



GOVERNMENT OF MADHYA PRADESH

ACCOUNTS AT A GLANCE 2010-2011

ACCOUNTANT GENERAL
(Accounts and Entitlements)

MADHYA PRADESH, GWALIOR



Madhya Pradesh Legislative Assembly

REFACE

I am happy to present the thirteenth issue of our annual publication, the '**Accounts at a Glance**' of the Government of Madhya Pradesh. The purpose of this publication is to distil and make more accessible the voluminous information that is available in the annual Finance and Appropriation Accounts (totalling 700 pages in this year) prepared by my office under the directions of the Comptroller and Auditor General of India and placed before the Legislature in accordance with Article 149 of the Constitution of India.

Indian Audit and Account Department has completed 150 years of its establishment in 2010. The years have seen major changes in the scope and presentation of the various reports through which the IA&AD keeps the stakeholders - the Legislators, the Executive and the Public - informed. This year, the format of the Finance Accounts has undergone significant changes also with additional statements incorporated to bring out the financial position of the Government more clearly. In keeping with these changes, the Accounts at a Glance has also been completely remodeled and made more comprehensive. A combined reading of the Finance Accounts and Appropriation Accounts, the Report on State Finances and the Accounts at a Glance, will help the stakeholders to more effectively comprehend the various facts of the finances of the Government of Madhya Pradesh.

We look forward to comments and suggestions for improving this publication.



(Varsha Tiwary)
Accountant General (A&E) I
Madhya Pradesh

Place: Gwalior
Date: 09/01/2012

OUR VISION, MISSION AND CORE VALUES

This vision of the institution of the Comptroller and Auditor General of India represents what we aspire to become

We strive to be a global leader and initiator of national and international best practices in public sector auditing and accounting and recognized for independent, credible, balanced and timely reporting on public finance and governance.

*Our **mission** enunciates our current role and describes what we are doing today*

Mandated by the Constitution of India, we promote accountability, transparency and good governance through high quality auditing and accounting and provide independent assurance to our stakeholders - the Legislature, the Executive and the Public - that public funds are being used efficiently and for the intended purposes.

*Our core **values** are the guiding beacons for all that we do and give us the benchmarks for assessing our performance*

- Independence
- Objectivity
- Integrity
- Reliability
- Professional Excellence
- Transparency
- Positive Approach

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CHAPTER I

OVERVIEW

1.1 Introduction:

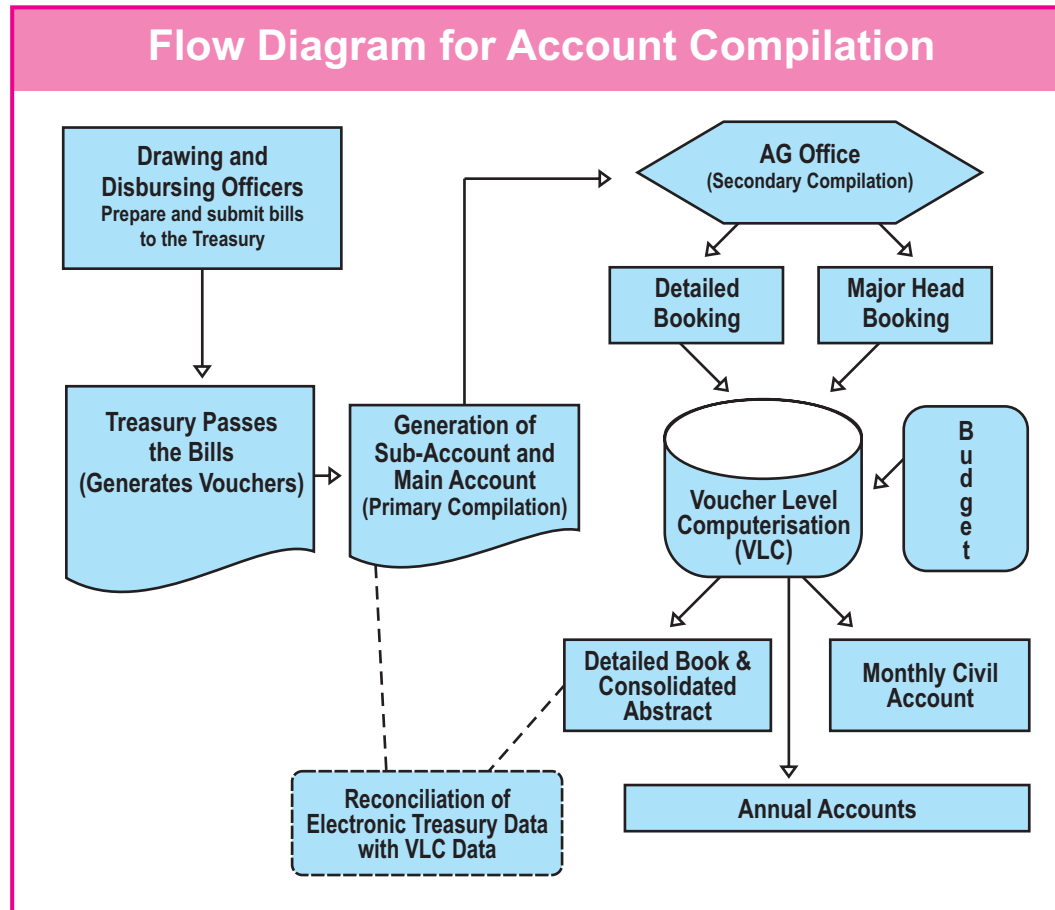
The Accountant General (Accounts and Entitlements)-I, Madhya Pradesh compiles the accounts of receipts and expenditure of the Government of Madhya Pradesh. This compilation is based on the initial accounts rendered by the District Treasuries, Public Works and Forest Divisions and advices of the Reserve Bank of India. Following such compilation, the Accountant General (A&E)-I prepares, annually, the Finance Accounts and the Appropriation Accounts, which are placed before the State Legislature after audit by the Principal Accountant General (Civil and Commercial Audit) Madhya Pradesh and certification by the Comptroller and Auditor General of India.

1.2 Structure of Accounts

1.2.1 *Government Accounts are kept in three parts :*

Part 1 CONSOLIDATED FUND	Receipts and Expenditure on Revenue and Capital Accounts, Public Debt and Loans and Advances. Inter state settlement, Appropriation to Contingency Fund.
Part 2 CONTINGENCY FUND	Intended to meet unforeseen expenditure not provided for in the budget. Expenditure from this Fund is recouped subsequently from the Consolidated Fund.
Part 3 PUBLIC ACCOUNT	Comprises of Debt, Deposits, Advances, Remittances and Suspense transactions. Debt and Deposits represent repayable liabilities of the Government. Advances are receivables of the Government. Remittances and Suspense transactions are adjusting entries that are to be cleared eventually by booking to the final heads of account.

1.2.2 Compilation of Accounts



1.3 Finance Accounts and Appropriation Accounts

1.3.1 Finance Accounts

The Finance Accounts depict the receipts and disbursements of the Government for the year, together with the financial results disclosed by the revenue and capital accounts, public debt and public account balances recorded in the accounts. The Finance Accounts have been issued in two volumes, since 2009-10 to make them more comprehensive and informative. Volume I of the Finance Accounts contains the certificate of the Comptroller and Auditor General of India, summarized statements of overall receipts and disbursements and 'Notes to accounts' containing summary of significant accounting policies, quality of accounts and other items; Volume II contains other summarized statements (Part-I), detailed statements (Part-II) and appendices (Part-III).

Receipts and disbursements of the government of Madhya Pradesh as depicted in the Finance Accounts 2010-11 are given below.

			(₹ in crore)
Receipts (Total: 57,529)	Revenue Total: 51854	Tax Revenue	3,70,58
		Non Tax Revenue	57,20
		Grants-in-Aid	90,76
	Capital Total: 5675	Recovery of Loans and Advances	34
		Borrowings and Other Liabilities*	52,72
		Other Receipts	3,69**
Disbursements (Total: 57,529)	Revenue		4,50,12
	Capital		88,00
	Loans and Advances		37,15
	Inter State Settlement		2

The Union Government transfers substantial funds directly to State Implementing Agencies/NGOs for implementation of various schemes and programmes. This year, the Government of India directly released ₹ 89,63¹ crore (₹ 80,98² crore last year). Since these funds are not routed through the State Budget, they are not reflected in the accounts of the State Government. These transfers are now exhibited in Appendix VII of Volume II of the Finance Accounts.

1.3.2 Appropriation Accounts

The Appropriation Accounts supplement the Finance Accounts. They depict the expenditure of the State Government against amounts 'charged' on the Consolidated Fund or 'voted' by the State Legislature. There are 52 charged Appropriations and 134 voted Grants.

* Borrowing and other Liabilities: Net (Receipts-Disbursements) of Public Debt (₹ 4929 crore) + Net of Contingency Fund (Nil) + Net (Receipts - Disbursements) of Public Account (₹ -321 crore) + Net of Opening and Closing Cash Balance (₹ 664 crore).

** Includes capital receipts (₹ 3,67 crore) on account of refund of investment in share capital by co-operative societies/Banks and Inter state settlement (₹ 2 crore)

1 ₹ 8864 crore as per Finance Account 2010-11. } Figures do not tally with Finance Accounts as only major schemes
2 ₹ 8036 crore as per Finance Account 2009-10. } incorporated in Finance Accounts

The Appropriation Act, 2010-11, had provided for gross expenditure of ₹ 7,34,37.40 crore and reduction of expenditure (recoveries) of ₹ 15,29.06 crore. Against this, the actual gross expenditure was ₹ 6,12,28.27 crore and reduction of expenditure was ₹ 11,70.99 crore, resulting in net savings of ₹ 1,22,09.13 crore (16.63%) and an over-estimation of ₹ 3,58.07 crore (23.42%) on reduction of expenditure. Reduction of expenditure, in revenue was less than estimates while that of capital, was more than estimates. The gross expenditure includes ₹ 1.15 crore drawn on Abstract Contingent (AC) Bills, which is still outstanding at the end of the year for want of supporting Detailed Contingent (DC) bills.

During 2010-11, ₹ 1,09.43 crore was transferred from the Consolidated Fund to Personal Deposit (PD) Accounts under the Public Account, which are maintained by designated Administrators for specific purposes. Normally, unspent balances under PD accounts are to be transferred back to the Government at the end of the financial year. However, details of such transfers, if any, and outstanding balances in individual PD accounts are available only with the treasuries, since they are responsible for maintaining such records.

1.4 Sources and Application of Funds

1.4.1 Ways and Means Advances

The Reserve Bank of India (RBI) extends the facility of Ways and Means Advances (WMA) to enable State Government to maintain their liquidity. Overdraft (OD) facilities are provided when there is a shortfall in the agreed minimum cash balance (₹ 1.96 crore) maintained with the RBI. During 2010-11, the Government of Madhya Pradesh did not resort to OD facilities and WMA.

1.4.2 Fund flow statement

The State had a Revenue Surplus of ₹ 68,42 crore and a Fiscal Deficit of ₹ 52,72 crore representing 2.52% and 1.94% of the Gross State Domestic Product (GSDP). The Fiscal Deficit constitutes 9% of Total expenditure. This deficit was met from Public Debt (₹ 49,29 crore), decrease in Public Account (₹ 3,21 crore) and net of opening and closing cash balance (₹ (-) 664 crore). Around 41% of the revenue receipts (₹ 51,854 crore) of the State Government was spent on committed expenditure like salaries (₹ 1,24,27 crore), interest payments (₹ 5,049 crore) and pensions (₹ 3,767 crore).

Except where indicated otherwise, GSDP figures used in this publication are adopted from the Economic Survey of the Planning Department, Government of Madhya Pradesh.

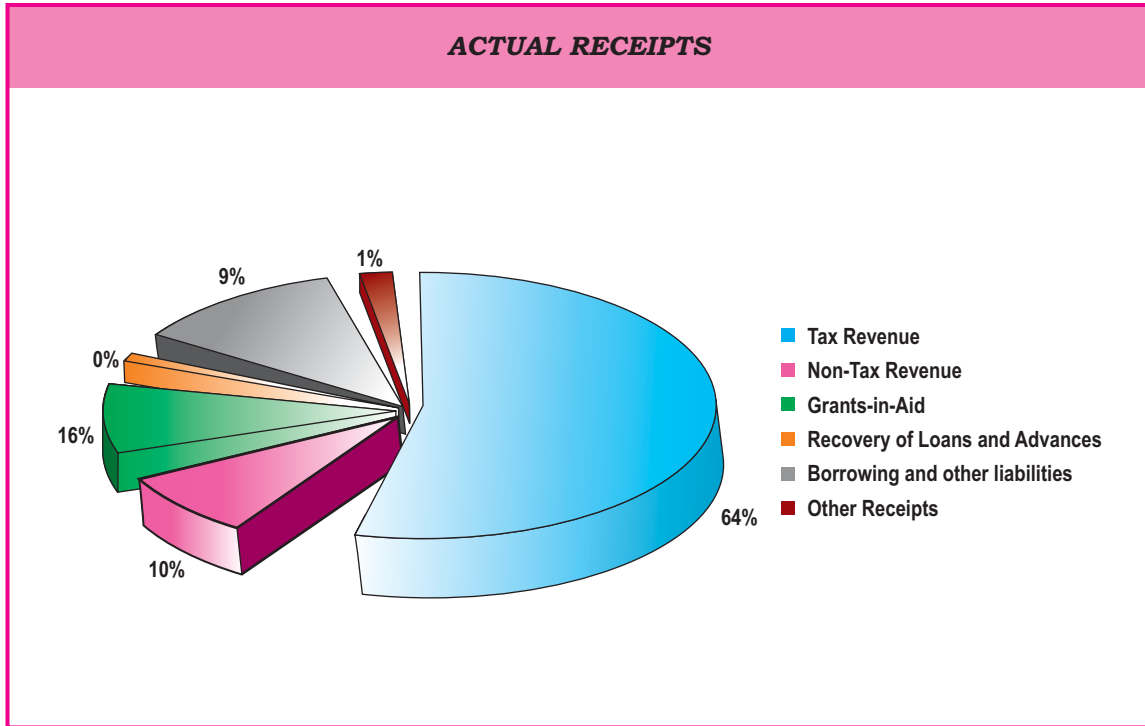
Sources and Application of Funds

(In ₹ crore)

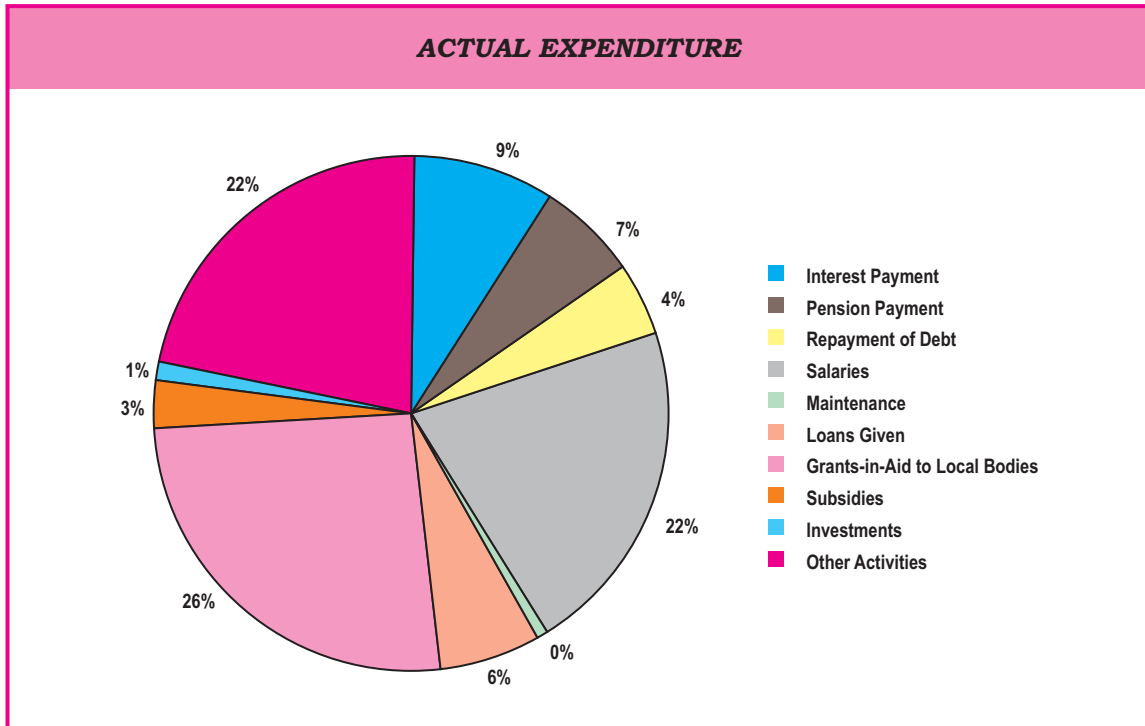
SOURCES	PARTICULARS	AMOUNT
	Opening Cash Balances as on 01.04.2010	(-) 20,41
	Revenue Receipts	5,18,54
	Capital Receipts	3,67
	Recovery of Loans & Advances	34
	Public Debt	74,58
	Small Savings Provident Fund & Others	17,37
	Reserves & Sinking Funds	11,92
	Deposits Received	93,13
	Civil Advances Repaid	4,11
	Suspense Account	18,18,72
	Remittances	1,12,12
	Inter State Settlement	2
	TOTAL	26,34,11

APPLICATION	Revenue Expenditure	4,50,12
	Capital Expenditure	88,00
	Loans Given	37,15
	Repayment of Public Debt	25,29
	Small Savings Provident Fund & Others	9,64
	Reserves & Sinking Funds	9,16
	Deposits Spent	76,35
	Civil Advances Given	4,11
	Suspense Account	18,54,39
	Remittances	1,06,93
	Closing Cash Balance as on 31.03.2011	(-) 27,05
	Inter State Settlement	2
	Total	26,34,11

1.4.3 Where the Rupee came from



1.4.4 Where the Rupee went



1.5 Highlights of Accounts

(₹ in crore)

Items	B.E. 2010-11	Actuals	Percentage of actuals to B.E.	Percentage of actuals to GSDP ^(S)
1. Tax Revenue ^(a)	29718	37058	125	14
2. Non-Tax Revenue	4322	5720	132	2
3. Grants-in-Aid & Contributions	9404	9076	97	3
4. Revenue Receipts (1+2+3)	43444	51854	119	19
5. Recovery of Loans and Advances	60	34	57	-
6. Other Receipts**	-	369	-	-
7. Borrowings & other Liabilities [*]	8003	5272	66	2
8. Capital Receipts (5+6+7)	8063	5675	70	2
9. Total Receipts (4+8)	51507	57529	112	21
10. Non-Plan Expenditure ^A	29568	35001	118	13
11. NPE on Revenue Account	29212	32101	110	12
12. NPE on interest Payments out of 11	5052	5049	100	2
13. NPE on Capital Account ^B	356	2900	815	1
14. Plan Expenditure	21939	22528	103	8
15. PE on Revenue Account	12651	12911	102	5
16. PE on Capital Account ^C	9288	9617	104	4
17. Total Expenditure (10+14)	51507	57529	112	21
18. Revenue Expenditure (11+15)	41863	45012	108	17
19. Capital Expenditure (13+16) ^(#)	9644	12517	130	5
20. Revenue Surplus (4-18)	1581	6842	433	3
21. Fiscal Deficit (4+5+6-17)	8003	5272	66	2

^(a) Includes Stat's share of Union Taxes of ₹ 15,639 crore.

^(S) GSDP figure of ₹ 27,16,81 crore adopted from the Economic Survey published by Planning Department, Government of Madhya Pradesh.

^(#) Expenditure on Capital Account includes Capital Expenditure (₹ 88,00 crore) and Loans and Advances disbursed (₹ 37,15 crore and Inter State Settlement (₹ 2 crore)).

** See footnote at page No.9.

* See footnote at page No.9.

^A Actual non plan expenditure includes Revenue expenditure (₹ 3,21,01 crore), Capital expenditure (₹ 1,43 crore), Loans and Advances disbursed (₹ 27,55 crore) and Inter State Settlement (₹ 2 crore).

^B Includes ₹ 2755 crore (Loans and Advances), ₹ 2 crore Inter State Settlement and ₹ 143 crore Capital Expenditure.

^C Includes Capital Expenditure Plan ₹ 8657 crore and Loans and Advances expenditure plan ₹ 960 crore.

1.6 What do the Deficits and Surpluses indicate?

Deficit	Refers to the gap between Revenue and Expenditure. The kind of deficit, how the deficit is financed and application of funds are important indicators of prudence in Financial Management.
Revenue Deficit/Surplus	Refers to the gap between Revenue Receipts and Revenue Expenditure. Revenue Expenditure is required to maintain the existing establishment of Government and ideally, should be fully met from Revenue Receipts.
Fiscal Deficit/Surplus	Refers to the gap between Total Receipts (excluding borrowings) and Total Expenditure. This gap, therefore, indicates the extent to which expenditure is financed by borrowings. Ideally, the Borrowings should be invested in capital projects.

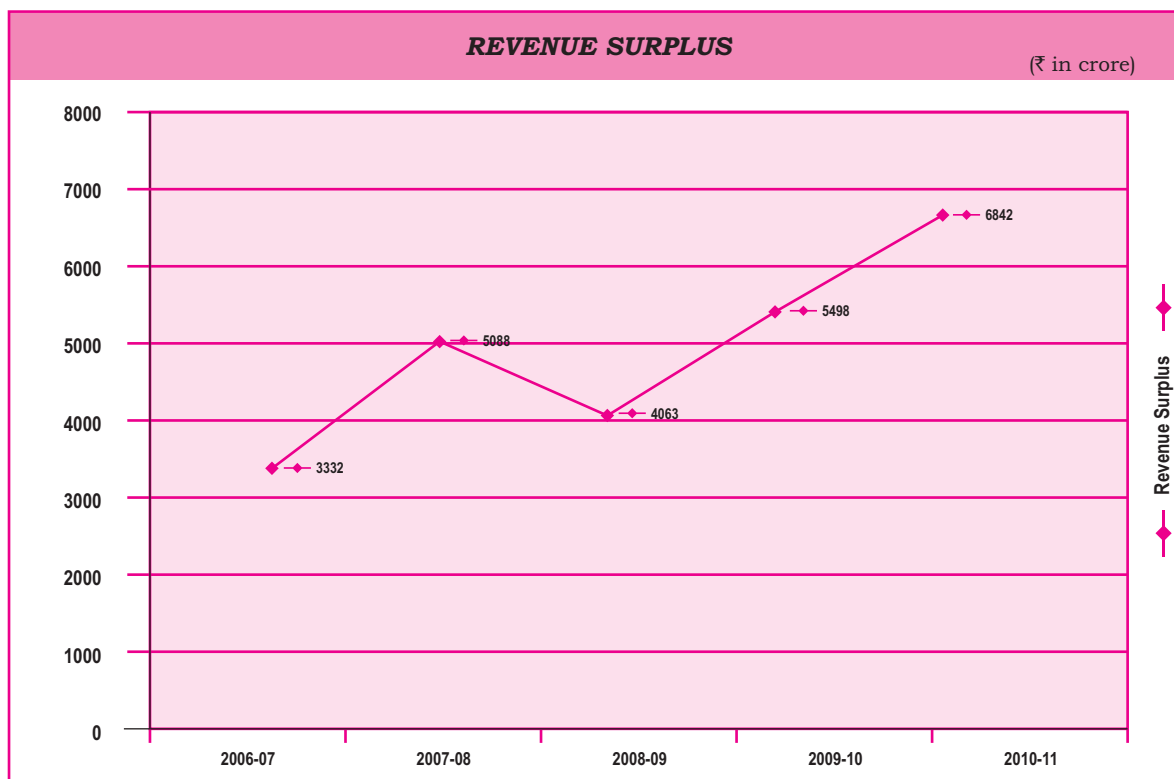
Deficit indicators, revenue augmentation and expenditure management are major yardsticks for judging the fiscal performance of the Government. The 12th Finance Commission had recommended that the State achieve revenue balance by 2008-09 and reduce Gross Fiscal Deficit to 3% GSDP by 2009-10. In view of the economic slow-down, Government of India further relaxed the acceptable ceiling for the Fiscal Deficit-GSDP ratio to 4% in 2009-10 and 3.5% in 2010-11. To encourage the State Government to achieve these goals, Government of India extended Debt Consolidation and Relief Facility (DCRF) to States, under which, successful State Governments would receive relief on repayment of principal and/or interest. Consequently, the Government of Madhya Pradesh enacted the Fiscal Responsibility and Budget Management (FRBM) Act, 2005. The State Government committed to restrict the fiscal deficit 4% with reference to GSDP during 2010-11¹ where as the actual fiscal deficit for the year 2010-11 is 1.94%.

The State Government has been successful in achieving the Revenue Surplus as early as in 2004-05 and maintaining it thereafter².

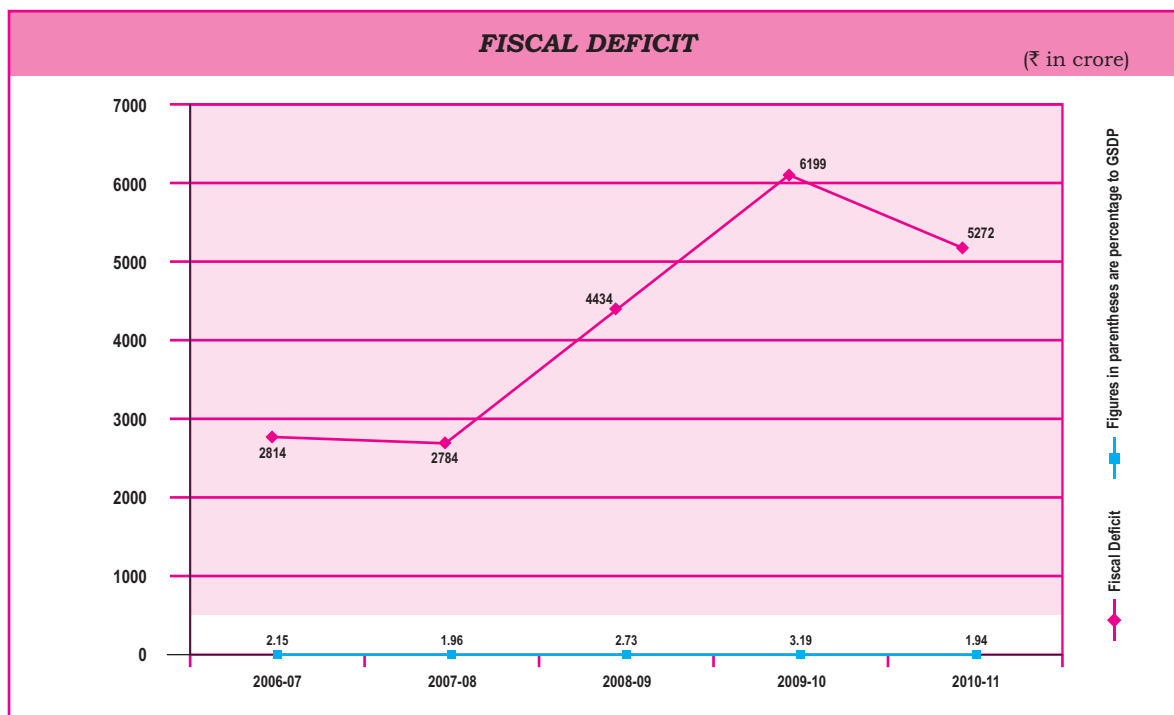
¹ The Fiscal Deficit was ₹ 61,99 crore in 2009-10 and ₹ 52,72 crore in 2010-11.

² The Revenue Surplus was ₹ 54,98 crore in 2009-10 and ₹ 68,42 crore in 2010-11.

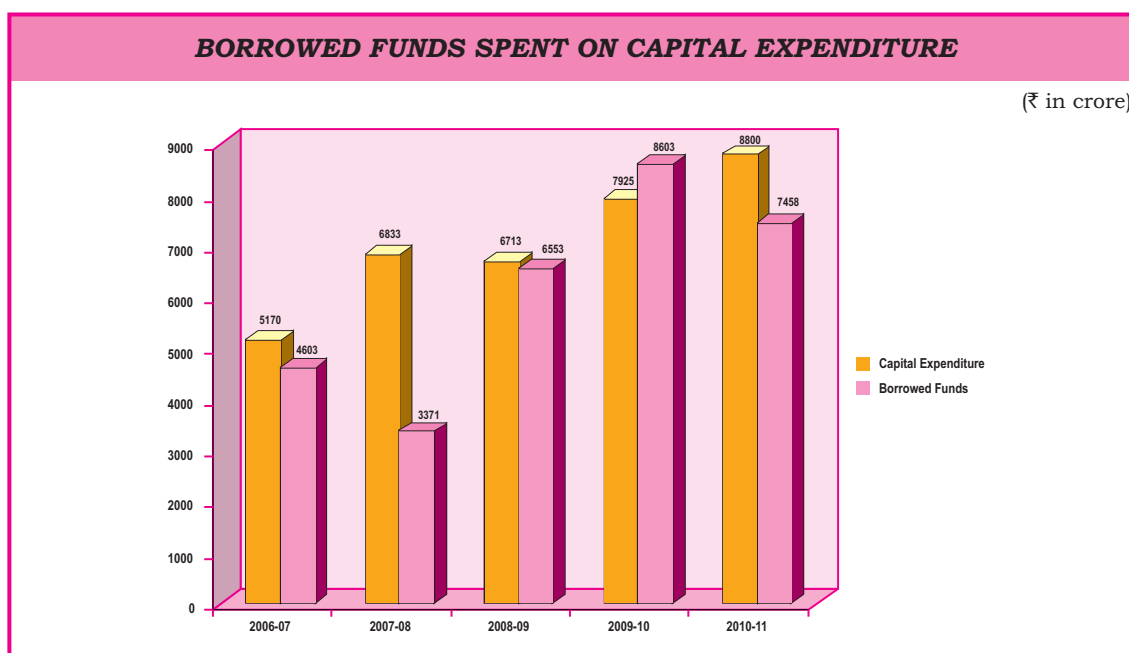
1.6.1 Trend of Revenue Surplus



1.6.2 Trend of Fiscal Deficit



1.6.3 Proportion of borrowed funds spent on Capital expenditure



It is desirable to fully utilise borrowed funds for the creation of capital assets, and to use revenue receipts for the repayment of principal and interest. The State Government, however, spent only 9% (₹ 672 crore) of borrowings of the current year (₹ 74,58 crore) on capital expenditure and 91% of the public debt on repayment including interest (₹ 67,86 crore) was utilised on the following:

- (1) To repay the principal and interest on public debt of previous years.
- (2) To meet periodic shortfalls of revenues against expenditure in the current year.
- (3) To maintain a positive cash balance at the end of the year and to invest in treasury bills.

CHAPTER II

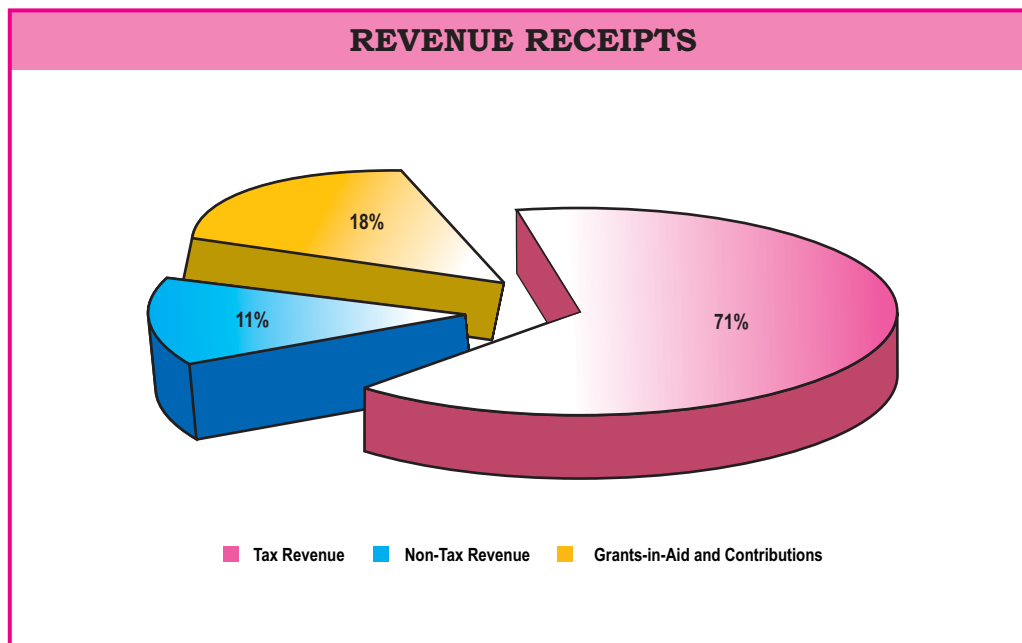
RECEIPTS

2.1. Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Receipts for 2010-11 were ₹ 5,75,29 crore.

2.2. Revenue Receipts

Tax Revenue	Comprises taxes collected and retained by the State and State's share of Union taxes under Article 280(3) of the Constitution.
Non-Tax Revenue	Includes interest receipts, dividends, profits etc.
Grants-in-Aid	Essentially, a form of Central Assistance to the State Government from the Union Government. Includes 'External Grant Assistance' and 'Aid, Material & Equipment' received from foreign Governments and channelised through the Union Government. In turn, the State Governments also give Grants-in-aid to institutions like Panchayati Raj Institutions, Autonomous bodies etc.



Revenue Receipts Components (2010-11)

(₹ in crore)

Components	Actuals
A. Tax Revenue	3,70,58
Taxes on income & Expenditure	95,76
Taxes on Property & Capital Transactions	28,88
Taxes on Commodities & Services	2,45,94
B. Non-Tax Revenue	57,20
Interest Receipts, Dividends and Profits	3,31
General Services	3,96
Social Services	13,08
Economic Services	36,85
C. Grants-in-Aid & Contributions	90,76
Total - Revenue Receipts	5,18,54

2.3 Trend of Receipts

	2006-07	2007-08	2008-09	2009-10	2010-11
Tax Revenue	1,85,62(14)	2,22,21(16)	2,43,81 (15)	2,83,50(15)	3,70,58 (14)
Non-Tax Revenue	26,58 [†] (2)	27,38 [@] (2)	33,43 [@] (2)	63,82 [@] (3)	57,20(2)
Grants-in-Aid	44,74(3)	57,29(4)	58,54(4)	66,63(3)	90,76(3)
Total Revenue Receipts	2,56,94(20)	3,06,89(22)	3,35,77(21)	4,13,95(21)	5,18,54(19)
GSDP(A)	13,06,29	14,22,04	16,25,25	19,44,27	27,16,81

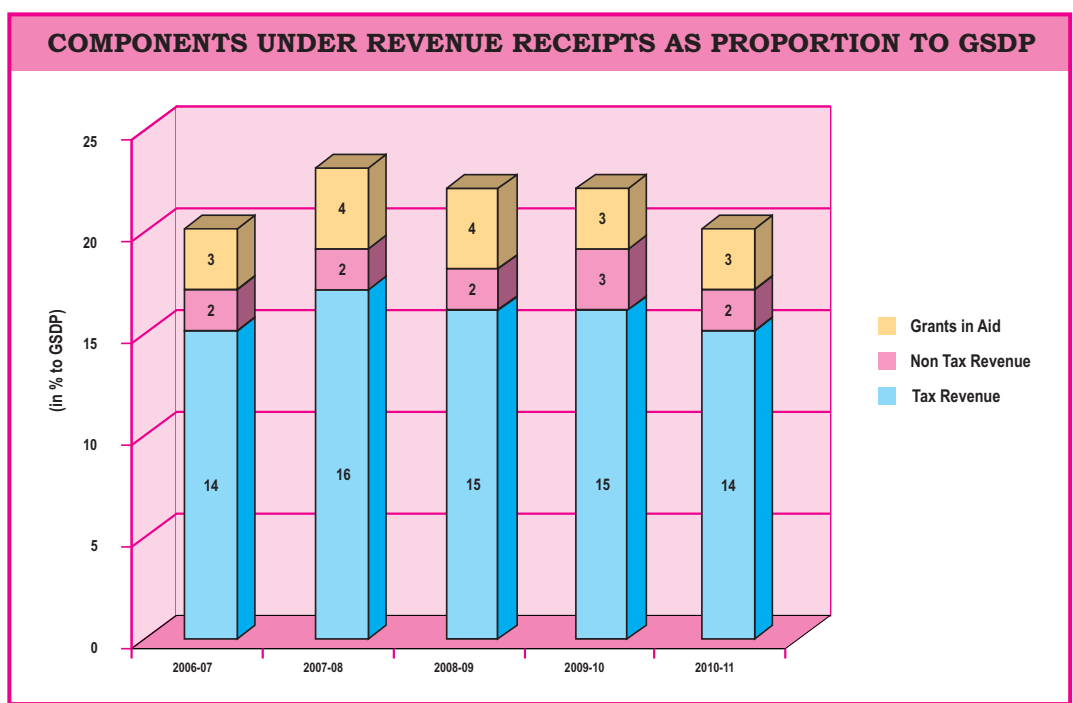
Note:- Figures in parentheses represent percentage to GSDP.

Though the GSDP increased by 40% between 2009-10 and 2010-11, growth in revenue collection was only 25%. While tax revenues increased by 31%, non-tax revenues declined by 10% in 2010-11 as compared to 2009-10. The decline under non-tax revenue was mainly due to less receipt of ₹ 9,85 crore, ₹ 2,56 crore and ₹ 6,86 crore in interest receipts, Miscellaneous General Services and power respectively, which was partly off-set by significant increase in 'non-ferrous mining and metallurgical industries' (₹ 5,31 crore), Education, Sports, Art and Culture (₹ 4,49 crore).

* Includes debt relief of ₹ 726 crore received for 2005-06 and 2006-07 under debt consolidation and facility to states by central govt. under recommendation of twelfth finance commission

@ Includes debt relief of ₹ 363 crore received under debt consolidation and Relief Facility to states by central government under recommendation of twelfth finance commission.

COMPONENTS UNDER REVENUE RECEIPTS AS PROPORTION TO GSDP



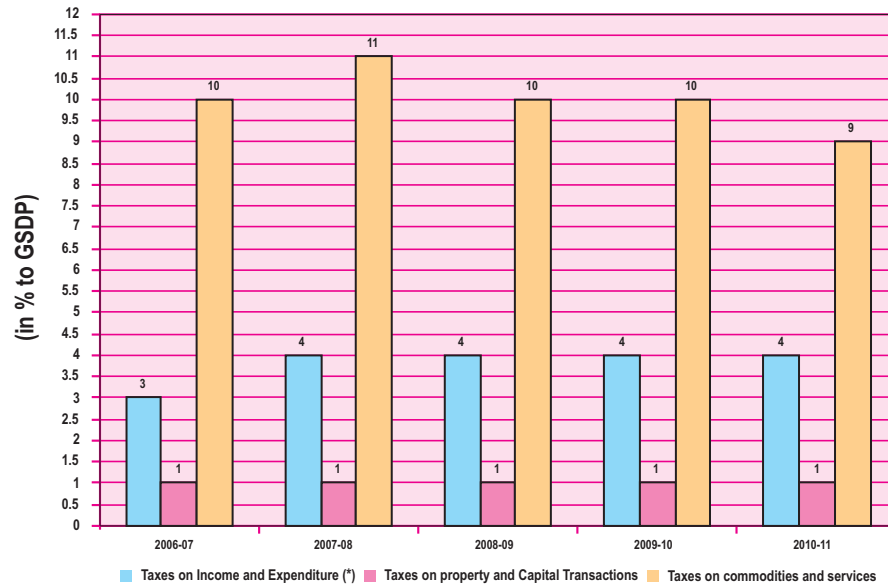
Sector-wise Tax Revenue

(₹ in crore)

	2006-07	2007-08	2008-09	2009-10	2010-11
Taxes on Income and Expenditure	4226	5604	5930	7314	9576
Taxes on Property and Capital Transactions	1387	1664	1821	1974	2888
Taxes on Commodities and Services	12949	14953	16630	19062	24594
Total Tax Revenue	18562 [#]	22221	24381	28350	37058

Share of state in under taxes received from Government of India was ₹ 80,89 crore constitute 31.48% of total revenue receipts

TREND OF MAJOR TAXES IN PROPORTION TO GSDP



(*) Primarily net proceeds of Central Share to the State.

2.4 Performance of State's own tax revenue collection:-

(₹ in crore)

Year	Tax Revenue	State share of Union Taxes	State's Own Tax Revenue	
			Rupees	Percentage to GSDP
2006-07	18562	8089	10473	8.0%
2007-08	22221	10203	12018	8.4%
2008-09	24381	10767	13614	8.4%
2009-10	28350	11077	17273	8.9%
2010-11	37058	15639	21419	7.9%

2.5 Efficiency of Tax Collection :-

A. Taxes on property and Capital Transactions :-

(₹ in crore)

	2006-07	2007-08	2008-09	2009-10	2010-11
Revenue Collection	1387	1664	1821	1974	2888
Expenditure on Collection	287	365	407	556	632
Efficiency of Tax Collection	21%	22%	22%	28%	22%

B. Taxes on Commodities and Services :-

(₹ in crore)

	2006-07	2007-08	2008-09	2009-10	2010-11
Revenue Collection	12949	14953	16630	19062	24594
Expenditure on Collection	657	754	801	1043	1598
Efficiency of Tax Collection	5%	5%	5%	5%	6%

Taxes on commodities and services form a major chunk of tax revenue. Tax collection efficiency is excellent. However, the collection efficiency of taxes on property and capital transactions can be improved.

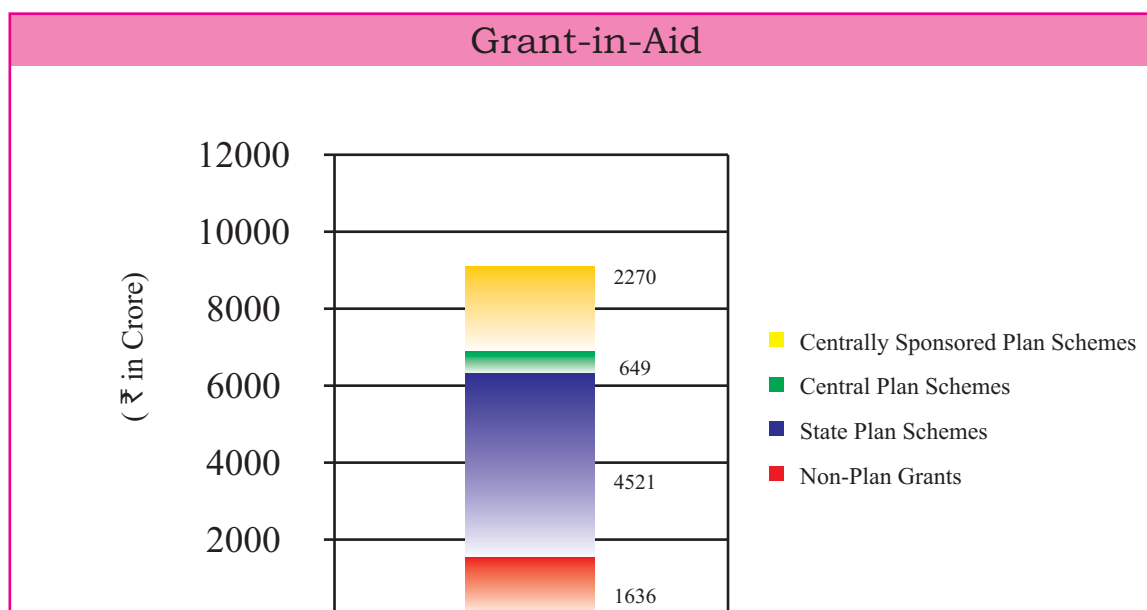
2.6 Trend in State's Share of Union Taxes over the past five years :-

(₹ in crore)

	2006-07	2007-08	2008-09	2009-10	2010-11
Corporation Tax	25,24	32,38	35,31	45,59	61,13
Taxes on Income other than Corporation Tax	15,33	21,73	22,17	25,39	32,30
Taxes on Wealth	3	4	3	10	13
Customs	15,78	19,29	20,58	15,50	27,35
Union Excise Duties	16,75	18,41	17,95	12,49	19,89
Service Tax	7,76	10,19	11,63	11,70	15,59
State Share of Union Taxes	80,89	1,02,03	1,07,67	1,10,77	1,56,39
Total Tax Revenue	1,85,62	2,22,21	2,43,81	2,83,50	3,70,58
% of Union Taxes to Total Tax Revenue	44	46	44	39	42

2.7 Grants-in-Aid :

Grants-in-Aid represent assistance from the Government of India and comprise, Grants for State Plan Schemes, Central Plan Schemes and Centrally Sponsored Schemes approved by the Planning Commission and State Non-plan Grants recommended by the Finance Commission. Total receipts during 2010-11 under Grants-in-Aid were ₹ 90,76 crore as shown below:



As against a budget estimate of ₹ 94,04 crore of Union share in Non-Plan and Plan schemes, the State Government has actually received ₹ 90,76 of Grants- in-Aid (97% of BE).

2.8 Public Debt :-

Trend of Public Debt over the past 5 years

(₹ in crore)

	2006-07	2007-08	2008-09	2009-10	2010-11
Internal Debt	3182	1592	3883	5320	4352
Central Loans	(-) 311	102	709	888	577
Total Public Debt	2871	1694	4592	6208	4929

Note:- 1. Negative figures indicate that repayment is in excess of receipts.
2. Net figure receipt (-) disbursements

In 2010-11, five loans totaling ₹ 39,00 crore at interest rates varying from 8.36% to 8.48% and redeemable in the years 2020-21 were raised at par.

CHAPTER III

EXPENDITURE

3.1. Introduction

Expenditure is classified as Revenue Expenditure and Capital Expenditure. Revenue expenditure is used to meet the day-to-day running of the organization. Capital expenditure is used to create permanent assets or to enhance the utility of such assets or to reduce permanent liabilities. Expenditure is further classified under Plan and Non-Plan.

General Services	Includes Justice, Police, Jail, PWD, Pension etc.
Social Services	Includes Education, Health & Family Welfare, Water Supply, Welfare of SC/ST etc.
Economic Services	Includes Agriculture, Rural Development, Irrigation, Cooperation, Energy, Industries, Transport etc.

3.2 Revenue Expenditure

Revenue Expenditure of ₹ 4,50,12 crore for 2010-11 was more than the budget estimates by ₹ 31,49 crore due to more disbursement of ₹ 2,60 crore under Plan Expenditure and ₹ 28,89 crore under Non-plan Expenditure. This increase is to be viewed in the light of the ₹ 84,10 crore (15%) increase in Revenue Receipts over budget estimates and the State has maintained a revenue surplus in terms of the Madhya Pradesh FRBM Act, 2005.

The expenditure against budget estimates under Revenue section during the past five years is given below :-

	(₹ in crore)				
	2006-07	2007-08	2008-09	2009-10	2010-11
Budget Estimates	22510	25989	31564	38262	41863
Actuals	22363	25601	29514	35897	45012
Gap	147	388	2050	2365	3149
% of gap over BE	1	1	6	6	8

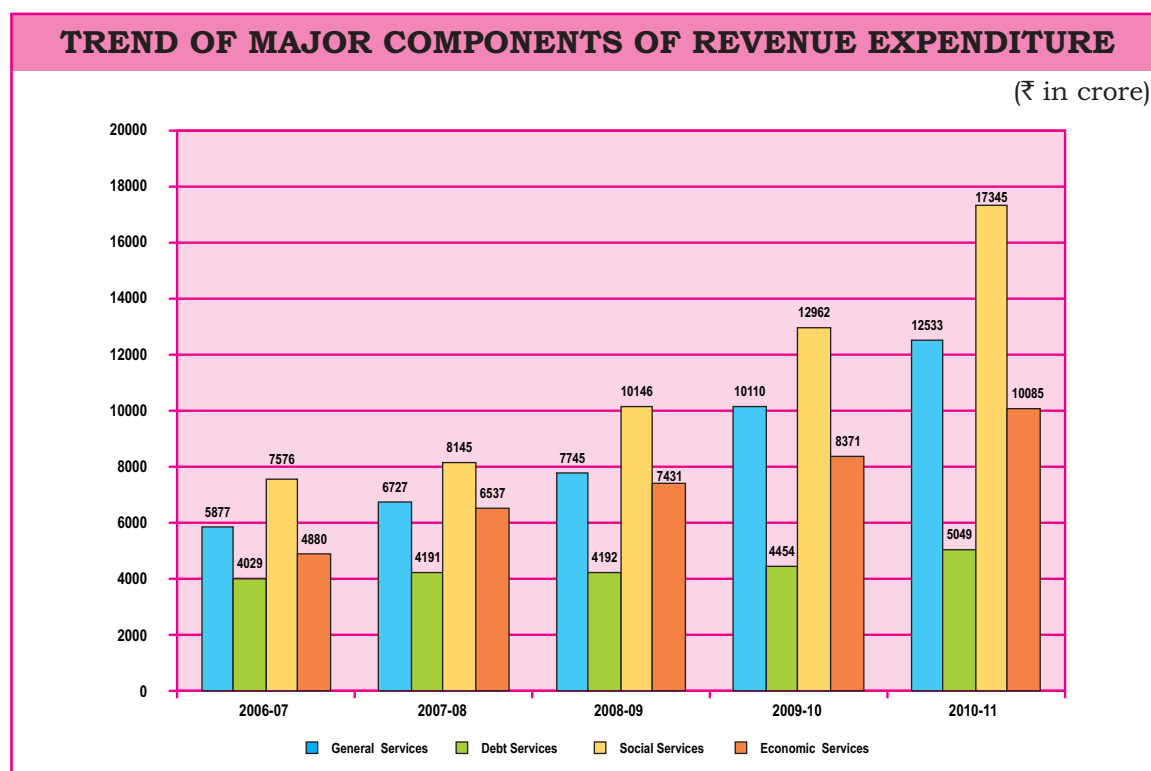
The above table indicate that there was increase (by 8%) of revenue expenditure against budget estimates, which was mainly due to increase in Non Plan revenue expenditure which needs to be curtailed. Nearly 66% of Non Plan revenue expenditure was on committed expenditure (salaries, pensions and interest payment). The actual Plan expenditure has been increased by 31%, from ₹ 98,38 crore in 2009-10 to ₹ 1,29,10 crore in 2010-11.

3.2.1 Sectoral distribution of Revenue Expenditure 2010-11

(₹ in crore)

Components	Amount	Percentage
A. Fiscal Services	2232	5
(i) Collection of Taxes on Property and Capital transactions	632	1
(ii) Collection of Taxes on Commodities and Services	1598	4
(iii) Other Fiscal Services	2	-
B. Organs of State	492	1
C. Interest Payments and Servicing of debt	5049	11
D. Administrative Services	3106	7
E. Pensions and Miscellaneous General Services	3768	8
F. Social Services	17345	39
G. Economic Services	10085	22
H. Grants-in-aid and Contributions	2935	7
Total Expenditure (Revenue Account)	45012	100

3.2.2 Major components of Revenue Expenditure (2006-11) :-



* General Services excludes MH 2049 (Interest payments) and includes MH 3604 (Compensation and assignment to Local Bodies and Panchayati Raj Institutions).

3.3 Capital Expenditure :-

3.3.1 Sectoral distribution of Capital Expenditure

During 2010-11, the Government spent ₹ 33,14 crore on various Projects (₹ 20,06 crore on Major Irrigation, ₹ 4,97 crore on Medium Irrigation, and ₹ 8,11 crore on Minor Irrigation). Apart from above, the Government spent ₹ 19 crore on Construction of Buildings under the Head "Housing" and invested ₹ 5,67 crore in various statutory Corporations/Government Companies/co-operatives.

(₹ in crore)

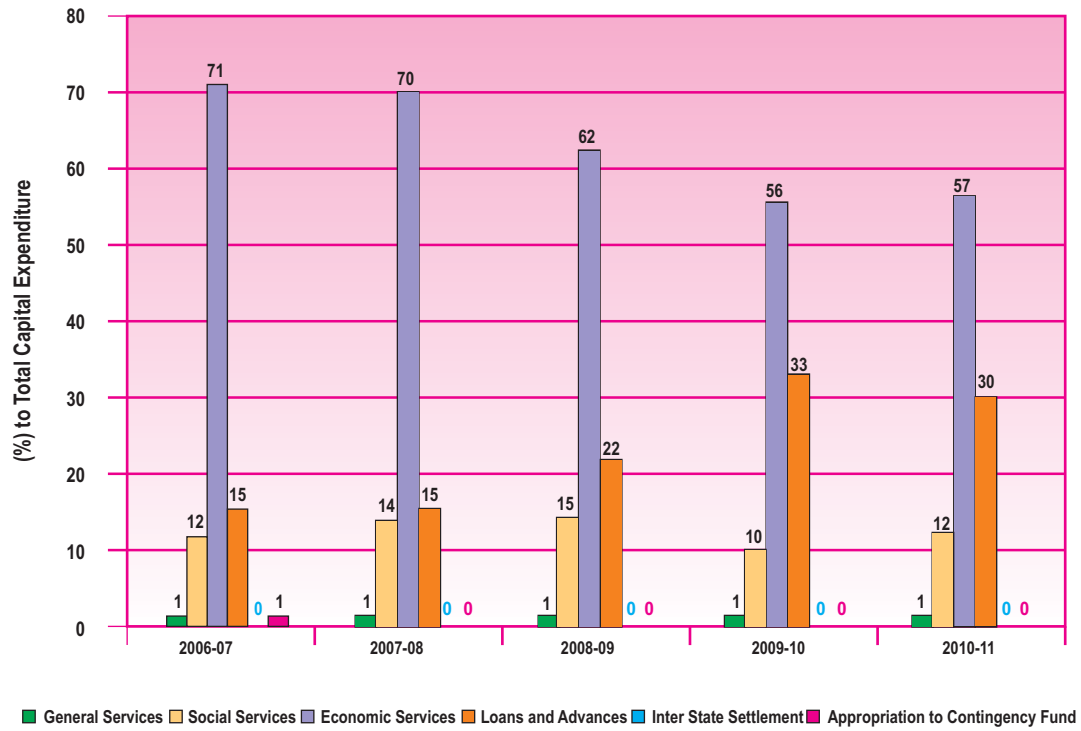
S.No.	Sector	Amount	Percentage
1.	General Services - Police, Land Revenue etc.	1,79	1
2.	Social Services - Education, Health & Family Welfare, Water Supply, Welfare of SC/ST etc.	15,32	12
3.	Economic Services - Agriculture, Rural Development, Irrigation, Co-operation, Energy Industries, Transport etc.	70,89	57
4.	Loans and Advances Disbursed	37,15	30
5.	Inter State Settlement	2	-
Total		1,25,17	100

3.3.2 Sectoral distribution of capital expenditure over the past 5 years

(₹ in crore)

S.No.	Sector	2006-07	2007-08	2008-09	2009-10	2010-11
1.	General Services	71	74	1,25	1,19	1,79
2.	Social Services	7,22	11,41	12,95	11,78	15,32
3.	Economic Services	43,77	56,18	52,93	66,28	70,89
4.	Loans and Advances	9,53	11,55	18,61	38,17	37,15
5.	Inter State Settlement	1	2	1	3	2
6.	Appropriation to Contingency Fund	60	-	-	-	-
Total		61,84	79,90	85,75	1,17,45	1,25,17

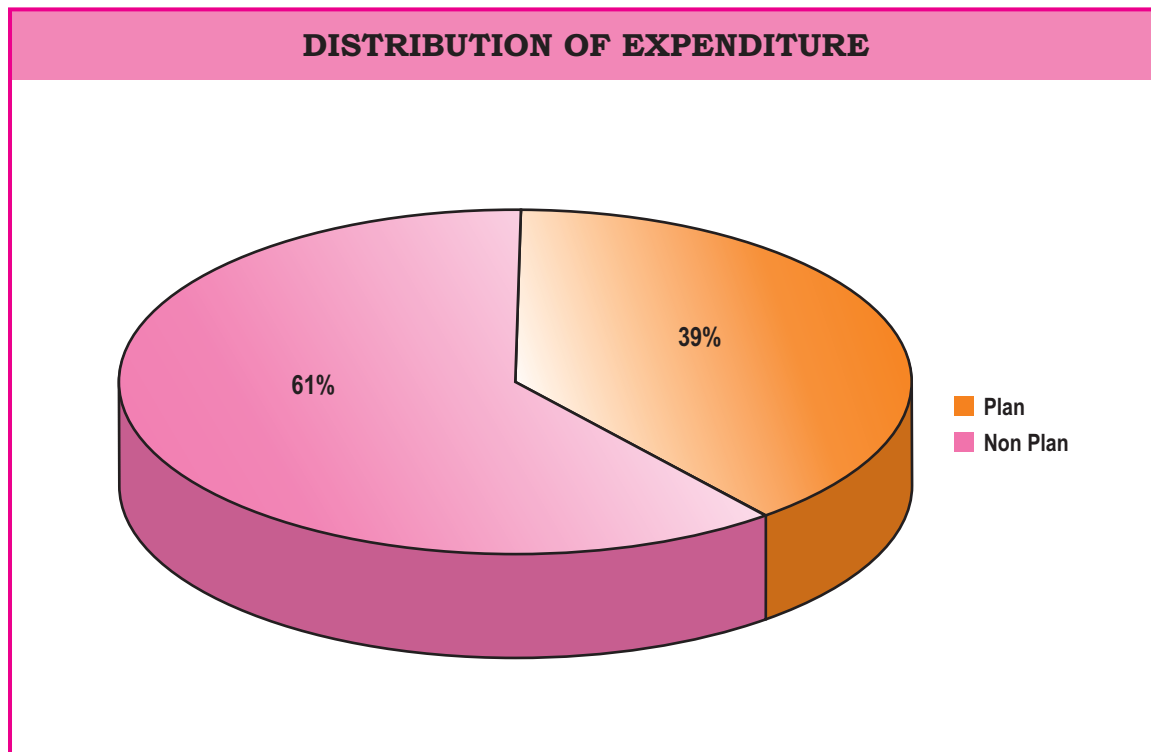
TREND OF SECTORAL DISTRIBUTION OF CAPITAL EXPENDITURE



CHAPTER IV

PLAN & NON PLAN EXPENDITURE

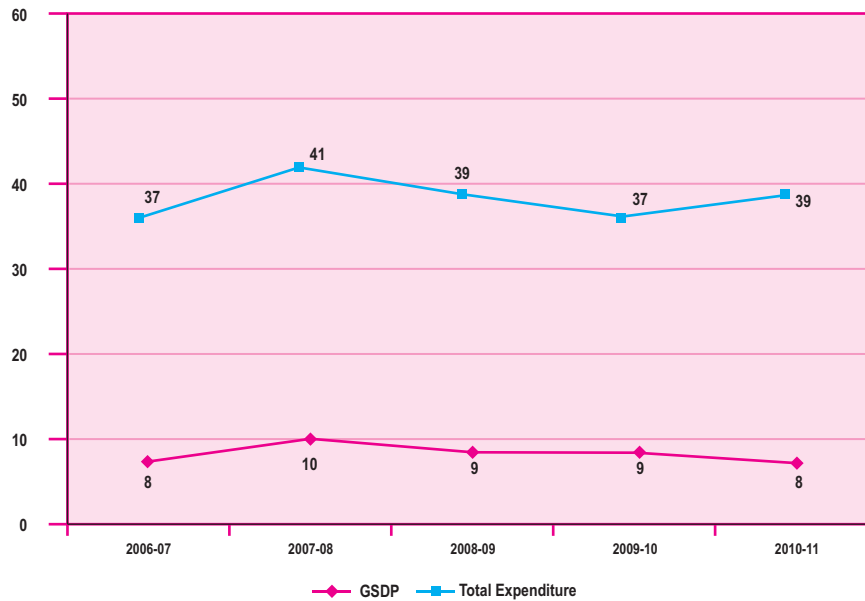
4.1 Distribution of expenditure (2010-11)



4.2 Plan Expenditure

During 2010-11, Plan Expenditure, representing 39 percent of total disbursements, was ₹ 22,528 crore (₹ 14,937 crore under State Plan, ₹ 6,631 crore under Centrally Sponsored Plan Schemes and 960 crore under Loans and Advances).

PLAN EXPENDITURE AS PROPORTION OF TOTAL EXPENDITURE AND GSDP



4.2.1 Plan expenditure under Capital Account

(₹ in crore)

	2006-07	2007-08	2008-09	2009-10	2010-11
Total Capital Expenditure	6184	7990	8575	11745	12517
Capital Expenditure (Plan)	5119	6957	7181	7911	9617
% of Capital Expenditure (plan) to Total Capital Expenditure	83	87	84	67	77

4.3 Non-Plan Expenditure

Non-Plan Expenditure during 2010-11, representing 61 percent of total disbursements, was ₹ 35,001 crore, (₹ 32,101 crore under Revenue and ₹ 2,900 crore under Capital).

NON PLAN EXPENDITURE AS PROPORTION OF TOTAL EXPENDITURE AND GSDP



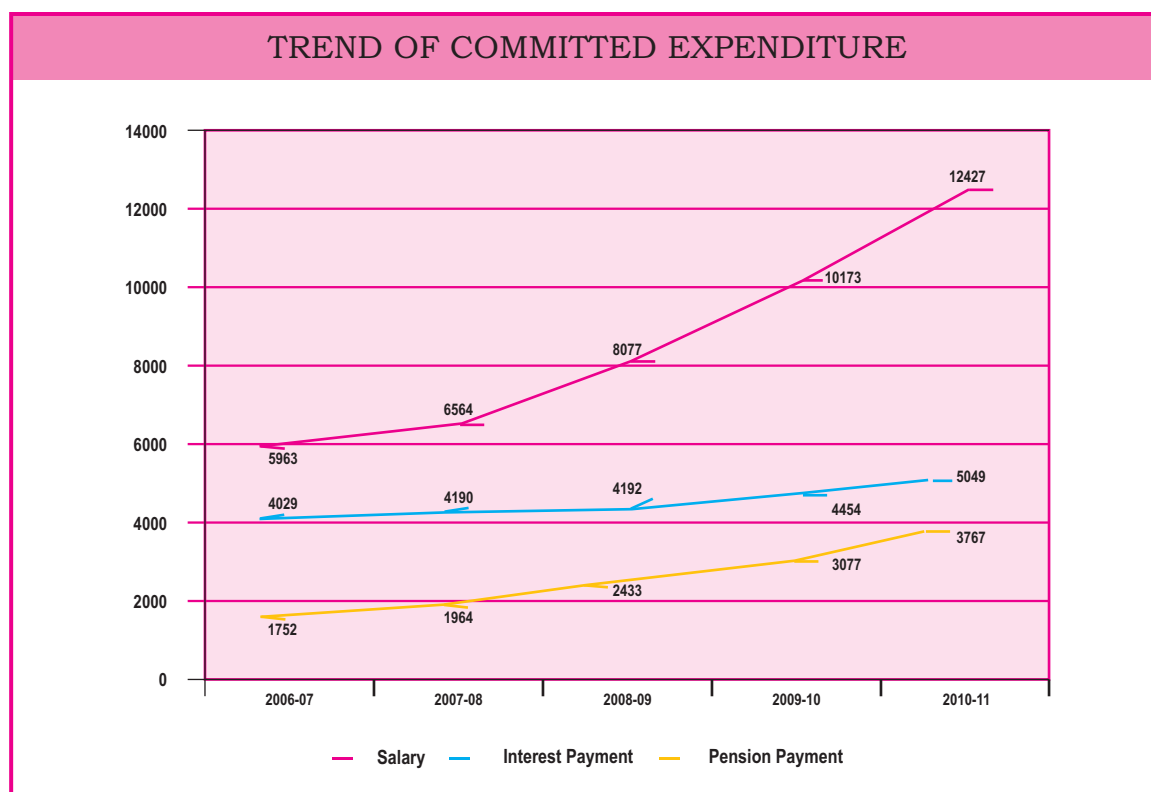
4.4 Rush of Expenditure

Regular flow of expenditure in the year is a primary requirement of budgetary control. Rush of expenditure particularly in the closing months of the financial year is regarded as a breach of financial rules (Para 92 of Madhya Pradesh Budget Manual). It was, however, noticed that in the eight cases the expenditure incurred during March, 2011 ranged between 42 percent to 100 percent of the total expenditure during the year indicating the tendency to utilise the budget provision at the fag end of the financial year :-

(₹ in crore)

S. No.	Description of Grant	Total Budget Provision	Total expenditure	Expenditure in March	Percentage of expenditure in March to total expenditure
1	17-Co-operation	225.19	213.61	90.54	42.39
2.	31-Planning Economics and Statistics	152.54	66.67	31.60	47.40
3.	47-Technical Education and Training	345.89	314.49	137.11	43.60
4.	58-Expenditure on Relief on account of Natural Calamities and Scarcity	1584.83	1536.46	831.19	54.10
5.	61-Expenditure pertaining to Bundelkhand package	994.17	942.31	684.37	72.63
6.	72-Bhopal Gas Tragedy Relief and Rehabilitation	331.71	325.46	278.32	85.52
7.	76-Externally aided projects pertaining to Public Works Department	14.46	14.46	12.96	89.63
8.	79-Non Conventional Energy	8.76	8.18	8.18	100.00

4.5 Committed Expenditure



(₹ in crore)

Component	2006-07	2007-08	2008-09	2009-10	2010-11
Committed Expenditure	11744	12719	14702	17704	21243
Revenue Expenditure	22363	25601	29514	35897	45012
% of committed expenditure to Revenue Receipts	46	41	44	43	41
% of committed expenditure to Revenue expenditure	53	50	50	49	47

The major disbursement on committed expenditure leaves the government with lesser flexibility for development spending.

CHAPTER V

APPROPRIATION ACCOUNTS

5.1 Summary of Appropriation for 2010-11

(₹ in crore)

S. No.	Nature of expenditure	Original grant/Appropriation	Supplementary grant/Appropriation	Total	Actual expenditure	Savings (-) Excesses (+)	Re-appropriation/Surrender
1	Revenue						
	Voted	3,72,53.49	85,44.88	4,57,98.37	3,98,83.65	(-) 59,14.72	(-) 39,67.23
	Charged	59,21.36	8,03.97	67,25.33	58,48.18	(-) 8,77.15	(-) 1,52.82
2	Capital						
	Voted	82,12.52	25,46.82	1,07,59.34	92,17.60	(-) 15,41.74	(-) 13,17.35
	Charged	9.27	6.69	15.96	26.78	(+) 10.82	(-) 0.56
3	Public Debt						
	Charged	59,22.00	0.00	59,22.00	25,29.23	(-) 33,92.77	0.00
4	Loans and Advances						
	Voted	16,39.73	25,76.67	42,16.40	37,22.83	(-) 4,93.57	(-) 4,42.44
	Total	5,89,58.37	1,44,79.03	7,34,37.40	6,12,28.27	(-) 1,22,09.13	(-) 58,80.40

5.2 Trend of Savings/Excess during the past five years

(₹ in crore)

	Year Savings (-)/Excess (+)Total				Total
	Revenue	Capital	Public Debt	Loans & Advances	
2006-07	27,00.25	19,70.43	44,63.47	5,17.24	96,51.39
2007-08	36,85.11	12,90.58	20,04.48	4,15.54	73,95.71
2008-09	46,45.76	10,48.90	18,75.54	7,81.96	83,52.16
2009-10	58,66.64	17,16.65	38,96.41	4,50.15	1,19,29.88
2010-11	67,91.87	15,30.92	33,92.77	4,93.57	1,22,09.13

5.3 Significant Savings

Substantial savings under a grant indicates either non-implementation or slow implementation of certain schemes/ programmes.

Some grants with persistent and significant savings are given below:

(Saving in Percentage)

Grant	Nomenclature	2006-07	2007-08	2008-09	2009-10	2010-11
Revenue Voted Section						
01	General Administration	13.37	16.83	16.80	13.51	12.46
02	Other expenditure pertaining to General Administration Department	35.90	31.91	33.63	26.35	31.90
04	Other expenditure pertaining to Home Department	11.40	12.43	20.85	21.77	21.02
06	Finance	16.18	22.20	20.04	31.32	27.82
13	Farmer's Welfare and Agriculture Development	17.93	18.58	33.89	22.56	9.67
29	Law and Legislative Affairs	28.60	26.26	22.64	15.70	41.04
48	Narmada Vally Development	78.42	33.45	19.76	34.62	28.99
55	Women and Child Development	37.77	15.23	16.12	18.08	8.99
64	Scheduled Caste Sub Plan	17.42	19.72	20.11	21.55	13.00
Capital Voted Section						
01	General Administration	100	77.59	39.88	52.27	19.40
03	Police	82.86	88.67	12.18	10.92	17.19
23	Water Resource Department	15.41	8.24	9.23	36.50	8.04
40	Expenditure pertaining to water resource Department Command Area Development	52.27	39.11	27.88	21.46	14.00

Grant	Nomenclature	2006-07	2007-08	2008-09	2009-10	2010-11
41	Tribal Area sub plan	15.36	10.94	10.29	36.07	11.71
45	Minor Irrigation Works	35.11	28.58	17.63	29.65	50.90
57	Externally Aided Projects pertaining to Water Resources Development	50.68	54.13	31.74	25.58	20.68
58	Expenditure on Relief on account of Natural Calamities and Scarcity	100.00	100.00	100.00	64.29	69.64
64	Scheduled Caste Sub-Plan	17.18	11.13	12.41	11.55	9.01
67	Public Works Building	58.56	50.32	23.33	14.61	33.28

During 2010-11, supplementary grants/Appropriation totalling ₹ 1,44,79.03 crore (23.65% of total expenditure) proved to be unnecessary in some cases, where there were significant savings at the end of the year even against original allocations. A few instances are given below.

(₹ in crore)

Grant	Nomenclature	Section	Original	Supplementary	Actual Expenditure
01	General Administration	Revenue (Voted)	183.42	13.83	172.67
02	Other expenditure pertaining to General Administration Department	Revenue (Voted)	40.08	1.51	28.32
04	Other expenditure pertaining to Home department	Capital (Voted)	0.32	0.60	0.32
06	Finance	Revenue (Voted)	4308.55	1089.16	3895.86
07	Commercial Tax	Revenue (Voted)	1196.18	30.61	1175.01
10	Forest	Revenue (Voted)	997.25	142.51	978.08
11	Commerce, Industry and Employment	Capital (Voted)	119.16	1.00	17.81
15	Financial Assistance to three tier Panchayati Raj Institutions under Scheduled Castes Sub Plan	Revenue (Voted)	1148.54	3.24	903.25

Grant	Nomenclature	Section	Original	Supplementary	Actual Expenditure
21	Housing and Environment	Revenue (Voted)	221.99	6.01	81.94
28	State Legislature	Revenue (Voted)	41.79	6.30	39.89
29	Law and Legislative affairs	Revenue (Charged)	52.57	6.40	48.04
34	Social Welfare	Revenue (Voted)	114.18	14.36	84.94
36	Transport	Revenue (Voted)	46.49	4.91	41.49
41	Tribal Area Sub-Plan	Revenue (Voted)	1763.13	210.76	1731.18
41	Tribal Area Sub-Plan	Capital (Voted)	1363.12	159.62	1344.46
42	Public Works relating to tribal Area Sub-Plan Roads and Bridges	Capital (Voted)	313.07	30.00	251.02
43	Sports and Youth Welfare	Revenue (Voted)	43.15	2.93	26.29
45	Minor Irrigation Works	Revenue (Voted)	79.75	1.00	76.75
51	Religious Trusts and Endowments	Revenue (Voted)	13.31	0.04	10.08
52	Financial Assistance to Tribal Area Sub-Plan three tier Panchayati Raj Institutions	Revenue (Voted)	1383.96	140.54	1320.86
57	Externally Aided Projects pertaining to Water Resources Department	Capital (Voted)	357.27	5.00	287.37
63	Minority Welfare	Revenue (Voted)	43.21	8.23	30.54
67	Public Works Building	Capital (Voted)	73.86	34.00	71.97
69	Information Technology	Revenue (Voted)	41.90	11.60	25.79
75	Financial Assistance to Urban Bodies	Revenue (Voted)	2986.39	282.57	2831.72
77	Other Expenditure pertaining to School Education Department (Excluding Primary Education)	Capital (Voted)	13.43	5.00	11.43
	Total		16946.07	2211.73	15487.08

CHAPTER VI

ASSETS AND LIABILITIES

6.1 Assets

The existing form of accounts do not easily depict valuation of Government assets like land, buildings etc., except in the year of acquisition/purchase. Similarly while the accounts present the impact of liabilities arising in the current year, they do not depict the overall impact of the liabilities to future generations except to the limited extent shown by the rate of interest and period of existing loans.

Total investments as share capital in non-financial public sector undertakings (PSUs) stood at ₹ 1,22,16^(A) crore at the end of 2010-11. However, dividends received during the year were ₹ 32 crore (i.e. 0.26%) on investment. During 2010-11, investments increased by ₹ 5,30 crore, while dividend income decreased by ₹ 18 crore.

Cash Balance with RBI stood at ₹ (-) 20,41 crore on 31st March 2010 and decreased to ₹ (-) 27,05 crore at the end of March, 2011.

6.2 Debt and Liabilities

Article 293 of the Constitution of India empowers the State Government to borrow on the security of the Consolidated Fund of the State within such limits, if any, as may be from time to time fixed by the State Legislature.

Details of the Public Debt and total liabilities of the State Government are as under :

(₹ in crore)

Year	Public Debt	% to GSDP	Public Account ^{(*)#}	% to GSDP	Total Liabilities ^{(*)#}	% to GSDP
2006-07	40346	31	13152	10	53498	41
2007-08	42040	30	13588	10	55628	39
2008-09	46632	29	14117	9	60749	37
2009-10	52841	27	15012	8	67853	35
2010-11	57769	21	17735	7	75504	28

(*) Excludes suspense and remittance balances.

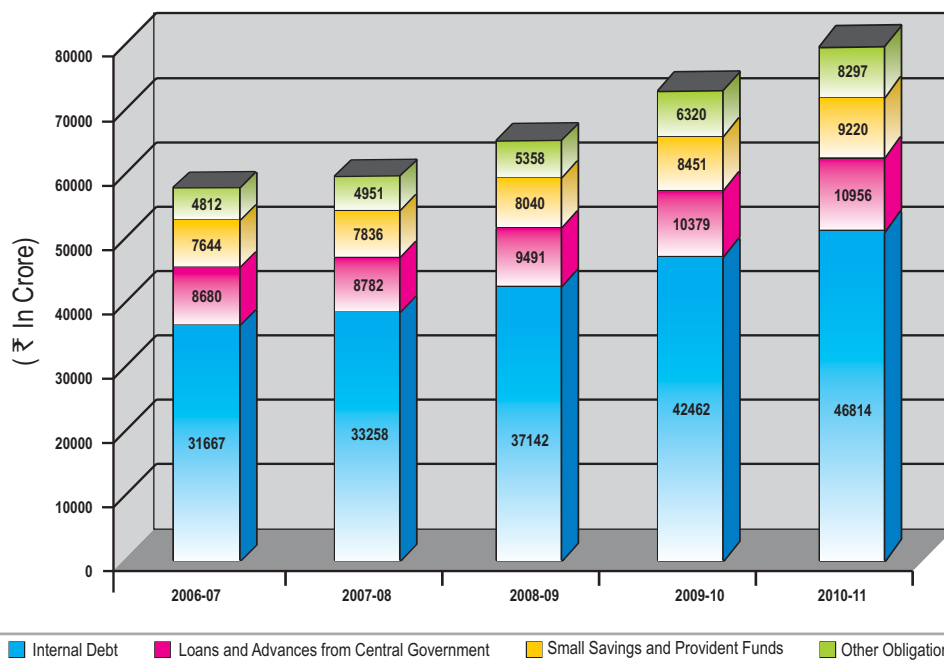
Note : Figures are progressive balances to end of the year.

There is a net increase of ₹ 76,51 crore (11%) in Public Debt and Other liabilities in 2010-11 as compared to 2009-10.

^(A) Includes ₹ 10,83 crore yet to be allotted between MP and CG as per MP Re-organisation Act, 2000.

An amount of ₹ 6,62 crore retained in MP pending allocation between MP and CG as per re-organisation Act, 2000.

TRENDS IN GOVERNMENT LIABILITIES



(*) Non-interest bearing obligations such as deposits of Local Funds, other earmarked funds, etc.

6.3 Guarantees

The position of guarantees by the State Government for the payment of loans and capital and payment of interest thereon raised by Statutory Corporations, Government Companies, Corporations, Co-operative Societies, etc., is given below.

(₹ in crore)

At the end of the year	Maximum Amount Guaranteed (Principal only)	Amount outstanding as on 31st March 2011
		Principal and Interest
2006-07	12424	866
2007-08	12086	856
2008-09	11991	1930
2009-10	11823	1630

CHAPTER VII

OTHER ITEMS

7.1 Adverse Balances under Internal Debt

Borrowings of State Government are governed by Article 293 of the Constitution of India. In addition to directly raising loans, State Government also guarantee loans raised by Government Companies and Corporations from the market and financial institutions for implementation of various Plan schemes and programmes which are projected outside the State Budget. These loans are treated as receipts of the concerned Administrative Departments and do not appear in the books of the Government accounts. However, the loan repayments appear in Government Account, resulting in irreconcilable adverse balances and under-statement of liabilities in Government accounts. As on March 31st 2011, the adverse balances amounted to ₹ 0.14 lakh.

7.2 Loans and Advances by the State Government

Total Loans And Advances made by the State Government at the end of 2010-11 was ₹ 1,51,05* crore. Of this, Loans and Advances to Government Corporations/ Companies, non-Government Institutes and Local Bodies amounted to ₹ 1,50,76# crore. ₹ 21 crore as interest was received during the year.

7.3 Financial assistance to local bodies and others

During the past five years, Grants in Aid to local bodies etc., increased from ₹ 69,53 crore in 2006-07 to ₹ 1,48,87 crore in 2010-11. Grants to Zilla Parishads, Panchayat Samities and Municipalities (₹ 37,58 crore) represented 25 percent of total grants given during the year.

* Includes ₹ 21,87 crore retained in M.P. yet to be reconciled.

Includes ₹ 21,19 crore retained in M.P. yet to be reconciled.

Details of Grants-in-Aid for the past 5 years are as under.

(₹ in crore)

Year	Zilla Parishads	Municipalities	Panchayat Samities	Others	Total
2006-07	-	132	-	6821	6953
2007-08	-	197	-	8294	8491
2008-09	-	259	-	10061	10320
2009-10	-	429	-	7659	8088
2010-11	-	3758	-	11129	14887

7.4 Cash Balance and investment of Cash Balance

(₹ in crore)

Component	As on 1st April, 2010	As on 31st March, 2011	Net increase(+)/decrease (-)
Cash Balances	(-) 2041	(-) 2705	(-)664
Investments from cash balance (GOI Treasury Bills & GOI securities)	5560	9212	3652
Investment from earmarked fund balances	380	379	01
(a) Sinking Fund	-	-	-
(b) Guarantee Redemption Fund	369	369	-
(c) Other Funds	11	10	1
(d) Interest Realised	173	263	90

Interest realised on investment of cash balance was increased by 52% during the year as compared to 2009-10.

7.5 Reconciliation of accounts

Accuracy and reliability of accounts depend among other things, on timely reconciliation of the figures available with the departments and the figures appearing in the accounts compiled by the Accountant General (Accounts and Entitlements). This exercise is to be conducted by respective Heads of Departments. The reconciliation of accounts of many departments is in arrears. In 2010-11, only 56% (₹ 31943 crore) of the total expenditure of ₹ 5,66,97 crore of the State Government was reconciled. Similarly, out of total receipts of ₹ 3,54,53 crore, only 49% (₹ 1,76,98 crore) was reconciled. The status of reconciliation of accounts in respect of the Chief Controlling Officers (CCO) of different departments is given below :-

Particulars	Total No. of CCOs	Fully Reconciled	Partially Reconciled	Not Reconciled
Expenditure	104	86	17	1
Receipts	104	86	17	1
Total	208	172	34	2

7.6 Submission of Accounts by Treasuries

During the year 2010-11 out of 650 monthly accounts, 211 accounts were received after due dates, though these were incorporated in the monthly civil accounts of respective months. Timely submission of accounts may be ensured by the Treasury. The details are as below :-

Treasury Accounts

Month	No. of due A/cs	No. of A/cs received on due date	No. of A/cs received after due date	No. of A/cs included	No. of A/cs Excluded	On which date civil A/cs render to state Govt.
04/2010	53	36	17	53	-	24.05.10
05/2010	53	39	14	53	-	22.06.10
06/2010	53	38	15	53	-	23.07.10
07/2010	53	32	21	53	-	23.08.10
08/2010	53	46	7	53	-	23.09.10
09/2010	54	37	16	53	01	23.10.10
10/2010	57	20	37	57	-	25.11.10
11/2010	55	40	15	55	-	23.12.10
12/2010	55	39	16	55	-	25.01.11
01/2011	55	44	11	55	-	25.02.11
02/2011	55	37	18	55	-	24.03.11
03/2011	55	31	24	55	-	12.05.11
Total	651	439	211	650	01	-

7.7 Existence of majorities Abstract Contingent Bills (AC Bills)

When money is required in advance or the Drawing and Disbursing Officers (DDOs) are not able to calculate the exact amounts required, they are permitted to draw money without supporting documents through AC bills. Such AC bills are required to be settled, within a maximum of 90 days, through submission of DC bills. The fact that to the end of 31st March 2011, 1339 DC bills amounting to ₹ 21.43 crore was outstanding, indicates that these instructions have not been followed.