

GOVERNMENT OF MADHYA PRADESH
FINANCE DEPARTMENT
MANTRALAYA

NOTIFICATION

Bhopal, dated 24-01-2006

No. 29/F-15-6/2005/IV-B/EPAU - In exercise of the powers conferred by sub-section (1) and sub-section (2) of section 12 of the Madhya Pradesh Rajkoshiya Uttardayitva Avam Budget Prabandhan Adhiniyam, 2005 (No.18 of 2005) the State Government hereby makes the following rules, namely: -

1. Short title and commencement:

- (1) These rules may be called the Madhya Pradesh Rajkoshiya Uttardayitva Avam Budget Prabandhan Niyam, 2006.
- (2) They shall come into force with effect from the date of its publication in the Madhya Pradesh Gazette.

2. Definitions:

- (1) In these rules, unless the context otherwise requires;
 - (a) "Act" means the Madhya Pradesh Rajkoshiya Uttardayitva Avam Budget Prabandhan Adhiniyam, 2005 (No.18 of 2005);
 - (b) "Form" means a form appended to these rules;
 - (c) "Section" means a section of the Act;
 - (d) "Previous Year" means the financial year preceding of the current year;
 - (e) "State Government" means the Government of Madhya Pradesh.
- (2) Words and expressions used herein but not defined and defined in the Act shall have the same meanings as assigned to them in the Act.

3. Macroeconomic Framework Statement:

The Macroeconomic Framework Statement as required under Section 6, shall be in **Form F-1**.

4. Medium Term Fiscal Policy Statement:

(1) The Medium Term Fiscal Policy Statement, as required under sub-section (1) of section 7, shall be in **Form F-2** which shall include five year rolling targets in respect of the following fiscal indicators:

- (a) revenue deficit as a percentage of GSDP;
- (b) fiscal deficit as a percentage of GSDP;
- (c) outstanding total liabilities as a percentage of GSDP;

(2) The Medium Term Fiscal Policy Statement shall also explain the assumptions underlying the above mentioned targets for fiscal indicators and an assessment of sustainability relating to the items indicated in sub-section (2) of section 7 of the Act.

5. Fiscal Policy Strategy Statement:

(1) The Fiscal Policy Strategy Statement as required under Section 8 shall be in **Form F-3**.

6. Guarantee:

The total revenue receipts mentioned in clause (d) of sub section (2) of section 9 of the Act shall not include any receipt, which is transitory in nature.

7. Disclosures:

(1) The State Government shall, at the time of presenting the budget, make disclosures as required under section 10 of the Act in the following statements, namely:

- (a) a statement of select indicators of fiscal situation in **Form F-4**;
- (b) a statement on components of State Government liabilities and interest cost of borrowings/mobilisation of deposits in **Form F-5**;
- (c) a statement on the Consolidated Sinking Fund in **Form F-6**;
- (d) a statement on guarantees given by the Government in **Form F-7**;
- (e) a statement on the Guarantee Redemption Fund in **Form F-8**;
- (f) a statement of financial assets in **Form F-9**;
- (g) a statement on claims and commitments made by the State Government on revenue demands raised but not realised in **Form F-10**;
- (h) a statement on the details of number of employees in the State Government, State Public Sector Undertakings and State aided institution and related salaries in **Form F-11**.

(2) The provisions of sub-rule (1) shall be complied with not later than one year from the date of coming into force of the Act.

8. Measures to enforce compliance

In case the outcome of the half-yearly reviews of trends in receipts and expenditure, at the end of the second quarter of any financial year shows that -

- (i) the total non-debt receipts are less than 10 per cent of Budget Estimates for that period; or
- (ii) the fiscal deficit is higher than the Budget Estimates for that year by 10 percent; or
- (iii) the revenue deficit is higher than the Budget Estimates for that year by 10 per cent ;

then;

- (a) the State Government shall take appropriate measures as required under sub-section (2) of section 11, and
- (b) as required under clause (b) of sub-section (3) of section 11 of the Act, the Minister-in-charge of the Ministry of Finance shall make a statement immediately following the end of the second quarter detailing the corrective measures taken and the prospects for the fiscal deficit of that financial year.

9. Review:

A review of the compliance of the provisions of these rules shall be done once in two years by an agency to be appointed by the State Government and such reviews shall be laid on the table of State Legislature.

MACRO ECONOMIC FRAMEWORK STATEMENT

A. 1. **Overview of the State Economy:** A synoptic analysis of trend in the rate of growth of output.

2. **GSDP Growth:** An analysis of trends in overall GSDP growth and its sectoral composition.

3. **Overview of State Government Finances:** The developments in State Finances including an analysis of trends in revenue collections and expenditure, and the important fiscal indicators.

4. **Prospects:** An assessment shall be made regarding the growth prospects and fiscal prospects.

B. Trends in Select Fiscal Indicators

S.No.	Fiscal Indicators	Previous Year	Current Year	Ensuing Year	% change in Current Year over Previous Year	% change in Ensuing Year over Current Year
	(1)	(2)	(3)	(4)	(5)	(6)
1	Revenue Receipts (2 +3+4)					
2	Tax Revenue (2.1+2.2)					
2.1	State Tax					
2.2	Share in Central Taxes					
3	Non-Tax Revenue					
4	Grant-in-aid from Central Govt.					
5	Capital Receipts (6+7+8)					
6	Recovery of loans and advances					
7	Net public debt					
8	Net Receipts from Public Account					
9	Total Receipts (1+5)					
10	Revenue Expenditure (10.1+10.2)					
10.1	Non-Plan Revenue Expenditure					
10.2	Plan Revenue Expenditure					
10.3	Revenue Expenditure <i>Of which:</i>					
10.3.1	Interest payments					
10.3.2	Subsidies					

10.3.3	Wages & Salaries					
10.3.4	Pension Payments					
11	Capital Expenditure (11.1+11.2)					
11.1	Non-Plan Capital Expenditure					
11.2	Plan Capital Expenditure					
12	Loans and advances (12.1+12.2)					
12.1	Non Plan Loans and advances					
12.2	Plan Loans and advances					
13	Total Expenditure					
13.1	Non Plan Expenditure (10.1+11.1+12.1)					
13.2	Plan Expenditure (10.2+11.2+12.2)					
14	Revenue Deficit (1-10)					
15	Fiscal Deficit (1+6-13)					
16	Primary Deficit [1+6-(13-10.3.1)]					

MEDIUM TERM FISCAL POLICY STATEMENT**A. Fiscal Indicators - Rolling Targets**

Fiscal Indicator	Previous Year (Y-2) Accounts	Current Year (Y-1) Revised Estimates (RE)	Ensuing Year (Y); Budget Estimates (BE)	Targets for next three Years		
				Y + 1	Y + 2	Y + 3
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1. Revenue Deficit as percentage of GSDP						
2. Fiscal Deficit as percentage of GSDP						
3. Total outstanding Liabilities as percentage of GSDP						

B. Assumptions underlying the Fiscal Indicators

- (1) Revenue receipts
 - (a) Tax-revenue
 - (b) Non-tax revenue
 - (c) Share of State tax revenue to total revenue receipts
 - (d) Share of State non-tax revenue to total revenue receipts

- (2) Capital receipts - Debt stock, repayment and fresh loans.
 - (a) Loans and advances from the Centre
 - (b) Special securities issued to the NSSF
 - (c) Recovery of loans and advances
 - (d) Borrowings from financial institutions
 - (e) Other receipts (net) – provident funds, etc.
 - (f) Outstanding Liabilities - Internal Debt and Other Liabilities

- (3) Total expenditure
 - (a) Revenue account
 - (i) Interest payments – (a) on borrowings during the year; (b) on outstanding liabilities
 - (ii) Major subsidies
 - (iii) Salaries
 - (iv) Pensions
 - (v) Others.
 - (b) Capital account
 - (i) Loans and advances
 - (ii) Capital Outlay

- (4) GSDP Growth

C. Assessment of sustainability relating to -

(1) The balance between receipts and expenditure in general and State revenue receipts and revenue expenditure in particular: The Medium Term Fiscal Policy Statement shall specify the tax-GSDP ratio, own tax-GSDP ratio and State's share in Central tax – GSDP ratio for the current year and subsequent four years with an assessment of the changes required for achieving it. It may discuss policies to contain expenditure on salaries, pension, subsidies and interest payments. An assessment of the capital receipts shall be made, including the borrowings and other liabilities, as per policies spelt out. The statement may also give projections for GSDP and discuss it on the basis of assumptions underlying the indicators in achieving the sustainability objective.

(2) The use of capital receipts including market borrowings for generating productive assets: The Medium Term Fiscal Policy Statement may specify the proposed use of capital receipts for generating productive assets. It may also spell out the proposed changes among these categories and discuss them in terms of the overall policy of the Government.

(3) The estimated yearly pension liabilities for the next ten years: The Medium Term Fiscal Policy Statement may estimate the pension liabilities by making forecasts on the basis of trend growth rates.

FISCAL POLICY STRATEGY STATEMENT

- 1. Fiscal Policy Overview** presenting an overview of the fiscal policy currently in vogue.
- 2. Fiscal policy for the ensuing year** dealing with tax and non-tax policy, expenditure policy, borrowings and contingent liabilities.
- 3. Strategic priorities for the ensuing year describing** resource mobilization. broad principles underlying the expenditure management, priorities relating to management of public debt.
- 4. Rationale for Policy changes with regard to** major policy changes in respect of budgeted expenditure, including expenditure on subsidies and pensions, management of the public debt and the charges for public utilities.
- 5. Policy Evaluation** presenting an assessment of the current fiscal policy in relation to the fiscal management principles and the fiscal targets set out in the Medium Term Fiscal Policy Statement.

FORM F-4
[see Rule 7]

SELECT FISCAL INDICATORS

S.No.	Item	Previous Year (Accounts)	Current Year (RE)	Ensuing Year (BE)
(1)	(2)	(3)	(4)	(5)
(1)	Gross Fiscal Deficit as Percentage of GSDP			
(2)	Revenue Deficit as Percentage of Gross Fiscal Deficit			
(3)	Revenue Deficit as Percentage of GSDP			
(4)	Revenue Deficit as Percentage of TRR			
(5)	Total Liabilities -GSDP Ratio (%)			
(6)	Total Liabilities - Total Revenue Receipts (%)			
(7)	Total Liabilities –State’s Tax Revenue Receipts (%)			
(8)	State’s Tax Revenue Receipts to Revenue Expenditure (%)			
(9)	Capital Outlay as Percentage of Gross Fiscal Deficit			
(10)	Interest Payment as Percentage of Revenue Receipts			
(11)	Salary Expenditure as Percentage of Revenue Receipts			
(12)	Pension Expenditure as Percentage of Revenue Receipts			

FORM F-5

[see Rule 7]

A. Components of State Government Liabilities

(Rs crore)

S.No	Category	Raised or to be raised during the Fiscal Year			Repayment/Redemption during the Fiscal Year			Outstanding Amount (as on 31 st March)		
		Previous Year (Acc)	Current Year (RE)	Ensuing Year (BE)	Previous Year (Acc)	Current Year (RE)	Ensuing Year (BE)	Previous Year (Acc)	Current Year (RE)	Ensuing Year (BE)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
(1)	Market Borrowings									
(2)	Loans from Center									
(3)	Special Securities issued to the NSSF									
(4)	Borrowings from Financial Institutions/Banks									
(5)	WMA/OD from RBI									
(6)	Public Account									
(7)	Other Deposits									
(8)	Total									

B. Weighted Average Interest Rates on State Government Liabilities

(per cent)

S.No	Category	Raised during the Fiscal Year [^]		Outstanding Amount (as on 31 st March)	
		Previous Year (Acc)	Current Year (RE)	Previous year (Acc)	Current Year (RE)
	(1)	(2)	(3)	(4)	(5)
(1)	Market Borrowings				
(2)	Loans from Centre				
(3)	Special Securities issued to the NSSF				
(4)	Borrowings from Financial Institutions/ Banks				
(5)	WMA/OD from RBI				
(6)	Public Account				
(7)	Other Deposits				
(8)	Overall Average Rate *				

[^] Weighted average interest rate where the respective weight is the amount borrowed. This is calculated on contractual basis and then annualized.

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

C. Details of Special Ways & Means Advance / Ways & Means Advance Over-draft availed by the State Government from Reserve Bank of India

S.No.	WMA/OD	Previous Year	Current Year*
(1)	(2)	(3)	(4)
(1)	Average amount of WMA (Rs crore)		
(2)	Average amount of OD (Rs crore)		
(3)	Number of days of WMA		
(4)	Number of days of OD		
(5)	Number of occasions of OD		

* as on 31st December

FORM F-6
[see Rule 7]

Consolidated Sinking Fund (CSF)

(Rs in Crore)

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

FORM F –7
[see Rule 7]

Guarantees given by the Government

Category (No. of Guarantees within bracket)	Maximum Amount Guaranteed during the year (Rs. crore)	Outstanding at the beginning of the year (Rs. crore)	Additions during the year (Rs. crore)	Reductions during the year (other than invoked during the year) (Rs. crore)	Invoked during the year (Rs. crore)		Total outstanding Guarantees (Rs. crore)	Guarantee Commission or Fee (Rs. crore)		Total outstanding Guarantees as a % of Total Revenue Receipts
					Discharged	Not discharged		Receivable	Received	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)

Note: Data for the current year is upto 31st December.

FORM F-8
[see Rule 7]

Guarantee Redemption Fund (GRF)

(Amount in Rs. Crore)

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

FORM F - 9
[see Rule 7]
STATEMENT OF FINANCIAL ASSETS

S.No.	Item	Assets at the beginning of the previous year	Assets acquired during the previous year	Cumulative total of assets at the end of the previous year
		Book Value (Rs. cr.)	Book Value (Rs. cr.)	Book Value (Rs. cr.)
(1)	(2)	(3)	(4)	(5)
(1)	Loans and advances Loans to Local Bodies Loans to companies Loans to others			
(2)	Equity Investment Shares Bonus shares			
(3)	Investments in GoI dated securities/Treasury Bills			
(4)	Investments in 14-day Intermediate Treasury Bills			
(5)	Other financial investments			
(6)	Total			

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

Form F - 10
[see Rule 7]
REVENUES RAISED BUT NOT REALISED
(principal taxes and non-taxes)

(As at the end of the previous year)

Major Head	Description	Amount under disputes (Rs. crore)	Amount not under disputes (Rs. crore)	Grand Total (Rs crore)
(1)	(2)	(3)	(4)	(5)
	Taxes on Income and Expenditure			
0023	Hotel Receipts Tax			
0028	Other Taxes on income and expenditure			
	Taxes on Property and capital Services			
0029	Land Revenue			
0030	Stamps and Registration fees			
	Taxes on Commodities and Services			
0040	Taxes on Sales, trade, etc			
0039	State Excise			
0041	Taxes on Vehicles			
0045	Other taxes and duties on commodities and services			
0043	Taxes and Duties on Electricity			
0853	Non-Ferrous Mining and Metallurgical Industries			
0700	Major			
0701	Medium and			
0702	Minor Irrigation			
0406	Forestry and Wild life			
	Other			
	TOTAL			

A. Employment in State Government

(As at the end of the previous year)

S.No.	Pay Group (in Rupees)	No. of Employees	Percentage
(1)	(2)	(3)	(4)
	Total		

B. Employment in State Public Sector Undertakings

(As at the end of the previous year)

S.No.	Pay Group (in Rupees)	No. of Employees	Percentage
(1)	(2)	(3)	(4)
	Total		

C. Employment in Semi Government Bodies

(As at the end of the previous year)

S.No.	Pay Group (in Rupees)	No. of Employees	Percentage
(1)	(2)	(3)	(4)
	Total		

D. Employment in Univercities

(As at the end of the previous year)

S.No.	Pay Group (in Rupees)	No. of Employees	Percentage
(1)	(2)	(3)	(4)
	Total		

E. Employment in Urban Local Bodies

(As at the end of the previous year)

S.No.	Pay Group (in Rupees)	No. of Employees	Percentage
(1)	(2)	(3)	(4)
	Total		

F. Employment in Development Authorities

(As at the end of the previous year)

S.No.	Pay Group (in Rupees)	No. of Employees	Percentage
(1)	(2)	(3)	(4)
	Total		

G. Employment in Rural Local Bodies

(As at the end of the previous year)

S.No.	Pay Group (in Rupees)	No. of Employees	Percentage
(1)	(2)	(3)	(4)
	Total		

By order and in the name of the Governor of
Madhya Pradesh,

(V.L. Kantha Rao)
Director, Budget
Government of Madhya Pradesh