.20
20.	42-Public Works relating to Tribal Areas Sub-Plan-Roads and Bridges	19-Public Works Department 5054-03-796-337-0102-Tribal Area Sub-Plan 5495 Upgradation of State Highway (MPRDC)	48.45	60.35	11.90	24.56
21.	42-Public Works relating to Tribal Areas Sub-Plan-Roads and Bridges	19-Public Works Department 5054-04-796-800-0102-Tribal Area Sub-Plan 2457- Minimum Need Programme (Including Rural Roads)	69.74	91.05	21.31	30.56
22.	48-Narmada Valley Development	4700-41-800-0101-State Plan Schemes (Normal)- 2872-Bargi Canal Diversion Project	118.49	165.49	47.00	39.67
23.	48-Narmada Valley Development	4700-80-800-0101-State Plan Schemes (Normal)- 6398-Punasa Lift Irrigation Scheme	100.00	224.97	124.97	124.97
24.	52-Financial Assistance to Tribal Area Sub-Plan Three Tier Panchayati Raj Institutions	58-Rural Development Department 2216-03-796-102-0102-5131-Mukhya Mantri Aawas Yojna	2.57	14.29	11.72	456.03
25.	55-Women and Child Development	2235-02-102-0101-5643-Additional Honorarium to Anganwadi Workers and Assistants	41.25	65.15	23.90	57.94

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(1)	(2)	(3)	(4)	(5)	(6)	(7)
26.	64-Special Component Plan for Scheduled Castes	20-School Education Department 2202-01-789-101-0703-6809-Kasturba Gandhi Gram Balika Vidyalaya	15.67	25.67	10.00	63.82
27.	64-Special Component Plan for Scheduled Castes	19-Public Works Department 5054-03-789-337-0103-5495-Upgradation of State Highways (M.P.R.D.C.)	57.49	71.39	13.90	24.18
28.	67-Public Works - Buildings	2059-80-799-4056-Miscellaneous Public Works Advances	0.50	10.68	10.18	2036.00
29.	80-Financial Assistance to Three Tier Panchayati Raj Institutions	2515-101-1301-6907-Grant to Gram Panchayats for Minimum Basic Needs	132.91	159.52	26.61	20.02
Total			1474.60	2847.36	1372.76	93.09

Appendix-2.2 (B)

(Reference: Paragraph 2.3.4, Page 51)

Cases of Schemes in which entire provision of ₹ five crore or more remained unutilized

(₹ in crore)

Sl. No.	Grant No.	Name of the Grant/ Appropriation	Name of the Scheme	Total Provision	Expenditure	Amount of Saving	Percentage
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	I.P	Interest Payments and Servicing of Debt	2049-01-200-3089- Interest on Ways and Means Advances taken to meet short fall in cash balances received from the Reserve Bank of India	200.00	Nil	200.00	100
2.	I.P	Interest Payments and Servicing of Debt	2049-03-104-6854- Contributory Pension Scheme	12.00	Nil	12.00	100
3.	I.P	Interest Payments and Servicing of Debt	2049-60-701-4209- Interest on Government Servants Family Benefit Fund Schemes	10.92	Nil	10.92	100
4.	I.P	Interest Payments and Servicing of Debt	2049-60-701-6971- Government Employees Group Insurance Scheme 2003 (Interest on Saving Fund)	30.62	Nil	30.62	100
5.	I.P	Interest Payments and Servicing of Debt	2049-60-701-6972- Government Employees Group Insurance Scheme 1985 (Interest on Saving Fund)	76.25	Nil	76.25	100
6.	I.P	Interest Payments and Servicing of Debt	2049-01-101-5848- 6.40% Madhya Pradesh State Development Loan 2018	40.00	Nil	40.00	100
7.	I.P	Interest Payments and Servicing of Debt	2049-01-101-6804- 6.35% Madhya Pradesh State Development Loan 2013	25.45	Nil	25.45	100
8.	I.P	Interest Payments and Servicing of Debt	2049-01-101-7887- 5.85% Madhya Pradesh State Development Loan 2017	46.80	Nil	46.80	100

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
9.	I.P	Interest Payments and Servicing of Debt	2049-01-200-7108- Interest on Loans from N.T.P.C and other undertakings of Government of India (M.S Ahluwalia Committee)	164.16	Nil	164.16	100
10.	P.D	P.D.	6003-110-637-Ways and Means Advances	2000.00	Nil	2000.00	100
11.	P.D	P.D.	6003-110-779 Advances to meet short-fall	2000.00	Nil	2000.00	100
12.	P.D	P.D.	6004-02-101-6983- Consolidated Loans as per recommendation of 12 th Finance Commission	121.02	Nil	121.02	100
13.	03	Police	2070-107-7867- Modernisation of Nagar Sena	5.30	Nil	5.30	100
14.	06	Finance	2070-800-0101- State Plan Schemes (Normal) 224- Other expenditure	827.00	Nil	827.00	100
15.	06	Finance	6075-800-6787- Provision for Settlement of Guaranteed Loans	50.00	Nil	50.00	100
16.	06	Finance	6075-800-6788- Provision for Settlement of S.L.R. Bonds issued by Undertakings and Subordinate Institutions of State Government	5.00	Nil	5.00	100
17.	06	Finance	2071-01-200-5653- Pension Payment to All India Services officers	34.00		34.00	100
18.	08	Land Revenue & District Administration	2053-093-619- Sub Division Establishment	14.27	Nil	14.27	100
19.	10	Forest	2406-01-102-3836- Production Forest Circle State Trading Nationalised Timber, Khair and Bamboos	8.00	Nil	8.00	100
20.	10	Forest	2406-01-102-1501-6397-Public Forestry and Preparation of Plantation	23.54	Nil	23.54	100
21.	10	Forest	2406-01-797-3885- Transfer to Forest Development Fund (Charged)	10.00	Nil	10.00	100

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
22.	12	Energy	4801-06-190-0101- State Plan Scheme (Normal)- 6869-Rajiv Gandhi Rural Electrification Scheme	11.67	Nil	11.67	100
23.	13	Farmers Welfare and Agriculture Development	4401-102-1501- Additional Central Assistant (Normal)- 6080-Storage and Marketing	69.75	Nil	69.75	100
24.	13	Farmers Welfare and Agriculture Development	4401-102-1503- Additional Central Assistant (Scheduled Caste Sub Plan) 6080- Storage and Marketing	17.44	Nil	17.44	100
25.	14	Animal Husbandry	2403-800-1501- Additional Central Assistant (Normal)- 6078-Development of Animal Live Stock in Bundelkhand Area	10.68	Nil	10.68	100
26.	19	Public Health and Family Welfare	3606-237-0801- Central Sector Schemes Normal 2498- Supply of Conventional Contraceptives	5.00	Nil	5.00	100
27.	19	Public Health and Family Welfare	3606-237-0801- Central Sector Schemes Normal 6106- Universal Immunisation	12.00	Nil	12.00	100
28.	20	Public Health Engineering	2215-01-191-0101- 7446-Narmada Water Extension Scheme for Bhopal City	6.20	Nil	6.20	100
29.	23	Water Resources Department	4702-101-1501- 6068- Under Construction Minor Irrigation Schemes	27.65	Nil	27.65	100
30.	23	Water Resources Department	4702-101-1501- 6069-Improvement, Strengthening, Re- establishment	18.23	Nil	18.23	100
31.	23	Water Resources Department	4702-101-1501- 6074-Restoration of Canal Capacity	33.94	Nil	33.94	100
32.	23	Water Resources Department	4702-101-1501- 6077-New Minor Irrigation Schemes	24.51	Nil	24.51	100
33.	23	Water Resources Department	4705-211-1501- 6067-Command Area Development Rajghat Project	33.94	Nil	33.94	100

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
34.	30	Rural Development	4515-800-0101-5853-D.P.I.P. Schemes	6.30	Nil	6.30	100
35.	39	Food, Civil Supplies and Consumer Protection	4408-02-800-1501-Additional Central Assistance (Normal) 6080-Storage and Marketing	34.88	Nil	34.88	100
36.	41	Tribal Areas Sub-Plan	20-School Education Department 2202-02-796-109-0702-Centrally Sponsored Schemes T.S.P. - 6918-Information and Broadcasting Technology	20.00	Nil	20.00	100
37.	41	Tribal Areas Sub-Plan	23-Planning Economics and Statistics Department 4515-796-103-0102-Tribal Area Sub Plan 8849-Lump Sum Provision for Tribal Areas Scheme	21.87	Nil	21.87	100
38.	41	Tribal Areas Sub- Plan	58-Rural Development Department 4515-796-800-1202-Externally Aided Project (T.S.P) 5853-D.P.I.P. Schemes	32.00	Nil	32.00	100
39.	44	Higher Education	2202-03-102-4460-Sagar University	13.10	Nil	13.10	100
40.	45	Minor Irrigation Works	4702-101-1401-NABARD (NORMAL) 2304- Direction and Administration	10.00	Nil	10.00	100
41.	45	Minor Irrigation Works	4702-101-0101- State Plan Schemes (Normal) 6069- Maintenance, Strengthening and Rehabilitation	100.00	Nil	100.00	100
42.	45	Minor Irrigation Works	4702-800-0101-State Plan Schemes (Normal)- 2304- Direction and Administration	19.88	Nil	19.88	100
43.	48	Narmada Valley Development	4700-80-800-0101-State Plan Schemes (Normal) 6399- Indira Sagar Project. (Unit-I)	25.00	Nil	25.00	100

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
44.	48	Narmada Valley Development	4801-01-203-0101- State Plan Scheme (Normal) 6403- Payment of Share of Indira Sagar Project unit -I to N.H.D.C	27.00	Nil	27.00	100
45.	55.	Women and Child Development	2236-02-101-1201- Externally aided Projects Normal 9050- Minimum needs Programmes Special Nutrition Food Scheme	20.00	Nil	20.00	100
46.	58.	Expenditure on Relief on Account of Natural Calamities and Scarcity	2245-02-193-5498- Assistance to local bodies/ Institutions and Other Non Govt. Bodies in flood affected areas	18.00	Nil	18.00	100
47.	58	Expenditure on Relief on Account of Natural Calamities and Scarcity	2245-80-102-5503- Arrangement of immediate work and emergency plans in calamities affected areas	10.00	Nil	10.00	100
48.	59	Externally Aided Projects pertaining to Rural Development Department	4515-800-1201- 5853- D.P.I.P Schemes	86.70	Nil	86.70	100
49.	64	Scheduled Castes Sub- Plan	19-Public Works Department 5054-03-789-337- 0103-5139- Upgradation of Main District Roads	11.72	Nil	11.72	100
50.	64	Scheduled Caste Sub-Plan	23-Planning, Economics and Statistics Department 4515-789-103-0103- Scheduled Caste Sub-Plan-7560-Lump Sum Provision for Scheduled Caste Sub Plan	10.21	Nil	10.21	100
51.	64	Scheduled Caste Sub-Plan	58-Rural Development Department 4515-789-800-1203- Externally aided Projects (Scheduled Caste Sub Plan) 5853- D.P.I.P Schemes	24.00	Nil	24.00	100

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
52.	69	Information Technology	3425-60-600-0701- Centrally Sponsored Schemes Normal-6873- National e - Governance Plan	8.67	Nil	8.67	100
53.	77	Other Expenditure pertaining to School Education Department (Excluding Primary Education)	2202-02-103-0801-7036-Sanskrit Development Scheme	8.00	Nil	8.00	100
54.	77	Other Expenditure pertaining to School Education Department (Excluding Primary Education)	2202-02-109-0701-6918- Information and Communication Technology	43.00	Nil	43.00	100
Total				6525.67		6525.67	

Appendix-2.3
(Reference: Paragraph 2.3.5, Page 51)

Excess over provision of previous years requiring regularization

(₹ in crore)

Year	Number of grants/ appropriations	Grant/ appropriation numbers	Amount of excess	Stage of consideration by Public Accounts Committee (PAC)
1993-94	19 Grants 02 Appropriations	Revenue (Voted): 3,8,15,16,20,24,29,30,42,45,49,58,67 Capital (Voted): 27,44,57,67,70,73 Revenue (Charged): 30,51	258.11	Explanatory notes submitted. Not yet discussed by PAC
1994-95	14 Grants 01 Appropriations	Revenue (Voted): 8,20, 24, 32, 58,63,67 Capital (Voted): 20,30,42,47,60,67,73 Revenue (Charged): Public Debt	407.46	Explanatory notes submitted. Not yet discussed by PAC
1997-98	10 Grants 03 Appropriations	Revenue (Voted): 7,20,24, 27,58, 67 Capital (Voted): 20,21,61,69 Revenue (Charged): Public Debt, 31,67	302.79	Explanatory notes submitted except ₹2335170 in reference of grant no. 7. Not yet discussed by PAC
1998-99	12 Grants 05 Appropriations	Revenue (Voted): 02,14,20,24,25,27, 50,58,62,67,77 Capital (Voted): 59 Revenue (Charged): Public Debt, 03,20,29,81	1276.45	Explanatory notes submitted. Not yet discussed by PAC
1999-2000	11 Grants 06 Appropriations	Revenue (Voted): 14,27,44,50,59, Capital (Voted): 03,23,60,69,75,89 Revenue (Charged): 6,23,24,30 Capital (Charged): Public Debt, 21	1584.94	Explanatory notes submitted. Not yet discussed by PAC
2000-2001	03 Grants 04 Appropriations	Revenue (Voted): 02,70 Capital (Voted): 88 Revenue (Charged): 24 Capital (Charged): Public Debt, 21,23	265.07	Explanatory notes submitted. Not yet discussed by PAC
2001-2002	03 Appropriations	Revenue (Charged): 20 Capital (Charged): 06,23	6.26	Explanatory notes submitted. Not yet discussed by PAC
2002-2003	03 Grants 05 Appropriations	Revenue (Voted): 24,53,67 Revenue (Charged): 44,67 Capital (Charged): Public debt, 21,23	424.79	Explanatory notes submitted except ₹31000 in difference of grant no. 53. Not yet discussed by PAC

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Year	Number of grants/ appropriations	Grant/ appropriation numbers	Amount of excess	Stage of consideration by Public Accounts Committee (PAC)
2003-2004	04 Grants 03 Appropriations	Revenue (Voted): 68,84 Capital (Voted): 35,94 Revenue (Charged): 20,67 Capital (Charged): 23	2.54	Explanatory notes submitted except for ₹12838788 in reference of grant no. 68 and 84, ₹26547 in reference of grant no. 20 and ₹11705217 in reference of grant no. 94.
2004-05	13 Grants 02 Appropriations	Revenue (Voted): 24,59,67,92,94 Capital (Voted): 06,19,30,59,66,78,84,86 Revenue (Charged): 67 Capital (Charged): 45	83.66	Explanatory notes submitted except for ₹3557194 in reference of grant no. 94 and for ₹40887394 in reference of grant no. 84 and 86. Not yet discussed by PAC
2005-2006	04 Grants 02 Appropriations	Revenue (Voted): 24,67 Capital (Voted): 06,39 Capital (Charged): 21,45	37.58	Explanatory notes submitted except for ₹292285014 in reference of grant no. 06 and 39.
2006-2007	02 Grants 01 Appropriations	Revenue (Voted): 24,67 Capital (Charged): 24	35.99	Explanatory notes not submitted to PAC.
2007-2008		No Excess under any Grants		
2008-2009	02 Grant 02 Appropriations	Revenue (Voted) : 62 Capital (Voted) : 43 Revenue (Charged) : 24 Capital (Charged) : 24	5.80	Explanatory Notes not submitted to PAC
Total	97 Grants and 39 Appropriations		4691.44	

Appendix - 2.4

(Reference: Paragraph 2.3.7, Page 52)

Cases where supplementary provision (₹ 50 lakh or more in each case) proved unnecessary
(₹ in crore)

Sl. No.	Number and name of the grant	Original provision	Actual expenditure	Savings out of original provision	Supplementary provision
A Revenue (Voted)					
1.	01-General Administration	174.92	157.57	17.35	7.27
2.	04- Other Expenditure pertaining to Home Department	14.51	11.88	2.63	0.67
3.	06-Finance	4567.47	3144.70	1422.77	11.55
4.	09-Expenditure pertaining to Revenue Department	37.94	36.48	1.46	0.76
5.	10-Forest	924.29	825.90	98.39	147.24
6.	13-Farmers Welfare and Agriculture Development	634.29	511.81	122.48	26.62
7.	14-Animal Husbandry	288.61	282.14	6.47	18.75
8.	15-Financial Assistance to Three Tier Panchayati Raj Institutions under Scheduled Caste Sub-Plan	759.55	669.40	90.15	29.43
9.	16-Fisheries	28.16	24.45	3.71	3.04
10.	19-Public Health and Family Welfare	1152.69	1135.76	16.93	8.73
11.	21-Housing and Environment	120.28	82.60	37.68	3.19
12.	22-Urban Administration and Development Urban Bodies	60.53	36.87	23.66	1.17
13.	23-Water Resources Department	439.96	438.81	1.15	44.75
14.	24-Public Works -Roads and Bridges	542.29	538.01	4.28	6.32
15.	25-Mineral Resources	13.28	12.86	0.42	2.25
16.	28-State Legislature	36.79	33.80	2.99	1.00
17.	29-Law and Legislative Affairs	323.56	292.34	31.22	23.22
18.	30-Rural Development	705.70	679.04	26.66	68.20
19.	31-Planning, Economics and Statistics	52.08	50.74	1.34	4.50
20.	36-Transport	40.53	35.08	5.45	2.68
21.	41-Tribal Areas Sub-Plan	1631.65	1361.45	270.20	43.65
22.	43-Sports and Youth Welfare	26.18	22.67	3.51	1.47

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Sl. No.	Number and name of the grant	Original provision	Actual expenditure	Savings out of original provision	Supplementary provision
23.	44-Higher Education	462.47	444.90	17.57	5.70
24.	45-Minor Irrigation Works	74.77	70.00	4.77	25.00
25.	47-Technical Education and Training	216.14	204.98	11.16	8.41
26.	52-Financial Assistance to Tribal Area Sub-Plan-Three Tier Panchayati Raj Institution	1011.07	899.22	111.85	33.39
27.	56-Rural Industry	60.12	57.41	2.71	4.26
28.	58-Expenditure on Relief on account of Natural Calamities and Scarcity	643.83	454.52	189.31	40.59
29.	63-Minority Welfare	18.87	10.79	8.08	18.83
30.	64-Scheduled Castes Sub-Plan	1087.47	854.68	232.79	2.04
31.	79-Medical Education Department	321.90	306.75	15.15	2.25
32.	80-Financial Assistance to Three Tier Panchayati Raj Institutions	2756.34	2396.23	360.11	277.62
Total for Revenue voted		20355.06	17036.55	3318.51	910.69
B Capital(Voted)					
33.	01-General Administration	7.60	4.58	3.02	2.00
34.	06-Finance	164.41	52.51	111.90	1.43
35.	13-Farmers Welfare and Agriculture Development	-	-	-	87.19
36.	20-Public Health Engineering	355.95	299.11	56.84	12.75
37.	22-Urban Administration and Development-Urban Bodies	331.25	159.07	172.18	2.50
38.	24-Public Works-Roads and Bridges	858.52	788.88	69.64	50.00
39.	30-Rural Development	146.88	145.26	1.62	4.68
40.	39-Food, Civil Supplies and Consumer Protection	20.40	2.60	17.80	36.12
41.	41-Tribal Areas Sub-Plan	1410.69	948.35	462.34	72.66
42.	48-Narmada Valley Development	702.79	674.27	28.52	38.49
43.	64-Scheduled Castes Sub-Plan	876.18	812.02	64.16	41.93
44.	67-Public Works-Buildings	66.85	66.69	0.16	11.25
Total-capital(Voted)		4941.52	3953.34	988.18	361.00
C Revenue (Charged)					
45.	01-General Administration	12.01	9.73	2.28	0.58
Total for Revenue Charged		12.01	9.73	2.28	0.58
Grand Total (A+B+C)		25308.59	20999.62	4308.97	1272.27

Appendix-2.5
(Reference : Paragraph 2.3.7, Page 52)

Cases where supplementary provision proved excessive

(₹ in crore)

Sl. No.	Number and name of grant/ appropriation	Original grant/ appropriation	Supplementary grant/ appropriation	Actual expenditure	Saving
(1)	(2)	(3)	(4)	(5)	(6)
A- Revenue- Voted					
1.	05-Jail	109.40	11.61	117.34	3.67
2.	07-Commercial Tax	888.55	180.00	992.04	76.51
3.	08-Land Revenue and District Administration	520.52	144.30	595.88	68.94
4.	11-Commerce, Industry and Employment	126.15	6.12	128.26	4.01
5.	12-Energy	1428.86	224.00	1633.21	19.65
6.	17-Co-operation	80.70	29.43	107.30	2.83
7.	18-Labour	59.41	15.41	70.10	4.72
8.	20-Public Health Engineering	250.78	68.10	275.60	43.28
9.	26-Culture	37.63	3.16	38.95	1.84
10.	33-Tribal Welfare	815.97	46.00	858.91	3.06
11.	39-Food, Civil Supplies and Consumer Protection	438.50	138.94	542.68	34.76
12.	62-Panchayat	65.33	9.28	73.34	1.27
13.	66-Welfare of Backward classes	246.65	105.53	334.98	17.20
14.	67-Public Works -Building	249.02	17.54	250.04	16.52
15.	75-Financial Assistance to Urban Bodies	2515.77	144.80	2543.43	117.14
16.	77-Other Expenditure Pertaining to School Education Department (excluding of Primary Education)	712.19	585.93	736.54	561.58
17.	78-Horticulture and Food Processing	105.84	19.03	108.62	16.25
Total (A)		8651.27	1749.18	9407.22	993.23
B- Revenue Charged					
18.	29-Law and Legislative Affairs	28.98	15.62	39.51	5.09
Total (B)		28.98	15.62	39.51	5.09
C-Capital voted					
19.	08-Land Revenue and District Administration	19.16	12.00	28.83	2.33
20.	12-Energy	1124.68	4356.09	5329.14	151.63
21.	19-Public Health and Family welfare	24.49	11.27	31.02	4.74
22.	21-Housing and Environment	30.51	8.00	37.71	0.80
23.	23-Water Resources Department	347.17	303.67	413.27	237.57

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24.	42-Public Works relating to Tribal Areas Sub-Plan-Roads and Bridges	305.53	48.15	331.70	21.98
25.	44-Higher Education	21.96	40.00	41.97	19.99
26.	45-Minor Irrigation works	309.93	235.34	383.60	161.67
27.	79-Medical Education Department	3.25	11.74	14.79	0.20
28.	80-Financial Assistance to Three Tier Panchayati Raj Institutions	2.02	5.00	5.01	2.01
Total (C)		2188.70	5031.26	6617.04	602.92
Grand Total (A+B+C)		10868.95	6796.06	16063.77	1601.24

Additional requirement: Actual expenditure-Original provision =16063.77-10868.95=5194.82

Appendix-2.6
(Reference: Paragraph 2.3.7, Page 52)

Statement of various grants/appropriation where supplementary provision proved insufficient

(₹ in crore)

Sl. No.	Grant number	Name of the grants and appropriation	Original provision	Supplementary provision	Total	Expenditure	Excess
Revenue-Voted							
1.	03	Police	1549.75	66.15	1615.90	1701.62	85.72
2.	27	School Education (Primary Education)	2383.98	179.01	2562.99	2594.69	31.70
3.	32	Public Relations	74.96	7.44	82.40	84.30	1.90
4.	49	Scheduled Caste Welfare	53.43	1.18	54.61	59.26	4.65
Total			4062.12	253.78	4315.90	4439.87	123.97

Appendix-2.7

(Reference: Paragraph 2.3.8, Page 52)

Excessive/unnecessary re-appropriation/surrender of funds

(₹ in crore)

Sl. No.	Grant No.	Description	Head of account	Re-appropriation	Final excess(+)/ saving (-)	Percentage
1.	03	Police	2055-001-1011-Regional Inspector General and Divisional Establishment	(+)0.22	(-)1.41	100
2.	03	Police	2055-001-3680-State Headquarter	(+)0.13	(-)2.36	100
3.	10	Forest	2406-01-101-3877-Regional Forest Divisions	(+)5.00	(-)19.83	100
4.	10	Forest	2406-01-204-2901-Bamboos	(+)1.75	(-)11.23	100
5.	12	Energy	6801-190-1201-Externally Aided Projects (Normal)-6929-Investment for Transmission system Works	(+)91.76	(-)70.45	76.78
6.	13	Farmers Welfare and Agriculture Development	2401-001-119-Subordinate and expert staff (District and Subordinate Level)	(-)1.88	(+)2.42	100
7.	13	Farmers Welfare and Agriculture Development	2401-102-0101-State Plan Schemes (Normal)-5647-Special Assistance Top-up Grant to Farmers for Irrigation Equipments	(+)2.01	(-)1.19	59.20
8.	13	Farmers Welfare and Agriculture Development	2401-109-0101-State Plan Schemes (Normal) 5359-Balram Pond	(+)2.09	(-)1.11	53.11
9.	14	Animal Husbandry	2403-102-0101-1108-Intensive Cattle Development Project	(-)0.24	(+)1.47	100
10.	19	Public Health and Family Welfare	2210-01-110-1473 District Hospital	(-)21.28	(+)23.53	100
11.	19	Public Health and Family Welfare	2210-01-110-748 Dispensaries	(-)4.72	(+)1.81	38.35
12.	19	Public Health and Family Welfare	2210-01-110-7558 Civil Hospitals	(-)4.63	(+)6.58	100
13.	19	Public Health and Family Welfare	2210-03-103-2777 Primary Health Centres	(-)40.66	(+)33.44	82.24
14.	19	Public Health and Family Welfare	2210-01-110-7892 Medical Guarantee Scheme	(-)7.03	(+)9.21	100
15.	19	Public Health and Family Welfare	2210-06-101-4245 Malaria	(-)15.51	(+)9.84	63.44
16.	19	Public Health and Family Welfare	2210-01-110-0101 State Plan Schemes (Normal) 8798- Upgradation of Hospitals	(-)0.91	(+)2.64	100
17.	19	Public Health and Family Welfare	2210-06-101-8150 Multipurpose workers scheme	(-)2.97	(+)7.38	100

(₹ in crore)

Sl. No.	Grant No.	Description	Head of account	Re-appropriation	Final excess(+)/ saving (-)	Percentage
18.	20	Public Health Engineering	4215-01-102-0701-9489-Flourosis Control Programme in the State	(+)3.00	(-)13.83	100
19.	20	Public Health Engineering	4215-01-800-0701-9938-Recharging of Ground water Resources	(-)13.16	(+)3.37	25.61
20.	23	Water Resources Department	4700-22-800-0101-2884-Canal and Appurtenant Works	(-)24.02	(+)17.21	71.65
21.	23	Water Resources Department	4701-43-800-1401-2897-Dam and Appurtenant Works	(-)17.20	(+)14.67	85.29
22.	24	Public Works Roads & Bridges	5054-03-337-0101-4336-Construction of Roads in State/State Highways	(+)2.50	(-)1.42	56.80
23.	28	State Legislature	2011-02-103-4009-Vidhan Sabha Secretariat	(-)0.65	(+)2.22	100
24.	29	Law and Legislative Affairs	2014-105-4497-General Establishment	(-)9.02	(+)13.62	100
25.	30	Rural Development	2515-001-0101-State Plan Schemes (Normal)-1033 Block Development Offices	(-)8.64	(+)11.16	100
26.	30	Rural Development	2515-800-0101-State Plan Schemes (Normal)-1208-Rural engineering service	(-)4.63	(+)5.44	100
27.	32	Public Relations	2220-01-001-2304 Direction and Administration	(-)0.94	(+)3.22	100
28.	36	Transport	2041-101-4280-Collection Charges	(-)6.16	(+)3.14	50.97
29.	41	Tribal Areas Sub-Plan	34-Public Health Engineering 4215-01-796-102-0702-9489-Fluorosis Control Programme in the State	(+)2.00	(-)8.76	100
30.	41	Tribal Areas Sub-Plan	27-Narmada Valley Development Department 4700-43-796-800-0102-Tribal Area Sub Plan 2884-Canal and its Appurtenant Construction Works.	(+)22.03	(-)38.81	100
31.	42	Public works Relating to Tribal Areas Sub-Plan-Roads and Bridges	19-Public Works Department 5054-04-796-800-1402-5226-Construction of Rural Roads (NABARD)	(+)2.50	(-)1.33	53.20
32.	44	Higher Education	2202-03-104-7043-Grant to Public Participation Committees for filling up of Vacant Posts in Colleges on honorarium basis	(+)4.00	(-)1.27	31.75
33.	48	Narmada Valley Development	4700-41-800-0101-2872-Bargi Canal Diversion Project	(+)80.08	(-)33.08	41.31
34.	58	Expenditure on Relief on account of Natural Calamities and Scarcity	2245-01-102-2661-Drinking Water Supply	(+)24.00	(-)45.03	100

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(₹ in crore)

Sl. No.	Grant No.	Description	Head of account	Re-appropriation	Final excess(+)/ saving (-)	Percentage
35.	58	Expenditure on Relief on account of Natural Calamities and Scarcity	2245-02-101-2018-Cash Doles	(+)14.00	(-)20.20	100
36.	58	Expenditure on Relief on account of Natural Calamities and Scarcity	2245-02-101-747-Relief to hailstorm sufferers	(+)1.00	(-)11.18	100
37.	64	Scheduled Castes sub Plan	17-Public Health and Family Welfare Department 2210-01-789-110-0103-Scheduled Castes Sub Plan 8798- Upgradation of Hospitals	(-)0.55	(+)2.39	100
38.	64	Scheduled Castes sub Plan	55-Scheduled Caste Welfare Department 2225-01-789-277-0103 Scheduled Castes Sub Plan 4717-Scheduled Caste Hostels	(-)0.80	(+)2.80	100
39.	64	Scheduled Castes sub Plan	34- Public Health Engineering 4215-01-789-102-0703-Centrally Sponsored Schemes Scheduled Caste Sub Plan-9489 Fluorosis Control Programme in the State.	(+)3.00	(-)18.61	100
40.	64	Scheduled Castes sub Plan	27-Narmada Valley Development Department 4700-41-789-800-0103-2872-Bargi Canal Diversion Project	(+)13.03	(-)9.79	75.14
41.	64	Scheduled Castes Sub-Plan	55-Scheduled Caste welfare Department 4225-01-789-800-0703-C.S.S. Scheduled Caste Sub Plan 1400-Ashram and Hostel Buildings	(-)0.75	(+)2.08	100
42.	64	Scheduled Caste Sub-Plan	34- Public Health Engineering 4215-01-789-102-0703- Centrally Sponsored Schemes Scheduled Caste Sub Plan 4379- Drinking Water Supply Scheme in Problem Villages	(+)4.30	(-)2.53	58.84
43.	64	Scheduled Caste Sub plan	19-Public Works Department 5054-04-789-800-0103 Scheduled Caste Sub Plan-9002- Construction of Roads in Scheduled Caste Majority Areas	(+)7.22	(-)2.83	39.20
44.	67	Public Works - Buildings	4059-01-051-0701-2450-Administration of Justice	(+)2.00	(-)2.99	100

Appendix-2.8

(Reference: Paragraph 2.3.9, Page 53)

Defective sanctions for re-appropriations/surrenders

(₹ in crore)

Sl. No.	Number of sanctions	Grant No.	Amount	Particulars of irregularities
1	18	8,15,17,18,20,27,30, 41,52,58,64 and 80	607.43	Sanction were issued after closure of Financial year 2009-10
2	06	3,29,52 and 69	16.93	Delayed receipt of Sanction in Accountant General (A&E) office i.e. after closing and finalization of account.
3	07	22,31,41,48,51,56 and 78	25.76	Non-Receipt of complete details of schemes.
4	05	26,33,41 and 72	8.27	Non issue of separate re-appropriation sanctions for some items of excess expenditure given in surrender sanction.
5	09	64 and 66	8.30	Amount of more than 10 <i>per cent</i> of the provision were re-appropriated under the object head Salary, Wages and Office expenses, without the consent of the Finance Department.
6	08	27,31,44,46,67,69 and 71	4.93	Non-availability of Budget provision from which Re-appropriation/surrenders sanctioned.
7	05	25,41 and 70	0.37	Incorrect totals of surrender/Re-appropriation Sanction
Total	58	32	671.99	

Appendix-2.9
(Reference: Paragraph 2.3.10, Page 53)

Results of review of substantial surrenders made during the year

Sl. No	Number and title of grant	Name of the scheme (Head of Account)	Amount of Surrender (₹ in crore)	Percentage of Surrender
1.	11-Commerce, Industry and Employment	4875-60-800-0101-State plan Schemes (Normal) 5493-Investment in Delhi-Mumbai Industrial Corridor Corporation	1.00	100
The Surrender of entire Provision of ₹ one crore was attributed to transfer of amount from Capital Section to Revenue for making provision in supplementary Budget.				
2.	12-Energy	4801-06-190-0101-State Plan Schemes (Normal) 6869-Rajiv Gandhi Rural Electrification Scheme	11.67	100
The surrender of Entire Provision of ₹11.67 crore was attributed to non-availability of provision in share capital under the scheme.				
3.	13-Farmers Welfare and Agriculture Development	4401-102-1501-Additional Central Assistant (Normal) 6080-Storage and Marketing	69.75	100
Reasons for surrender have not been intimated.				
4.	13-Farmers Welfare and Agriculture Development	4401-102-1503-Additional Central Assistant (Schedule Caste Sub Plan) 6080-Storage and Marketing	17.44	100
Reasons for surrender have not been intimated.				
5.	20-Public Health Engineering	2215-01-191-0101-State Plan Scheme (Normal) 7446-Narmada Water Extension Scheme for Bhopal City.	6.20	100
Reasons for surrender have not been intimated.				
6.	21-Housing and Environment	2217-05-001-0101-State Plan Scheme (Normal) 5532-Chitrakut Approachable Place Project	1.00	100
Adequate reasons for surrender have not been intimated.				
7.	23-Water Resources Department	4700-22-800-1501-Additional Central Assistance (Normal) 2884-Canal and Appurtenant works	53.43	100
Reason for surrender was due to non-utilisation of fund under Bundelkhand Package owing to shortage of time.				
8.	23-Water Resources Department	4702-101-1501-6068-Under Construction Minor Irrigation Schemes	27.66	100
Reason for surrender was due to non-utilisation of fund under Bundelkhand Package owing to shortage of time.				
9.	23-Water Resources Department	4702-101-1501-6069-Improvement, Strengthening, Re-establishment	18.23	100
Reason for surrender was due to non-utilisation of fund under Bundelkhand Package owing to shortage of Time.				

Sl. No	Number and title of grant	Name of the scheme (Head of Account)	Amount of Surrender (₹ in crore)	Percentage of Surrender
10.	23-Water Resources Department	4702-101-1501-6071-Improvement of Lift Irrigation Schemes	2.11	100
Reason for surrender was due to non-utilisation of fund under Bundelkhand Package owing to shortage of time.				
11.	23-Water Resources Department	4702-101-1501-6074-Restoration of Canal Capacity	33.94	100
Reason for surrender was due to non-utilisation of fund under Bundelkhand Package owing to shortage of time.				
12.	23-Water Resources Department	4702-101-1501-6077-New Minor Irrigation Schemes	24.51	100
Reason for surrender was due to non-utilisation of fund under Bundelkhand Package owing to shortage of time.				
13.	23-Water Resources Department	4705-211-1501-6067-Command Area Development Rajghat Project	33.94	100
Reason for surrender was due to non-utilisation of fund under Bundelkhand Package owing to shortage of time.				
14.	23-Water Resources Department	4700-73-800-0101-State Plan Schemes (Normal) 2897-Dam and Appurtenant works	1.00	100
Reason for surrender was due to non-commencement of work.				
15.	30-Rural Development	4515-800-0101-State Plan Schemes (Normal)-5853-D.P.I.P. Schemes	6.30	100
The saving of entire provision of ₹ 6.30 crore was surrendered due to non-receipt of demand from D.P.I.P. schemes.				
16.	31-Planning, Economics and Statistics	3451-101-0101-State Plan Schemes (Normal) 5569-Strengthening of Information Technology and State Planning Commission	3.00	100
The saving of entire provision of ₹ three crore was surrendered attributed to non-approval of the proposal of strengthening by the Government.				
17.	41-Tribal Areas Sub-Plan	20-School Education Department 2202-02-796-109-0702-Central Sponsored schemes T.S.P. 6918 - Information and Broadcasting Technology college	20.00	100
The saving of entire provision of ₹20 crore was surrendered due to non-releasing of funds by Government of India and non-commencement of implementation of the scheme.				
18.	41-Tribal Areas Sub-Plan	25-Tribal Welfare Department 2225-02-796-001-0802-Central Sector Scheme T.S.P. 5155-Monitoring and Evaluation of Schemes Article 275 (1)	1.32	100
The saving of entire provision of ₹1.32 crore was surrendered due to non-receipt of second instalment from Government of India.				
19.	41-Tribal Areas Sub-Plan	50-Women and Child Development Department 2210-80-796-800-0102-Tribal Area Sub-Plan 6955-Bal Sanjeewani Abhiyan Yojna	1.56	100
Reasons for surrender have not been intimated.				

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Sl. No	Number and title of grant	Name of the scheme (Head of Account)	Amount of Surrender (₹ in crore)	Percentage of Surrender
20.	41-Tribal Areas Sub-Plan	23-Planning, Economics and Statistics Department 4515-796-103-0102-Tribal Area Sub-Plan-5775-Vindhya Development Authority	1.10	100
Reasons for surrender have not been intimated.				
21.	41-Tribal Areas Sub-Plan	25-Tribal Welfare Department 4225-02-796-800-0702-Centrally Sponsored Schemes T.S.P. -6521-Tribal Museum Buildings	4.57	100
The saving of entire provision of ₹4.57 crore was surrendered due to surrender of funds by subordinate Drawing and Disbursing Officers and restriction on purchase.				
22.	41-Tribal Areas Sub-Plan	58-Rural Development Department 4515-796-800-1202-Externally Aided Project (T.S.P.) 5853-D.P.I.P. Schemes	32.00	100
The saving of entire provision of ₹32 crore was surrendered due to non-receipt of demand from D.P.I.P.				
23.	47-Technical Education and Training	2203-105-0701-Centrally Sponsored Schemes (Normal) 2667-Polytechnic Institutes	1.99	100
Reasons for surrender was attributed to non-allotment of D.D.O. Code to new polytechnic institute and post remaining vacant.				
24.	55-Women and Child Development	2236-02-101-1201-Externally Aided Project Normal-9050-Minimum needs programmes Special Nutrition Food Scheme	20.00	100
Reasons for surrender have not been intimated.				
25.	59-Externally aided projects pertaining to Rural Development Department	4515-800-1201-Externally Aided Projects (Normal) 5853-D.P.I.P. Schemes	86.70	100
The saving of entire provision of ₹86.70 crore was surrendered due to non-receipt of demand from D.P.I.P. Schemes.				
26.	60-Expenditure Pertaining to District Plan Schemes	4515-800-0101-State Plan Schemes (Normal) 5775-Vindhya Development Authority	1.50	100
Adequate reasons for surrender have not been intimated.				
27.	63-Minority Welfare	2225-03-800-0801 Central Sector Schemes Normal 5617-Development Programmes in Mass Minority Districts	3.00	100
The saving of entire provision of ₹ three crore was surrendered due to non-receipt of fund from National Corporation of Government of India.				
28.	64-Scheduled Castes Sub Plan	34-Public Health Engineering 2215-01-789-191-0103-Schedule Castes Sub Plan-2181-Urban Water Supply Schemes	4.80	100
Reasons for surrender have not been intimated.				

Sl. No	Number and title of grant	Name of the scheme (Head of Account)	Amount of Surrender (₹ in crore)	Percentage of Surrender
29.	64-Scheduled Castes Sub Plan	50-Women and Child Development Department 2210-80-789-800-0103-Scheduled Castes sub plan 6955-Bal Sanjeevani Abhiyan Yojna	1.95	100
Reasons for surrender have not been intimated.				
30.	64-Scheduled Castes Sub Plan	55-Scheduled Caste Welfare Department 2055-789-109-0803-Central Sector Schemes Scheduled Caste Sub Plan 5861-Social Justice and Strengthening Centre	1.24	100
The saving of entire provision of ₹1.24 crore was surrendered due to non-receipt of funds, from the Government of India.				
31.	64-Scheduled Castes sub plan	58-Rural Development Department 4515-789-800-1203-Externally aided Projects (Scheduled Castes Sub Plan) 5833-D.P.I.P. Schemes	24.00	100
The saving of entire Provision of ₹24 crore was surrendered. Reasons for final saving was attributed to non-receipt of demand from D.P.I.P.				
32.	65-Aviation	5053-80-800-0101-State Plan Schemes (Normal) 5527-Purchase of helicopters	1.10	100
Reasons for surrender of entire provision of ₹1.10 crore have not been intimated				
33.	67-Public Works Buildings	4059-01-051-0101-State Plan Schemes (Normal) 8069-Commercial Tax	2.00	100
Reason for surrender was partly attributed to slow progress of work (₹1.40 crore) and reason for remaining surrender of ₹0.60 crore have not been intimated.				
34.	77-Other Expenditure Pertaining to school Education Department (Excluding Primary Education)	2202-02-103-0801-Central Sector Schemes (Normal)-7036-Sanskrit Development Scheme	8.00	100
The saving of entire Provision of ₹eight crore was surrendered due to closing of the scheme by the Government of India.				
35.	80-Financial Assistance to Three Tier Panchayati Raj Institution	2501-06-800-0101-5484-Vocationalisation Training through public participation under Integrated Employment/ livelihood Programme	2.00	100
Reasons for surrender have not intimated.				
Total			530.01	

Appendix-2.10

(Reference: Paragraph 2.3.11, Page 53)

(A) Surrenders (₹ One crore or more) in excess of actual savings
(₹ in crore)

Sl. No.	Number and name of the grant/ appropriation	Total grant/ appropriation	Saving	Amount surrendered	Amount surrendered in excess
Revenue - Voted					
1.	05-Jail	121.01	3.67	4.05	0.38
2.	07-Commercial Tax	1068.55	76.52	86.30	9.78
3.	13-Farmers Welfare and Agriculture Development	660.91	149.10	150.77	1.67
4.	19-Public Health and Family Welfare	1161.41	25.65	133.79	108.14
5.	30-Rural Development	773.90	94.87	111.44	16.57
6.	36-Transport	43.21	8.13	9.40	1.27
7.	55-Women and Child Development	1162.96	210.24	211.40	1.16
8.	77-Other Expenditure pertaining to School Education Department (excluding Primary Education)	1298.12	561.57	563.64	2.07
	Total	6290.07	1129.75	1270.79	141.04

(B) Surrenders even after excess over provision
(₹ in crore)

Sl. No.	Number and name of the grant/ appropriation	Total grant/ appropriation	Excess	Amount surrendered
Revenue - Voted				
9.	03-Police	1615.90	+85.72	10.18
10.	27-School Education (Primary Education)	2562.99	+31.69	71.83
11.	32-Public Relation	82.41	+1.89	1.27
	Total	4261.30	119.30	83.28

Appendix-2.11

(Reference : Paragraph 2.3.12, Page 54)

Statement of various grants/appropriations in which savings occurred but no part of which had been surrendered.

(₹ in crore)

I - Grant			
Sl.No.	Grant No.	Number and name of grant/appropriation	Saving
Revenue Voted			
1.	14	Animal Husbandry	25.22
2.	16	Fisheries	6.75
3.	17	Co-operation	2.83
4.	39	Food, Civil Supplies and Consumer Protection	34.76
5.	40	Expenditure pertaining to Water Resources Department - Command Area Development	0.89
6.	43	Sports and Youth Welfare	4.98
7.	48	Narmada Valley Development	10.90
8.	51	Religious Trusts and Endowments	2.03
9.	54	Agricultural Research and Education	0.02
10.	58	Expenditure on Relief on Account of Natural Calamities and Scarcity	229.90
11.	60	Expenditure Pertaining to District Plan Schemes	0.10
12.	62	Panchayat	1.27
13.	72	Gas Tragedy Relief and Rehabilitation	4.76
14.	78	Horticulture and Food Processing	16.25
Capital Voted			
15.	03	Police	4.05
16.	06	Finance	113.33
17.	17	Co-Operation	0.17
18.	19	Public Health and Family Welfare	4.74
19.	21	Housing and Environment	0.80
20.	26	Culture	0.03
21.	39	Food, Civil Supplies and Consumer Protection.	53.92
22.	40	Expenditure pertaining to Water Resources Department Command Area Development	3.75
23.	43	Sports and Youth Welfare	0.10
24.	48	Narmada Valley Development	67.01
25.	58	Expenditure on Relief on Account of Natural Calamity and Scarcity	2.70
26.	72	Gas Tragedy Relief and Rehabilitation	2.71
27.	79	Medical Education Department	0.20
28.	80	Financial Assistance to Three Tier Panchayati Raj Institutions	2.00
II - Appropriation			
Revenue Charged			
29.	IP	Interest Payment and servicing of Debt	511.08
30.	04	Other Expenditure pertaining to Home Department	0.05
31.	06	Finance	9.99
32.	10	Forest	10.13
33.	11	Commerce, Industry and Employment	0.05
34.	12	Energy	142.09
35.	14	Animal Husbandry	0.02

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Sl.No.	Grant No.	Number and name of grant/appropriation	Saving
36.	16	Fisheries	0.03
37.	17	Co-operation	0.01
38.	18	Labour	0.02
39.	24	Public Works-Roads and Bridges	0.02
40.	27	School Education (Primary Education)	0.23
41.	34	Social Welfare	0.02
42.	39	Food, Civil Supplies and Consumer Protection	0.02
43.	62	Panchayat	0.02
44.	67	Public Works-Buildings	0.22
45.	77	Other Expenditure Pertaining to School Education Department (Excluding Primary Education)	0.20
46.	78	Horticulture and Food Processing	0.03
Capital Charged			
47.	11	Commerce, Industry and Employment	0.10
48.	24	Public Works Road and Bridges	0.13
49.	48	Narmada Valley Development	0.33
50.	PD	Public Debt	3896.40
Total			5167.36

Appendix-2.12
(Reference : Paragraph 2.3.12, Page 54)

**Details of saving of ₹ One crore and above not surrendered
(Excluding the Cases given in Appendix - 2.11)**

(₹ in crore)

Sl. No.	Number and name of grants/appropriation	Saving	Surrender	Saving which remained to be surrendered
1	2	3	4	5
Revenue Charged				
1.	01-General Administration	2.86	0.33	2.53
2.	29-Law and Legislative Affairs	5.08	3.66	1.42
Revenue Voted				
3.	01-General Administration	24.62	21.54	3.08
4.	02-Other expenditure pertaining to General Administration Department	10.41	1.03	9.38
5.	04- Other Expenditure pertaining to Home Department	3.31	0.89	2.42
6.	06- Finance	1434.33	5.82	1428.51
7.	08-Land Revenue and District Administration	68.94	31.03	37.91
8.	10-Forest	245.63	3.37	242.26
9.	11-Commerce, Industry and Employment	4.01	0.77	3.24
10.	12-Energy	19.65	17.58	2.07
11.	15-Financial Assistance to three Tier Panchayati Raj Institutions under Scheduled Castes Sub-Plan	119.57	116.56	3.01
12.	18-Labour	4.72	2.79	1.93
13.	20-Public Health Engineering	43.28	6.20	37.08
14.	21- Housing and Environment	40.88	1.00	39.88
15.	23-Water Resources Department	45.90	19.96	25.94
16.	24-Public Works-Roads and Bridges	10.60	3.85	6.75
17.	25-Mineral Resources	2.67	0.89	1.78
18.	29-Law and Legislative Affairs	54.45	51.82	2.63
19.	31-Planning, Economics and Statistics	5.85	4.09	1.76
20.	33-Tribal Welfare	3.06	0.31	2.75
21.	34-Social Welfare	17.36	5.23	12.13
22.	41-Tribal Areas Sub-Plan	313.86	175.25	138.61
23.	44-Higher Education	23.27	3.18	20.09
24.	45-Minor Irrigation Works	29.77	26.70	3.07

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1	2	3	4	5
25.	52-Financial Assistance to Tribal Area Sub - Plan-Three Tier Panchayati Raj Institutions	145.23	127.16	18.07
26.	56-Rural Industries	6.98	2.58	4.40
27.	64-Scheduled Castes Sub- Plan	234.83	215.80	19.03
28.	65-Aviation	4.61	3.58	1.03
29.	66-Welfare of Backward Classes	17.20	14.05	3.15
30.	67-Public Works - Buildings	16.52	11.63	4.89
31.	69-Information Technology	13.95	1.87	12.08
32.	75-Financial Assistance to Urban Bodies	117.14	106.08	11.06
33.	79-Medical Education Department	17.40	14.71	2.69
34.	80-Financial Assistance to Three Tier Panchayati Raj Institution	637.73	309.21	328.52
Capital Voted				
35.	01-General Administration	5.02	2.95	2.07
36.	12-Energy	151.63	81.18	70.45
37.	20-Public Health Engineering	69.59	6.35	63.24
38.	23-Water Resources Department	237.57	198.09	39.48
39.	24-Public Works -Roads and Bridges	119.64	41.74	77.90
40.	41-Tribal Areas Sub-Plan	535.00	119.57	415.43
41.	42-Public Works relating to Tribal Area sub Plan-Roads and Bridges	21.99	5.00	16.99
42.	44-Higher Education	19.99	0.40	19.59
43.	45-Minor Irrigation Works	161.67	101.90	59.77
44.	57-Externally Aided Projects Pertaining to Water Resources Department	89.69	1.64	88.05
45.	64-Scheduled Caste Sub-Plan	106.09	30.43	75.66
46.	67-Public Works -Buildings	11.41	4.44	6.97
47.	77-Other Expenditure Pertaining to School Education Department (Excluding Primary Education)	2.00	0.40	1.60
Total		5276.96	1904.61	3372.35

Appendix-2.13

(Reference : Paragraph 2.3.12, Page 54)

Cases of surrender of funds in excess of ₹ 10 crore on 30 and 31 March 2010
(₹ in crore)

Sl. No.	Grant No.	Major Head	Budget Provision	Amount of Surrender	Percentage of Total Provision
1	2	3	4	5	6
1.	07	2030	238.99	53.26	22.29
2.	07	2039	854.12	35.78	4.19
3.	08	2029	386.11	30.90	8.00
4.	12	4801	1767.15	11.68	0.66
5.	12	6801	3713.62	69.50	1.87
6.	13	2401	621.46	150.05	24.15
7.	13	4401	87.19	87.19	100
8.	15	2501	134.97	41.05	30.41
9.	15	2505	130.25	27.33	20.98
10.	15	2515	168.19	17.56	10.44
11.	15	2235	104.21	15.27	14.65
12.	19	2210	938.17	129.43	13.80
13.	22	2217	61.70	24.69	40.02
14.	22	6217	313.89	174.66	55.64
15.	23	2700	101.45	13.44	13.24
16.	23	4700	363.48	54.74	15.06
17.	23	4702	106.45	106.45	100
18.	23	4705	33.94	33.94	100
19.	24	5054	932.03	41.74	4.48
20.	27	2202	2563.22	71.83	2.80
21.	29	2014	254.76	30.75	12.07
22.	29	2015	108.26	23.94	22.11
23.	30	2515	758.26	110.46	14.57
24.	41	2202	434.98	15.25	3.51
25.	41	2225	299.65	37.69	12.58
26.	41	2235	158.42	42.41	26.77
27.	41	2401	193.48	58.54	30.26
28.	45	2702	99.77	26.70	26.76
29.	45	4702	433.18	101.91	23.53
30.	47	2203	145.18	10.25	7.06
31.	52	2501	229.69	70.84	30.84

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1	2	3	4	5	6
32.	52	2505	175.60	40.33	22.97
33.	55	2236	429.72	94.14	21.91
34.	55	2235	719.14	26.49	3.68
35.	59	4515	86.70	86.70	100
36.	63	2225	37.70	26.84	71.19
37.	64	2235	196.44	50.46	25.69
38.	64	2225	263.01	19.80	7.53
39.	64	2401	119.68	40.52	33.86
40.	64	2236	192.84	86.27	44.74
41.	66	2225	352.19	14.05	3.99
42.	67	2059	200.25	11.63	5.81
43.	75	2202	201.13	42.11	20.94
44.	75	2235	186.32	52.96	28.43
45.	77	2202	1271.03	553.52	43.55
46.	79	2210	324.15	14.53	4.48
47.	80	2501	275.06	79.86	29.03
48.	80	2401	43.04	10.71	24.88
49.	80	2505	191.25	53.87	28.17
50.	80	2235	273.61	11.21	4.10
51.	80	2202	942.89	153.44	16.27
Total			23217.97	3188.67	13.73

Appendix-2.14
(Reference: Paragraph 2.3.13, Page 54)

Rush of Expenditure

(₹ in crore)

Sl. No.	Grant number and name	Scheme No.	Expenditure incurred during Jan-March 2010	Expenditure incurred in March 2010	Total expenditure	Percentage of total expenditure incurred during	
						Jan-March 2010	March 2010
1.	03-Police	2643	59.17	54.43	59.17	100	91.99
2.	06-Finance	6842	24.82	24.82	44.73	55.49	55.49
3.	08-Land Revenue and District Administration	6337	96.49	96.49	96.76	99.72	99.72
4.	10-Forest	7680	18.83	16.01	24.29	77.52	65.91
5.	11-Commerce, Industry and Employment	5492	18.04	18.04	35.00	51.54	51.54
6.	12-Energy	5488	2580.29	2380.29	3080.29	83.77	77.27
7.	12-Energy	5521	100.93	60.05	100.93	100	59.5
8.	12-Energy	6869	23.32	23.32	23.32	100	100
9.	12-Energy	6929	413.11	375.27	652.15	63.35	57.54
10.	12-Energy	7900	1242.96	1159.99	1370.37	90.70	84.65
11.	13-Farmers Welfare and Agriculture Development	1060	13.21	13.11	14.00	94.35	93.64
12.	15-Finance Assistance to Three Tier Panchayati Raj Institutions under Scheduled Castes Sub Plan	5131	13.34	13.28	15.81	84.38	84.00
13.	17-Co-operation	6934	23.87	23.87	23.87	100	100
14.	19-Public Health and Family Welfare	5893	20.00	20.00	20.00	100	100
15.	20-Public Health Engineering	1095	30.77	30.64	30.77	100	99.58
16.	20-Public Health Engineering	693	13.14	12.44	13.26	99.11	93.82
17.	30-Rural Development	6109	26.40	26.40	48.40	54.55	54.55
18.	39-Food,Civil Supplies and Consumer Protection	6645	20.49	20.49	40.38	50.75	50.75
19.	41-Tribal Areas Sub-Plan	2414	10.26	10.01	10.92	93.96	91.67
20.	41-Tribal Areas Sub-Plan	3366	28.21	19.47	32.58	86.59	59.76
21.	41-Tribal Areas Sub-Plan	5067	23.02	16.32	32.21	71.47	50.67
22.	41-Tribal Areas Sub-Plan	5360	12.85	12.85	12.89	99.69	99.69
23.	41-Tribal Areas Sub-Plan	5643	18.76	17.84	33.27	56.39	53.62
24.	41-Tribal Areas Sub-Plan	5724	13.33	13.33	20.00	66.65	66.65

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Sl. No.	Grant number and name	Scheme No.	Expenditure incurred during Jan-March 2010	Expenditure incurred in March 2010	Total expenditure	Percentage of total expenditure incurred during	
						Jan-March 2010	March 2010
25.	41-Tribal Areas Sub-Plan	5869	22.50	22.50	22.50	100	100
26.	41-Tribal Areas Sub-Plan	5906	24.64	13.76	25.00	98.56	55.04
27.	41-Tribal Areas Sub-Plan	6500	50.74	37.21	55.13	92.04	67.50
28.	41-Tribal Areas Sub-Plan	6809	27.56	17.80	34.78	79.24	51.18
29.	41-Tribal Areas Sub-Plan	7881	51.24	47.94	52.75	97.14	90.88
30.	41-Tribal Areas Sub-Plan	8799	37.80	25.68	41.87	90.28	61.34
31.	41-Tribal Areas Sub-Plan	8828	20.92	18.69	21.95	95.31	85.15
32.	41-Tribal Areas Sub-Plan	8849	17.42	17.41	17.72	98.30	98.25
33.	42-Public Works relating to Tribal Area Sub-Plan-Roads and Bridges	4149	13.96	13.53	23.22	60.12	58.27
34.	44-Higher Education	5889	20.00	20.00	20.00	100	100
35.	47-Technical Education and Training	2667	55.71	48.31	93.48	59.60	51.68
36.	47-Technical Education and Training	5700	30.00	30.00	30.00	100	100
37.	47-Technical Education and Training	6951	14.60	11.34	15.83	92.23	71.64
38.	52-Financial assistance to Tribal Area Sub-Plan Three Tier Panchayati Raj Institutions	5131	11.76	11.72	14.29	82.30	82.01
39.	55-Women and Child Development	5360	19.90	19.83	20.11	98.96	98.61
40.	55-Women and Child Development	5643	39.74	38.06	65.15	61.00	58.42
41.	58-Expenditure on Relief on account of Natural Calamities and Scarcity	475	285.88	285.88	285.88	100	100
42.	58-Expenditure on Relief on account of Natural Calamities and Scarcity	7024	39.88	39.88	39.88	100	100
43.	60-Expenditure pertaining to District Plan Schemes	8284	71.12	59.13	114.23	62.26	51.76
44.	64-Scheduled Castes Sub-Plan	5724	10.17	10.17	15.25	66.69	66.69
45.	64-Scheduled Castes Sub-Plan	6809	19.01	19.01	25.67	74.06	74.06
46.	75-Financial Assistance to Urban Bodies	6982	10.11	10.11	10.11	100	100

Sl. No.	Grant number and name	Scheme No.	Expenditure incurred during Jan-March 2010	Expenditure incurred in March 2010	Total expenditure	Percentage of total expenditure incurred during	
						Jan-March 2010	March 2010
47.	77-Other expenditure pertaining to School Education Department (Excluding Primary Education)	2267	22.57	22.27	23.26	97.03	95.74
48.	77-Other expenditure pertaining to School Education Department (Excluding Primary Education)	6005	37.53	37.53	37.53	100	100
49.	77-Other expenditure pertaining to School Education Department (Excluding Primary Education)	6007	12.46	12.46	12.46	100	100
50.	77-Other expenditure pertaining to School Education Department (Excluding Primary Education)	6970	17.49	17.49	17.50	99.94	99.94
51.	80-Financial assistance to Three Tier Panchayati Raj Institutions	4610	209.63	202.52	214.20	97.87	94.55
52.	PD-Public Debt	3731	219.51	186.73	321.93	68.19	58
53.	PD-Public Debt	5040	220.09	220.09	220.09	100	100
54.	IP-Interest Payment of Servicing of debt	5856	41.76	41.76	41.76	100	100
55.	IP-Interest Payment of Servicing of debt	5878	42.43	42.43	42.43	100	100
56.	IP-Interest Payment of Servicing of debt	6763	64.82	64.82	64.82	100	100
Total			6628.56	6124.82	7876.15	84.16	77.76

Appendix-2.15
(Reference : Paragraph 2.4.1, Page 56)

Pending DC bills for the years up to 2009-10

(₹ in crore)

Sl. No.	Department	Number of AC bills	Amount
1.	Electricity Inspector, M.P. Bhopal	243	0.05
2.	State Protocol Officer, Mantralaya Bhopal	19	7.59
3.	Commissioner, Lok Sikshan, Bhopal	08*	4.05
4.	Deputy Director, N.C.C. M.P. Bhopal	151	0.82
5.	Director, Backward Classes, Bhopal	37	0.37
6.	Registrar, Labour Courts, M.P.	86	0.16
7.	Director, Agriculture Department, Bhopal	529	6.46
8.	Soil Conservation Officer	270	1.61
Total		1343	21.11

*Not available as records destroyed in fire.

Appendix-2.16
(Reference : Paragraph 2.6.2, Page 59)

Substantial savings under schemes of selected grants

(₹ in crore)

Sl. No.	Grant number and name of scheme	Saving (Percentage)		
		2007-08	2008-09	2009-10
02-Other expenditure pertaining to General Administration Department				
1.	2235-60-107-5710-Loknayak Jai Prakash Samman Nidhi	NA	NA	8.16 (40.80)
20-Public Health Engineering				
2.	4215-01-102-0701-Centrally Sponsored Scheme Normal-2580-Rural Piped Water Supply Scheme	NA	NA	25.75 (25.42)
3.	4215-01-102-0701-Centrally sponsored schemes Normal-9489-Fluorosis Control Programme in the State	4.79 (20.37)	N.A	10.83 (33.70)
4.	4215-01-800-0801-Central Sector Schemes Normal-1095-Accelerated Rural Water Supply Scheme	NA	NA	9.23 (23.07)
5.	4215-01-800-0801-Central Sector Schemes Normal 9245-Works related to Quality of Water (H.R.D.Programme)	N.A	18.62 (86.77)	5.15 (51.50)
6.	6215-01-101-0101-State Plan scheme (Normal)-7446-Narmada Water Extension Scheme for Bhopal City	NA	NA	5.59 (26.62)
45-Minor Irrigation Work				
7.	4702-101-1401-NABARD(Normal) 2304-Direction and Administration	13.35 (100)	17.00 (100)	10.00 (100)
8.	4702-101-0101- State Plan Schemes (Normal) 6069-Maintenance, Strengthening and Rehabilitation	NA	NA	100.00 (100)
9.	4702-101-0101-State Plan Schemes (Normal) 2304-Direction and Administrations	NA	NA	8.35 (100)
10.	4702-800-0101-State plan Schemes (Normal)- 2304-Direction and Administrations	24.03 (100)	35.44 (100)	19.88 (100)
11.	4702-800-0101-State Plan Schemes (Normal) 6708-A.I.B.P. Schemes	NA	NA	7.41 (96.23)
12.	6705-800-0101-State Plan Schemes (Normal)- 2304-Direction and Administration	NA	NA	3.85 (100)
58-Expenditure on Relief on Account of Natural Calamities and Scarcity				
13.	2245-01-101-7102-Implementation of Relief Works through Tehsildars	NA	NA	19.90 (99.50)
14.	2245-01-101-8874-Additional Provision for Drought Relief and Employment	64.03 (38.34)	N.A	37.00 (48.05)

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Sl. No.	Grant number and name of scheme	Saving (Percentage)		
		2007-08	2008-09	2009-10
15.	2245-01-101-96-Relief to out break of fire	74.47 (78.95)	14.55 (55.96)	23.39 (80.66)
16.	2245-01-102-2661 Drinking Water Supply	14.47 (28.94)	51.23 (56.92)	21.03 (42.06)
17.	2245-01-103-5496-Nutrition in Drought Affected Areas	NA	NA	3.00 (100)
18.	2245-02-101-2018-Cash Doles	NA	NA	6.20 (24.8)
19.	2245-02-101-747-Relief to hailstorm sufferers	NA	20.42 (40.84)	10.18 (40.72)
20.	2245-02-193-5498-Assistance to local Bodies/ Institutions and Other Non Govt. Bodies in flood affected areas	N.A	18.00 (100)	18.00 (100)
21.	2245-80-102-5503-Arrangement of immediate work and emergency plans in calamities affected areas	NA	10.00 (100)	10.00 (100)
22.	2245-80-800-5504-Financial aid in Calamities under Revenue book 6-4	NA	10.00 (100)	16.95 (84.75)
23.	2245-80-800-8030-Assistance and other works for restoration	N.A	N.A	58.47 (77.96)
24.	6245-01-800-2750-Loans for redressal of Water Scarcity arising due to Natural Calamities	4.30 (100)	2.50 (100)	2.50 (100)
64-Scheduled Castes Sub Plan				
25.	14- Farmers Welfare and Agriculture Development Department. 2401-789-800-0103-Scheduled Caste Sub Plan- 5626-National Agriculture Development Scheme	NA	51.00 (85.00)	32.85 (53.85)
26.	14-Farmers Welfare and Agriculture Development Department 2401-789-102-0703-1580-Macro Management Scheme	3.37 (41.40)	N.A	3.06 (27.57)
27.	10- Forest Department 2406-01-789-101-0103-Scheduled Caste Sub Plan- 7882-Implementation of Work Plan	NA	NA	4.80 (53.75)
28.	20- School Education Department. 2202-01-789-101-0103- Scheduled Caste Sub Plan- 6716- Free Supply of Uniforms to Girls.	NA	NA	11.26 (86.35)
29.	26- Social Welfare Department 2235-60-789-102-0103- Scheduled Caste Sub Plan-5863- Indira Gandhi National Widow Pension	NA	NA	2.05 (39.42)
30.	2235-60-789-102-0103-Scheduled Caste sub Plan 7084-National Family Assistance Scheme	NA	NA	3.27 (32.70)

Sl. No.	Grant number and name of scheme	Saving (Percentage)		
		2007-08	2008-09	2009-10
31.	2235-60-789-102-0103-Scheduled Caste Sub Plan 8786-Indira Gandhi National Old Age Pension	NA	NA	17.87 (46.60)
32.	2235-60-789-102-0103-Scheduled Caste Sub Plan 9142-Social Security and Welfare	NA	NA	18.45 (46.12)
33.	2235-60-789-800-0103-Scheduled Caste Sub Plan 5614-Janshree Insurance Scheme	NA	NA	2.00 (100)
34.	34-Public Health Engineering 2215-01-789-191-0103 Scheduled Caste Sub Plan 2181-Urban Water Supply Scheme	7.09 (83.41)	N.A	4.80 (100)
35.	50-Women and Child Development Department 2235-02-789-103-0103-Scheduled Caste Sub Plan 5067- Ladli Laxmi Yojana	NA	NA	13.55 (22.76)
36.	50-Women and Child Development Department 2236-02-789-101-0703- Centrally Sponsored Schemes Scheduled Caste Sub Plan 9050- Minimum Need Programme Special Nutrition Scheme	NA	NA	98.35 (51.00)
37.	55- Scheduled Caste Welfare Department 2225-01-789-800-0103-Scheduled Caste Sub Plan 7851-Employment Oriented Vocational Training Scheme for Youths	NA	NA	4.00 (100)
38.	55- Scheduled Caste Welfare Department 2225-01-789-800-0703- Centrally Sponsored Schemes Scheduled Caste Sub Plan 5171- Establishment of Special Courts	4.02 (40.98)	2.83 (27.64)	6.28 (36.94)
39.	55- Scheduled Caste Welfare Department 2225-01-789-800-0703- Centrally Sponsored Schemes Scheduled Caste Sub Plan 5191 Assistance/ Rehabilitation assistance under "Scheduled Caste/Scheduled Tribe Atrocity Prevention Act."	NA	NA	5.28 (44.00)
40.	55- Scheduled Caste Welfare Department 2225-01-793-277-0603- Scheme Financed out of Special Central Assistance from Government of India for Scheduled Caste Sub Plan 538- Grants to Educated Youths for construction of infrastructure and training for self- employment	NA	N.A	5.04 (66.32)
41.	59-Horticulture and Food Processing Department 2401-789-119-0103 Scheduled Caste Sub Plan 5626- National Agriculture Development Scheme	N.A	N.A	2.37 (65.83)

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Sl. No.	Grant number and name of scheme	Saving (Percentage)		
		2007-08	2008-09	2009-10
69-Information Technology				
42.	3425-60-600-0101-State Plan Schemes (Normal) 6873-National e -Governance Plan	N.A	N.A	5.15 (29.68)
43.	3425-60-600-0701-Centrally sponsored Scheme (Normal) 6873-National e -Governance Plan	N.A	11.89 (49.23)	8.67 (100)
Total		213.92	263.48	689.92

Appendix-2.17
(Reference: Paragraph 2.6.2, Page 59)

Substantial excess under schemes of selected grants

(₹ in crore)

Sl. No.	Grant number and name of scheme	Excess (percentage)		
		2007-08	2008-09	2009-10
45-Minor Irrigation Work				
1.	4702-101-0101-State Plan schemes (Normal)-3803-Minor and micro minor Irrigation Schemes	N.A	60.30 (88.42)	13.96 (10.43)
2.	4702-800-0101- State Plan Schemes (Normal)-3803- Minor and Micro minor Irrigation Schemes.	N.A	N.A	1.31 (262.00)
64-Scheduled Caste Sub Plan				
3.	10-Forest Department 2406-01-789-101-0103-Scheduled Caste Sub Plan-2962-Improvement of Degraded Forests	N.A	N.A	4.51 (100.90)
4.	17- Public Health and Family Welfare Department 2210-01-789-110-0103- Scheduled Caste Sub Plan-8798- Upgradation of Hospitals	N.A	N.A	1.84 (70.50)
5.	20- School Education Department 2202-01-789-101-0703-Centrally Sponsored Schemes Scheduled Caste Sub Plan-6809-Kasturba Gandhi Gram Balika Vidhyalaya	N.A	N.A	10.00 (63.82)
6.	35- Animal Husbandry Department 2403-789-102-0103-Scheduled Caste Sub Plan-1109-Intensive Cattle Development Project	N.A	N.A	1.52 (25.63)
7.	50-Women and Child Development Department 2235-02-789-102-0103-Scheduled Caste Sub Plan 5643-Additional Honorarium to Anganwadi Workers and Assistants	N.A	N.A	4.04 (21.55)
8.	55- Scheduled Caste Welfare Department 2225-01-789-277-0103- Scheduled Caste Sub Plan- 671- Grant to Voluntary Organization for Educational and other Welfare Activities	1.89 (42.0)	1.00 (19.72)	5.19 (97.01)
9.	55- Scheduled Caste Welfare Department 2225-01-789-277-0103- Scheduled Caste Sub Plan-4717-Scheduled Caste Hostels	N.A	N.A	2.00 (6.74)
Total		1.89	61.30	44.37

Appendix-2.18

(Reference: Paragraph 2.6.2, Page 59)

(A) Cases where supplementary provision under schemes proved unnecessary in respect of selected grants

(₹ in crore)

Sl. No.	Description of grants and schemes.	Original	Supplementary	Expenditure	Saving (-)
45-Minor Irrigation Works					
1.	4702-101-0101-State Plan Schemes (Normal)2304-Direction and Administration	Nil	8.35	Nil	8.35
2.	4702-101-0101-State Plan Schemes (Normal) 6069-Maintenance, Strengthening and Rehabilitation	Nil	100.00	Nil	100.00
Total		Nil	108.35	Nil	108.35

(B) Cases where supplementary provision proved excessive under schemes of selected grants

(₹ in crore)

Sl. No.	Description of grants and schemes.	Original	Supplementary	Expenditure	Saving (-)
45-Minor Irrigation Works					
1.	4702-101-1401-NABARD (Normal) 9469- under Loan Assistance from NABARD	50.00	61.00	93.18	17.82
2.	4702-101-0101-6708- AIBP Schemes	120.00	26.00	137.14	8.86
Total		170.00	87.00	230.32	26.68

(c) Cases where supplementary provision proved inadequate under schemes of selected grants

(₹ in crore)

Sl. No.	Description of grants and schemes.	Original	Supplementary	Expenditure	Excess (+)
45-Minor Irrigation Work					
1.	4702-101-0101-State Plan Schemes (Normal) 3803-Minor and Micro Minor Irrigation Schemes	93.80	40.00	147.76	13.96
Total		93.80	40.00	147.76	13.96

Appendix-2.19
(Reference: Paragraph 2.6.8, Page 61)

Case of Rush of expenditure in March 2010 noticed in Review of Selected Grant
(₹ in crore)

Sl. No.	Grant No.	Name of the Scheme	Total Expenditure	Expenditure in March 2010	Percentage of Expenditure in March to Total Expenditure
1.	20	4215-01-800-0701-693-Tools and plant	12.71	11.83	93.08
2.	20	4215-01-800-0801-1095-Accelerated Rural Water supply scheme	30.77	30.64	99.58
3.	20	4215-01-800-0801-9245-Work related to quality of water (H.R.D Programme)	4.85	3.49	71.96
4.	20	6215-01-101-0101-2182-Urban water supply scheme	2.94	1.94	65.99
5.	20	6215-01-101-0101-7447-Revised water supply scheme	1.62	1.62	100
6.	58	2245-02-101-747-Relief to hail storm sufferers	14.82	13.80	93.12
7.	58	2245-05-101-475-Transfer to Reserve Funds and Deposit Account-Natural Calamities unspent margin money famine relief fund	285.88	285.88	100
8.	58	2245-80-103-7024-Amount received from contingency calamity Relief fund	39.88	32.19	100
9.	58	4059-01-051-0101-5720-Construction of Disaster Relief Buildings	1.50	1.50	100
10.	64	2202-01-789-101-0103-5789-Interior village educated scheme	0.75	0.75	100
11.	64	2202-01-789-101-0703-6809-Kasturba Gandhi Gram Balika Vidhyalaya	25.67	19.01	74.06
12.	64	2202-02-789-106-0103-2414-Cost free text Books	8.91	8.55	95.96
13.	64	2210-01-789-110-0103-5724-National Rural Health Mission	15.25	10.17	66.69
14.	64	2225-01-789-800-0103-7560-Lump sum provision for Scheduled Caste Sub-Plan	5.28	4.94	93.56
15.	64	2225-01-793-800-0603-4986-Grant to Special Authority for Nomadic classes	5.36	5.36	100
16.	64	2225-01-793-190-0603-5253-Abhinav Self Employment Scheme	1.00	1.00	100
17.	64	2401-789-109-0103-5454-Construction of Buildings for Training and Hostel at Sagar	1.00	1.00	100

Report on State Finances for the year ended 31 March 2010

Sl. No.	Grant No.	Name of the Scheme	Total Expenditure	Expenditure in March 2010	Percentage of Expenditure in March to Total Expenditure
18.	64	2405-789-800-0103-5626- National Agriculture Development Scheme	0.89	0.89	100
19.	64	2235-60-789-102-0103-5859- Indira Gandhi National Disabled Pension	2.84	1.74	61.27
20.	64	2235-60-789-102-0103-5863- Indira Gandhi National Widow Pension	3.15	1.90	60.32
TOTAL			465.07	438.20	94.22

Appendix-3.1
(Reference: Paragraph 3.1, Page 65)

Utilisation certificates outstanding as on 31 March, 2010

(₹ in crore)

Sl. No.	Department	@ Year of Payment of grant	Total grants paid		Utilisation Certificates			
			Number	Amount	Received		Outstanding	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1.								
	Education	2008-09	108	161.99	104	153.38	4	8.61
		2009-10	156	118.85	134	79.52	22	39.33*
	Total		264	280.84	238	232.90	26	47.94
2.	Medical							
		2005-06	NA	7.14	10	6.45	44	0.69
		2006-07	19	6.49	7	6.34	12	0.15
		2009-10	9	25.18	3	16.16	6	9.02
	Total		28	38.81	20	28.95	62	9.86
3.	Panchayati Raj							
		2006-07	95	736.45	80	736.17	15	0.28
		2007-08	102	885.87	20	344.96	82	540.91
		2008-09	103	756.21	-	-	103	756.21
		2009-10	105	926.64	-	-	105	926.64
	Total		405	3305.17	100	1081.13	305	2224.04
4.	Urban Development Department							
(a)	Municipal Corporation	2008-09	338	1880.40	18	832.23	320	1048.17
		2009-10	360	2654.32	-	1466.99	360	1187.33*
	Total		698	4534.72	18	2299.22	680	2235.50
(b)	Development Agencies	2007-08	48	6.81	13	1.00	35	5.81
		2008-09	48	13.00	13	6.40	35	6.60
		2009-10	35	6.17	-	-	35	6.17
	Total		131	25.98	26	7.40	105	18.58
	Total (a)+(b)		829	4560.70	44	2306.62	785	2254.08
5.	Other Department							
		Up to 2004-05	NA	170.90	30	165.93	259	4.97
		2005-06	NA	311.43	27	285.69	25	25.74
		2006-07	671	470.46	660	463.25	11	7.21
		2007-08	965	603.38	866	487.97	99	115.41
		2008-09	1036	965.00	889	773.50	147	191.50
		2009-10	521	775.27	-	-	521	775.27*
	Total		3193	3296.44	2472	2176.34	1062	1120.10
	Grand Total		4719	11481.96	2874	5825.94	2240	5656.02

* K-deposit Amount ₹24.19 crore

@ Only the years, in which Utilization Certificates are outstanding, have been taken into account in this Appendix

Appendix-3.2
(Reference: Paragraph 3.2, Page 66)

Statement showing performance of the autonomous bodies

SL. No.	Name of body	Period of entrustment	Year upto which accounts were rendered	Period upto which Separate Audit Report was issued	Placement of SAR in the Legislature	Delay in submission of accounts	Period of delay (Months)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	MP Housing Board, Bhopal	Upto 2006-07	2006-07	Upto 2003-04	2002-03	13.05.08 13.05.08 19.08.08 27.04.09	2003-04: 46 2004-05: 34 2005-06: 25 2006-07: 21
2.	MP Khadi and Village Industries Board, Bhopal	Upto 2009-10	2005-06	2005-06	2004-05	--	2006-07: 33 2007-08: 21 2008-09: 09 2009-10: nil
3.	MP Human Right Commission, Bhopal	Entrustment vide Act of parliament	2007-08	2007-08	2006-07	--	2007-08: 15 2008-09: 03
4.	MP Building and Construction Workers Welfare Board, Bhopal	--do--	Accounts not rendered since inception (2003-04)	--	--	--	72
5.	MP State Legal Services Authority, Jabalpur	--do--	Accounts not rendered since inception (1997-98)	--	--	--	144
6.	DLSA, Jabalpur	--do--	Accounts not rendered since 1998-99	--	--	--	132
7.	DLSA, Badwani	--do	Accounts not rendered since 2006-07	--	--	--	36
8.	DLSA, Harda	--do--	Accounts not rendered since 2006-07	--	--	--	--do--
9.	DLSA, Neemuch	--do--	Accounts not rendered since 2006-07	--	--	--	--do--
10.	DLSA, Sheopur	--do--	Accounts not rendered since 2006-07	--	--	--	--do--
11.	DLSA, Balaghat	--do--	Accounts not rendered since 1998-99	--	--	--	132
12.	DLSA, Betul	--do--	--do--	--	--	--	--do--
13.	DLSA, Bhind	--do--	--do--	--	--	--	--do--
14.	DLSA, Bhopal	--do--	--do--	--	--	--	--do--
15.	DLSA, Chhatarpur	--do--	--do--	--	--	--	--do--
16.	DLSA, Chhindwara	--do--	--do--	--	--	--	--do--
17.	DLSA, Damoh	--do--	--do--	--	--	--	--do--

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
18.	DLSA, Datia	Entrustment vide Act of parliament	Accounts not rendered since 1998-99	--	--	--	132
19.	DLSA, Dewas	--do--	--do--	--	--	--	--do--
20.	DLSA, Dhar	--do--	--do--	--	--	--	--do--
21.	DLSA, Guna	--do--	--do--	--	--	--	--do--
22.	DLSA, Gwalior	--do--	--do--	--	--	--	--do--
23.	DLSA, Hoshangabad	--do--	--do--	--	--	--	--do--
24.	DLSA, Indore	--do--	--do--	--	--	--	--do--
25.	DLSA, Jhabua	--do--	--do--	--	--	--	--do--
26.	DLSA, Katni	--do--	Accounts not rendered since 2002-03	--	--	--	--do--
27.	DLSA, Khandwa	--do--	Accounts not rendered since 1998-99	--	--	--	--do--
28.	DLSA, Mandla	--do--	--do--	--	--	--	--do--
29.	DLSA, Mandsaur	--do--	--do--	--	--	--	--do--
30.	DLSA, Morena	--do--	--do--	--	--	--	--do--
31.	DLSA, Narsinghpur	--do--	--do--	--	--	--	--do--
32.	DLSA, Panna	--do--	--do--	--	--	--	--do--
33.	DLSA, Raisen	--do--	--do--	--	--	--	--do--
34.	DLSA, Rajgarh	--do--	--do--	--	--	--	--do--
35.	DLSA, Ratlam	--do--	--do--	--	--	--	--do--
36.	DLSA, Rewa	--do--	--do--	--	--	--	--do--
37.	DLSA, Sagar	--do--	--do--	--	--	--	--do--
38.	DLSA, Sehore	--do--	--do--	--	--	--	--do--
39.	DLSA, Seoni	--do--	--do--	--	--	--	--do--
40.	DLSA, Shahdol	--do--	--do--	--	--	--	--do--
41.	DLSA,Shajapur	--do--	--do--	--	--	--	--do--
42.	DLSA, Shivpuri	--do--	--do--	--	--	--	--do--
43.	DLSA, Sidhi	--do--	--do--	--	--	--	--do--
44.	DLSA, Tikamgarh	--do--	--do--	--	--	--	--do--
45.	DLSA, Ujjain	--do--	--do--	--	--	--	--do--
46.	DLSA, Vidisha	--do--	--do--	--	--	--	--do--
47.	DLSA, Mandleshwar	--do--	--do--	--	--	--	--do--
48.	DLSA, Satna	--do--	--do--	--	--	--	--do--
49.	M.P. Alpsankhyak Ayog	Entrustment awaited	Accounts not rendered since inception	--	--	--	--
50.	M.P. Rajya Anusuchit Jati Ayog	--do--	--do--	--	--	--	--
51.	M.P. Rajya Anusuchit Janjati Ayog	--do--	--do--	--	--	--	--
52.	M.P. Rajya Pichrawarg Ayog	--do--	--do--	--	--	--	--

1. Delays calculated from the financial year in which unit was established.
2. Delays calculated taking of 30th June as date for the submission of Annual Accounts for prior financial year.
3. The audit of the Autonomous Bodies mentioned at Sr.No.49 to 52 are to be done by the Accountant General as per the respective State Acts. However, the formal entrustment of audit to the AG and annual accounts of these units are still awaited.

Appendix-3.3

(Reference: Paragraph 3.3, Page 66)

Department-wise/duration-wise break-up of the cases of misappropriation, defalcation, etc,

(₹ in Lakh)

Sl. No.	Name of the Department	Up to 5 years		5 to 10 years		10 to 15 years		15 to 20 years		20 to 25 years		25 years and more		Total no. of cases	
		No. of cases	Amount (in lakh)	No. of cases	Amount (in lakh)	No. of cases	Amount (in lakh)	No. of cases	Amount (in lakh)	No. of cases	Amount (in lakh)	No. of cases	Amount (in lakh)	No. of cases	Amount (in lakh)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1	2210-Medical and Public Health Department	4	6.62	3	6.06	6	31.04	--	--	23	37.36	26	11.46	62	93.14
2	2211-Family Welfare	Nil	Nil	Nil	Nil	--	--	--	--	2	0.35	11	5.09	13	5.44
3	2245- Natural Calamities	1	0.03	--	--	--	--	--	--	--	--	1	0.17	2	0.20
4	2051- Public Service Commission	--	--	--	--	--	--	--	--	--	--	1	0.23	1	0.23
5	2029-Land Revenue	--	--	--	--	1	0.80	--	--	7	2.42	5	0.84	13	4.06
6	2058- Stationery and Printing	1	1.75	--	--	--	--	1	0.67	--	--	--	--	2	2.42
7	2053-District Administration	--	--	1	0.02	--	--	--	--	1	0.40	1	0.40	3	0.82
8	2014-Administration of Justice	4	5.75	1	3.70	--	--	2	1.73	--	--	2	0.29	9	11.47
9	2054-Treasury and Accounts (Finance Department)	2	15.00	--	--	2	19.78	--	--	4	1.26	5	12.09	13	48.13
10	2039-State Excise	1	0.35	2	0.31	2	0.29	--	--	--	--	3	3.50	8	4.45
11	2230-Labour and Employment	7	4.58	4	7.38	1	0.02	--	--	--	--	--	--	12	11.98
12	2401-Agriculture Department	8	10.99	2	2.57	--	--	3	1.55	5	1.41	1	0.31	19	16.83
13	2402-Agriculture Department	1	0.40	3	0.99	--	--	--	--	--	--	4	0.80	8	2.19
14	2406-Forestry & Wild Life	196	452.55	255	178.51	384	398.30	420	142.12	605	124.38	395	53.53	2255	1349.39
15	2408-Food and Civil Supply	1	0.01	--	--	--	--	--	--	--	--	1	0.52	2	0.53
16	2425-Co-operative	--	--	2	1.12	--	--	--	--	--	--	--	--	2	1.12
17	2851-Village Industry	1	0.6	1	2.75	--	--	--	--	--	--	1	0.08	3	3.43
18	2852-Village Industry	1	1.03	--	--	--	--	--	--	--	--	--	--	1	1.03

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
19	2202-Primary Education	33	1479.45	16	19.48	6	4.23	14	7.50	25	13.64	26	6.80	120	1531.10
20	2202-Higher Education	20	133.24	1	0.81	1	0.32	1	0.88	1	0.83	4	6.08	28	142.16
21	2203-Technical Education	16	19.54	4	7.84	--	--	--	--	--	--	--	--	20	27.38
22	2205-Art and Culture	1	0.25	--	--	--	--	1	13.12	--	--	--	--	2	13.37
23	2501, 2505, 2515-Rural Development	1	42.31	1	1.33	3	1.54	3	3.02	2	0.34	--	--	10	48.54
24	2225- Welfare of SC/ST/OBC	--	--	--	--	14	8.16	12	4.26	6	6.31	15	2.69	47	21.42
25	2853-Mining	4	0.45	3	0.57	--	--	--	--	--	--	--	--	7	1.02
26	2030-Stamp and Registration	1	0.34	--	--	--	--	--	--	1	0.96	--	--	2	1.30
27	2041-Transport	--	--	--	--	--	--	--	--	1	5.64	--	--	1	5.64
28	2235-Rehabilitation Department	--	--	1	1.31	1	0.14	4	5.29	7	1.66	4	2.88	17	11.28
29	2403-Veterinary Services	4	0.79	12	1.37	4	6.32	3	0.42	4	5.87	2	0.14	29	14.91
30	2055-Police	262	42.55	146	39.93	42	36.84	20	9.46	4	0.72	--	--	474	129.50
31	2056-Jails	1	1.00	--	--	--	--	--	--	--	--	--	--	1	1.00
32	W R D	29	38.47	--	--	--	--	--	--	--	--	--	--	29	38.47
33	P W D	6	66.44	--	--	--	--	--	--	--	--	--	--	6	66.44
34	P H E	9	59.16	--	--	--	--	--	--	--	--	--	--	9	59.16
	Total	615	2383.65	458	276.05	467	508.38	484	190.02	698	203.55	508	107.90	3230	3669.55

Appendix-3.4
(Reference: Paragraph 3.3, Page 66)

Department-wise details of cases of write offs for 2009-10

Sl. No.	Department	Authority sanctioning write off	Brief Particulars	No. of cases	Amount (In ₹)
1.	2210-Medical and Public Health Department	Director, Medical and Public Health, M.P.	Damage of Government vehicle CMHO, Bhind	1	5000
2.	2055-Police	As per Powers delegated in GFR/State Police Manual	Various items like wireless sets et.	70	1035510
3.	2415-Agricultural Research	Dy. Director, Agriculture, Hoshangabad	Loss due to theft of vehicle battery	1	1247
4.	2415-Agricultural Research	Joint Director, Farmer Welfare and Agriculture Development Department, Gwalior	Due to vehicle accident	1	11105
5.	2415-Agricultural Research	Under Secretary, M.P. Government, Farmers Welfare and Agriculture Development Department, Bhopal	Loss due to theft of Buffalo	1	95000
6.	2406-Forestry and Wild Life	Additional P C C F (Finance and Budget) MP Bhopal and Sr. DAG	Due to non recovery of lost amount.	7	38874
7.	2406-Forestry and Wild Life	---do---	Due to fire accident	2	2824
8.	2406-Forestry and Wild Life	---do---	Due to natural causes	1	5416
9.	2406-Forestry and Wild Life	---do---	Due to Hon' Supreme Court decision	1	12793
10.	2230-Labour and Employment	Under Secretary, M.P. Government, Technical Education and Training Department, Bhopal	Loss due to theft	2	23720
11.	2851-Village Industry	District Office, Silk, Guna	Death of Buffalo	1	Nil
12.	2202-Primary Education	As per powers delegated	Various items	6	96434
13.	2058-Stationery and Printing	Controller, MP Govt. Stationery and Printing	Loss due to printing of diaries	1	26229
	Total			95	1354152

Appendix-3.5
(Reference : Paragraph 3.3, Page 66)

Department/category-wise details in respect of cases of loss to Government due to theft, misappropriation/loss of Government material

Name of Department	Theft Cases		Misappropriation/ Loss of Government Material		Total	
	Number of Cases	Amount (₹ in lakh)	Number of Cases	Amount (₹ in lakh)	Number of Cases	Amount (₹ in lakh)
1	2	3	4	5	6	7
2210-Medical and Public Health Department	25	16.44	37	76.70	62	93.14
2211-Family Welfare	7	4.61	6	0.83	13	5.44
2245-Natural Calamities	1	0.17	1	0.03	2	0.20
2051-Public Service Commission	--	--	1	0.23	1	0.23
2029-Land Revenue	--	--	13	4.06	13	4.06
2058-Stationery and Printing	--	--	2	2.42	2	2.42
2014-Administration of Justice	3	0.61	6	10.86	9	11.47
2054-Treasury and Accounts	1	0.11	12	48.02	13	48.13
2053-District Administration	1	0.40	2	0.42	3	0.82
2225-Tribal Welfare SC/ST/OBC	--	--	47	21.42	47	21.42
2853-Mining	3	0.57	4	0.45	7	1.02
2041-Transport	1	5.64			1	5.64
2235-Rehabilitation Department-Panchayat	1	1.23	7	5.96	8	7.19
2235-Rehabilitation Department-Women and Child Welfare	6	2.31	1	1.31	7	3.62
2235-Rehabilitation Department	--	--	2	0.47	2	0.47
2030-Stamps and Registration	1	0.34	1	0.96	2	1.30
2403-Animal Husbandry	--	--	29	14.91	29	14.91
2055-Police	45	49.76	429	79.74	474	129.50
2039-State Excise	4	1.90	4	2.55	8	4.45
2230-Labour and Employment	10	4.99	2	6.99	12	11.98
2401-Agriculture Department	13	6.01	6	10.82	19	16.83
2402-Agriculture Department	5	1.55	3	0.64	8	2.19

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1	2	3	4	5	6	7
2406-Forestry and Wild Life	36	9.61	22 19	1339.78	2255	1349.39
2408-Food and Civil Supply	1	0.01	1	0.52	2	0.53
2425-Co-operatives	2	1.12	--	--	2	1.12
2851-Village Industry	--	--	3	3.43	3	3.43
2852-Village Industry	--	--	1	1.03	1	1.03
2202-Primary Education	37	20.70	83	1510.40	120	1531.10
2202-Higher Education	12	6.62	16	135.54	28	142.16
2203-Technical Education	12	11.42	8	15.96	20	27.38
2205-Art&Culture	2	13.37	--	--	2	13.37
2501,2505,2515-Rural Development	4	1.82	6	46.72	10	48.54
2056-Jail	1	1	--	-	1	1
Water Resources Department	24	26.57	5	11.90	29	38.47
Public Works Department	--	---	6	66.44	6	66.44
Public Health Engineering	6	57.03	3	2.13	9	59.16
Total	264	245.91	2966	3423.64	3230	3669.55

Glossary of Abbreviations

Sl. No.	Abbreviation	Full Form
1.	A&E	Accounts & Entitlement
2.	AC	Abstract Contingency
3.	AE	Aggregate Expenditure
4.	BE	Budget Estimates
5.	CAG	Comptroller and Auditor General of India
6.	CAGR	Compound Annual Growth Rate
7.	CE	Capital Expenditure
8.	CFS	Consolidated Fund of the State
9.	CO	Capital Outlay
10.	CRSP	Central Rural Sanitation Programme
11.	CSS	Centrally Sponsored Scheme
12.	DCC	Detailed Countersigned Contingency
13.	DCRF	Debt Consolidation and Relief Facility
14.	DDO	Drawing and Disbursing Officer
15.	DE	Development Expenditure
16.	DHE	Department of Higher Education
17.	DPC	Duties, Powers and Conditions of Service Act
18.	GOI	Government of India
19.	GSDP	Gross State Domestic Product
20.	IP	Interest Payment
21.	ITI	Industrial Training Institute
22.	MH	Major Head
23.	MP	Madhya Pradesh
24.	FRBM	Fiscal Responsibility and Budget Management Act, 2005
25.	MPSEB	Madhya Pradesh State Electricity Board
26.	MPTC	Madhya Pradesh Treasury Code
27.	MTFPS	Medium Term Fiscal Policy Statement

28.	NABARD	National Bank for Agriculture and Rural Development
29.	NIT	National Institute of Technology
30.	NGO	Non-Government Organisation
31.	NPRE	Non-Plan Revenue Expenditure
32.	NPCB	National Programme for Control of Blindness
33.	NSS	National Small Saving
34.	NSSF	National Small Saving Fund
35.	NTR	Non-Tax Revenue
36.	O&M	Operation and Maintenance
37.	PAC	Public Accounts Committee
38.	PPP	Public Private Partnership
39.	RBI	Reserve Bank of India
40.	RE	Revenue Expenditure
41.	RR	Revenue Receipts
42.	S&W	Salaries and Wages
43.	SAR	Separate Audit Report
44.	SCSP	Scheduled Caste Sub-Plan
45.	SSE	Social Sector Expenditure
46.	SRC	State Resource Centre
47.	ST	Scheduled Tribe
48.	SWAN	State Wide Area Network
49.	SWSM	State Water and Sanitation Mission
50.	TB	Tuberculosis
51.	TE	Total Expenditure
52.	TFC	Twelfth Finance Commission
53.	UC	Utilisation Certificate
54.	VO	Voluntary Organisation
55.	WMA	Ways and Means Advances