



GOVERNMENT OF MADHYA PRADESH

**ACCOUNTS AT A GLANCE
2011-2012**



**ACCOUNTANT GENERAL (ACCOUNTS AND ENTITLEMENTS),
MADHYA PRADESH, GWALIOR**



GOVERNMENT OF MADHYA PRADESH

ACCOUNTS AT A GLANCE 2011-2012

**ACCOUNTANT GENERAL
(Accounts and Entitlements)**

MADHYA PRADESH, GWALIOR



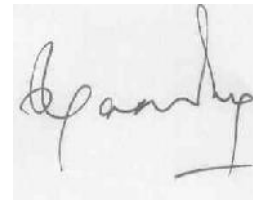
Madhya Pradesh Legislative Assembly

PREFACE

I am happy to present the fourteenth 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 654 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.

This provides a broad overview of Government activities, as reflected in the Finance Accounts and the Appropriation Accounts. The information is presented through brief explanations, statements and graphs. 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.



Place: Gwalior
Date: 29.01.2013

(Rajiv Pandey)
Accountant General (A&E) I
Madhya Pradesh

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

TABLE OF CONTENTS

Chapter 1	Overview	Page
1.1	Introduction	1
1.2	Structure of Accounts	1
1.3	Finance Accounts and Appropriation Accounts	2
1.4	Sources and Application of Funds	4
1.5	Highlights of Accounts	7
1.6	What do the Deficits and Surpluses indicate	8
Chapter 2	Receipts	
2.1	Introduction	11
2.2	Revenue Receipts	11
2.3	Trend of Receipts	12
2.4	Performance of State's own Tax Revenue Collection	14
2.5	Efficiency of Tax Collection	15
2.6	Trend in State's share of Union Taxes	16
2.7	Grants-in-Aid	16
2.8	Public Debt	17
Chapter 3	Expenditure	
3.1	Introduction	18
3.2	Revenue Expenditure	18
3.3	Capital Expenditure	20

Chapter 4	Plan & Non-Plan Expenditure	
4.1	Distribution of Expenditure (2011-12)	23
4.2	Plan Expenditure	23
4.3	Non-Plan Expenditure	24
4.4	Rush of Expenditure	25
4.5	Committed Expenditure	26
Chapter 5	Appropriation Accounts	
5.1	Summary of Appropriation Accounts for 2011-12	27
5.2	Trend of Savings/Excess during the past 5 years	27
5.3	Significant Savings	28
Chapter 6	Assets and Liabilities	
6.1	Assets	31
6.2	Debt and Liabilities	31
6.3	Guarantees	32
Chapter 7	Other Items	
7.1	Adverse Balances under Internal Debt	33
7.2	Loans and Advances by the State Government	33
7.3	Financial Assistance to Local Bodies and Others	33
7.4	Cash Balance and investment of Cash Balance	34
7.5	Reconciliation of Accounts	35
7.6	Submission of Accounts by Treasuries	35
7.7	Existence of Majorities Abstract Contingent Bills (A C Bills)	36

CHAPTER 1

OVERVIEW

1.1 Introduction:

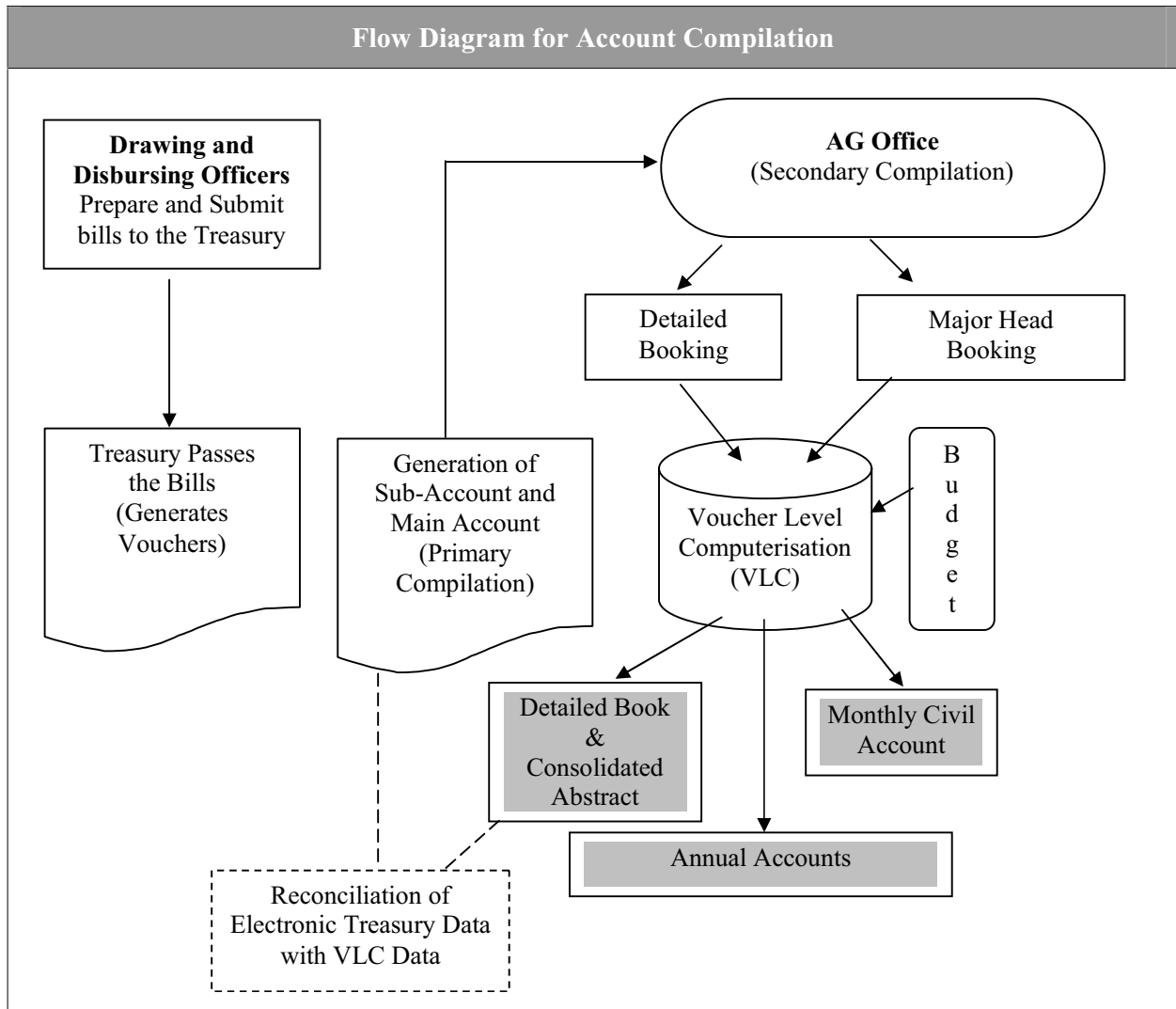
The Accountant General (Accounts and Entitlements)-I, Madhya Pradesh compiles the accounts of receipts and expenditure of the Government of Madhya Pradesh. This compilation is based on the initial accounts rendered by the District Treasuries, Public Works and Forest Divisions and advices of the Reserve 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 (General and Social Sector 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



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 2011-12 are given below.

(₹ in crore)

Receipts (Total: 7,75,13)	Revenue Total: 6,26,04	Tax Revenue	4,51,92
		Non-Tax Revenue	74,83
		Grants-in-Aid	99,29
	Capital Total: 1,49,09	Recovery of Loans and Advances	91,23
		Borrowings and Other Liabilities ¹	57,60
		Other Receipts	26 ²
Disbursements (Total: 7,75,13)	Revenue	5,26,94	
	Capital	90,55	
	Loans and Advances	1,57,60	
	Inter State Settlement	4	

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 ₹ 94,97³ crore (₹ 89,63⁴ 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 51 charged Appropriations and 135 voted Grants.

¹ Borrowing and other Liabilities: Net (Receipts-Disbursements) of Public Debt (₹ 3600 crore) + Net of Contingency Fund (Nil) + Net (Receipts - Disbursements) of Public Account (₹ 5561 crore) + Net of Opening and Closing Cash Balance (₹ -3401 crore).

² Includes capital receipts (₹ 23 crore) on account of refund of investment in share capital by co-operative societies/Banks and Inter state settlement (₹ 3 crore).

³ ₹ 9281 crore as per Finance Account 2011-12.

⁴ ₹ 8864 crore as per Finance Account 2010-11.

} Figures do not tally with Finance Accounts as only major schemes incorporated in Finance Accounts

The Appropriation Act, 2011-12, had provided for gross expenditure of ₹ 9,61,86.81 crore and reduction of expenditure (recoveries) of ₹ 16,97.59 crore. Against this, the actual gross expenditure was ₹ 8,11,33.59 crore and reduction of expenditure was ₹ 3,70.67 crore, resulting in net savings of ₹ 1,50,53.22 crore (15.65%) and an over-estimation of ₹ 13,26.92 crore (78.16%) on reduction of expenditure. Reduction of expenditure, in revenue and Capital was less than estimates. The gross expenditure includes ₹ 0.05 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 2011-12, ₹ 86.89 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 2011-12, 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 ₹ 99,10 crore and a Fiscal Deficit of ₹ 57,60 crore representing 3.14% and 1.83% of the Gross State Domestic Product (GSDP)⁵. The Fiscal Deficit Constituted 7% of Total expenditure. This deficit was met from Public Debt (₹ 36,00 crore), Increase in Public Account (₹ 55,61 crore) and net of opening and closing cash balance (₹ (-) 34,01 crore). Around 37% of the revenue receipts (₹ 62,604 crore) of the State Government was spent on committed expenditure like salaries (₹ 1,33,40 crore), interest payments (₹ 5,300 crore) and pensions (₹ 4,389 crore).

⁵

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

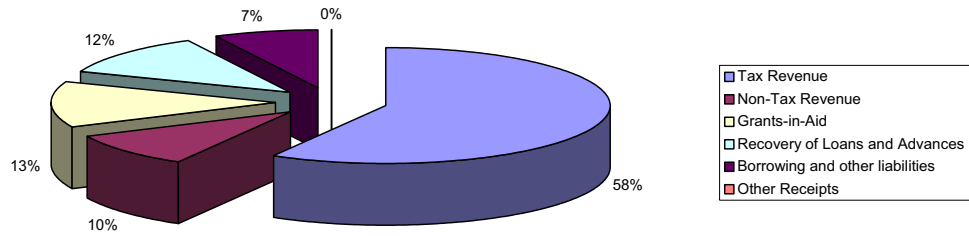
(₹ in crore)

SOURCES	PARTICULARS	AMOUNT
	Opening Cash Balances as on 01.04.2011	(-) 27,05
	Revenue Receipts	6,26,04
	Capital Receipts	23
	Recovery of Loans & Advances	91,23
	Public Debt	67,50
	Small Savings, Provident Fund & Others	20,33
	Reserves & Sinking Funds	15,35
	Deposits Received	94,03
	Civil Advances Repaid	4,68
	Suspense Account	24,16,95
	Remittances	1,22,56
	Inter State Settlement	3
TOTAL	34,31,88	

APPLICATION	Revenue Expenditure	5,26,94
	Capital Expenditure	90,55
	Loans Disbursed	1,57,60
	Repayment of Public Debt	31,50
	Small Savings, Provident Fund & Others	13,35
	Reserves & Sinking Funds	3,61
	Deposits Spent	86,22
	Civil Advances Given	4,66
	Suspense Account	23,91,81
	Remittances	1,18,65
	Closing Cash Balance as on 31.03.2012	6,95
	Inter State Settlement	4
	TOTAL	34,31,88

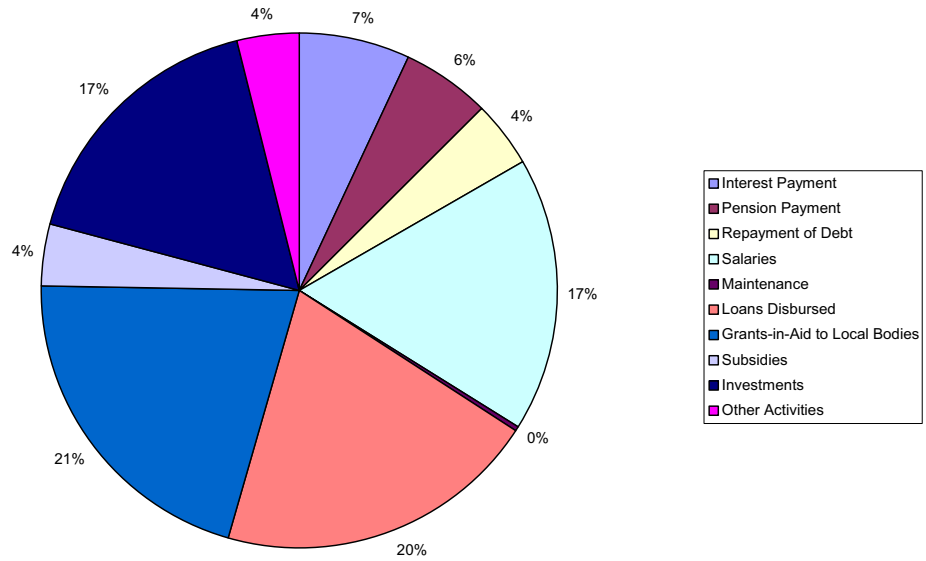
1.4.3 Where the Rupee came from

ACTUAL RECEIPTS



1.4.4 Where the Rupee went

ACTUAL EXPENDITURE



1.5 Highlights of Accounts

(₹ in crore)

	Items	B.E. 2011-12	Actuals	Percentage of actuals to B.E.	Percentage of actuals to GSDP ⁶
1.	Tax Revenue ⁷	4,01,47	4,51,92	113	14
2.	Non-Tax Revenue	59,99	74,83	125	2
3.	Grants-in-Aid & Contributions	1,16,44	99,29	85	3
4.	Revenue Receipts (1+2+3)	5,77,90	6,26,04	108	20
5.	Recovery of Loans and Advances	74	91,23	12328	3
6.	Other Receipts ⁸	--	26	-	-
7.	Borrowings & other Liabilities ⁹	79,82	57,60	72	2
8.	Capital Receipts (5+6+7)	80,56	1,49,09	183	5
9.	Total Receipts (4+8)	6,58,46	7,75,13	118	25
10.	Non-Plan Expenditure ¹⁰	4,02,66	5,13,94	128	16
11.	NPE on Revenue Account	3,82,05	3,66,77	96	12
12.	NPE on Interest Payments out of 11	53,42	53,00	99	2
13.	NPE on Capital Account ¹¹	20,61	1,47,17	714	5
14.	Plan Expenditure	2,55,79	2,61,19	102	8
15.	PE on Revenue Account	1,57,18	1,60,17	102	5
16.	PE on Capital Account ¹²	98,61	1,01,02	102	3
17.	Total Expenditure (10+14)	6,58,46	7,75,13	118	25
18.	Revenue Expenditure (11+15)	5,39,23	5,26,94	98	17
19.	Capital Expenditure (13+16) ¹³	1,19,22	2,48,19	208	8
20.	Revenue Surplus (4-18)	38,67	99,10	256	3
21.	Fiscal Deficit (4+5+6-17)	79,82	57,60	72	2

⁶ GSDP figure of ₹ 31,53,87 crore adopted from the Economic Survey published by Planning Department, Government of Madhya Pradesh.

⁷ Includes State's share of Union Taxes of ₹ 18,219 crore.

⁸ See footnote at page No.3.

⁹ See footnote at page No.3.

¹⁰ Actual non plan expenditure includes Revenue expenditure (₹ 3,66,77 crore), Capital expenditure (₹ 32 crore), Loans and Advances disbursed (₹ 1,46,81 crore) and Inter State Settlement (₹ 4 crore).

¹¹ Includes ₹ 1,46,81 crore (Loans and Advances), ₹ 4 crore Inter State Settlement and ₹ 32 crore Capital Expenditure.

¹² Includes Plan Capital Expenditure ₹ 9023 crore and Plan Loans and Advances expenditure ₹ 1079 crore.

¹³ Expenditure on Capital Account includes Capital Expenditure (₹ 90,55 crore) and Loans and Advances disbursed (₹ 1,57,60 crore and Inter State Settlement (₹ 4 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 Twelfth Finance Commission had recommended that the State achieve revenue surplus by 2008-09 and reduce Fiscal Deficit to 3% of 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 to 3% with reference to GSDP during 2011-12¹⁴ where as the actual fiscal deficit for the year 2011-12 is 1.83%.

The State Government has been successful in achieving the Revenue Surplus as early as in 2004-05 and maintaining it thereafter¹⁵.

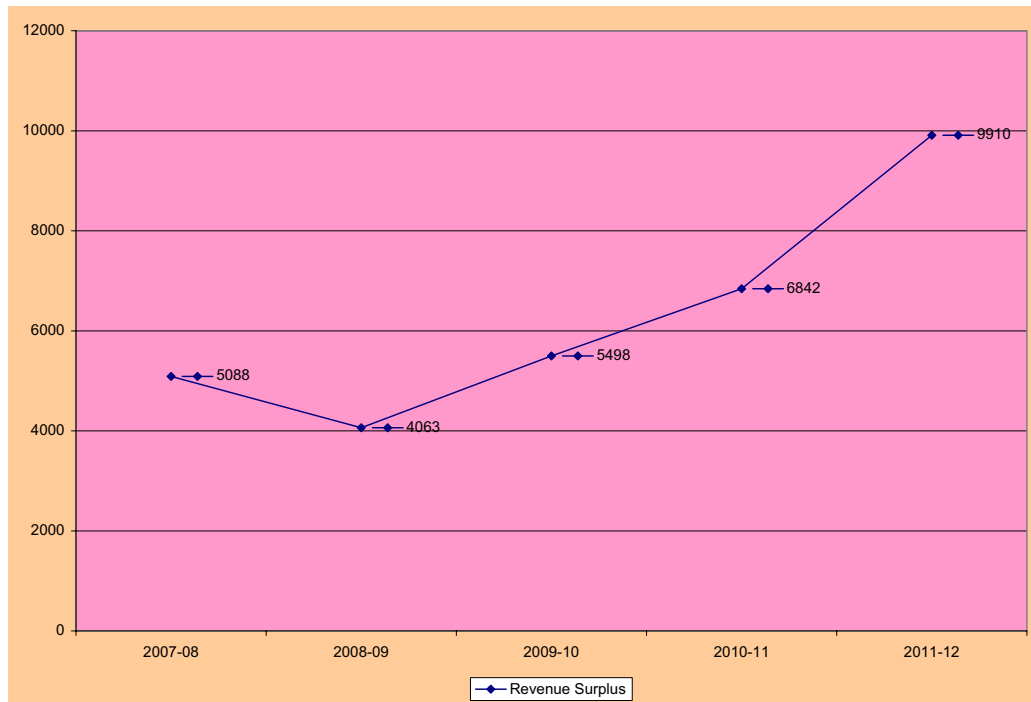
¹⁴ The Fiscal Deficit was ₹ 52,72 crore in 2010-11 and ₹ 57,60 crore in 2011-12.

¹⁵ The Revenue Surplus was ₹ 68,42 crore in 2010-11 and ₹ 99,10 crore in 2011-12.

1.6.1 Trend of Revenue Surplus

REVENUE SURPLUS

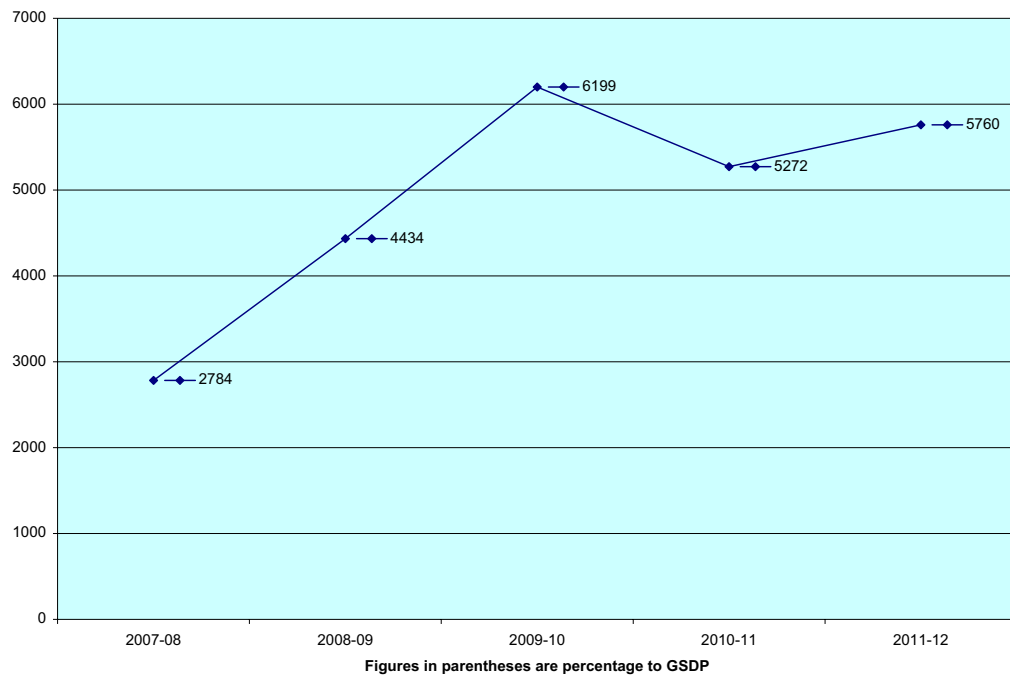
(₹ in crore)



1.6.2 Trend of Fiscal Deficit

FISCAL DEFICIT

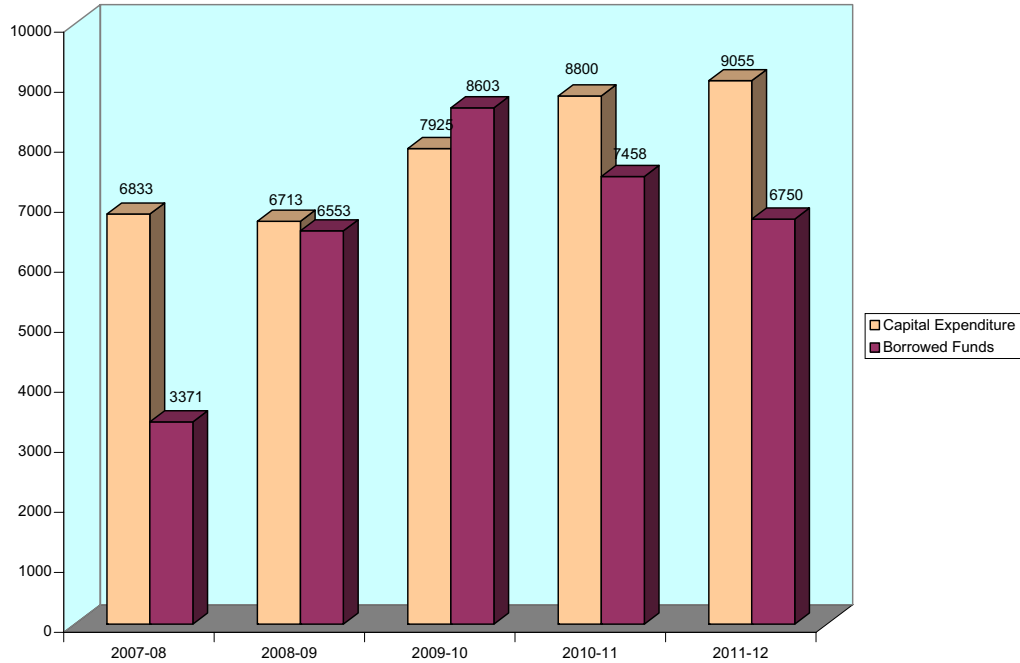
(₹ in crore)



1.6.3 Proportion of borrowed funds spent on Capital expenditure

BORROWED FUNDS SPENT ON CAPITAL EXPENDITURE

(₹ in crore)



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, received ₹ 67,50 crore as borrowings for the current year, out of this, ₹ 31,50 crore was spent on repayment of Public Debt.

C HAPTER II

RECEIPTS

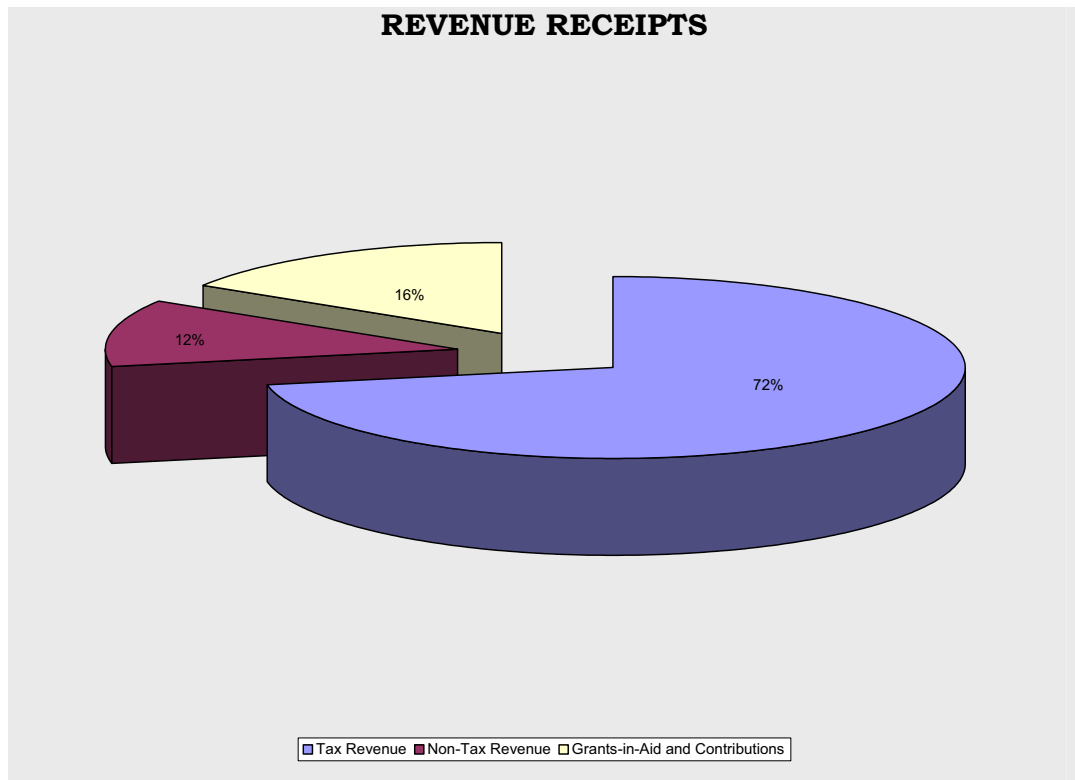
2.1. Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Receipts for 2011-12 were ₹ 7,75,13 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



Revenue Receipts Components (2011-12)

(₹ in crore)

Components	Actuals
A. Tax Revenue	4,51,92
Taxes on Income and Expenditure	1,10,81
Taxes on Property and Capital Transactions	46,70
Taxes on Commodities and Services	2,94,41
B. Non-Tax Revenue	74,83
Interest Receipts, Dividends and Profits	16,09
General Services	4,25
Social Services	16,73
Economic Services	37,76
C. Grants-in-Aid & Contributions	99,29
Total - Revenue Receipts	6,26,04

2.3 Trend of Receipts

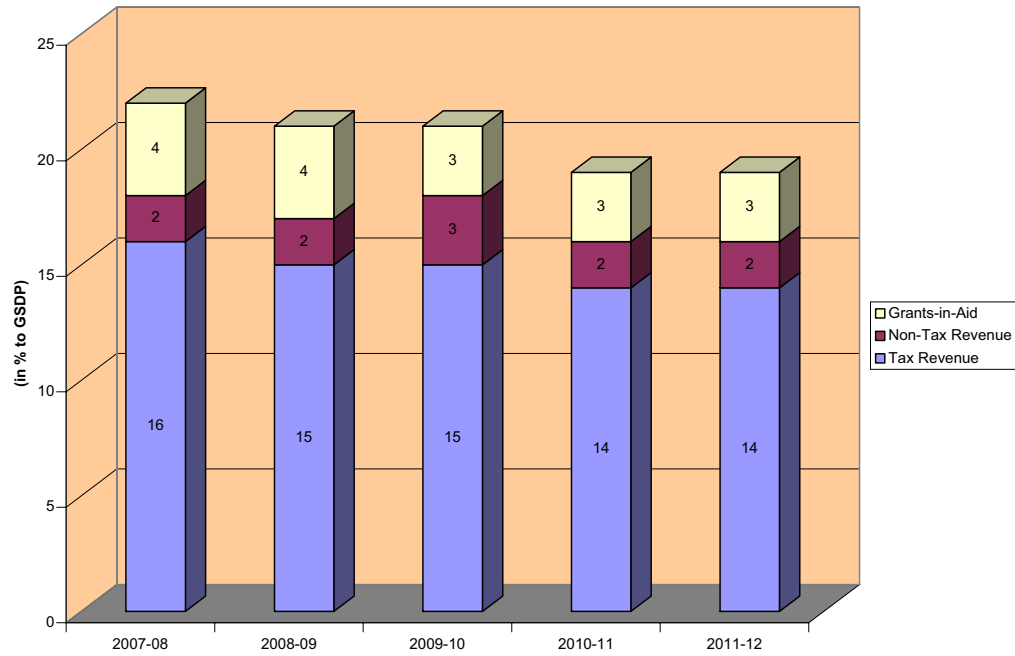
(₹ in crore)

	2007-08	2008-09	2009-10	2010-11	2011-12
Tax Revenues	2,22,21 (16)	2,43,81 (15)	2,83,50 (15)	3,70,58 (14)	4,51,92 (14)
Non-Tax Revenues	27,38 ¹⁶ (2)	33,43 ¹⁶ (2)	63,82 ¹⁶ (3)	57,20 (2)	74,83 (2)
Grants-in-Aid	57,29 (4)	58,54 (4)	66,63 (3)	90,76 (3)	99,29 (3)
Total Revenue Receipts	3,06,89 (22)	3,35,77 (21)	4,13,95 (21)	5,18,54 (19)	6,26,04 (20)
GSDP(A)	14,22,04	16,25,25	19,44,27	27,16,81	31,53,87

Note:- Figures in parentheses represent percentage to GSDP.

Though the GSDP increased by 16% between 2010-11 and 2011-12, growth in revenue collection was only 21%. While tax revenues increased by 22%, non-tax revenues increased by 31% in 2011-12 as compared to 2010-11.

COMPONENTS UNDER REVENUE RECEIPTS AS PROPORTION TO GSDP

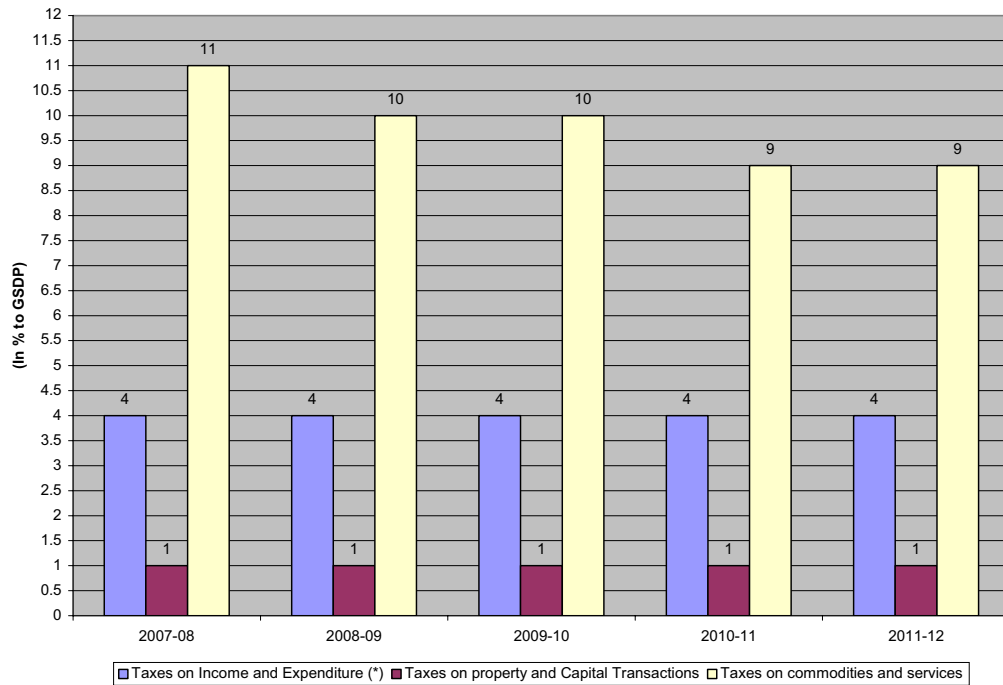


Sector-wise Tax Revenue

(₹ in crore)

	2007-08	2008-09	2009-10	2010-11	2011-12
Taxes on Income and Expenditure	56,04	59,30	73,14	95,76	1,10,81
Taxes on Property and Capital Transactions	16,64	18,21	19,74	28,88	46,70
Taxes on Commodities and Services	1,49,53	1,66,30	1,90,62	2,45,94	2,94,41
Total Tax Revenue	2,22,21	2,43,81	2,83,50	3,70,58	4,51,92

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
2007-08	2,22,21	1,02,03	1,20,18	8.4%
2008-09	2,43,81	1,07,67	1,36,14	8.4%
2009-10	2,83,50	1,10,77	1,72,73	8.9%
2010-11	3,70,58	1,56,39	2,14,19	7.9%
2011-12	4,51,92	1,82,19	2,69,73	8.6%

2.5 Efficiency of Tax Collection:-

A. Taxes on property and Capital Transactions:-

(₹ in crore)

	2007-08	2008-09	2009-10	2010-11	2011-12
Revenue Collection	16,64	18,21	19,74	28,88	46,70
Expenditure on Collection	3,65	4,07	5,56	6,32	7,52
Efficiency of Tax Collection	22%	22%	28%	22%	16%

B. Taxes on Commodities and Services:-

(₹ in crore)

	2007-08	2008-09	2009-10	2010-11	2011-12
Revenue Collection	1,49,53	1,66,30	1,90,62	2,45,94	2,94,41
Expenditure on Collection	7,54	8,01	10,43	15,98	15,16
Efficiency of Tax Collection	5%	5%	5%	6%	5%

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:-

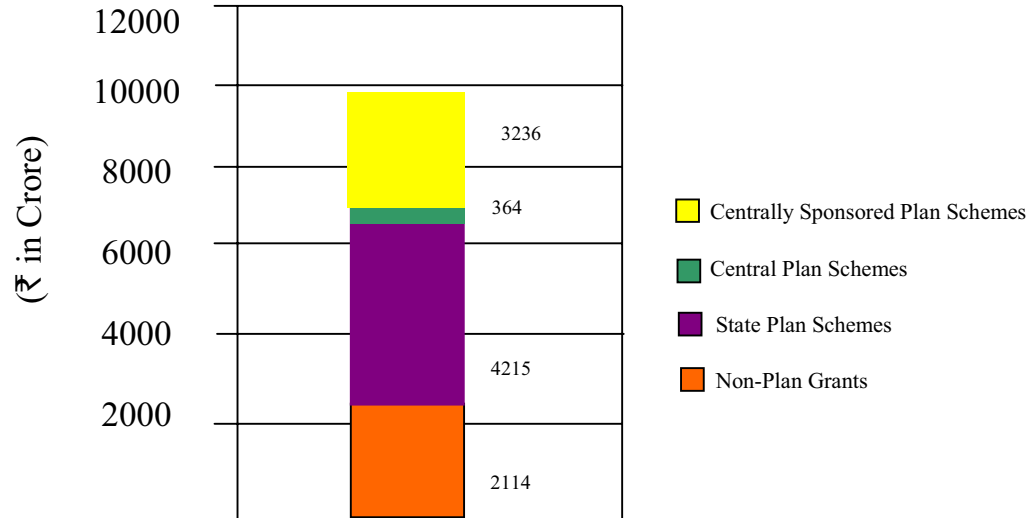
(₹ in crore)

	2007-08	2008-09	2009-10	2010-11	2011-12
Corporation Tax	32,38	35,31	45,59	61,13	71,71
Taxes on Income other than Corporation Tax	21,73	22,17	25,39	32,30	36,43
Taxes on Wealth	4	3	10	13	28
Customs	19,29	20,58	15,50	27,35	31,59
Union Excise Duties	18,41	17,95	12,49	19,89	20,44
Service Tax	10,19	11,63	11,70	15,59	21,74
State's Share of Union Taxes	1,02,03	1,07,67	1,10,77	1,56,39	1,82,19
Total Tax Revenue	2,22,21	2,43,81	2,83,50	3,70,58	451,92
% of Union Taxes to Total Tax Revenue	46	44	39	42	40

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 2011-12 under Grants-in-Aid were ₹ 99,29 crore as shown below:

Grant-in-Aid



As against a budget estimate of ₹ 1,16,44 crore of Union share in Non-Plan and Plan schemes, the State Government has actually received ₹ 99,29 as Grants-in-Aid (85% of BE).

2.8 Public Debt:-

Trend of Public Debt over the past 5 years

(₹ in crore)

	2007-08	2008-09	2009-10	2010-11	2011-12
Internal Debt	15,92	38,83	53,20	43,52	31,97
Central Loans	1,02	7,09	8,88	5,77	4,03
Total Public Debt	16,94	45,92	62,08	49,29	36,00

Note: Net figure Receipts - Disbursements.

In 2011-12, three loans totaling ₹ 40,00 crore at interest rates varying from 8.73% to 9.05% and redeemable in the years 2021-22 were raised at par.

C HAPTER 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 organisation. 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 ₹ 5,26,94 crore for 2011-12 was less than the budget estimates by ₹ 12,29 crore due to more disbursement of ₹ 2,99 crore under Plan Expenditure and less expenditure of ₹ 15,28 crore under Non-plan Expenditure. 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)

	2007-08	2008-09	2009-10	2010-11	2011-12
Budget Estimates	2,59,89	3,15,64	3,82,62	4,18,63	5,39,23
Actuals	2,56,01	2,95,14	3,58,97	4,50,12	5,26,94
Gap	3,88	20,50	23,65	{-} 31,49	12,29
% of gap over BE	1	6	6	{-} 8	2

The above table indicate that there was decrease (by 2%) of Revenue Expenditure against budget estimates, which was mainly due to decrease in Non-Plan Revenue Expenditure by ₹ 15,28 crore and increase in the actual Plan expenditure by ₹ 2,99 crore.

3.2.1 Sectoral distribution of Revenue Expenditure 2011-12

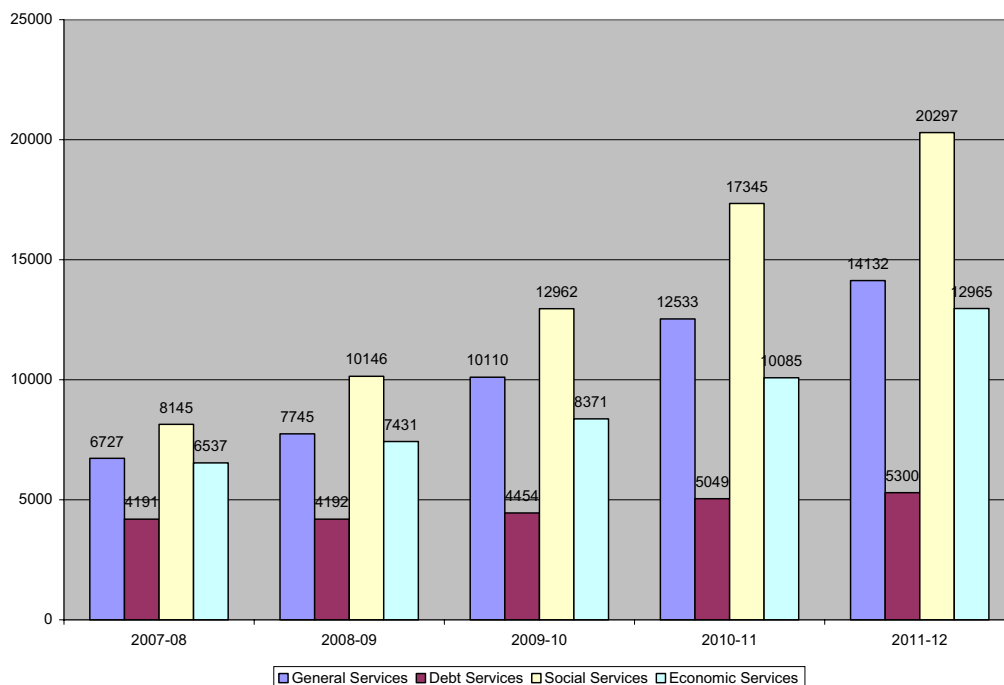
(₹ in crore)

Components		Amount	Percentage
A.	Fiscal Services	22,70	4
(i)	Collection of Taxes on Property and Capital transactions	7,52	1
(ii)	Collection of Taxes on Commodities and Services	15,16	3
(iii)	Other Fiscal Services	2	-
B.	Organs of State	7,06	1
C.	Interest Payments and Servicing of debt	53,00	10
D.	Administrative Services	35,35	7
E.	Pensions and Miscellaneous General Services	44,18	8
F.	Social Services	2,02,97	39
G.	Economic Services	1,29,65	25
H.	Grants-in-aid and Contributions	32,03	6
Total Expenditure (Revenue Account)		5,26,94	100

3.2.2 Major components of Revenue Expenditure (2007-12):-

TREND OF MAJOR COMPONENTS OF REVENUE EXPENDITURE

(₹ in crore)



* 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 2011-12, the Government spent ₹ 32,66 crore on various Projects (₹ 18,56 crore on Major Irrigation, ₹ 6,06 crore on Medium Irrigation, and ₹ 8,04 crore on Minor Irrigation). Apart from above, the Government spent ₹ 11 crore on Construction of Buildings under the Head "Housing" and invested ₹ 9,97 crore in various Statutory Corporations/Government Companies/Co-operatives.

(₹ in crore)

Sl.No.	Sector	Amount	Percentage
1.	General Services - Police, Land Revenue etc.	1,67	1
2.	Social Services - Education, Health & Family Welfare, Water Supply, Welfare of SC/ST etc.	15,99	6
3.	Economic Services - Agriculture, Rural Development, Irrigation, Cooperation, Energy, Industries, Transport etc.,	72,89	29
4.	Loans and Advances Disbursed	1,57,60	64
5.	Inter State Settlement	4	-
Total		2,48,19¹⁷	100

3.3.2 Sectoral distribution of capital expenditure over the past 5 years

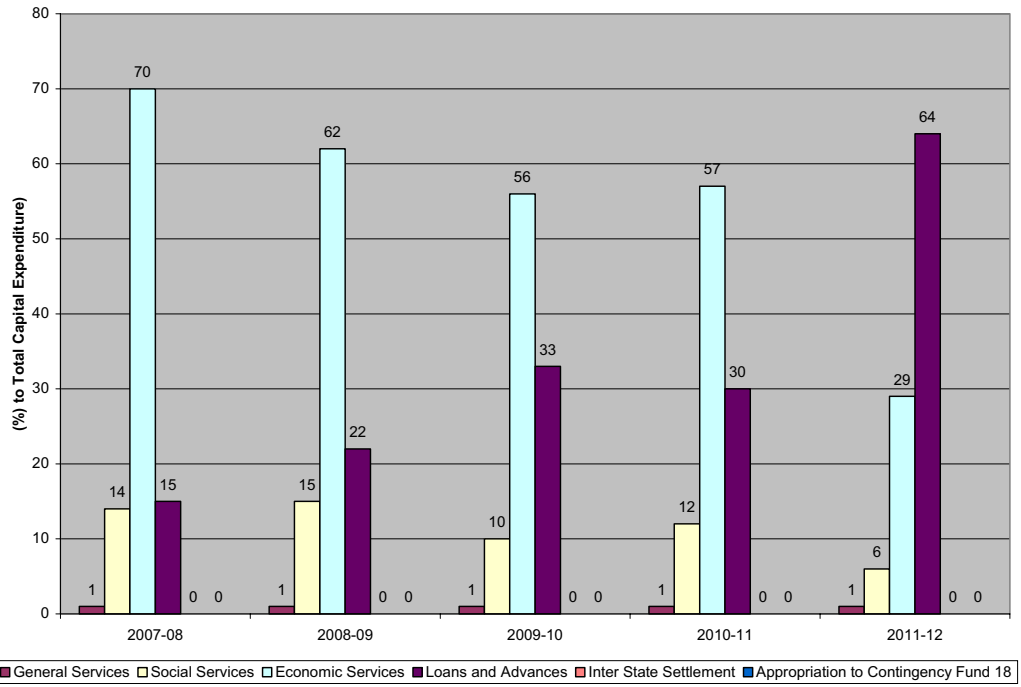
(₹ in crore)

Sl. No.	Sector	2007-08	2008-09	2009-10	2010-11	2011-12
1.	General Services	74	1,25	1,19	1,79	1,67
2.	Social Services	11,41	12,95	11,78	15,32	15,99
3.	Economic Services	56,18	52,93	66,28	70,89	72,89
4.	Loans and Advances	11,55	18,61	38,17	37,15	1,57,60
5.	Inter State Settlement	2	1	3	2	4
Total		79,90	85,75	1,17,45	1,25,17	2,48,19¹⁷

17

Contingency Fund of State of Madhya Pradesh upto 2010-11 was ₹ 1,00 crore. This year it has been enhanced from ₹ 1,00 to ₹ 2,00 crore through notification in Gazette of the State Government. It is not shown separately, as the effect of debit and credit contingency fund is nil.

TREND OF SECTORAL DISTRIBUTION OF CAPITAL EXPENDITURE



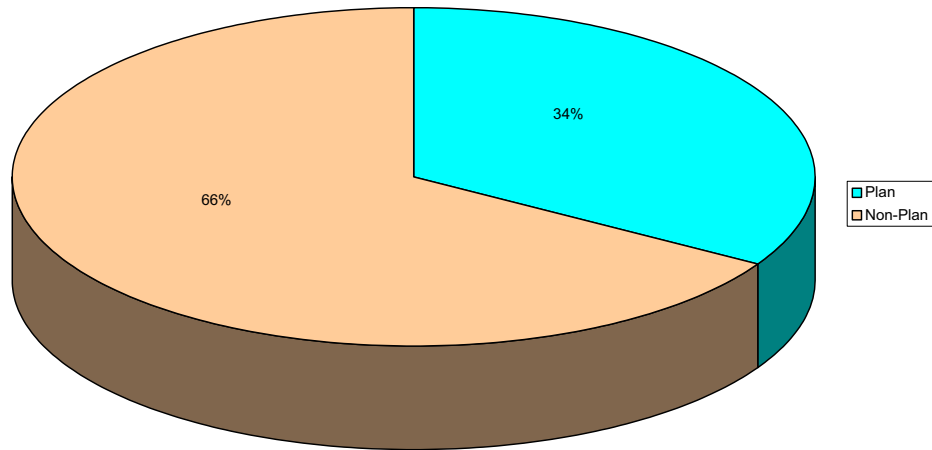
18. Please see footnote on Page No. 21.

C HAPTER IV

PLAN & NON PLAN EXPENDITURE

4.1 Distribution of expenditure (2011-12)

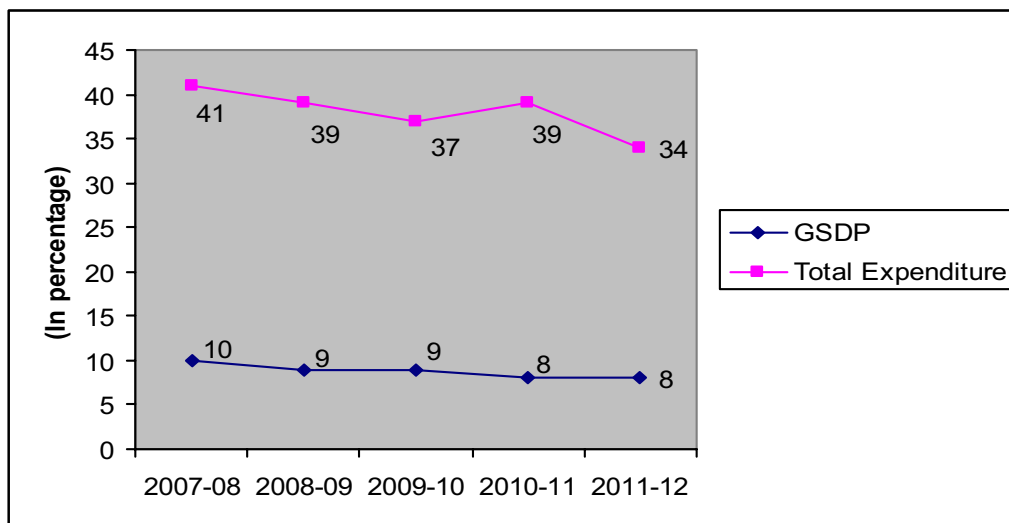
DISTRIBUTION OF EXPENDITURE



4.2 Plan Expenditure

During 2011-12, Plan Expenditure, representing 34 per cent of total disbursements, was ₹ 26,119 crore (₹ 17,718 crore under State Plan, ₹ 7,322 crore under Centrally Sponsored Plan Schemes and ₹ 1079 crore under Loans and Advances).

PLAN EXPENDITURE AS PROPORTION OF TOTAL EXPENDITURE AND GSDP



4.2.1 Plan expenditure under Capital Account

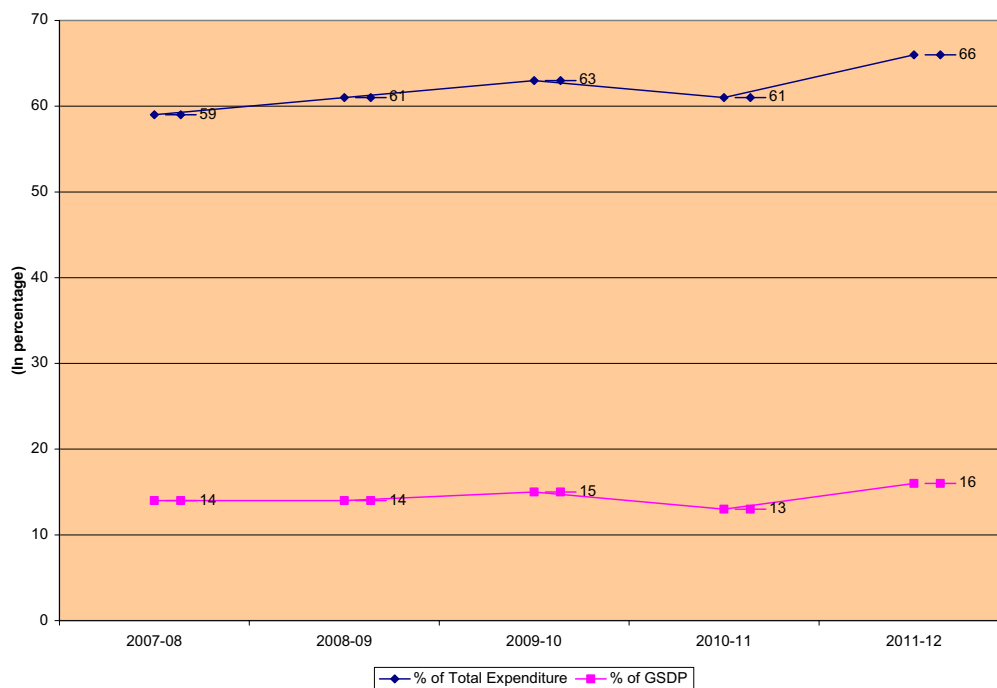
(₹ in crore)

	2007-08	2008-09	2009-10	2010-11	2011-12
Total Capital Expenditure	79,90	85,75	1,17,45	1,25,17	2,48,19
Capital Expenditure (Plan)	69,57	71,81	79,11	96,17	1,01,02
% of Capital Expenditure (plan) to Total Capital Expenditure	87	84	67	77	41

4.3 Non-Plan Expenditure

Non-Plan Expenditure during 2011-12, representing 66 per cent of total disbursements, was ₹ 51,394 crore, (₹ 36,677 crore under Revenue and ₹ 14,717 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 26.13 of Madhya Pradesh Budget Manual). It was, however, noticed that in the eight cases the expenditure incurred during March 2012 ranged between 40 per cent to 97 per cent 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)

Sl. No.	Description of Grant	Total provision	Total expenditure	Expenditure in March	Percentage of expenditure in March to total expenditure
1	11-Commerce, Industry and Employment	4,32.18	3,83.90	1,73.73	45.25
2.	12-Energy	1,79,66.62	1,77,74.70	1,33,19.97	75.08
3.	25-Mineral Resources	6,30.06	6,25.59	6,09.36	97.41
4.	26-Culture	1,11.08	95.95	47.44	49.44
5.	37-Tourism	1,04.19	1,03.91	54.89	52.82
6.	51-Religious Trusts and Endowments	14.47	11.19	5.54	49.51
7.	61- Expenditure Pertaining to Bundelkhand Package	7,67.99	4,39.33	1,78.79	40.70
8.	70-Externally Aided Project Pertaining to Technical Education and Training Department	7.43	6.76	6.49	96.05

4.5 Committed Expenditure

TREND OF COMMITTED EXPENDITURE



(₹ in crore)

Component	2007-08	2008-09	2009-10	2010-11	2011-12
Committed Expenditure	1,27,19	1,47,02	1,77,04	2,12,43	2,30,29
Revenue Expenditure	2,56,01	2,95,14	3,58,97	4,50,12	5,26,94
% of Committed Expenditure to Revenue Receipts	41	44	43	41	37
% of Committed Expenditure to Revenue Expenditure	50	50	49	47	44

The major disbursement on Committed Expenditure leaves the Government with lesser flexibility for development spending.

C HAPTER V

APPROPRIATION ACCOUNTS

5.1 Summary of Appropriation for 2011-12

(₹ in crore)

Sl. No.	Nature of expenditure	Original grant/ Appropriation	Supplementary grant/ Appropriation	Total	Actual expenditure	Savings (-) Excesses (+)	Re-appropriation/ Surrender
1	Revenue						
	Voted	4,88,01.06	52,52.62	5,40,53.68	4,64,71.02	(-) 75,82.66	(-) 32,10.32
	Charged	65,38.99	4,21.70	69,60.69	65,55.62	(-) 4,05.07	(-) 74.83
2	Capital						
	Voted	89,73.29	16,42.91	1,06,16.20	89,95.19	(-) 16,21.01	(-) 12,35.00
	Charged	18.67	80.65	99.32	97.70	(-) 1.62	(-) 2.65
3	Public Debt						
	Charged	68,00.10	0.00	68,00.10	31,49.79	(-) 36,50.31	0.00
4	Loans and Advances						
	Voted	32,11.21	1,44,45.61	1,76,56.82	1,58,64.26	(-) 17,92.56	(-) 16,86.79
	Total	7,43,43.32	2,18,43.49	9,61,86.81	8,11,33.58	(-) 1,50,53.23	(-) 62,09.59

5.2 Trend of Savings/Excess during the past five years

(₹ in crore)

Year	Savings (-)/Excess (+)				Total
	Revenue	Capital	Public Debt.	Loans & Advances	
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
2011-12	(-) 79,87.73	(-) 16,22.63	(-) 36,50.31	(-) 17,92.56	(-) 1,50,53.23

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	2007-08	2008-09	2009-10	2010-11	2011-12
REVENUE VOTED SECTION						
01	General Administration	16.83	16.80	13.51	12.46	15.05
04	Other expenditure pertaining to Home Department	12.43	20.85	21.77	21.02	22.85
06	Finance	22.20	20.04	31.32	27.82	30.20
13	Farmer's Welfare and Agriculture Development	18.58	33.89	22.56	9.67	14.53
29	Law and Legislative Affairs	26.26	22.64	15.70	41.04	20.06
48	Narmada Valley Development	33.45	19.76	34.62	28.99	16.06
64	Scheduled Caste Sub Plan	19.72	20.11	21.55	13.00	15.09
CAPITAL VOTED SECTION						
01	General Administration	77.59	39.88	52.27	19.40	41.82
03	Police	88.67	12.18	10.92	17.19	51.79
23	Water Resource Department	8.24	9.23	36.50	8.04	10.93
41	Tribal Area sub plan	10.94	10.29	36.07	11.71	9.71
45	Minor Irrigation Works	28.58	17.63	29.65	50.90	11.35
57	Externally Aided Projects pertaining to Water Resources Development	54.13	31.74	25.58	20.68	39.65
58	Expenditure on Relief on account of Natural Calamities and Scarcity	100.00	100.00	64.29	69.64	85.47

Grant	Nomenclature	2007-08	2008-09	2009-10	2010-11	2011-12
64	Scheduled Caste Sub-Plan	11.13	12.41	11.55	9.01	19.36
67	Public Works Building	50.32	23.33	14.61	33.28	38.11

During 2011-12, supplementary grants/Appropriation totalling ₹ 2,18,43.49 crore (26.92% 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	Supple- mentary	Actual Expenditure
CH-II	Interest Payments and Servicing of debt	Revenue (Charged)	53,42.18	2,26.13	52,84.59
03	Police	Revenue (Voted)	24,85.29	73.20	23,65.47
06	Finance	Revenue (Voted)	65,03.67	6.14	45,43.60
06	Finance	Capital (Voted)	15,18.30	1,00.00	1,16.52
08	Land Revenue and District Administration	Revenue (Voted)	8,49.64	32.80	6,89.30
10	Forest	Revenue (Voted)	12,07.29	75.75	10,88.53
10	Forest	Revenue (Charged)	12.28	0.25	0.44
15	Financial Assistance to three tier Panchayati Raj Institutions under Scheduled Castes Sub Plan	Revenue (Voted)	10,79.00	10.94	9,13.49
19	Public Health and Family Welfare	Capital (Voted)	62.10	51.05	21.90
23	Water Resources Department	Revenue (Voted)	6,35.97	19.22	5,76.81
24	Public Works – Roads and Bridges	Capital (Voted)	12,75.77	2,07.00	11,99.07
27	School Education (Primary Education)	Revenue (Voted)	41,33.72	3,16.71	38,56.32
29	Law and Legislative affairs	Revenue (Voted)	5,61.12	1,25.83	5,49.13

Grant	Nomenclature	Section	Original	Supple- mentary	Actual Expenditure
31	Planning Economics and Statistics	Revenue (Voted)	4,56.97	2.33	72.92
41	Tribal Area Sub-Plan	Revenue (Voted)	21,86.91	1,69.63	20,69.37
44	Higher Education	Revenue (Voted)	8,79.38	0.81	7,17.08
48	Narmada Valley Development	Capital (Voted)	7,59.70	5.32	7,00.85
58	Expenditure on Relief on account of Natural Capital Calamities and scarcity	Capital (Voted)	2.70	0.23	0.42
64	Scheduled Castes Sub-Plan	Revenue (Voted)	15,55.07	1,34.97	14,34.99
67	Public Works – Buildings	Capital (Voted)	98.11	10.50	67.22
74	Financial Assistance to three tier Panchayati Raj Institutions	Revenue (Voted)	44,65.36	2,75.21	41,98.90
75	Financial Assistance to Urban Bodies	Revenue (Voted)	34,20.22	2,78.32	34,02.64
77	Other Expenditure pertaining to School Education Department (Excluding Primary Education)	Revenue (Voted)	12,64.20	1,11.44	10,53.24
	Total		4,07,54.95	22,33.78	3,49,22.80

C

HAPTER 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 ₹ 1,31,84¹⁹ crore at the end of 2011-12. However, dividends received during the year were ₹ 38 crore (i.e. 0.29%) on investment. During 2011-12, investments increased by ₹ 9,68 crore, and dividend income increased by ₹ 6 crore.

Cash Balance with RBI stood at ₹ (-) 27,05 crore on 31st March 2011 and increased to ₹ 6,95 crore at the end of March, 2012.

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 ²⁰	% to GSDP	Total Liabilities ²⁰	% to GSDP
2007-08	4,20,40	30	1,35,88	10	5,56,28	39
2008-09	4,66,32	29	1,41,17	9	6,07,49	37
2009-10	5,28,41	27	1,50,12	8	6,78,53	35
2010-11	5,77,69	21	1,77,35	7	7,55,04	28
2011-12	6,13,70	19	2,03,87	6	8,17,57	26

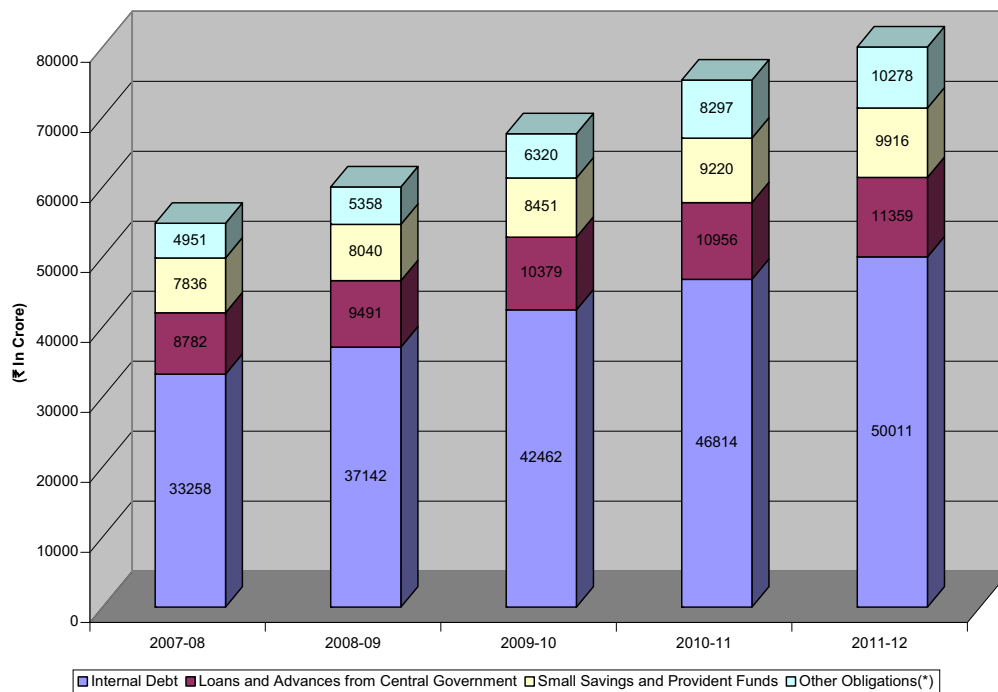
(*) Excludes suspense and remittance balances.

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

There is a net increase of ₹ 62,53 crore (8%) in Public Debt and Other liabilities in 2011-12 as compared to 2010-11.

¹⁹ Includes ₹ 10,76 crore yet to be allotted between MP and CG as per MP Re-organisation Act 2000.
²⁰ 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, Cooperative Societies, etc., is given below.

(₹ in crore)

At the end of the year	Maximum Amount Guaranteed (Principal only)	Amount outstanding as on 31st March 2012
		Principal and Interest
2007-08	1,20,86	8,56
2008-09	1,19,91	19,30
2009-10	1,18,23	16,30
2010-11	84,39	51,11
2011-12	1,11,08	56,05

C HAPTER 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 2012, the adverse balances amounted to ₹ Nil.

7.2 Loans and Advances by the State Government

Total Loans and Advances made by the State Government at the end of 2011-12 was ₹ 2,17,42²¹ crore. Of this, Loans and Advances to Government Corporations/Companies, non-Government Institutes and Local Bodies amounted to ₹ 2,17,13²² crore. ₹ 1200 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 ₹ 84,91 crore in 2007-08 to ₹ 1,61,44 crore in 2011-12. Grants to Zilla Parishads, Panchayat Samities and Municipalities (₹ 96,55 crore) represented 60 per cent of total grants given during the year.

²¹ Includes ₹ 21,87 crore retained in M.P. yet to be reconciled.
²² 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 Samitis/Gram Panchayats	Others	Total
2007-08	-	1,97	-	82,94	84,91
2008-09	-	2,59	-	1,00,61	1,03,20
2009-10	-	4,29	-	76,59	80,88
2010-11	-	37,58	-	1,11,29	1,48,87
2011-12	4,67	42,42	49,46	64,89	1,61,44

7.4 Cash Balance and investment of Cash Balance

(₹ in crore)

Component	As on 1st April 2011	As on 31st March 2012	Net increase(+)/decrease (-)
Cash Balances	(-) 27,05	6,95	34,00
Investments from cash balance (GOI Treasury Bills & GOI securities)	92,12	66,80	(-) 25,32
Investment from earmarked fund balances	3,79	3,97	18
(a) Sinking Fund	-	-	-
(b) Guarantee Redemption Fund	3,69	3,88	19
(c) Other Funds	10	09	(-) 01
(d) Interest Realised	2,63	3,55	92

Interest realised on investment of cash balance increased by 35% during the year as compared to 2010-11.

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 2011-12, only 59% (₹ 3,94,38 crore) of the total expenditure of ₹ 6,70,23 crore of the State Government was reconciled. Similarly, out of total receipts of ₹ 1,39,37 crore, only 7% (₹ 10,36 crore) was reconciled. The status of reconciliation of accounts in respect of the Budget Controlling Officers (BCO) of different departments is given below:-

Particulars	Total No. of BCOs	Fully Reconciled	Partially Reconciled	Not Reconciled
Expenditure	104	99	5	-
Receipts	104	85	6	13
Total	208	184	11	13

7.6 Submission of Accounts by Treasuries

During the year 2011-12 out of 660 monthly accounts, 209 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.
04/2011	55	23	32	55	-	25.05.11
05/2011	55	42	13	55	-	23.06.11
06/2011	55	43	12	55	-	22.07.11
07/2011	55	43	12	55	-	24.08.11
08/2011	55	46	09	55	-	23.09.11
09/2011	55	46	09	55	-	24.10.11
10/2011	55	39	16	55	-	25.11.11
11/2011	55	45	10	55	-	23.12.11
12/2011	55	35	20	55	-	25.01.12
01/2012	55	17	38	55	-	22.02.12
02/2012	55	47	08	55	-	23.03.12
03/2012	55	25	30	55	-	11.05.12
Total	660	451	209	660	-	-

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 2012, 870 DC bills amounting to ₹ 19.50 crore was outstanding, indicates that these instructions have not been followed.