

**Report  
on  
Pilot Study on Migration to  
Accrual Accounting**

**Forest and Health Departments of State  
Government of Madhya Pradesh (India)**

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## **Disclaimer**

The objective of this study is to identify gaps between the existing cash based accounting system and the accrual based accounting system to assist Government Accounting Standards Advisory Board (GASAB) to address issues related to Property, Plant and Equipment (PPE) and inventories during actual migration to accrual accounting. This is not a full fledged exercise on implementation of accrual accounting and should not be construed as transition of the existing system in the State of Madhya Pradesh to accrual accounting. This is a step in the direction of creating better understanding on the scale of activities involved in moving towards accrual accounting.

The Annual Financial Statements (AFS) prepared for each of the pilot offices are only illustrative to signify the information availability from the current cash based accounts supplemented by International Public Sector Accounting Standards (IPSAS) and assumptions, as disclosed, wherever necessary for preparing accounts on accrual basis. Needless to say, this being a pilot study, the data contained in these statements should not be used as a basis for any decision or action.

# **Chapter - I**

## **Introduction**

### **1.1 Background**

As a part of financial reforms there have been wide discussions internationally to reform Government Accounting and Financial Reporting. Some Governments have brought about changes and have moved to accrual based accounting and some are at different stages of migration. This is based on the premise that the accrual basis of accounting provides the most comprehensive information and benefits to both internal and external users.

In India, the Twelfth Finance Commission recommended adoption of accrual accounting for the Union and the State Governments. The Central Government has accepted the recommendations in principle. Besides Central Government, twenty one State Governments including Madhya Pradesh have accepted adopting accrual accounting in principle. Following the recommendations of the Twelfth Finance Commission, the Government Accounting Standards Advisory Board (GASAB) set up in the office of the Comptroller and Auditor General of India was entrusted with the task of drawing up a detailed road map for migration to accrual accounting and preparation of an operational framework for its implementation. Accordingly, GASAB has developed an operational framework and detailed road map for migration from existing cash basis of accounting to accrual basis. To facilitate migration to accrual accounting, GASAB is in the process of developing Standards on accrual basis to be issued as Indian Government Financial Reporting Standards (IGFRS).

The Thirteenth Finance Commission (2010) while reviewing the follow up in this area has observed “We are satisfied that the issue is receiving close attention from relevant authorities, and that extant actions by the Central, State and Local Governments are facilitating a ‘bubble up’ approach to the transition”.

The present study initiated by the Government Accounting Standards Advisory Board (GASAB) is supported by the World Bank. The Institute of Public Auditors of India (IPAI), New Delhi was engaged as consultant to provide technical assistance. The study is a joint collaborative effort with the World Bank, GASAB, Accountant General(A&E)-I, MP and Government of Madhya Pradesh.

Forest Territorial Division, Bhopal in the Forest Department and Civil Surgeon-cum- Chief Hospital Superintendent, District Hospital, Gwalior in the Health Department were selected by the State Government in consultation with the Accountant General (Accounts and Entitlement)-I, MP Gwalior for the pilot study. The core team comprised the following :

**World Bank** : Shri P.K. Subramaniam, Lead Financial Management, Specialist South Asia Region, Shri Mohan Gopal Krishnan, Senior Financial Management, Shri Jesse W. Huges, Specialist World Bank Consultant.

**GASAB** : Shri R.S. Rangrajan, IA&AS, Member Secretary, GASAB upto March 2010 and Shri Shankar Narayan, IA&AS Member Secretary, GASAB from April 2010, Ms. Preeti Jha, IRAS, Principal Director and Shri G. Shrinivas, IA&AS, Director, GASAB.

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## 1.2 Objectives and Scope of the Study

The objective of this study is to identify gaps between the existing cash based accounting system and the proposed accrual based accounting system to assist GASAB to address issues related to Property, Plant and Equipment (PPE) and inventories during actual migration to accrual accounting.

In order to develop the specific guidelines, the operability of the standards (draft and those awaiting notification by GoI) need to test by way of extensive field testing of *selected IGFRS, Exposure drafts on IGFRS and IPSAS standards* in both the selected offices of Forest and Health departments of Government of MP. For this, the focus of this study was on (a) Property Plant and Equipments (IGFRS); (b) Inventories (AED) and (c) Revenue from Exchange Transactions (AED) with a view to identify the issues which may arise in these segments :

- a) **Property, Plant and Equipment (PPE):** Identification, verification, valuation of fixed assets, classification of major repairs and capacity enhancement activities as capital or revenue, documenting the quality of data/record across the selected offices; depreciation, valuation of capital work in progress etc;

suggestions and approaches where subsidiary record was not available and appropriate cut off period and valuation of assets which have outlived their normal useful life span etc.

- b) **Inventories:** Valuation of inventories, basis of valuation, provision of non-moving inventory and non-existing inventory and documenting the quality of data/records across the selected department. The process involved compilation of assets, liabilities and inventory data from primary sources to testify the concept and support the assertions for the guidance note.

This study also includes documentation of operational and implementation issues and suggested solutions to latent problems and road blocks if any so as to provide necessary inputs to GASAB for framing appropriate guidelines for migration of Government accounts from cash basis to accrual accounting system.

### 1.3 Approach and Methodology

Our approach to this study has been to identify the future needs/requirements for such migration considering the existing Government accounting framework, which would help in smooth transition from cash based to accrual based accounting. The method essentially consisted of the activities as detailed in the table 1 below:

*Table – 1*

#### Stepping on to the objective

| S. No. | Activity  | Purpose   |
|--------|---|---|
| 1.     | Study of IPSAS, IGFRS and Accrual Exposure Drafts –IGFRS                | To identify precisely the canvas on which the study is to be based  |
| 2.     | Study of existing system of accounts and process of financial reporting | The background mapping is essential to devise the approach and the strategy.  |
| 3.     | Consultations with the departmental officers and officials              | To familiarise with the activities of the entity.   |
| 4.     | Designing formats to collect the information                            | To elicit all necessary data relating to assets & liabilities and information for identification of assets and liabilities for preparation of Annual Financial Statements(AFS). |

| S. No. | Activity   | Purpose  |
|--------|--|--|
| 5.     | Visiting Pilot locations to study the initial record keeping and methodology.                    | <ul style="list-style-type: none"> <li>To identify sources of information and to ensure that the process adopted is compatible with the existing accounting environs.</li> <li>To be aware of the books and records currently being maintained.</li> </ul>   |
| 6.     | Analyse the data in the existing system of accounts  | <ul style="list-style-type: none"> <li>To understand the information available in the records being maintained</li> <li>Identify gaps between existing system of accounts and accrual based accounts and to identify sources to capture it.</li> <li>Tabulating information systematically.</li> </ul> |
| 7.     | Classification of assets, liabilities, income and expenditure                                    | For formatting and devising annual financial statements  |
| 8.     | Collection of necessary data and recognition, measurements/valuation of assets, liabilities etc. | For processing annual financial statements and compilation of all necessary data for it.   |

**These steps have led to:**

- (i) Determination of balances of fixed assets owned on the date of the opening balance sheet. This involved identification of each and every asset and assigning it a value based on historical cost and where not identifiable from the records of the selected units, based on the best judgment following the valuation principles in IGFERS and IPSAS.
- (ii) Determination of capital works in progress i.e. the capital works taken up prior to the date of opening balance sheet date and not completed by that date.
- (iii) Determination of the value of inventories held as on the opening date of the balance sheet. The valuation is generally based on cost of acquisition.
- (iv) Determination of receivables as on the opening date of the opening balance sheet.
- (v) Determination of outstanding loan and advances as on the opening date of the opening balance sheet provided to employees/contractors/suppliers separately for each type of advance.
- (vi) Determination of cash lying at all cash points as on 1<sup>st</sup> April, 2008.



- (vii) Determination of current liabilities, concerning bills payable of contractors, suppliers, expenses payable etc.
- (viii) Determination of employee related liabilities which will include salaries and wages, leave encashment, pension and superannuation entitlement, medical claims etc.
- (ix) Determination of statutory dues payable i.e. deducted or received but not deposited with the appropriate authority as on the opening date of the Statement of Financial Position.
- (x) Determination of necessary provisions and contingent assets and liabilities as on that date.
- (xi) Preparation of the Statement of Financial Position or Statement of Assets and Liabilities and Statement of Financial Performance for 2008-09.
- (xii) Cash flow statement.
- (xiii) The itemization of notes to accounts.

#### **1.4 Maintenance of Accounting Records**

**1.4.1** Maintenance of proper records of various classes of assets (constructed, acquired or donated), inventories, receivables and carry over as prescribed in the Financial rules and departmental regulations is a starting point for transition to accrual accounting. There are, however, problems connected with the gathering of information which stem from non-maintenance of these basic records and poor quality of data that are available. This is a major accounting concern. Concerted efforts are needed to assemble the necessary historical data for the previously acquired assets to build a proper inventory which should inter-alia include location of assets. This would help in identification and valuation of assets. The preparation of asset register and valuation of assets doubtless will be a huge task but is a pre-requisite to facilitate transition to accrual accounting and better management of assets. Reconstruction of records may present many challenges. Non-availability of old records due to their limited life of preservation or organizational restructuring may dictate the use of physical verification for the purpose of re-construction of these records.

Maintenance of a priced upto date inventory of stock as required under the rules by the entity showing therein receipt and disposal and the balance in hand for each kind of inventory is obligatory and therefore, need to be addressed.

**1.4.2** The details of records to be maintained under codal provisions and departmental rules but which have not been maintained in both the selected offices are provided in the following table alongwith the purpose against each record:

**Table 2(a)**  
**Details of records not maintained in Territorial Forest Division**

| <b>S. No.</b> | <b>Particulars of Record</b>   | <b>Purpose</b>  |
|---------------|--|---|
| 1             | Register of Land   | For identification of land under the control of the division.               |
| 2             | Register of Buildings  | For identification of various buildings under the control of the division.  |
| 3             | Register of other infrastructure and heritage assets viz. Tube wells, Dug wells, Stop Dam, WBM Road, Culverts, Heritage etc. | For identification of other fixed assets under the control of the division. |
| 4             | Register of Sanctioned Estimates   | Details of sanctioned works.  |
| 5             | Register of Works  | Details of works in-progress  |
| 6             | Register of Funds received from other Departments/ Institutions  | Identifying amount and progress of expenditure on each work                 |
| 7             | Register of Loans and Advances to the Staff  | For identification of receivables   |
| 8             | Departmental Provident Fund (DPF) Register   | To identify DPF balance in each account                                     |
| 9             | Register of Rent of Departmental Buildings   | Keeping track of rent due and their recoveries                              |
| 10            | Register of Consumables  | Inventory details   |
| 11            | Register of Bills of Suppliers   | For identification of liabilities   |

**Table 2(b)**  
**Details of records not maintained/ or incomplete in office of the Civil Surgeon-cum-Chief Superintendent, District Hospital, Gwalior(CS)**

| <b>S. No.</b> | <b>Particulars of Record</b>                                      | <b>Purpose</b>   |
|---------------|---|--|
| 1             | Register of Land & Building (not maintained)                      | For identification of land and buildings under the control of the CS.  |
| 2             | Register of Fixed assets other than Land & Buildings (incomplete) | For identification of other fixed assets under the control of the CS.  |
| 3             | Stock Register of Medical Supplies (incomplete)                   | For identification of details of medicines, other medical supplies received, consumed and balance on the Balance Sheet date. |

|   |  |   |
|---|--|---|
| 4 | Register of Loans and Advances to the Staff (not maintained) | For identification of receivables       |
| 5 | Departmental Provident Fund (DPF) Register (incomplete)      | To identify DPF balance in each account |
| 6 | Register of Bills of Suppliers (not maintained)              | For identification of liabilities       |

In the absence of above mentioned records, we had to carry out a massive exercise of identification and compilation of details of assets and liabilities under the control of both the entities by eliciting information on pre-designed formats.

## Chapter - 2

### Study in Pilot Offices

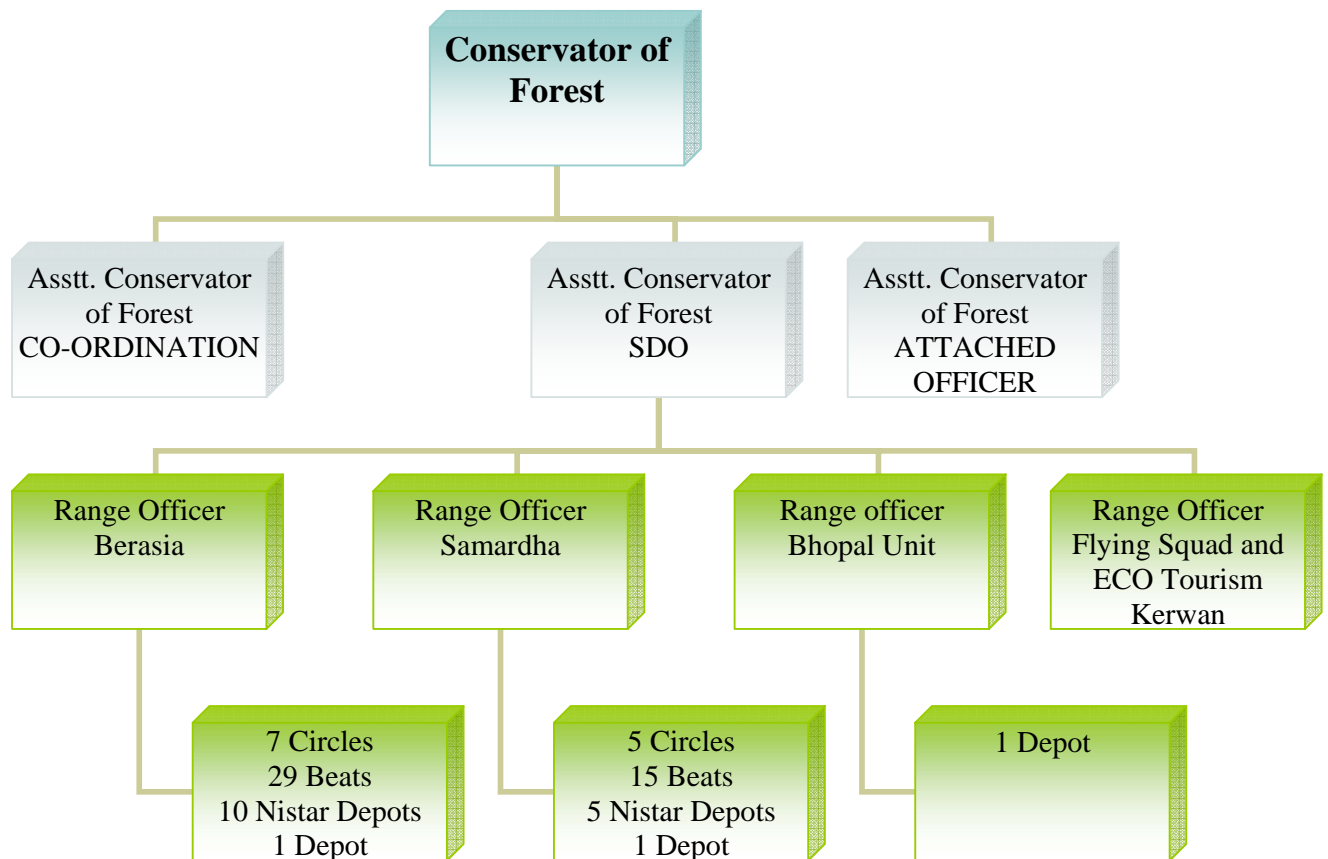
#### Territorial Forest Division , Bhopal

##### 2.1 Organizational Set up

Territorial Forest Division, Bhopal has one Sub-division and four Range Offices. One sub-division and two Ranges are territorial units. The Division has 12 circles, 44 beats, 3 Forest Depots, 15 Nistar Depots, 1 Nursery and 14 Forest Villages. The forest cover in the Division is 43,723 ha. Pilot study was conducted in Bhopal sub- division, one range office at Samardha under BHopal sub division, 5 beats, Ahmadpur and Bersia forest depots and 5 Nistar depots.

The organizational structure of the Division is given below:

**Organizational Chart of Territorial Division, Bhopal**



## **2.2 Reporting Entity**

A unique feature of the Department is the multi organisational ownership of the forest produce specially the minor forest produce. There is a parallel organisation - Madhya Pradesh State Minor Forest Produce Federation registered as Society - a separate entity under the State Government. The minor forest produce including tendu leaves are harvested by the Federation and income so generated does not form part of the receipts of the Forest Divisions. In accordance with IPSAS 6 the Federation, not under the control of the Division has not been taken as group of related entity. For the purpose of presentation of AFs, the Division has been considered as a single reporting entity.

## **2.3 System of Accounting**

Territorial Forest Division, Bhopal is headed by a Conservator of Forest who is the drawing officer for the Unit. The funds are drawn by cheques except those relating to establishment and office expenses which are drawn through bills presented at government treasury. The disbursers are Range Officers for Payments relating to Forest activities and Head clerk in the Divisional Office for establishment payments. The accounts for expenditure incurred are submitted to the Division by these disbursers for inclusion in the monthly account of the Division.

The accounts of the Division are on cash basis and are kept in the form prescribed in the Account Code Vol. III. These are compiled on monthly basis and submitted to the Accountant General (Accounts and Entitlements), Madhya Pradesh for consolidation and incorporation in the accounts of the State Government. The period of accounts is financial year from 1<sup>st</sup> April through 31<sup>st</sup> March.

## **2.4 Field testing of IPSAS/IGFRS Standard and AEDs**

2.4.1 GASAB has issued the following Financial Reporting Standard on Accrual basis of Accounting.

- IGFRS 2 Property, Plant and Equipments
- IGFRS (Accrual Exposure Draft)- 3 Revenue for Exchange Transactions
- IGFRS (Accrual Exposure Draft)-4 Inventories

2.4.2 Analysis of existing IPSAS/IGFRS (Standrad and AEDs) for the different accounting subjects is provided below:

**Table – 3**

| Sl. No | Accounting Subject   |   |
|--------|--|---|
| 1.     | <p>(i) Forest and Similar regenerative natural resources</p> <p>(ii) Biological assets related to – agricultural activity.</p> <p>(iii) Forest Produce</p> | <p>These are not covered by the existing pronouncements of IPSAS (IPSAS–17 Property, Plant and Equipment) and GASAB (IGFRS -2 Property, Plant and Equipment).</p> <p>In view of some commonalities between forest produce and agriculture like degeneration, production procreation and periodic harvesting, the pronouncements of IPSAS 27 - Agriculture drawn primarily from IAS 41- Agriculture is mostly relevant except for timber which matures for felling in decades and to determine fair value for initial and subsequent stage wise recognition. IPSAS 27 does not cover natural forests, which would need explicit guidance.</p> <p>We had wider consultations with the departmental functionaries, access to available documentation namely ten year working plan of the division and Accounting practices in MP Rajya Van Vikas Nigam- a commercial undertaking. The ten year forest working plan recognize the existing forest stock and estimated annual growth based on past results and is a compact technical literature. Since these have potentially far reaching impact upon forest accounting and reporting, we suggest that the working plan should take precedence till some formal accounting treatment is specified.</p> |
| 2.     | <p>Forest land and vegetation thereon</p>  | <ul style="list-style-type: none"> <li>• Forest land and vegetation thereon is neither measurable nor marketable. However, both qualify for recognition as assets in terms of para 6 of IPSAS-1, Should then the land and vegetation on it be recognized separately? While land can be measured and valued it is not the same for vegetation.</li> </ul> <p>MP Rajya Van Vikas Nigam a commercial undertaking recognizes vegetation as an inventory under “Re-generation Expenditure” the stock of harvested crop is valued at lower of the upset price and market price during the last three auctions. This is broadly consistent with AS-2 issued by the Accounting Standards Board of the Institute of Chartered Accountants. The impairment to crop has not been provided for in IPSAS 26 on Impairment</p>  |

|    |                                |   |
|----|--------------------------------|---|
|    |                                | <p>of Cash Generating assets. Thus, this issue needs further examination.</p> <ul style="list-style-type: none"> <li>• Land other than the forest land has been recognized at fair value consistent with the provisions of IPSAS.</li> <li>• Land attached/underneath buildings or set aside for conservation areas, or recreational facilities, value included as a component of the value of these classes of assets.</li> <li>• For the purpose of Annual Financial Statements the forest land with natural vegetation on it has been recognized and valued at assumed nominal price of Rs. 1000 per ha. for the purpose of preparation of AFS.</li> </ul> |
| 3. | Operational Buildings          | <p>Consistent with Para 80 of IGFRS-2 Property, Plant and Equipment, the following principles have been applied.</p> <p>Where purchase/construction cost is available recognized at carrying value</p> <p>Where this information is not available, valued at Re. 1 per sq ft.</p> <p>Where the building has not entirely outlived its useful life and its plinth area measurements are available, value based on square feet and plinth area less depreciated value.</p>  |
| 4. | Infrastructure Assets          | <p>It is an issue for deliberation whether infrastructure assets should be capitalized, how often should these assets be revalued and what should be the basis?</p> <p>For the purpose of AFS, in the absence of information about their cost of construction, useful life, the current replacement cost could not be worked out. The valuation has been made at Rs.1000 per km for Roads and Re. 1 per unit for other assets. This is in line with IPSAS 17 – Property, Plant and Equipment and IGFRS -2 Property, Plant and Equipment.</p>  |
| 5. | Machinery, Motor Vehicles etc. | <p>Valued at carrying amount (Cost of acquisition less accumulated depreciation) where year of purchase, acquisition and cost is known. Otherwise at nominal value of Re. 1 per unit consistent with the provisions of Para 78 through 81 of IGFRS-2.</p>   |

|     |  |  |
|-----|--|--|
| 6.  | Donated/Gifted Assets  | Gifted/donated assets (other than service in kind) are to be recognized as assets and revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably. Such type of assets are valued at fair value as provided in IPSAS 23.  |
| 7.  | Encroached Land  | There is no mention in IPSAS/IGFRS about treatment of assets/land which has been encroached. It is felt that Since title of such type of land vests with the Government, it will be valued like any other Government land with adequate disclosure about encroachment.   |
| 8.  | Depreciation   | <p>The quantum of depreciation depending on the useful life of assets to be determined by the entity itself.</p> <p>In the illustrative AFS, depreciation has been provided for Property and Equipment on straight line method assuming their useful life as prescribed by GASAB (31<sup>st</sup> December 2009)* for the offices of the IA&amp;AD. Land and vegetation thereon not being depreciable, it has not been provided.</p> <p>* Building Permanent 40 years, Building Temporary 5 years, Computers, Office Equipments, Furniture and Fixture, Machinery, Motor Vehicles 5 years.</p>   |
| 9.  | Heritage Assets (Prehistoric rock Paintings)   | It would need to deliberate whether heritage assets should be valued. However, for AFS, these have been valued at nominal value of for Re 1 each.  |
| 10. | <p>Inventories</p> <p>(i) Forest produce held for sale or distribution in the ordinary course of operation</p> <p>(ii) Material held for distribution at a subsidized or nominal rate as part of service</p> | <p>The materials at (i) and (ii) are obtained through non-exchange transactions. Their cost is measured at their fair value or net realizable value. For timber sold by auction the upset value is decided at average of the last three auctions, which approximates the fair value of the produce.</p> <p>Fuel wood is sold through the Nistar depots. Other products include bamboos and ballis and the grazing rights for cattle belonging to the inhabitants in the range of 5 k.m. of the forest area and plants from nurseries to promote plantation. These are the produces the distribution of which have service intent and cannot be guided by the fair value. Reasonably these can be recognized at</p> |



|     |  |  |
|-----|--|--|
|     |  | net realizable cost.   |
| 11. | Consumables and Maintenance Material         | <p>These are valued at purchase cost and other incidental costs incurred on bringing the inventories to their present location and condition as per provisions of Para 13 of IPSAS12 and its adaptation in Para-23 of the IGFRS (AED)-4 Inventories.</p> <p>The cost of consumables is directly charged to work and there is generally no piling up of inventories. Recognition of consumables will depend upon the materiality and the value of inventory in hand at the close of the year.</p> |
| 12. | Threshold limit for capitalization of assets | <p>Establishment of threshold limit below which assets individually or collectively would be expended as expenditure and not capitalized shall have to be accordingly fixed by the management of the entity keeping in view the materiality factor. For the purpose of accounting, however, these will be taken in stock till its disposal. In the case of Forest segment we have taken it as Rs.5,000/- for the purpose of AFS.</p>   |

## 2.5 Treatment of Various Transactions

A summary of treatment of various transactions for the year 2008-09 is provided in table -4 below. The recognition and measurement criteria in the context of pilot study are broadly consistent with IPSAS wherever relevant. In other cases where explicit standard/guidance is not available, most rational options available in the circumstances have been adopted.

*Table -4*

### Recognition and Measurement of Financial Transactions

| S.No.     | Account Group and sub-group          | Recognition Criteria   | Measurement Basis  | Remarks   |
|-----------|--------------------------------------|--|--|---|
| <b>A.</b> | <b>Revenue</b>                       |  |  |   |
| 1         | Sale of Timber, fuel wood and Bamboo | (i) Sale of Timber, fuel wood and bamboo by Nistar Depot is recognised on cash basis | Revenue realisation and other related records/ registers | Timber, fuel wood and bamboo are sold by Nistar depot on fixed price on cash payment. It is therefore valued at net realisable value. |

| S.No. | Account Group and sub-group | Recognition Criteria  | Measurement Basis  | Remarks   |
|-------|-----------------------------|---|--|---|
|       |                             | (ii) Sale of Timber, fuel wood and bamboo by Depots by auction recognised on acceptance of bid by the competent authority | Revenue realisation and other related records/ registers | Sale from Depots on the basis of highest bid received in auction. |
| 2     | Other receipts              | Fines and forfeitures etc. recognised on receipt basis  | Revenue realization and other related records/ registers |   |

| <b>B</b>  | <b>Expenses</b>                           |   |  |  |
|-----------|---|---|--|--|
| 1         | Salary, wages and employees benefit       | Pay and allowances of staff recognised when due for payment.  | Pay Bill Register and other records  | Account of Pay and Allowances compiled by the Treasury and rendered to the A.G. (A&E) M.P. on monthly basis. |
| 2         | Office Expenses & maintenance of vehicles | All expenses are recognised on accrual basis.   | Paid Vouchers and bills not presented  |  |
| <b>C.</b> | <b>Assets</b>                             |   |  |  |
| 1         | Property, plant and equipment.            | Probability that future economic benefits or service potential associated with item will flow to the entity | As per IPSAS 17 and IGFRS-2  |  |
| 2         | Land and Forest produce                   | All forest land belongs to the State Government   | Land and natural forest produce is valued @ Rs. 1000/- per ha. as discussed in item 2 in Table-3 of this report. |  |

|   |                       |   |  |  |
|---|-----------------------|---|--|--|
| 3 | Regeneration expenses | Expenditure incurred on nursery and additive plantation on accrual basis  | Monthly accounts of units as compiled by Divisional Forest Office  | As discussed in sub-para 2.4.2(2) of this Report.    |
| 4 | Buildings             | Residential and non-residential buildings on cost basis   | Buildings valued on historical cost less depreciation basis and where historical cost is not available these are valued at Re.1/- per square ft.                             |  |
| 5 | Other Assets          | Other assets includes furniture, vehicles etc. on cost basis  | Other assets valued on historical cost. Where historical cost is not available these are valued at Re. 1/- per item  |  |
| 6 | Inventories           | Timber, fuel wood and bamboo held for sale valued at fair value or net realisable value depending on process of sale I.e. auction 'or' at a nominal rate. | The value of the inventories to be sold by auction is measured on the basis of average bids of previous three auctions and in the rest of the cases at net realisable value. |  |
| 7 | Loan and Advances     | Legal enforceability of the claim as evidenced from the records   | The value of the financial assets based on historical cost   | Financial assets include loan and advances to staff. |

|                     |                               |   |  |  |
|---------------------|-------------------------------|---|--|--|
| <b>D. Liability</b> |                               |   |  |  |
| 1                   | Outstanding expenses          | Present obligations as a result of a past event. Provision can be made on the basis of pending obligations i.e. bills received upto cut off date as decided by the entity | Bills for the period upto 31.03.2009 received and paid upto 30th June 2009 i.e the cut off date have been considered |  |
| 2                   | Employees Retirement Benefits |   |  |  |

|  |                                  |  |  |                     |
|--|----------------------------------|--|--|---------------------|
|  | (i) Pension Gratuity             | (a) Employees recruited prior to 01.01.2005  | Actuarial value for calculation of pension is not made available as such not recognised.                               | Actuarial valuation |
|  |                                  | (b) Employees recruited on or after 01.01.2005. Deduction @ 10% of Pay plus Dearness Allowance from the employees and equal contribution by Forest Department towards contributory pension scheme. | Matching contribution from employees provided for.   |                     |
|  | (ii) Departmental Provident Fund | For group "D" employees Departmental Provident Fund is maintained by Forest Department.  | Liabilities towards interest on balance of DPF provided at the rate applicable to Provident Fund for the year 2008-09. |                     |

## 2.6 Annual Financial Statement

2.6.1 As per IPSAS-1 and 2, the set of annual financial statements include:

- (a) Statement of Financial Position;
- (b) Statement of Financial Performance;
- (c) Statement of Change in net assets/equity ;
- (d) Cash Flow Statement ; and
- (e) Accounting Policies and Notes to Financial Statement.

Financial statements on accrual bases for 2008-09, which are illustrative, conform to the requirements of IPSAS-1 and 2. These are placed as Annexure to this Report.

## Chapter - 3

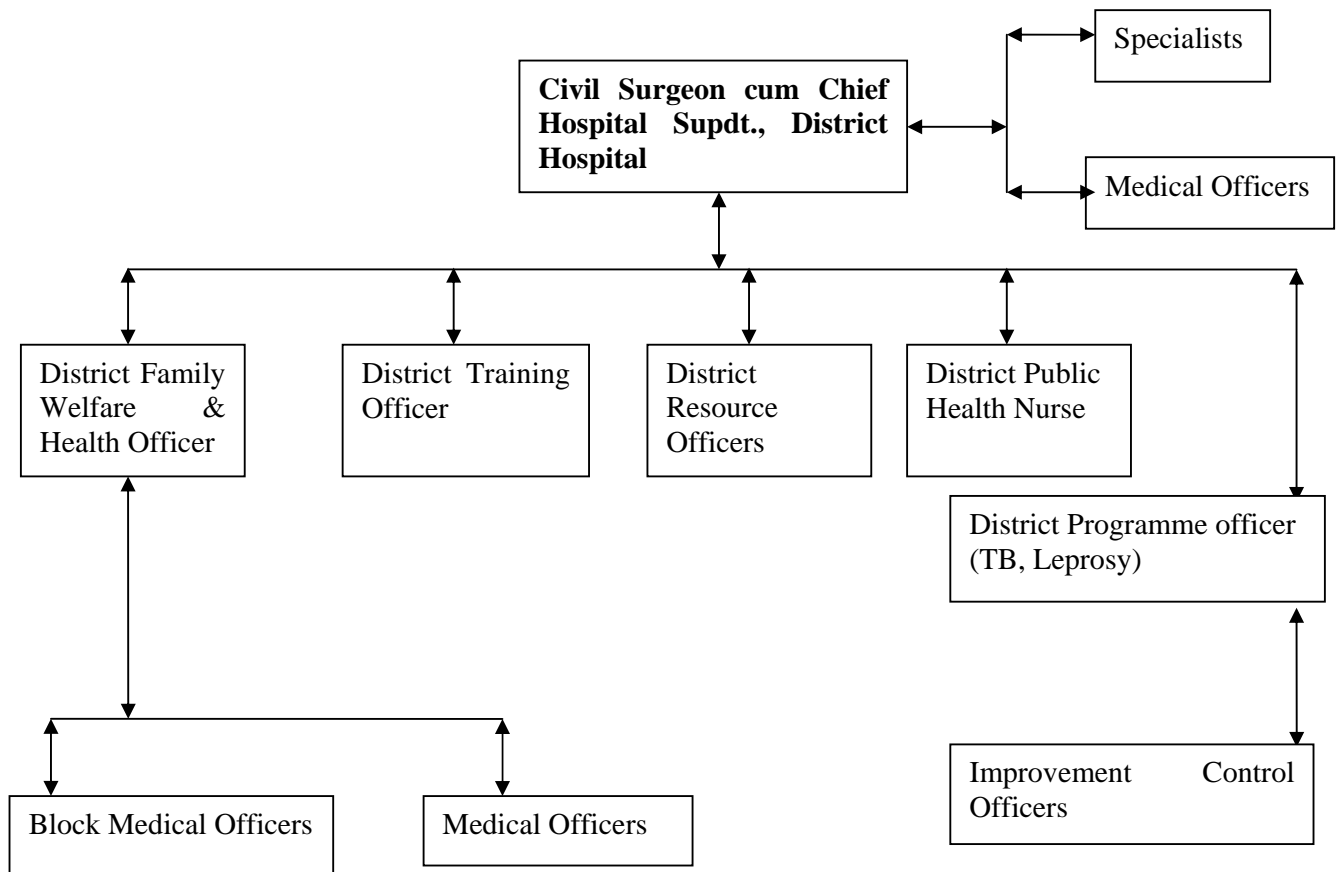
### Civil Surgeon-cum-Chief Hospital Superintendent, District Hospital Gwalior

#### 3.1 Organisaional Set up

The office of Civil Surgeon-cum-Chief Hospital Superintendent, District Hospital Gwalior (CS) came into existence in 1997. Primarily the objective for establishment of the office of CS at Gwalior is to provide medical, public health and family planning services to the town/urban area population (8,26,919 as per 2001 census) falling under Nagar Nigam area of Gwalior. Prior to the establishment of the O/O CS these services were provided by Chief Medical and Health Officer Gwalior (CMHO).

21 attached hospitals and dispensaries {1 District Hospital (200 beds), 2 Civil Hospitals (70 beds), 1 TB Hospital (104 beds), 3 Maternity Homes (80 beds), 1 Field Health Centre and 13 Civil Dispensaries (50 beds)} are functioning under the control of CS, Gwalior with a total complement of medical and paramedical staff of 352.

The organizational set up of the office of the Civil Surgeon-cum-Chief Hospital Superintendent District Hospital is given in the chart below :



### 3.2 System of Accounting

Civil Surgeon-cum-Chief Hospital Superintendent, District Hospital Gwalior (CS) is the head of office. The accounting functions in the office are looked after by an Accountant who is responsible for drawal of money from Treasury for payment of staff salary, bills etc. The budget is communicated to the Treasury which controls expenditure with reference to allotted funds.

Office of the CS does not have any direct income. The expenditure incurred by CS is mostly on providing medical, public health and family planning services. Capital works, if any, on land and buildings is carried out by Public Works Department of Government of MP for which budget is allocated directly to PWD by the State Government.

### 3.3 Reporting Entity

Civil Surgeon-cum- Chief Superintendent (CS), District Hospital, Gwalior including 21 attached hospitals and dispensaries has been treated as a separate reporting entity for the purpose of preparation of AFS as provided in IPSAS 6. All the revenues, expenses, assets and liabilities relating to and under the control of CS Gwalior are included in these AFS.

### 3.4 Field testing of IPSAS/IGFRS (AED)

3.4.1 GASAB has issued the following Financial Reporting Standard on Accrual basis of Accounting.

- IGFRS 2 Property, Plant and Equipments
- IGFRS (Accrual Exposure Draft)- 3 Revenue for Exchange Transactions
- IGFRS (Accrual Exposure Draft)-4 Inventories

3.4.2 Analysis of existing IPSAS/IGFRS (Standard and AEDs) for the different accounting subjects is provided below:

**Table – 5**

| Sl.No. | Accounting Subject |   |
|--------|--------------------|---|
| 1.     | Land and Buildings | <ul style="list-style-type: none"><li>• Land may be acquired through purchase or by way of gift. Regardless of manner of acquisition these qualify for recognition and the cost principle is applicable as per IPSAS. In the case of gift it would be fair value at date of gift. Where</li></ul> |

|    |   |   |
|----|---|---|
|    |   | <p>the cost of acquisition is not ascertainable the fair value could be determined with reference to the circle rates fixed by the land registration authorities. Land attached/ underneath buildings or set aside for conservation areas or recreational facilities value is included as a component of the value of these classes of assets.</p> <ul style="list-style-type: none"> <li>• For buildings which are constructed or purchased the cost principles shall be applied consistent with IPSAS.</li> <li>• The donated buildings shall be recorded at fair market value at the date of gift.</li> </ul> <p>The following principles should be acceptable as per IGFRS - 2 Property, Plant and Equipment.</p> <ul style="list-style-type: none"> <li>• Where purchase/construction cost is available, recognize the building at carrying cost. Where this information is not available, valued at Re. 1 per sq ft.</li> <li>• Where the building has not entirely outlived its useful life and its plinth area measurements are available, value based on square feet and plinth area less depreciated value should be available.</li> </ul> <p>Because of non-availability of information, none of the aforesaid principles could be applied in the case of buildings under the control of the Civil Surgeon, Gwalior. These have been recorded at a nominal value of Re. 1.</p> |
| 2. | Surgical and Medical Equipment Machinery, Motor Vehicles including Ambulances | Consistent with the provision of IGFRS -2, Property, Plant and Equipment where year of purchase/acquisition and cost is known, assets to be recorded at carrying cost. Otherwise recording at nominal value of Re.1 per unit should be acceptable as per IGFRS -2.  |
| 3. | Furniture and Fixtures  | <p>Where year of purchase/acquisition and cost is known to be recorded at carrying cost. Otherwise recording at nominal value of Re.1 per unit should be acceptable as per IGFRS -2.</p> <p>Where Furniture and Fixtures have been acquired many years before but never entered the records (as in the case of Civil Surgeon), original purchase documents not being available, the original cost can not be established precisely, it should be acceptable to records these assets in accounts at nominal value of Re. 1.</p>  |
| 4. | Donated/Gifted Assets   | Gifted/donated assets (other than service in kind) are  |

|    |  |  |
|----|--|--|
|    |  | to be recognized as assets and revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably. Such type of assets are valued at fair value as provided in IPSAS 23.   |
| 5. | Encroached Land                              | There is no mention in IPSAS/IGFRS about treatment of assets/land which has been encroached. It is felt that Since title of such type of land vests with the Government, it will be valued like any other Government land with adequate disclosure about encroachment.   |
| 6. | Depreciation                                 | The quantum of depreciation with reference to the useful life of the assets should appropriately be determined by the entity itself. The Health department in the Government of the Madhya Pradesh prescribed (2009) useful life of assets for different classes of assets, which has been adopted while calculating depreciation for preparation of AFS. As per these orders, life of Kitchen ware prescribed as 5 years, Fixtures as 10 years, Computers and Electrical Equipments as 5-7 years, Medical and Surgical Equipment as 10 years  |
| 7. | Inventories                                  | <p>These include :</p> <p>(i) Medical supplies held for distribution as part of service.</p> <p>(ii) Materials and supplies to be used in running hospital activities.</p> <p>(iii) Consumable and maintenance stores to be valued at their cost of purchase and other incidental cost incurred on bringing the inventories to their present location and condition as per provisions of Para-13 of IPSAS-12 and adaptation in Para -23 of the IGFRS (AED)-4 Inventories.</p> <p>The supplies are generally expensed and purchased to the extent of requirements. Thus, there is seldom piling up of inventory. The recognition will depend on the materiality of items both in terms of purchases and inventory in hand at the close of the year.</p> |
| 8. | Threshold limit for capitalization of assets | Establishment of threshold limit below which assets individually or collectively would be expensed as expenditure and not capitalized shall have to be accordingly fixed by the management of the entity keeping in view the materiality factor. For the purpose of accounting, however, these will be taken in stock till its disposal. In the case of Health segment, we have taken it as Rs.1,000/- collectively for the purpose  |



|  |  |         |
|--|--|---------|
|  |  | of AFS. |
|--|--|---------|

### 3.5 Recognition and measurement of identified transactions

Recognition and measurement of transactions in the context of pilot study refers to the recording and its valuation in trial balance taking cognizance of identified transactions for the purpose of preparation of accrual AFS. The recognition and measurement criteria are primarily based on IPSAS/IGFRS, guidelines/instructions wherever, relevant and applicable. In other cases, generally accepted accounting principles have been considered for recognition of the transaction.

The broad recognition and identification criteria followed are as under :-

**Table – 6**

| <b>Account Group classification as per Accrual AFS</b> | <b>Recognition Criteria</b>  | <b>Measurement basis (valuation Methodology)</b>   |
|--|--|--|
| <b>1</b>   | <b>2</b>   | <b>3</b>   |
| <b>Expenses</b>  |  |  |
| Wages, Salaries and employee benefits                  | Salaries and other employee related benefits are recorded on accrual basis on gross basis i.e without any deductions   | From Pay bills and other relevant bills/ records.  |
| Supplies and consumables used                          | Issue of consumables for consumption   | Value of materials consumed  |
| Other Expenditure                                      | Decrease in future economic benefits related to a decrease in an asset or an increase of a liability which has arisen that is probable and can be measured reliably. | Actual disbursement during the year.<br>Value of ascertainable obligations as on 31 <sup>st</sup> March. |

#### **Assets & Liabilities**

|  |   |                                   |
|--|---|-----------------------------------|
| Equipments/ instruments electrical, Medical, Surgical, Furniture and Fixtures. | From the details as available in various stock Registers  | Cost of purchase.                 |
| Inventories  | From the details available in various stock registers   | Cost of purchase                  |
| Financial Assets   | Amount recoverable as per records.  | Amount receivable as per records. |
| Liabilities on account of Employee Benefits-Retirement                         | At present both pension plans i.e defined benefit plan and defined contributory plan are applicable to the employees working under the control of entity. Defined benefit plan is |                                   |

|  |   |
|--|---|
|  | applicable to the pre-January 2005 employees while defined contributory plan to post January 2005 employees. Liabilities exhibited in the current AFS do not include value of obligations on account of payment of pension under defined benefit plan. Further liabilities on account of retirement benefits are worked out by the Finance Department of Government of MP, as such the details of liability on this account were not available with the entity. |
|--|---|

### 3.6 Identification of Transactions

The first stage in the identification of the transactions was through discussions with the concerned officers and officials. Based on the discussions, the relevant records and other documents maintained and the information they provided, these were identified. This analysis helped to identify the information gaps for preparation of accrual AFS. The details of records maintained and their purpose vis-a-vis information available are as under :

**Table – 7**

| <b>S.No.</b> | <b>Name of Records</b>  | <b>Purpose</b>  | <b>Information available</b>                       |
|--------------|-------------------------|---|--|
| <b>1</b>     | <b>2</b>                | <b>3</b>  | <b>4</b>   |
| 1.           | Budget Control Register | For control of expenditure against allocations in Budget  | Budget control register not maintained.            |
| 2.           | Treasury Bill Register  | To record the bills submitted to the treasury with details of payment/rejection by treasury   | Details of bills presented to treasury for payment |
| 3.           | Stock Registers         | (a) To record the receipt and issue of consumables (inventories)<br>(b) Record transactions of receipt and issue of articles of permanent nature (fixed assets).<br>(c) To record transactions relating to receipt and issue of food grains, milk etc.<br>(d) To record transactions relating to receipt and issue of liveries linen etc. | Availability of stock materials as on any date.    |
| 4.           | Pay bills.              | Maintained for employees emoluments   | Details of gross salary payable to each employee   |

| S.No. | Name of Records | Purpose  | Information available                                   |
|-------|-----------------|--|---|
| 1     | 2               | 3  | 4   |
|       |                 | with details of various allowances payable/ paid | and details of recoveries and net amount payable/ paid. |
| 5.    | Cash Book       | To record receipts and disbursements of cash.    | Details of all receipts and disbursements made.         |

Based on records and sources of transactions, identification and classification of transactions were made as per details given below:

**Table – 8**

| S.No.                                 | Transaction identified                             | Nature of transaction (asset/ liability/ Income / Expenses) | Classification as per accrual AFS |
|---------------------------------------|--|---|-----------------------------------|
| 1                                     | 2  | 3   | 4                                 |
| <b>(A) Receipts and disbursements</b> |  |   |                                   |
| 1.                                    | Salary (including pay & allowances, DA, HRA)       | Expense   | Wages, Salaries and allowances    |
| 2.                                    | Medical reimbursement                              |   |                                   |
| 3.                                    | Encashment of earned leave                         |   |                                   |
| 4                                     | Leave travel concession                            |   |                                   |
| 5.                                    | Travelling Allowances                              |   |                                   |
| 6.                                    | Wages  |   |                                   |
| 7.                                    | Postage, Telegram, Telephone charges               | Expense   | Other expenditure                 |
| 8.                                    | Water and Electricity Charges                      | Expense   | Other expenditure                 |
| 9.                                    | Rent, rates and taxes                              | Expense   | Other expenditure                 |
| 10.                                   | Medicines , Diet, Milk, liveries, bed sheets, etc. | Expense   | Hospital Expenses                 |
| 11.                                   | Maintenance and repair of Motor Vehicles           | Expense   | Maintenance Expenses              |
| <b>(B) Liability / Assets</b>         |  |   |                                   |
| 12.                                   | Office equipment, Electrical equipment             | Asset   | Property, Plant & Equipment       |
| 13.                                   | Medical and Surgical instruments/equipments        | Asset   | Property, Plant & Equipment       |
| 14.                                   | Furniture and fixtures                             | Asset   | Property, Plant &                 |

|     |  |           |                       |
|-----|--|-----------|-----------------------|
|     |  |           | Equipment             |
| 15. | Inventories  | Asset     | Current Assets        |
| 16. | Loans & advances to Government Servants  | Asset     | Financial Assets      |
| 17. | Payables   | Liability | Financial Liabilities |
| 18. | Receivables  | Assets    | Financial Assets      |
| 19. | Pension and other retirement benefits (Pension, Ex-gratia, leave encashment on retirement) | Liability | Liabilities           |

### **3.7 Annual Financial Statement**

As per IPSAS-1 and 2, the set of annual financial statements include:

- (i) Statement of Financial Position;
- (ii) Statement of Financial Performance;
- (iii) Statement of Change in net assets/equity ;
- (iv) Cash Flow Statement; and
- (v) Significant Accounting Policies and Notes to Financial Statement.

Financial statements on accrual bases for 2008-09, which are illustrative, conform to the requirements of IPSAS-1 and 2. These are placed as Annexure to this Report.

## Chapter 4

### Benefits, Issues and Suggestions

#### 4.1 Benefits of the Study

The study is noteworthy that not only statement of Financial Position for the reporting entity has been prepared but it also discloses physical assets and current liabilities. Expenses rather than expenditure have been recognized resulting in exhibition of fair view of operating results. The illustrative AFS compliant with IPSAS 1 and 2 provide comprehensive financial/ accounting information on recognition of non-financial assets and depiction of receivables and payables in the accounts. These details would help the line managers in better asset control and management, informed decision making and efficient resource allocations.

#### 4.2 Issues and Suggestions

The following table gives the details of issues as a result of non-compliance of prescribed system, absence of standards/ guidance notes for transition to accrual accounting noticed during the pilot study in both the offices:

Table – 9

| Issues/Gaps   | Description  | Suggestion  |
|---|--|---|
| 1. Non-maintenance of Register of Land and Buildings or Register of properties  | Register of Land and Buildings or Register of properties has not been maintained as a result the identification of assets, their value could not be done/worked out. | <ul style="list-style-type: none"><li>• Proper inventory of fixed assets at cost for new assets has to be maintained. Effort to find out the historical cost of previously acquired assets shall have to be made. The register should be regularly updated and validated.</li></ul> |
| 2. Register of other infrastructure and heritage assets viz. Tube wells, Dug wells, Stop Dam, WBM Road, Culverts, Heritage etc. | These registers have not been maintained; as a result the identification of assets, their value could not be done/worked out.  | <ul style="list-style-type: none"><li>• Records maintained by the Public Works Department for the buildings / Revenue department for the land could be accessed.</li><li>• In case where details are not known, these records may be compiled with reference to</li></ul>           |

|  |  |   |
|--|--|---|
|  |  | the physical existence of assets.   |
| 3. Register of Loans and Advances to the Staff | In the absence of non-maintenance or improper maintenance, information relating to receivables could not be worked out.                    | The requisite records shall be maintained in proper form with reference to payment vouchers and recovery schedule with complete details. Pay bill register and abstract of pay bill in the form of a ledger for recording the dues payable and deductions made in respect of each claim for pay and allowances of a Government servant similar to the form used by the Central Government offices as prescribed in Central Government Account-Receipt and Payment Rules may be adopted by reporting entities.   |
| 4. Stock Register of consumables               | Stock Registers maintained are incomplete in as much as neither the rates of items received/procured nor total value thereof was recorded. | Register of Assets/ Inventory shall have to be maintained indicating months/year in which the item (s) was purchased/received or acquired, make, size, quantity and total value/ cost thereof with details of quantity and value thereof issued /consumed, balance lying in stock alongwith its value. This register should have cross reference to the suppliers bills and be seen for its completeness and update posting by DDO every month. This can be monitored if internal audit as well as external audit in their inspection report make their observations on the maintenance of prescribed |

|  |   |   |
|--|---|---|
|  |   | accounting records as noticed after a thorough check.   |
| 5. Register of Liabilities                                   | The books/ records in the existing system of accounts do not exhibit the details of Payables to suppliers, salaries & wages payables, pension & gratuity liabilities, etc | Liability register may be maintained and posted as and when the liability is incurred. The source being the Suppliers/Contractor's pending bills, arrears on account of salaries & allowances payable to staff and other personal claims.   |
| <b>6. Absence of explicit Standards /guidance notes</b>      |   |   |
| (a) Valuation of natural Forest                              | IPSAS 27 - Agriculture drawn primarily from IAS 41- Agriculture does not cover as to how the natural forests could be valued.   | As to how the natural forests is to be valued, there is need for explicit guidance by the Accounting Standard Setting Body.   |
| (b) Impairment of forest vegetation                          | IPSAS 26 on Impairment of Cash Generating Assets does not cover impairment of forest vegetation   | Accounting policies for impairment methods used to collect impairment data and responsibility for conducting the impairment review should be established.   |
| (c) Valuation of Infrastructure Asset                        | There is no clear provision in the standards regarding valuation of infrastructure assets   | For non-tradable commodities/ infrastructure like roads, bridges, culverts, etc. Accounting Standard setting Body may deliberate as to how such type of assets should be valued. We feel that these should be shown at nominal value with detailed listing in the appropriate schedule. |
| (d) Fixation of threshold limit for capitalization of assets | There is no clear provision in the standards regarding fixation of threshold limit for capitalization of assets.  | Establishment of threshold limit below which assets individually or collectively would be expended as expenditure and not capitalized shall have to be accordingly fixed by the entity  |

|  |   |   |
|--|---|---|
|  |   | keeping in view the materiality factor. For the purpose of accounting, however, these will be taken in stock till its disposal.                               |
| (e) Encroached Land                              | There is no mention in IPSAS/IGFRS about treatment of Govt. assets/land which has been encroached.  | Since title of such type of land vests with the Government, it will be valued like any other Government land with adequate disclosure about its encroachment. |
| 7. Liabilities on account of Retirement Benefits | At present both pension plans i.e defined benefit plan and defined contributory plan are applicable to the employees working under the control of entity. No liability on this account could be provided as actuarial valuation in respect of defined benefit plan was not available. | Entity should get the pensionary liability worked out by engaging actuaries.  |

### 4.3 Other Suggestions

A few more suggestions are:

- First point for switch over to accrual accounting system is that the existing cash based accounting system be purged of the accounting abuses and get to work well by aligning with existing cash based IPSAS as suggested by the International Monetary Fund in IMF Working Paper (December 2002/240). This we would also like to emphasize.
- Departmental record keeping has to improve considerably. Maintenance of records/register prescribed under existing financial and accounting codes and departmental regulations has to be a binding priority.
- Identification of physical assets, their valuation by the control entity and the identification of current liabilities has to be a priority and pre-condition to migration.
- Physical verification of the inventory held in stock should be conducted annually as already laid down in Departmental Rules and shortages/excess(s) detected, if



any should be recognized in the AFS. This will help in knowing the physical existence and location of the inventory of stock.

- To be successful, the organization would need to be prepared and willing to accept the benefits of change. The line managers would need to know how the accrual information will help them manage activities more efficiently and effectively. This could be demonstrated by holding Workshops on Study of Cash and accrual systems of Accounting through case studies of the pilots already done. The accounting staff would require adequate training and capacity building to manage the accrual accounting.
- Before whole of Government approach for migration to accrual accounting in Government sector is attempted, more pilots of individual departments of Government should be taken up.
- Accrual Accounting would need a robust IT system to capture accrual information.



*ANNEXURE*

**Pilot Study on Migration to Accrual  
Accounting in Forest and Health  
Departments of State Government of  
Madhya Pradesh (India)**

**Civil Surgeon- cum- Chief Superintendent, District Hospital, Gwalior**

**Accounts For The Year 2008 – 09**

- 1. Statement of Financial Performance alongwith Schedules;**
- 2. Statement of Financial Position alongwith Schedules;**
- 3. Statement of Change in net assets/equity;**
- 4. Cash Flow Statement; and**
- 5. Significant Accounting Policies and Notes to Financial Statements**

**May, 2010**

**Sponsored by  
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**Institute of Public Auditors of India(IPAI), New Delhi**

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**Civil Surgeon-cum-Chief Superintendent,  
District Hospital, Gwalior  
Health Department , Government of Madhya Pradesh  
Statement of Financial Performance for the Year Ended 31st March 2009  
(Classification of Expenses by Function)**

(In Rupees)

| Particulars   | No. | Actuals             |               |
|---|-----|---------------------|---------------|
|   |     | Current Year        | Previous Year |
| <b>Revenue</b>  |     |                     |               |
| Taxes   |     |                     |               |
| Taxes on income and expenditure                             |     |                     |               |
| Taxes on property and capital transactions                  |     |                     |               |
| Taxes on commodities and services                           |     |                     |               |
| <i>Sub Total – A</i>  |     |                     |               |
| Fees, fines, penalties and licenses                         |     |                     |               |
| Revenue from exchange transactions                          |     |                     |               |
| Rent  |     |                     |               |
| Sales of goods and services                                 |     |                     |               |
| Interest Receipts , Dividends and Profits                   |     |                     |               |
| Other non-tax revenue                                       |     | 23,323              |               |
| Transfers from other government entities                    |     |                     |               |
| Grants in Aid from Central Government                       |     |                     |               |
| Other Revenue   |     |                     |               |
| <i>Sub Total – B</i>  |     | <b>23,323</b>       |               |
| <b>Total Revenue - C = A + B</b>                            |     | <b>23,323</b>       |               |
|   |     |                     |               |
| <b>Expenses</b>   |     |                     |               |
| <b>General Services</b>                                     |     |                     |               |
| Environmental Protection (Forest)                           |     |                     |               |
| Organs of State   |     |                     |               |
| Fiscal Services   |     |                     |               |
| i. Collection of taxes in property and capital transactions |     |                     |               |
| ii. Collection of taxes on commodities and services         |     |                     |               |
| iii. Other fiscal services                                  |     |                     |               |
| Administrative services                                     |     |                     |               |
| Pension and miscellaneous general services                  |     |                     |               |
| <i>Sub Total – D</i>  |     |                     |               |
|   |     |                     |               |
| <b>Social Services</b>                                      |     |                     |               |
| Education, Sports, Art and Culture                          |     |                     |               |
| Health and Family Welfare                                   |     | 10,24,94,057        |               |
| Water Supply, Sanitation, Housing and Urban Development     |     |                     |               |
| Information and Broadcasting                                |     |                     |               |
| Welfare of SC, ST and OBC                                   |     |                     |               |
| Labor and Labor Welfare                                     |     |                     |               |
| Social Welfare and Nutrition                                |     |                     |               |
| Others  |     |                     |               |
| <i>Sub Total – E</i>  |     | <b>10,24,94,057</b> |               |
| <b>Economic Services</b>                                    |     |                     |               |
| Agriculture and allied activities                           |     |                     |               |
| Rural development   |     |                     |               |
| Irrigation and flood control                                |     |                     |               |
| Energy  |     |                     |               |
| Industry and minerals                                       |     |                     |               |

**Civil Surgeon-cum-Chief Superintendent,  
District Hospital, Gwalior  
Health Department , Government of Madhya Pradesh  
Statement of Financial Performance for the Year Ended 31st March 2009  
(Classification of Expenses by Function)**

(In Rupees)

| Particulars  | No. | Actuals              |               |
|--|-----|----------------------|---------------|
|  |     | Current Year         | Previous Year |
| Transport  |     |                      |               |
| Science, technology and environment  |     |                      |               |
| General economic services  |     |                      |               |
| <i>Sub Total – F</i>   |     | <b>0</b>             |               |
| Transfers to other government entities                                       |     |                      |               |
| Compensation and Assignments to Local Bodies and Panchayati Raj Institutions |     |                      |               |
| Other Expenses   |     |                      |               |
| Finance Costs-Interest on DPF  |     | 5,51,466             |               |
| <i>Sub Total – G</i>   |     | <b>5,51,466</b>      |               |
|  |     |                      |               |
| <b>Total Expenditure - H = D + E + F +G</b>                                  |     | <b>10,30,45,523</b>  |               |
|  |     |                      |               |
| Gain / Loss on Disposal of Non- Current Assets – I                           |     |                      |               |
| Gain / Loss on Disposal of Investments – J                                   |     |                      |               |
|  |     |                      |               |
| <b>Net Operating Surplus / (Deficit) - K = C - H – I – J</b>                 |     | <b>-10,30,22,200</b> |               |
|  |     |                      |               |
| <b>Appropriations out of Consolidated Fund</b>                               |     |                      |               |
| Transfer to Sinking Funds  |     |                      |               |
| Transfer to Other Funds  |     |                      |               |
|  |     |                      |               |
| <i>Total Appropriations out of Consolidated Fund – G</i>                     |     |                      |               |
| <b>Net Surplus / (Deficit) transferred to Consolidated Fund – K – G</b>      |     | <b>10,30,22,200</b>  |               |

**Notes:**

1. The schedule numbers have been given only against items for which figures were available
2. Previous year figures have not been provided as study covered only financial year 2008-09..

**Civil Surgeon-cum-Chief Superintendent,  
District Hospital, Gwalior  
Health Department , Government of Madhya Pradesh  
Statement of Financial Performance for the year ended March 31, 2009 (By Nature of Expense)  
Amount (In Rupees)**

| Particulars   | No. | Actuals             |               |
|---|-----|---------------------|---------------|
|   |     | Current Year        | Previous Year |
| <b>Revenue</b>  |     |                     |               |
| Taxes   |     |                     |               |
| Taxes on income and expenditure   |     |                     |               |
| Taxes on property and capital transactions                                  |     |                     |               |
| Taxes on commodities and services   |     |                     |               |
| <i>Sub Total – A</i>  |     |                     |               |
|   |     |                     |               |
| Fees, fines, penalties and licenses   |     |                     |               |
| Revenue from exchange transactions  |     |                     |               |
| Rent  |     |                     |               |
| Sales of goods and services   |     |                     |               |
| Interest Receipts , Dividends and Profits                                   |     |                     |               |
| Other non-tax revenue   |     |                     |               |
| Transfers from other government entities                                    |     |                     |               |
| Grants in Aid from Central Government                                       |     |                     |               |
| Other Revenue   | 1   | 23,323              |               |
| <i>Sub Total – B</i>  |     | <b>23,323</b>       |               |
|   |     |                     |               |
| <b>Total Revenue - C = A + B</b>  |     | <b>23,323</b>       |               |
|   |     |                     |               |
| <b>Expenditure</b>  |     |                     |               |
| Wages, salaries and employee benefits                                       | 2   | 9,43,36,712         |               |
| Grants and other transfer payments  |     |                     |               |
| Supplies and consumables used –Hospital Expenses                            | 3   | 62,36,839           |               |
| Depreciation and amortization   | 8   | 2,65,098            |               |
| Impairment of property, plant and equipment*                                |     |                     |               |
| Other expenses  | 4   | 16,55,408           |               |
| Finance costs –Interest on DPF  |     | 5,51,466            |               |
| Gain / Loss on Disposal of Non- Current Assets                              |     |                     |               |
| Gain / Loss on Disposal of Investments                                      |     |                     |               |
| <b>Total Expenditure – D</b>  |     | <b>10,30,45,523</b> |               |
|   |     |                     |               |
| <b>Net Operating Surplus / (Deficit) – E = C – D</b>                        |     | -10,30,22,200       |               |
|   |     |                     |               |
| <b>Appropriations out of Consolidated Fund of the State</b>                 |     |                     |               |
|   |     |                     |               |
| Transfer to Sinking Funds   |     |                     |               |
| Transfer to Other Funds   |     |                     |               |
| <b>Total Appropriations out of Consolidated Fund – F</b>                    |     |                     |               |
|   |     |                     |               |
| <b>Net Surplus / (Deficit) transferred to Consolidated Fund - G = E – F</b> |     | <b>10,30,22,200</b> |               |

**Notes**

1. The schedule numbers have been given only against items for which figures were available
2. Previous year figures have not been provided as study covered only financial year 2008-09.

**Civil Surgeon-cum-Chief Superintendent,  
District Hospital, Gwalior  
Health Department , Government of Madhya Pradesh  
Statement of Financial Position as on March 31,2009**

*Amount (in Rupees)*

| Particulars  | Schedules | Actuals            |                  |
|--|-----------|--------------------|------------------|
|  |           | Current Year       | Previous Year    |
| <b>ASSETS</b>  |           |                    |                  |
| <b>Current Assets</b>  |           |                    |                  |
| Cash and cash equivalents  |           |                    |                  |
| Receivables  |           |                    |                  |
| Recoverables from non exchange transactions<br>(taxes and transfers) |           |                    |                  |
| Receivables from exchange transactions                               | 5         | 33,662             | 74,700           |
| Inventories  | 6         | 30,93,340          | 22,88,014        |
| Prepayments  |           |                    |                  |
| Investments (accounted for using equity method)                      |           |                    |                  |
| Other financial assets   |           |                    |                  |
| Other current assets   |           |                    |                  |
| <b>Sub Total – A</b>   |           | <b>31,27,002</b>   | <b>23,62,714</b> |
| <b>Non-current assets</b>  |           |                    |                  |
| Receivables  |           |                    |                  |
| Receivables from exchange transactions                               |           |                    |                  |
| Recoverables from non exchange transactions<br>(taxes and transfers) |           |                    |                  |
| Inventories  |           |                    |                  |
| Investments of Departmental Provident Fund with<br>State Govt.       | 7         | 52,04,189          | 49,27,740        |
| Other financial assets   |           |                    |                  |
| Heritage Assets – Tangible   |           |                    |                  |
| Heritage Assets – Intangible   |           |                    |                  |
| Property, Plant and Equipment  | 8         | 20,86,684          | 6,18,837         |
| Capital work in progress   |           |                    |                  |
| Intangible assets  |           |                    |                  |
| <b>Sub Total – B</b>   |           | <b>72,90,873</b>   | <b>55,46,577</b> |
| <b>Total Assets - C = A + B</b>                                      |           | <b>1,04,17,875</b> | <b>79,09,291</b> |
| <b>LIABILITY</b>   |           |                    |                  |
| <b>Current liabilities</b>   |           |                    |                  |
| Payables   |           |                    |                  |
| Taxes and transfers payable  |           |                    |                  |
| Payable under exchange transactions                                  |           |                    |                  |
| Short term borrowings  |           |                    |                  |
| Current provision of long term borrowings                            |           |                    |                  |
| Short term provisions  |           |                    |                  |
| Employee benefits  | 9         | 3,60,030           | 10,61,456        |
| Superannuation   |           |                    |                  |
| Other financial liability  | 10        | 33,073             | 2,57,988         |
| <b>Sub-Total – D</b>   |           | <b>3,93,103</b>    | <b>13,19,444</b> |



**Civil Surgeon-cum-Chief Superintendent,  
District Hospital, Gwalior  
Health Department , Government of Madhya Pradesh  
Statement of Financial Position as on March 31,2009**

*Amount (in Rupees)*

| Particulars  | Schedules | Actuals          |                  |
|--|-----------|------------------|------------------|
|  |           | Current Year     | Previous Year    |
|  |           |                  |                  |
|  |           |                  |                  |
| <b>Non-current liabilities</b>   |           |                  |                  |
| Payables   |           |                  |                  |
| Taxes and transfers payable  |           |                  |                  |
| Payable under exchange transactions                                    |           |                  |                  |
| Long Term Borrowings   |           |                  |                  |
| Long term provisions   |           |                  |                  |
| Employee benefits –Departmental Provident Fund (DPF)                   | 7         | 52,04,189        | 49,27,740        |
| Superannuation   |           |                  |                  |
| Other financial liabilities  |           |                  |                  |
| <b>Sub-Total – E</b>   |           | <b>52,04,189</b> | <b>49,27,740</b> |
|  |           |                  |                  |
| <b>Total liabilities - F = D + E</b>                                   |           | <b>55,97,292</b> | <b>62,47,184</b> |
|  |           |                  |                  |
| <b>Net Assets - G = C – F</b>  |           | <b>48,20,603</b> | <b>16,62,107</b> |
|  |           |                  |                  |
| <b>NET ASSETS/EQUITY</b>   |           |                  |                  |
| <i>Contributed by</i>  |           |                  |                  |
|  |           |                  |                  |
| <b>Reserves and Surplus</b>  |           |                  |                  |
| Earmarked Funds  |           |                  |                  |
|  |           |                  |                  |
| <b>Contingency Fund</b>  |           |                  |                  |
| Contingency Fund of the State  |           |                  |                  |
|  |           |                  |                  |
| <b>Consolidated Fund</b>   |           |                  |                  |
| Consolidated Fund of the State   |           | 48,20,603        | 16,62,107        |
|  |           |                  |                  |
| <b>Total Net Assets/Equity - H</b>                                     |           | <b>48,20,603</b> | <b>16,62,107</b> |
|  |           |                  |                  |
| <b>Contingent liabilities and Unrecognized Contractual Commitments</b> |           |                  |                  |

**Notes**

1. The schedule numbers have been given only against items for which figures were available
2. Previous year figures have been provided wherever available.

**Civil Surgeon-cum-Chief Superintendent,  
District Hospital, Gwalior  
Health Department , Government of Madhya Pradesh**

**Statement of Changes in Equity/Net Assets as on March 31, 2009**

*Amount (In Rupees)*

|                        | Particulars  | Consolidated Fund   |               | Contingency Fund |               | Total        |               |
|------------------------|--|---------------------|---------------|------------------|---------------|--------------|---------------|
|                        |  | Current Year        | Previous Year | Current Year     | Previous Year | Current Year | Previous Year |
| <b>Opening Balance</b> | (a)  | <b>16,62,107</b>    |               |                  |               |              |               |
| Add/Deduct             | Surplus or (Deficit) for the period (b)<br>Contingency Fund Pending Recoupment (c)   | 10,30,22,200        |               |                  |               |              |               |
|                        | <b>A=a+b+c</b>   | <b>10,46,84,307</b> |               |                  |               |              |               |
| Add                    | Transitional Adjustments – B   | -9,98,63,704        |               |                  |               |              |               |
| Add                    | Item of Revenue & Expense, which, as required by other standard, is recognized directly in net assets/equity, and the total of these items – C           |                     |               |                  |               |              |               |
| Add                    | Cumulative effect of changes in accounting policy and the correction of fundamental errors dealt with under the benchmarks treatments in (IPSAS - 3) – D |                     |               |                  |               |              |               |
| Add                    | .....  |                     |               |                  |               |              |               |
| <b>Closing Balance</b> | <b>A + B + C + D</b>   | <b>48,20,603</b>    |               |                  |               |              |               |

**Civil Surgeon-cum-Chief Superintendent,  
District Hospital, Gwalior  
Health Department , Government of Madhya Pradesh**

**Cash Flow Statement For the Year Ended March 31, 2009**

*Amount (In Rupees)*

| Particulars   | Actuals      |                     |
|---|--------------|---------------------|
|   | Current Year | Previous Year       |
| <b>Cash Flows from Operating Activities:</b>  |              |                     |
| Receipts:   |              |                     |
| Tax Revenue:  |              |                     |
| Taxes on Income and Expenditure   |              |                     |
| Taxes on Property and Capital Transaction   |              |                     |
| Taxes on Commodity and Services   |              |                     |
| <b>Total Tax Revenue</b>  |              |                     |
| Non-tax Revenue:  |              |                     |
| General Services  |              |                     |
| Social Services   |              |                     |
| Economic Services   |              |                     |
| Interest Receipts   |              |                     |
| Misc. Receipts  |              | 23,323              |
| <b>Total Non-tax Revenue</b>  |              | <b>23,323</b>       |
| Grants-in-aid and Contributions received from the State Government through Budget allocations |              | 11,78,10,273        |
| <b>Total (A)</b>  |              | <b>11,78,33,596</b> |
| Less Disbursements:   |              |                     |
| General Services (Payment of salaries, Wages, pension, etc.                                   |              | 10,70,03,126        |
| Social Services   |              |                     |
| Economic Services   |              |                     |
| Grants-in-aid and Contributions   |              |                     |
| Contingency Fund ( net)   |              |                     |
| <b>Total (B)</b>  |              | <b>10,70,03,126</b> |
| <i>Net Cash flows from Operating Activities C = (A)-(B)</i>                                   |              | +1,08,30,470        |
| <b>Cash Flows from Investing Activities</b>   |              |                     |
| Receipts:   |              |                     |

**Civil Surgeon-cum-Chief Superintendent,  
District Hospital, Gwalior  
Health Department , Government of Madhya Pradesh**

**Cash Flow Statement For the Year Ended March 31, 2009**

*Amount (In Rupees)*

| Particulars   | Actuals             |               |
|---|---------------------|---------------|
|   | Current Year        | Previous Year |
| Sale of Property, Plant and Equipment                             |                     |               |
| Sale of Investments (Disinvestment receipts etc.)                 |                     |               |
| Loans and Advances  |                     |               |
| Dividends and Profits   |                     |               |
| <b>Total (D)</b>  | -                   |               |
| Disbursements:  |                     |               |
| Investments in other Entities                                     |                     |               |
| Capital Expenditure Heads   | 20,66,147           |               |
| Loans and Advances  | 87,41,000           |               |
| <b>Total (E)</b>  | <b>1,08,07,147</b>  |               |
| Net Cash Flow from Investing Activities -(F) = (D)-(E)            | <b>-1,08,07,147</b> |               |
| Net Cash flow from Operating and Investing activities (C)+(F)=(G) | <b>+23,323</b>      |               |
| <b>Cash Flows from Financing Activities</b>                       |                     |               |
| Cash was provided from :-   |                     |               |
| Internal Debt   |                     |               |
| External Debt (If applicable)                                     |                     |               |
| Small Savings, Provident Funds etc.                               |                     |               |
| Reserve Funds bearing interest                                    |                     |               |
| Reserve Funds not bearing interest                                |                     |               |
| Deposits bearing interest   |                     |               |
| Deposits not bearing interest                                     |                     |               |
| Advances  |                     |               |
| Suspense and Miscellaneous  |                     |               |
| Remittances   |                     |               |
| <b>Total (H)</b>  | -                   |               |
| Cash was disbursed towards :                                      |                     |               |

**Civil Surgeon-cum-Chief Superintendent,  
District Hospital, Gwalior  
Health Department , Government of Madhya Pradesh**

**Cash Flow Statement For the Year Ended March 31, 2009**

*Amount (In Rupees)*

| Particulars   | Actuals      |               |
|---|--------------|---------------|
|   | Current Year | Previous Year |
| Internal debt   |              |               |
| External debt (If applicable)                           |              |               |
| Small Savings, Provident Funds etc.                     |              |               |
| Reserve Funds bearing interest                          |              |               |
| Reserve Funds not bearing interest                      |              |               |
| Deposits bearing interest                               |              |               |
| Deposits not bearing interest                           |              |               |
| Advances  |              |               |
| Suspense and Miscellaneous                              |              |               |
| Remittances   |              |               |
| <b>Total (I)</b>  |              |               |
| Net Cash Flow from Financing Activities - (J) = (H)-(I) |              |               |
| Net Movement in Cash and Cash Equivalents -K = (G)+(J)  | +23,323      |               |
| Opening Balance of Cash and Cash Equivalents (L)        | -            |               |
| Closing Balance of Cash and Cash Equivalents = (L)+(K)  | +23,323      |               |

**Notes to the Cash Flow Statement**

|   | Current Year | Previous Year |
|---|--------------|---------------|
| (a) Cash and Cash Equivalents   | 23,323       |               |
| Cash and cash equivalents consist of cash in treasuries and deposit with Reserve Bank of India and other Banks and Remittances in transit, as stated below: |              |               |
| Cash in treasuries  | 23,323       |               |
| Deposit with RBI  |              |               |
| Deposit with other Banks  |              |               |
| Remittances in transit (Local)  |              |               |
| Remittances in transit (Foreign)  |              |               |

**Civil Surgeon-cum-Chief Superintendent,  
District Hospital, Gwalior  
Health Department , Government of Madhya Pradesh**

**Cash Flow Statement For the Year Ended March 31, 2009**

*Amount (In Rupees)*

| Particulars  | Actuals      |               |
|--------------|--------------|---------------|
|              | Current Year | Previous Year |
| <b>TOTAL</b> |              |               |

## **Significant Accounting Policies and Notes to Accounts.**

### **Significant Accounting Policies:**

#### **1. General**

- (a) Reporting Entity: Annual Financial Statements (AFS) of Civil Surgeon-cum- Chief Superintendent (CS), District Hospital, Gwalior including all the 21 dispensaries & hospitals under its control have been prepared considering that CS is a separate reporting entity. All the revenues, expenses, assets and liabilities relating to and under the control of CS Gwalior are included in these AFS.
- (b) The Statement of Significant Accounting Policies indicates the important accounting principles followed by the CS Gwalior in respect of accounting for its transactions and in the preparation and presentation of the AFS.
- (c) The Financial Statements have been prepared as a going concern and under historical cost basis under accrual based accounting system.
- (d) Financial year means the period from 1<sup>st</sup> April of a year to 31<sup>st</sup> March of the subsequent year.
- (e) The basis of accounting unless otherwise specifically stated, is accrual, which implies recognition of revenues when earned and recognition of expenses when incurred regardless of when related cash flow takes place.
- (f) Accounting policies not specifically referred to are in accordance with generally accepted accounting policies.

#### **2. Recognition of Revenue**

CS does not have any direct income.

#### **3. Recognition of expenditure:**

- (a) Expenses on pay and allowances are recognised as and when they are due for payment.
- (b) All other revenue expenditure is recognised as expenditure as and when it is incurred.
- (c) Provisions for all the expenses incurred during 2008-09 but remaining unpaid on 31.03.2009 are made at year end.

#### **4. Fixed Assets**

##### **(a) Recognition**

- (i) Fixed assets are stated at historical cost less accumulated depreciation. Historical cost comprises the cost of acquisition/construction and all direct cost attributable to bring the asset to its working condition for intended use.
- (ii) The fixed asset which is having economic value but the original cost of which is not ascertainable is valued at nominal value of Rupee one only.
- (iii) The cost of major/special repairs which increases the expected future benefits beyond the previously assessed standard performance is capitalized.

- (iv) Fixed asset which has been acquired free of cost or in respect of which no payment has been made, is recorded at nominal value of Rupee one only.
- (v) Assets of historical/artistic value are valued at a nominal price of Rupee one only.
- (vi) Assets having normal shelf life of 5 to 10 years, but costing less than Rs.1000 (in each case) has been charged to revenue during the year of purchase keeping in view the materiality concept.
- (vii) Records of land and buildings under the control of the CS are not kept by the Health Department as the same are required to be maintained by the State PWD Department. Details of land and buildings could not be gathered from PWD as well. It was not possible to establish original cost and life of these assets. In its absence, land & buildings under the control of entity has been valued at nominal value of Rs. one and shown in the AFS.

**(b) Depreciation**

- (i) The rates of depreciation on Fixed Assets are derived on the basis of anticipated useful life of asset.
- (ii) Depreciation on all assets (excepting land) shall be calculated on straight line method.

**5. Inventories**

Inventories of medicines valued at cost. The cost is determined by using first in first out method.

**6. Investments** have been taken at book value. Investments includes balance of Departmental Provident Funds(DPF) of Group D employees, the accounts of which are being kept by the CS Gwalior and lying in Public Account of the State considered as investment with the State Government.

**7. Contingent Liabilities**

The contingent liabilities include:

- (a) Amount of claim in respect of suits filed against the CS.
- (b) Claims against the CS not acknowledged as debt.
- (c) Other money for which the CS may, contingently, be liable.

**(B) Notes to Accounts**

**1. Contingent Liabilities**

The following two pension cases are pending for finalisation with the entity. The liability in respect of these two cases, has not been provided due to the reasons shown against each.

**(i) Smt. Dhanna Bai :**

Tempering in date of birth. Hence date of retirement could not be finalised.

**(ii) Bhagwan Singh Kushwah :**

The case is pending in the Court of Law



## 2. Fixed Assets

- (i) As confirmed by the entity details regarding articles of permanent nature like semi fowler beds, bed side screens, bed side trolley, instruments trolley, iron stretchers, wheel chairs, bed side locks, drip stand, iron stools iron benches, pressure cooker, utensils etc. issued to or available with the sub-ordinates units working under the control of the entity, were not available. These articles were stated to have been issued prior to 1997 by CM&HO Gwalior, under whose jurisdiction these units were earlier functioning. The office of the CS came into existence in 1997. Since these articles stated to have been issued prior to 1997, their details are not available and also they have outlived their normal shelf life (10 years) as such the value of these items have been taken as Re. one only.
- (ii) **Land & Buildings:** All the land and buildings in which sub-ordinate units and the office of the entity are functioning are either held on the charge of PWD or of the respective department. Therefore the cost of land and building and depreciation have not been shown in AFS. The entity has not maintained any records of land and buildings under its control, though there are 21 attached hospitals and dispensaries under its control viz. District Hospitals- 1 (200 beds), Civil Hospitals- 2 (70 beds), T.B. Hospital - 1 (104 Beds) Maternity Homes - 3 (80 beds), field Health Centre - 1, and Civil Dispensaries - 13 (50 beds) are working under the jurisdiction of the entity. Of these 17 units are reported to be functioning in Government buildings, 2 in rented buildings and 2 in beneficiaries buildings. The administrative control of the land and building in respect of the units functioning in government buildings is reported to be with the Executive Engineer, P.W.D. Dn. No. 1 Gwalior, who also could not supply the requisite details regarding Govt. land and buildings in possession of the entity. Therefore, the value of 17 buildings and land has been taken at nominal values of Re one only.
- (iii) **Depreciation:** Depreciation on assets has been calculated on the cost of assets using the straight line method over the estimated useful life of the asset. Estimated useful life of the assets has been taken based on the range of useful life prescribed (March 2009) by the Commissioner Health Services, Govt. of MP. The range of useful life as prescribed for different assets/class of assets is as under and depreciation at the rate of 10% on heavy equipments and 20 % on light equipments is to be charged:

|  |         |
|--|---------|
| <ul style="list-style-type: none"> <li>• Cleaning equipment, Vaccume cleaner</li> </ul>          | 5 years |
| <ul style="list-style-type: none"> <li>• Heating equipment</li> <li>• Heaters</li> </ul>         |         |
| <ul style="list-style-type: none"> <li>• Kitchen equipment</li> <li>• Pressure Cooker</li> </ul> |         |
| <ul style="list-style-type: none"> <li>• Kettles utensils sinks</li> </ul>                       |         |
| <ul style="list-style-type: none"> <li>• Fridge and mini fridge</li> </ul>                       |         |

|  |  |
|--|--|
| <ul style="list-style-type: none"> <li>• Iron cots and bedside lockers simple cot semi fowler bed</li> <li>• fowler bed</li> <li>• Bedside screen</li> <li>• Bedside trolley</li> <li>• Instrument trolley</li> <li>• Iron stretcher</li> <li>• Drip stand</li> <li>• Iron steps &amp; stools</li> </ul> | 10 years   |
| <ul style="list-style-type: none"> <li>• Computer &amp; Electrical Equipments</li> </ul>   | 5 to 7 years or when the technology is obsolete. |
| <ul style="list-style-type: none"> <li>• Heavy Equipments:</li> <li>• X-Ray Machines</li> <li>• Bedside Monitors</li> <li>• ECG Machines</li> <li>• Baby Warmer, etc.</li> </ul>   | 5 to 7 years or when the technology is obsolete. |

### 3. Inventories

- (i) Agewise analysis of the stock held in balance as on 1st April 2008 is not available in the stock Registers. The cost of the stock held in balance, procured/received during 2008-09 has not been mentioned in most of the cases. The value of the items held in balance as on 1st April 2008 and those procured/received during 2008-09 has, therefore, been calculated on the bases of rate(s) of the item(as provided by the entity).
- (ii) The value of the closing inventories at the end of the financial year i.e. as on 31st March 2009 is as per information provided by the entity.
- (iii) The value of all inventories received free of cost either from Reproductive Child Health / National Rural Health Mission/ Rogi Kalyan Samiti being under the control and use of Civil Surgeon have been classified as assets of the entity at fair value as per IPSAS 23.
- (iv) Cost of medicines shown in the AFS does not include the cost of medicines procured and distributed under Pensioners and Deen Dayal Antyodaya Programme as the medicines procured for distribution to pensioners and to the patients under Deen Dayal Antyodaya Programme were not recorded in stock Register(s) of the entity.

#### 4. Advances to Employees:

Figures of the various advances paid to the employees have been compiled and consolidated from the cash book, vouchers and other connected records. The amount representing outstanding advances together with interest recoverable are reflected as assets in the AFS.

#### 5. Liabilities

**Departmental Provident Fund:** The figures of Departmental Provident Fund recovered from the employees concerned have been compiled from the cash book, relevant vouchers and exhibited as liability alongwith interest payable and these funds are being kept in Public Account of the State. These have been shown as investment on assets side of the Statement of Financial Position.

**Liability on account of GPFund:** Details of GPF recovered in earlier years from the employees and as payable to them together with interest are not available with the entity as GPF accounts are being kept by the AG(A&E) MP as such liability accrued on this account has not been recognized in the AFS.

**Liability on account of payment of pension:** At present both pension plans i.e defined benefit plan and defined contributory pension scheme are applicable to the employees working under the control of entity. Defined benefit plan is applicable to the pre-January 2005 employees while defined contributory plan to post January 2005 employees. Under the defined benefit pension plan, the liability is to be provided on the basis of actuarial valuation. No liability has been provided on this account as it was not possible to get the actuarial valuation.

### **Schedule No. 1**

#### **Departmental Miscellaneous Receipts**

| <b>Particulars</b>          | <b>Amount</b> |            |
|-----------------------------|---------------|------------|
|                             | <b>Rs.</b>    | <b>Rs.</b> |
| Vehicle charges             | 1,912         |            |
| District Medical Board Fees | 17,961        |            |
| Other Recoveries            | 3,450         |            |
| Total                       | 23,323        | 23,323     |

### **Schedule No. 2**

#### **Wages, Salaries and Allowances**

| <b>Particulars</b>                  | <b>Amount</b> |             |
|-------------------------------------|---------------|-------------|
|                                     | <b>Rs.</b>    | <b>Rs.</b>  |
| Pay and Allowances                  | 9,33,52,562   |             |
| Medical Reimbursement               | 15,532        |             |
| Travelling Expenses                 | 36,662        |             |
| Wages to contingency paid workers   | 8,47,569      |             |
| Pension & other retirement benefits | 84,387        |             |
| Total                               | 9,43,36,712   | 9,43,36,712 |

**Note :**

*The total amount includes Rs. 360030 on account of Pay and allowance for the year 2008-09 remained outstanding for payment.*

### **Schedule No. 3**

#### **Hospital Expenses- Supplies & Consumables**

| <b>Particulars</b>  | <b>Amount</b> |            |
|---|---------------|------------|
|   | <b>Rs.</b>    | <b>Rs.</b> |
| Consumption of Medicines                                  | 51,34,502     |            |
| Assets valuing less than Rs.1000/- charged as consumption | 1,51,059      |            |
| Diet  | 2,78,699      |            |
| Milk  | 2,71,097      |            |
| Liveries  | 3,00,332      |            |
| Bed sheets  | 1,01,150      |            |
| Total   | 62,36,839     | 62,36,839  |

**Schedule No. 4**

**Other Expenses**

| <b>Particulars</b>           | <b>Amount</b> |            |
|------------------------------|---------------|------------|
|                              | <b>Rs.</b>    | <b>Rs.</b> |
| Telephone                    | 8,058         |            |
| Electricity                  | 9,81,153      |            |
| Fees (paid to CA/Advocate)   | 8,204         |            |
| Rent                         | 42,718        |            |
| Postage & stationary         | 5,27,706      |            |
| Maintenance & repair charges | 78,181        |            |
| Ceremonial Expenses          | 9,388         |            |
| Total                        | 16,55,408     | 16,55,408  |

**Schedule No. 5**

**Loans and Advances to Employees**

| <b>Particulars</b>   | <b>Amount</b> |               |
|----------------------|---------------|---------------|
|                      | <b>Rs.</b>    | <b>Rs.</b>    |
| Opening Balance      | 74,700        |               |
| Paid during the year | 54,000        |               |
| Total                | 1,28,700      |               |
| Less : Recoveries    | 95,038        |               |
| Closing Stock        | <b>33,662</b> | <b>33,662</b> |

| <b><u>Details of Closing Balance</u></b> |        |  |
|--|--------|--|
| Festival Advance                         | 23,242 |  |
| Grain Advance                            | 10420  |  |
| Total Advances recoverable               | 33,662 |  |

**Schedule No. 6**

**Inventory of Medicines**

| <b>Particulars</b>   | <b>Amount</b>    |                  |
|--|------------------|------------------|
|  | <b>Rs.</b>       | <b>Rs.</b>       |
| Opening Balance  | 22,88,014        |                  |
| Add: Purchased during the year   | 59,39,828        |                  |
| Total  | 82,27,842        |                  |
| Less : Consumption of medicines, etc. charged to revenue during the year | 51,34,502        |                  |
| Closing Stock  | <b>30,93,340</b> | <b>30,93,340</b> |

**Schedule No. 7**

**Departmental Provident Fund**

| <b>Particulars</b>  | <b>Amount</b> |                  |
|---|---------------|------------------|
|   | <b>Rs.</b>    | <b>Rs.</b>       |
| Old Balance   | 49,27,740     |                  |
| <u>Additions</u> : Recoveries from Salary   | 1,91,473      |                  |
| Provision for Interest  | 5,51,466      |                  |
| Total   | 66,70,679     |                  |
| <u>Deduct</u> : Payment during 2008-09  | 14,66,490     |                  |
| Balance of DPF in Public Account of the State Govt. shown as Investment with State Govt. in the Statement of Financial Position | 52,04,189     | <b>52,04,189</b> |

**Schedule 8**  
**Statement of Fixed Assets as on 31<sup>st</sup> March 2009**

(In Rupees)

| S. No. | Particulars                                     | Opening Balance | Procured / Received | Total Till       | Assets valuing less than Rs.1000/- charged to revenue During 2008-09 | Closing Balance as | Depreciation         |                 |                  |
|--------|---|-----------------|---------------------|------------------|--|--------------------|----------------------|-----------------|------------------|
|        |   |                 |                     |                  |  |                    | As on 1st April 2008 | During 2008-09  | 2008-09          |
| 1      | 2   | 3               | 4                   | 5                | 6  | 7                  | 8                    | 9               | 11               |
| 1.     | Land & Buildings (at nominal value)             | 1               | -                   | 1                | -  | 1                  | -                    | -               | 1                |
| 2.     | Semi fowler Beds, Strechers, Wheel chairs, etc. | 1               | -                   | 1                | -  | 1                  | -                    | -               | 1                |
| 3.     | Medical and Surgical Equipment                  | 1,75,772        | 8,82,934            | 10,58,706        | 84,888   | 9,73,818           | 10%                  | 97,382          | 8,76,436         |
| 4.     | Electrical Equipment                            | 1,93,342        | 8,85,420            | 10,78,762        | Nil  | 10,78,762          | 10%                  | 1,07,876        | 9,70,886         |
| 5.     | Furniture and Fixture                           | 32,312          | 95,682              | 1,27,994         | 14,226   | 1,13,768           | 20%                  | 22,754          | 91,014           |
| 6.     | Medical and Surgical Instrument                 | 2,17,409        | 19,968              | 2,37,377         | 51,945*  | 1,85,432           | 20%                  | 37,086          | 1,48,346         |
|        | <b>Total</b>                                    | <b>6,18,837</b> | <b>18,84,004</b>    | <b>25,02,841</b> | <b>1,51,059</b>  | <b>23,51,782</b>   | <b>-</b>             | <b>2,65,098</b> | <b>20,86,684</b> |

**Note :**

- \* 1. This includes value of items costing less than Rs.1,000/- procured earlier but charged to revenue during 2008-09.
2. Details regarding year of purchase in respect of balances held on 1.4.2008 not mentioned/available in stock register.
3. In respect of equipment procured during 2008-09 life in respect of items is 10 years depreciation has been provided @ 10%.
4. Rs.1,51,059 being value of assets costing less than Rs.1,000 each item as shown in column 6 charged to revenue as consumption

**Schedule No. 9**

**Current Liabilities- - Employees Benefits**

| Particulars      | 2007-08<br>(Rs.) | 2008-09<br>(Rs.) |
|------------------|------------------|------------------|
| Salaries         | 10,58,592        | 3,60,030         |
| Leave encashment | 2864             | --               |
| Total            | 10,61,456        | 3,60,030         |

**Schedule No. 10**

**Other Current Liabilities**

| Particulars            | 2007-08<br>(Rs.) | 2008-09<br>(Rs.) |
|------------------------|------------------|------------------|
| Milk & Diet charges    | --               | 33,073           |
| Vehicle Repairs        | 5,812            | --               |
| Fees                   | 376              | --               |
| Ceremonies & Insurance | 2,51,800         |                  |
| Total                  | 2,57,988         | 33,073           |



*ANNEXURE*

**Pilot Study on Migration to Accrual  
Accounting in Forest and Health  
Departments of State Government of  
Madhya Pradesh (India)**

**Territorial Forest Division, Bhopal**

**Accounts For the Year 2008 – 09**

- 1. Statement of Financial Performance alongwith Schedules;**
- 2. Statement of Financial Position alongwith Schedules;**
- 3. Statement of Change in net assets/equity;**
- 4. Cash Flow Statement; and**
- 5. Significant Accounting Policies and Notes to Financial Statements**

**May, 2010**

**Sponsored by  
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**Institute of Public Auditors of India(IPAI), New Delhi**

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| 4.                  | Office Expenses  | 21              |
| 5.                  | Wages  | 21              |
| 6.                  | Supplies and consumables used  | 21              |
| 7.                  | State Trading Expenses   | 22              |
| 8.                  | Other operating expenses   | 22              |
| 9.                  | Receivables  | 23              |
| 10.                 | Inventory of Forest Produce  | 24              |
| 11.                 | Re-generation Expenses   | 25-27           |
| 12.                 | Land and Buildings, Infrastructure, Plant and Equipment                        | 28-29           |
| 13.                 | Payables   | 30              |
| 14.                 | Employee benefits  | 30              |
| 15.                 | Accumulated surplus  | 31              |

**Territorial Forest Division, Bhopal**  
**Forest Department , Government of Madhya Pradesh**  
**Statement of Financial Performance for the Year Ended 31st March 2009**  
**(Classification of Expenses by Function)**

(In Thousands of Rs.)

| Particulars   | No. | Actuals       |               |
|---|-----|---------------|---------------|
|   |     | Current Year  | Previous Year |
| <b>Revenue</b>  |     |               |               |
| Taxes   |     |               |               |
| Taxes on income and expenditure                             |     |               |               |
| Taxes on property and capital transactions                  |     |               |               |
| Taxes on commodities and services                           |     | 106           |               |
| <i>Sub Total – A</i>  |     | <b>106</b>    |               |
| Fees, fines, penalties and licenses                         |     |               |               |
| Revenue from exchange transactions                          |     |               |               |
| Rent  |     |               |               |
| Sales of goods and services                                 |     | 180           |               |
| Interest Receipts , Dividends and Profits                   |     |               |               |
| Other non-tax revenue                                       | 1   | 8,155         |               |
| Transfers from other government entities                    |     |               |               |
| Grants in Aid from Central Government                       |     |               |               |
| Other Revenue   |     |               |               |
| <i>Sub Total – B</i>  |     | <b>8,335</b>  |               |
| <b>Total Revenue - C = A + B</b>                            |     | <b>8,441</b>  |               |
| <b>Expenses</b>   |     |               |               |
| <b>General Services</b>                                     |     |               |               |
| Environmental Protection (Forest)                           |     | 83,349        |               |
| Organs of State   |     |               |               |
| Fiscal Services   |     |               |               |
| i. Collection of taxes in property and capital transactions |     |               |               |
| ii. Collection of taxes on commodities and services         |     |               |               |
| iii. Other fiscal services                                  |     |               |               |
| Administrative services                                     |     |               |               |
| Pension and miscellaneous general services                  |     |               |               |
| <i>Sub Total – D</i>  |     | <b>83,349</b> |               |
| <b>Social Services</b>                                      |     |               |               |
| Education, Sports, Art and Culture                          |     |               |               |
| Health and Family Welfare                                   |     |               |               |
| Water Supply, Sanitation, Housing and Urban Development     |     |               |               |
| Information and Broadcasting                                |     |               |               |
| Welfare of SC, ST and OBC                                   |     |               |               |
| Labor and Labor Welfare                                     |     |               |               |
| Social Welfare and Nutrition                                |     |               |               |
| Others  |     |               |               |
| <i>Sub Total – E</i>  |     | <b>0</b>      |               |
| <b>Economic Services</b>                                    |     |               |               |
| Agriculture and allied activities                           |     |               |               |
| Rural development   |     |               |               |
| Irrigation and flood control                                |     |               |               |
| Energy  |     |               |               |
| Industry and minerals                                       |     |               |               |
| Transport   |     |               |               |

**Territorial Forest Division, Bhopal**  
**Forest Department , Government of Madhya Pradesh**  
**Statement of Financial Performance for the Year Ended 31st March 2009**  
**(Classification of Expenses by Function)**

(In Thousands of Rs.)

| Particulars  | No. | Actuals        |               |
|--|-----|----------------|---------------|
|  |     | Current Year   | Previous Year |
| Science, technology and environment  |     |                |               |
| General economic services  |     |                |               |
| <i>Sub Total – F</i>   |     | <b>0</b>       |               |
| Transfers to other government entities                                       |     |                |               |
| Compensation and Assignments to Local Bodies and Panchayati Raj Institutions |     |                |               |
| Other Expenses   |     |                |               |
| Finance Costs  |     |                |               |
| <i>Sub Total – G</i>   |     |                |               |
|  |     |                |               |
| <b>Total Expenditure - H = D + E + F +G</b>                                  |     | <b>83,349</b>  |               |
|  |     |                |               |
| Gain / Loss on Disposal of Non- Current Assets – I                           |     |                |               |
| Gain / Loss on Disposal of Investments – J                                   |     |                |               |
|  |     |                |               |
| <b>Net Operating Surplus / (Deficit) - K = C – H - I – J</b>                 |     | <b>-74,908</b> |               |
|  |     |                |               |
| <b>Appropriations out of Consolidated Fund</b>                               |     |                |               |
| Transfer to Sinking Funds  |     |                |               |
| Transfer to Other Funds  |     |                |               |
|  |     |                |               |
| <i>Total Appropriations out of Consolidated Fund – G</i>                     |     | <b>0</b>       |               |
| <b>Net Surplus / (Deficit) transferred to Consolidated Fund – K – G</b>      |     | <b>-74,908</b> |               |

**Notes:**

1. The schedule numbers have been given only against items for which figures were available
2. Previous year figures have not been provided as study covered only financial year 2008-09..

**Territorial Forest Division, Bhopal**  
**Forest Department , Government of Madhya Pradesh**  
**Statement of Financial Performance for the year ended March 31, 2009 (By Nature of Expense)**  
*Amount (In thousand of Rupees)*

| Particulars   | Sc. No. | Actuals        |               |
|---|---------|----------------|---------------|
|   |         | Current Year   | Previous Year |
| <b>Revenue</b>  |         |                |               |
| Taxes   |         |                |               |
| Taxes on income and expenditure   |         |                |               |
| Taxes on property and capital transactions                                  |         |                |               |
| Taxes on commodities and services   |         | 106            |               |
| <b>Sub Total – A</b>  |         | <b>106</b>     |               |
| Fees, fines, penalties and licenses   |         |                |               |
| Revenue from exchange transactions  |         |                |               |
| Rent  |         |                |               |
| Sales of goods and services   |         | 180            |               |
| Interest Receipts , Dividends and Profits                                   |         |                |               |
| Other non-tax revenue   | 2       | 8,155          |               |
| Transfers from other government entities                                    |         |                |               |
| Grants in Aid from Central Government                                       |         |                |               |
| Other Revenue   |         |                |               |
| <b>Sub Total – B</b>  |         | <b>8,335</b>   |               |
| <b>Total Revenue - C = A + B</b>  |         | <b>8,441</b>   |               |
| <b>Expenditure</b>  |         |                |               |
| Salaries and employee benefits  | 3       | 36,927         |               |
| Office Expenses   | 4       | 6,551          |               |
| Wages   | 5       | 22,317         |               |
| Grants and other transfer payments  |         |                |               |
| Supplies and consumables used   | 6       | 4,122          |               |
| Depreciation and amortization   | 12      | 565            |               |
| Impairment of property, plant and equipment*                                |         |                |               |
| State Trading expenses  | 7       | 2,569          |               |
| Other Operating Expenses  | 8       | 10,298         |               |
| Finance costs –Interest on DPF  |         | -              |               |
| Gain / Loss on Disposal of Non- Current Assets                              |         |                |               |
| Gain / Loss on Disposal of Investments                                      |         |                |               |
| <b>Total Expenditure – D</b>  |         | <b>83,349</b>  |               |
| <b>Net Operating Surplus / (Deficit) – E = C – D</b>                        |         | <b>-74,908</b> |               |
| <b>Appropriations out of Consolidated Fund of the State</b>                 |         |                |               |
| Transfer to Sinking Funds   |         |                |               |
| Transfer to Other Funds   |         |                |               |
| <b>Total Appropriations out of Consolidated Fund - F</b>                    |         |                |               |
| <b>Net Surplus / (Deficit) transferred to Consolidated Fund - G = E – F</b> |         | <b>-74,908</b> |               |

**Notes**

1. The schedule numbers have been given only against items for which figures were available
2. Previous year figures have not been provided as study covered only financial year 2008-09.

**Territorial Forest Division Bhopal**  
**Forest Department , Government of Madhya Pradesh**

**Statement of Financial Position as on March 31,2009**

*Amount (in thousand of Rs.)*

| Particulars   | Schedules | Actuals         |               |
|---|-----------|-----------------|---------------|
|   |           | Current Year    | Previous Year |
| <b>ASSETS</b>   |           |                 |               |
| <b>Current Assets</b>   |           |                 |               |
| Cash and cash equivalents   |           |                 |               |
| Receivables   |           |                 |               |
| Recoverables from non exchange transactions (taxes and transfers) |           |                 |               |
| Receivables from exchange transactions                            | 9         | 55,237          |               |
| Inventories   | 10        | 4,590           |               |
| Prepayments   |           |                 |               |
| Investments (accounted for using equity method)                   |           |                 |               |
| Other financial assets  |           |                 |               |
| Other current assets  |           |                 |               |
| <b>Sub Total – A</b>  |           | <b>59,827</b>   |               |
| <b>Non-current assets</b>   |           |                 |               |
| Receivables   |           |                 |               |
| Receivables from exchange transactions                            |           |                 |               |
| Recoverables from non exchange transactions (taxes and transfers) |           |                 |               |
| Inventories   |           |                 |               |
| Investments   |           |                 |               |
| Other financial assets  | 11        | 32,193          |               |
| Heritage Assets – Tangible  |           |                 |               |
| Heritage Assets – Intangible                                      |           |                 |               |
| Infrastructure, Plant and Equipment                               | 12        | 1,764           |               |
| Land & Buildings  | 12        | 2,99,748        |               |
| Capital work in progress  |           |                 |               |
| Intangible assets   |           |                 |               |
| <b>Sub Total – B</b>  |           | <b>3,33,705</b> |               |
| <b>Total Assets - C = A + B</b>                                   |           | <b>3,93,532</b> |               |
| <b>LIABILITY</b>  |           |                 |               |
| <b>Current liabilities</b>  |           |                 |               |
| Payables  |           |                 |               |
| Taxes and transfers payable                                       |           |                 |               |
| Payable under exchange transactions                               | 13        | 12,185          |               |
| Short term borrowings   |           |                 |               |
| Current provision of long term borrowings                         |           |                 |               |
| Short term provisions   |           |                 |               |
| Employee benefits   |           |                 |               |

**Territorial Forest Division Bhopal**  
**Forest Department , Government of Madhya Pradesh**

**Statement of Financial Position as on March 31,2009**

*Amount (in thousand of Rs.)*

| Particulars  | Schedules | Actuals         |               |
|--|-----------|-----------------|---------------|
|  |           | Current Year    | Previous Year |
| Superannuation   |           |                 |               |
| Other financial liability  |           |                 |               |
| <b>Sub-Total - D</b>   |           | <b>12,185</b>   |               |
| <b>Non-current liabilities</b>   |           |                 |               |
| Payables   |           |                 |               |
| Taxes and transfers payable  |           |                 |               |
| Payable under exchange transactions                                    |           |                 |               |
| Long Term Borrowings   |           |                 |               |
| Long term provisions   |           |                 |               |
| Employee benefits  | 14        | 8,256           |               |
| Superannuation   |           |                 |               |
| Other financial liabilities  |           |                 |               |
| <b>Sub-Total - E</b>   |           | <b>8,256</b>    |               |
| <b>Total liabilities - F = D + E</b>                                   |           | <b>20,441</b>   |               |
|  |           |                 |               |
| <b>Net Assets - G = C - F</b>  |           | <b>3,73,091</b> |               |
| <b>NET ASSETS/EQUITY</b>   |           |                 |               |
| <b>Contributed by</b>  |           |                 |               |
|  |           |                 |               |
| <b>Reserves and Surplus</b>  |           |                 |               |
| Earmarked Funds  |           |                 |               |
|  |           |                 |               |
| <b>Contingency Fund</b>  |           |                 |               |
| Contingency Fund of the State  |           |                 |               |
|  |           |                 |               |
| <b>Consolidated Fund</b>   |           |                 |               |
| Consolidated Fund of the State   |           |                 |               |
|  |           |                 |               |
| <b>Total Net Assets/Equity - H</b>                                     | <b>15</b> | <b>3,73,091</b> |               |
|  |           |                 |               |
| <b>Contingent liabilities and Unrecognized Contractual Commitments</b> |           |                 |               |

**Notes**

1. The schedule numbers have been given only against items for which figures were available
2. Previous year figures have not been provided as study covered only financial year 2008-09..

**Territorial Forest Division, Bhopal**

**Forest Department , Government of Madhya Pradesh**

**Statement of Changes in Equity/Net Assets as on March 31, 2009**

*Amount (In Rupees)*

|                        | Particulars  | Consolidated Fund |               | Contingency Fund |               | Total        |               |
|------------------------|--|-------------------|---------------|------------------|---------------|--------------|---------------|
|                        |  | Current Year      | Previous Year | Current Year     | Previous Year | Current Year | Previous Year |
| <b>Opening Balance</b> | (a)  | <b>0</b>          |               |                  |               |              |               |
| Add/Deduct             | Surplus or (Deficit) for the period (b)<br>Contingency Fund Pending Recoupment (c)   | <b>-74,908</b>    |               |                  |               |              |               |
|                        | <b>A=a+b+c</b>   | <b>-74,908</b>    |               |                  |               |              |               |
| Add                    | Transitional Adjustments – B   | 4,47,999          |               |                  |               |              |               |
| Add                    | Item of Revenue & Expense, which, as required by other standard, is recognized directly in net assets/equity, and the total of these items – C           |                   |               |                  |               |              |               |
| Add                    | Cumulative effect of changes in accounting policy and the correction of fundamental errors dealt with under the benchmarks treatments in (IPSAS - 3) – D |                   |               |                  |               |              |               |
| Add                    | .....  |                   |               |                  |               |              |               |
| <b>Closing Balance</b> | <b>A + B + C + D</b>   | <b>3,73,091</b>   |               |                  |               |              |               |



**Territorial Forest Division, Bhopal**  
**Forest Department , Government of Madhya Pradesh**  
**Cash Flow Statement For the Year Ended March 31, 2009**

*Amount (In thousand of Rupees)*

| Particulars   | Actuals        |               |
|---|----------------|---------------|
|   | Current Year   | Previous Year |
| <b>Cash Flows from Operating Activities:</b>  |                |               |
| Receipts:   |                |               |
| Tax Revenue:  | 180            |               |
| Taxes on Income and Expenditure   |                |               |
| Taxes on Property and Capital Transaction   |                |               |
| Taxes on Commodity and Services   |                |               |
| <b>Total Tax Revenue</b>  | <b>180</b>     |               |
| Non-tax Revenue:  |                |               |
| General Services-sale of Forest Produce   | 7,491          |               |
| Social Services   |                |               |
| Economic Services   |                |               |
| Interest Receipts   |                |               |
| Misc. Receipts  | 841            |               |
| <b>Total Non-tax Revenue</b>  | <b>8,332</b>   |               |
| Grants-in-aid and Contributions received from the State Government through Budget allocations |                |               |
| <b>Total (A)</b>  | <b>8,512</b>   |               |
| Less Disbursements:   |                |               |
| General Services (Payment of salaries, Wages, pension, etc.)                                  | 33,569         |               |
| Social Services   |                |               |
| Economic Services   |                |               |
| Grants-in-aid and Contributions   |                |               |
| Contingency Fund ( net)   |                |               |
| Other Payments  | 35,855         |               |
| <b>Total (B)</b>  | <b>69,424</b>  |               |
| <i>Net Cash flows from Operating Activities C = (A)-(B)</i>                                   | <b>-60,912</b> |               |
| <b>Cash Flows from Investing Activities</b>   |                |               |
| Receipts:   |                |               |
| Sale of Property, Plant and Equipment   |                |               |

**Territorial Forest Division, Bhopal**  
**Forest Department , Government of Madhya Pradesh**  
**Cash Flow Statement For the Year Ended March 31, 2009**

*Amount (In thousand of Rupees)*

| Particulars   | Actuals          |               |
|---|------------------|---------------|
|   | Current Year     | Previous Year |
| Sale of Investments (Disinvestment receipts etc.)                 |                  |               |
| Loans and Advances (recovery of advances from employees)          | 848              |               |
| Receipt for Capital expenditure from Govt.                        | 2,839            |               |
| Receipt for Capital expenditure from others                       | 31,886           |               |
| Dividends and Profits   |                  |               |
| <b>Total (D)</b>  | <b>35,573</b>    |               |
| Disbursements:  |                  |               |
| Investments in other Entities                                     |                  |               |
| Capital Expenditure Heads (Purchase of Property & Equipment)      | 34,495           |               |
| Loans and Advances (Advances for Civil works)                     | 54,698           |               |
| Payment for Capital expenditure to others                         | 32,352           |               |
| Advances to employees   | 1,004            |               |
| <b>Total (E)</b>  | <b>1,22,549</b>  |               |
| Net Cash Flow from Investing Activities -(F) = (D)-(E)            | <b>-86,976</b>   |               |
| Net Cash flow from Operating and Investing activities (C)+(F)=(G) | <b>-1,47,888</b> |               |
| <b>Cash Flows from Financing Activities</b>                       |                  |               |
| Cash was provided from :-   |                  |               |
| Drawals From Treasury   | 40,157           |               |
| Forest Cheques  | 1,19,028         |               |
| External Debt (If applicable)                                     |                  |               |
| Small Savings, Provident Funds etc.                               |                  |               |
| Reserve Funds bearing interest                                    |                  |               |
| Reserve Funds not bearing interest                                |                  |               |
| Deposits bearing interest   |                  |               |
| Deposits not bearing interest                                     |                  |               |
| Advances  |                  |               |
| Suspense and Miscellaneous  |                  |               |
| Remittances into Treasuries                                       | -11,297          |               |

**Territorial Forest Division, Bhopal**  
**Forest Department , Government of Madhya Pradesh**  
**Cash Flow Statement For the Year Ended March 31, 2009**

*Amount (In thousand of Rupees)*

| Particulars   | Actuals         |               |
|---|-----------------|---------------|
|   | Current Year    | Previous Year |
| <b>Total (H)</b>  | <b>1,47,888</b> |               |
| Cash was disbursed towards :                            |                 |               |
| Internal debt   |                 |               |
| External debt (If applicable)                           |                 |               |
| Small Savings, Provident Funds etc.                     |                 |               |
| Reserve Funds bearing interest                          |                 |               |
| Reserve Funds not bearing interest                      |                 |               |
| Deposits bearing interest                               |                 |               |
| Deposits not bearing interest                           |                 |               |
| Advances  |                 |               |
| Suspense and Miscellaneous                              |                 |               |
| Remittances   |                 |               |
| <b>Total (I)</b>  |                 |               |
| Net Cash Flow from Financing Activities - (J) = (H)-(I) |                 |               |
| Net Movement in Cash and Cash Equivalents -K = (G)+(J)  |                 |               |
| Opening Balance of Cash and Cash Equivalents (L)        | -               |               |
| Closing Balance of Cash and Cash Equivalents = (L)+(K)  | Nil             |               |

**Notes to the Cash Flow Statement**

|   | Current Year | Previous Year |
|---|--------------|---------------|
| (a) Cash and Cash Equivalents   | Nil          |               |
| Cash and cash equivalents consist of cash in treasuries and deposit with Reserve Bank of India and other Banks and Remittances in transit, as stated below: |              |               |
| Cash in treasuries  |              |               |
| Deposit with RBI  |              |               |
| Deposit with other Banks  |              |               |
| Remittances in transit (Local)  |              |               |
| Remittances in transit (Foreign)  |              |               |
| <b>TOTAL</b>  |              |               |

## **Significant Accounting Policies and Notes to Accounts.**

### **(A) Significant Accounting Policies:**

#### **1. General**

- **Reporting Entity:** Annual Financial Statements (AFS) of Territorial Forest Division, Bhopal have been prepared considering that Division is a separate reporting entity. All the revenues, expenses, assets and liabilities relating to and under the control of Division are included in these AFS.
- The Statement of Significant Accounting Policies indicates the important accounting principles followed by the Division in respect of accounting for its transactions and in the preparation and presentation of the AFS.
- The Financial Statements have been prepared as a going concern and under historical cost basis under accrual based accounting system.
- Financial year means the period from 1<sup>st</sup> April of a year to 31<sup>st</sup> March of the subsequent year.
- The basis of accounting unless otherwise specifically stated, is accrual, which implies recognition of revenues when earned and recognition of expenses when incurred regardless of when related cash flow takes place.
- Accounting policies not specifically referred to are in accordance with generally accepted accounting policies.

#### **2. Recognition of Revenue**

##### **(a) Forest Produce sold by auctions.**

Revenue is recognized on acceptance of bid received in auction

##### **(b) Sale of fuel wood and bamboo:**

Fuel wood is generally sold to Shamshan Ghat / Public and Bamboo is sold to the authorized users on payment basis. Revenue for such sale is recognised on case basis.

##### **(c) Rent of Staff Quarters:**

The Forest Division allots residential buildings of the department to its employees. The rent of these quarters is deducted from salary of the employees. The revenue from rent is recognized for the period in which salary is recognized as expenditure, i.e. when due it is due to be recovered.

**(d) Fines, Penalties and sale of confiscated material:**

Fines, penalties imposed by the competent authorities on the persons detected carrying wild life, forest produce etc. and sale of confiscated material is recognized as revenue on actual receipt.

**(e) Other receipts:**

Other receipts includes registration of Saw Mills, forfeitures etc. The revenue of these is recognized on actual receipt.

**1. Recognition of expenditure:**

- (a) Expenses on pay and allowances are recognised as and when they are due for payment.
- (b) All other revenue expenditure is recognised as expenditure as and when it is incurred.
- (c) In case of payment of compensation due to loss of life or property by the wildlife is recognised as expenditure on actual payment.
- (d) Provisions for all the expenses incurred during 2008-09 but remaining unpaid on 31.03.2009 are made at year end.

**2. Fixed Assets**

**(a) Recognition**

- (i) Fixed assets are stated at historical cost less accumulated depreciation. Historical cost comprises the cost of acquisition/construction and all direct cost attributable to bring the asset to its working condition for intended use.
- (ii) The fixed asset which is having economic value but the original cost of which is not ascertainable is valued at nominal value of Rupee One only.
- (iii) The cost of major/special repairs which increases the expected future benefits beyond the previously assessed standard performance is capitalized.
- (iv) Fixed asset which has been acquired free of cost or in respect of which no payment has been made, is recorded at nominal value of Rupee One only.
- (v) All forest land with the with the natural vegetation thereon is valued at Rs. 1000/- per hectare.

(vi) Nominal value of Re. 1/- per sq.ft. is adopted for the buildings for which cost is not available.

(vii) Assets of historical/artistic value are valued at a nominal price of Rupee One only.

**(b) Depreciation**

(i) The rates of depreciation on Fixed Assets are derived on the basis of anticipated useful life of asset.

(ii) Depreciation on all assets (excepting land) shall be calculated on straight line method keeping in view the residual value of Rupee One, in last year, in each case.

**3. Inventories**

Inventories of Forest Division comprise forest produce, stores and tools.

**(a) Forest Produce**

Forest produce are valued at upset price fixed by the competent authority at depot level. Upset price includes the cost of forest produce as well as the actual expenses on demarcation, marking of coups, wages for felling and cutting, extraction path, transportation etc. incidental to it.

**(b) Stores & Tools**

(i) Stores and Tools are valued at historical cost or realizable value whichever is less.

(ii) Obsolete or unserviceable stores are identified every year on the basis of physical verification and charged off to revenue.

**4. Forest**

Forest includes natural forest and regenerated forest. The trees in the forest are matured for felling on the basis of life of each specie fixed by the Forest Department. Verification and counting of number of trees of each specie is not possible. Therefore, regeneration expenses incurred by the Division have been considered cost of Forest.

**5. Contingent Liabilities**

The contingent liabilities include:

(a) Amount of claim in respect of suits filed against the Division and it may be liable in case of losing the case.

- (b) Claims against the Division not acknowledged as debt.
- (c) Other money for which the Division may, contingently, be liable.

**(B) Notes to Accounts**

**1. Contingent Liabilities**

Two claims of the employees amounting Rs. 111571/- (gratuity Rs. 30251/- and compensation Rs. 81320/-) against Bhopal Division are pending in High Court, Jabalpur.

**2. Contingent Assets**

Flying Squad of the Division confiscated Truck No. MP09-KB-5905 and Trax No. MP37-L-0205. Appeal is pending before court.

**3. Current Liabilities**

**Fund Received from Other Departments – Rs. 55,18,230**

Work wise, department / organisation wise account of receipt, expenditure incurred and balance, if any, has not been maintained. Schedule annexed with the March 2008 account has been taken as the basis to workout unspent balance.

**Expenses Payable – Rs. 66,50,025**

- (i) Liabilities in respect of Forest Expenses, Establishment and office expenses amounting to Rs. 6650025/- as on 31.03.2009 has been assessed on the basis of Vouchers from 1<sup>st</sup> April 2009n to 30<sup>th</sup> June 2009 etc. This has to be done as the Bills Registers of is not maintained in the Division.
- (ii) The Government of Madhya Pradesh vide Gazette of Madhya Pradesh dated 28<sup>th</sup> February 2009 made rules called "Madhya Pradesh Revised Pay Rule 2009" and these rules made applicable w.e.f. 1<sup>st</sup> January 2006. The pay fixation of the staff of the Division is in progress and therefore liabilities on account of arrears payable to staff upto 31<sup>st</sup> March 2009 could not be assessed.

**Departmental Provident Fund – Rs. 78,77,328**

Employee wise Departmental Provident Fund Accounts maintained by the Division. The amounts shown in the Statement of Financial Position are based on the statement furnished by the Division to the Accountant General for adjustment of the amount of interest.

### **Contributory Pension Scheme (Defined Contribution Plan) – Rs. 3,78,994**

- (i) The Government of Madhya Pradesh vide Finance Department letter No. F-9-3/2003/Rule/Four/dated 13.04.2005 decided to start Contributory Pension Scheme w.e.f. 1<sup>st</sup> January 2005. As per the scheme 10% of basic pay and dearness allowance is to be recovered from the employees and the Government shall also contribute equal amount.

During the year 2008-09 contribution of Rs. 189497/- has been recovered from the employees. No contribution on this account has been made by the Department. Liability of Department for Rs. 189497/- towards contributory pension scheme has been provided for in the account of the year 2008-09.

### **Defined Benefit Plan**

The Division has not provided actuarial value for calculation of pension and death cum retirement gratuity. Therefore, no liability has been provided on this account.

### **General Provident Fund and Group Insurance Benefits**

General Provident Fund Accounts are maintained by the Accountant General. Therefore, the liability on this account has not been included in the Statement of Financial Position.

Similarly liability of group insurance benefit rests with the Insurance Company concerned. Therefore, it has also not been included in the Statement of Financial Position.

## **4. Fixed Assets**

- (i) Neither the Division nor its subordinates offices have maintained Register of Buildings and Land, Register of Dead Stock etc. The data of the fixed assets have been collected and compiled on the basis of information made available by the Division and its units.
- (ii) 5876.869 hectares of forest land is under encroachment.
- (iii) The Fixed assets have been stated at historical cost less accumulated depreciation. Value of some of the assets was not made available by the Division and therefore valuation of such assets has been done as under :
- (1) Land :
- a. Land with forest cover- Rs. 1000/- per hectare
  - b. Revenue land has been valued as per Collector guidelines shown below:



- Van Bhawan, Bhopal Rs. 4000/- per sq. meter
  - Range Office, Berasia Rs. 850/- per sq. meter
  - Berasia Depot-Narela Rs. 1.20 lakh per hectare.
- (2) Buildings – Re. 1/- per sq.ft of constructed area;
- (3) Roads – Rs. 1000/- per KM; and
- (4) Other assets – Re. 1/- per unit of asset.
- (iv) On fixed assets (except land) depreciation of Rs. 41,81,118/- has been provided during 2008-09 on straight line method on the basis of useful life as specified in the guidelines.
- (v) Depreciation has not been provided on the assets amounting to Rs. 53,86,431 acquired/constructed during 2008-09 as the date of acquisition/completion was not made available by the Division.
- (vi) Revenue Land, on which residential / non-residential buildings have been constructed in Bhopal, has not yet been transferred by the Govt. to Forest Department and hence cost thereof not included.
- (vii) Indira Nikuj Nursery has, also, been established on revenue land which has not yet been transferred.
- (viii) Imported Guns, Vehicles

Centralised purchases of vehicles and imported guns were made and transferred to the Division without cost. The cost of these assets has been collected from the Head Office.

#### **5. Re-Generation Expenses – Rs. 3,21,93,212/-**

Assessment of correct monetary value of forest growth in each year is not possible. Therefore, regeneration expenses amounting to Rs. **3,21,93,212/-** incurred during the year 2007-08 and 2008-09 have been considered as value of the standing forest for the year.

#### **6. Current Assets, Loan and Advances**

##### **Inventory :**

- (a) Inventory of the Division comprise - Timber, Bamboo and Fuel Wood amounting to Rs. 4590058 as on 31<sup>st</sup> March 2009 in Ahmedpur (Bhopal) and Nerala (Berasia) Depots.

- (b) In Ahemadpur Depot (Bhopal) Bamboo and Fuel Wood have been received from Balaghat and Sehore without any cost adjustment.
- (c) Under Forest Conservation Act the position of Preliminary Offence Reports (POR) registered for illicit felling was as under :-
- |   |   |            |
|---|---|------------|
| ▪ | POR Pending on 01.04.2008               | 153        |
| ▪ | POR registered during 2008-09           | 541        |
|   | <b>Total</b>                            | <b>694</b> |
| ▪ | Deduct :- POR compounded during 2008-09 | 389        |
| ▪ | POR Pending on 31.03.2009               | 305        |
- (d) 121 logs of Timber (1.449 cum) seized prior to April 2008 in Berasia Range have not been transported to the depot and hence not included in the inventory.

**Deposits for Civil Works – Rs. 5,46,98,000/-**

The amount has been deposited with M.P. Tourism Development Corporation for construction of new Van Bhawan.

**Loans and Advance to Staff – Rs. 57,700**

Register for loans and advances not maintained. The figures shown in the Financial position are based on the schedules annexed with the pay bills.

**Forest Advance – Rs. 16,659**

Disburser ledger has not been maintained. The Forest Advance paid and recovered are based on compiled account. The balance is based on the information furnished by the Division.

**Expenses Receivable – Rs. 4,64,438**

The Division incurred expenditure for the purchase of the furniture without receipt of fund from the Minor Forest Produce, SANGH.

**General**

Rs. 400.00 lakh paid to the Chief Executive Officer of Forest Development Authority for distribution of profit under Joint Forest Management Scheme. Similarly Rs. 104 lakh provided in Tribal Sub-Plan for development of Forest Villages were paid to the Chief Executive Officer of Forest Development Authority.

Hence both the figures have not been included in the Statements of Financial Performance and Position.

**Territorial Forest Division Bhopal**  
**Statement of Financial Performance for the Year Ended 31st March 2009**  
**(Classification of Expenses by Function)**

**Schedule - 1 Other Operating Revenue**

| S.<br>No. | Particulars  | Amount<br>(Rs.) |
|-----------|--|-----------------|
| (a)       | Sale proceeds of Nistar Depots                           |                 |
|           | Timber   | 816359          |
|           | Fuel Wood  | 1538830         |
|           | Bamboo   | 1847580         |
|           | <b>Total : Nistar Depots</b>                             | <b>4202769</b>  |
| (b)       | Sale proceeds of Depots by auction                       |                 |
|           | Timber   | 1680871         |
|           | Fuel Wood  | 1531134         |
|           | Bamboo   | 5723            |
|           | <b>Total : Main Depots</b>                               | <b>3217728</b>  |
|           | <b>Grand Total Sale proceeds</b> (a+b=c)                 | <b>7420497</b>  |
| (d)       | Miscellaneous Receipts                                   | 681381          |
| (e)       | Rent recovered from employees for departmental buildings | 53633           |
|           | <b>Grand Total Other operating revenue (c+d+e)</b>       | <b>8155511</b>  |

**Grand Total in thousands of Rupees**

**8155**

**Territorial Forest Division Bhopal**  
**Statement of Financial Performance for the Year Ended 31st March 2009**  
**(Classification of Expenses by Nature)**  
**Schedule - 2**  
**Other Operating Revenue**

| S.<br>No. | Particulars  | Amount<br>(Rs.) |
|-----------|--|-----------------|
| (a)       | Sale proceeds of Nistar Depots                           |                 |
|           | Timber   | 816359          |
|           | Fuel Wood  | 1538830         |
|           | Bamboo   | 1847580         |
|           | <b>Total : Nistar Depots</b>                             | <b>4202769</b>  |
| (b)       | Sale proceeds of Depots by auction                       |                 |
|           | Timber   | 1680871         |
|           | Fuel Wood  | 1531134         |
|           | Bamboo   | 5723            |
|           | <b>Total : Main Depots</b>                               | <b>3217728</b>  |
|           | <b>Grand Total Sale proceeds</b> (a+b=c)                 | <b>7420497</b>  |
| (d)       | Miscellaneous Receipts                                   | 681381          |
| (e)       | Rent recovered from employees for departmental buildings | 53633           |
|           | <b>Grand Total Other operating revenue (c+d+e)</b>       | <b>8155511</b>  |
|           | <b>Grand Total in thousands of currency Units</b>        | <b>8155</b>     |

**Territorial Forest Division Bhopal**  
**Statement of Financial Performance for the Year Ended 31st March 2009**  
**(Classification of Expenses by Nature)**  
**Schedule - 3**  
**Salaries and Employee Benefits**

(In Thousand of Rupees)

| S.<br>No. | Particulars                                    | Amount       |
|-----------|--|--------------|
| 1         | Pay and Allowances                             | 35016        |
| 2         | Employees Welfare Scheme - Other charges       | 1137         |
| 3         | Pension Contribution Scheme – Department share | 189          |
| 4         | Interest on DPF                                | 585          |
|           | <b>Total</b>                                   | <b>36927</b> |

**Territorial Forest Division Bhopal**  
**Statement of Financial Performance for the Year Ended 31st March 2009**  
**(Classification of Expenses by Nature)**  
**Schedule - 4**  
**Office Expenses**

(In Thousand of Rupees)

| S.<br>No. | Particulars             | Amount      |
|-----------|-------------------------|-------------|
| 1         | Travelling Allowance    | 914         |
| 2         | Jhanki Expenses         | 242         |
| 3         | Office Expenses         | 4133        |
| 4         | Maintenance of Vehicles | 435         |
| 5         | Office Expenses (Plan)  | 827         |
|           | <b>Total</b>            | <b>6551</b> |

**Territorial Forest Division Bhopal**  
**Statement of Financial Performance for the Year Ended 31st March 2009**  
**(Classification of Expenses by Nature)**  
**Schedule - 5**  
**Wages**

(In thousands of Rupees)

| S.<br>No. | Particulars  | Amount       |
|-----------|--|--------------|
| 1         | Wages for marking of coupes and payments to daily wage workers | 221          |
| 2         | Wages for marking of coupes in degraded forest                 | 616          |
| 3         | Payments to daily wage workers                                 | 19606        |
| 4         | Repairs of Buildings (Forest)                                  | 1601         |
| 5         | Repairs of Buildings (wild life)                               | 19           |
| 6         | Repairs of roads and bridges                                   | 254          |
|           | <b>Total</b>   | <b>22317</b> |

**Territorial Forest Division Bhopal**  
**Statement of Financial Performance for the Year Ended 31st March 2009**  
**(Classification of Expenses by Nature)**  
**Schedule - 6**  
**Supplies and consumables used**

In thousands of Rupees

| S.<br>No. | Particulars                      | Amount      |
|-----------|----------------------------------|-------------|
| 1         | Repairs of Buildings             | 3917        |
| 2         | Repairs of Buildings (wild life) | 205         |
|           | <b>Total</b>                     | <b>4122</b> |

**Territorial Forest Division Bhopal**  
**Statement of Financial Performance for the Year Ended 31st March 2009**  
**(Classification of Expenses by Nature)**  
**Schedule - 7**  
**State Trading Expenses**

In thousands of Rupees

| S.<br>No. | Particulars  | Amount      |
|-----------|--|-------------|
|           | <b>Wages, Depot Expenses, Extraction Path, Transport Expenses and Miscellaneous Expenses</b> |             |
| 1         | Timber   | 1033        |
| 2         | Bamboo   | 1536        |
|           | <b>Total</b>   | <b>2569</b> |

**Territorial Forest Division Bhopal**  
**Statement of Financial Performance for the Year Ended 31st March 2009**  
**(Classification of Expenses by Nature)**  
**Schedule - 8**  
**Other operating expenses**

In thousands of Rupees

| S.<br>No. | Particulars   | Amount       |
|-----------|---|--------------|
| 1         | Advocate Fee  | 22           |
| 2         | Expenses for detection of forest crimes                     | 25           |
| 3         | Compensation for loss by wild life                          | 895          |
| 4         | Envoironmental Forestry                                     | 2582         |
| 5         | Road side plantation  | 50           |
| 6         | Memorial forest   | 2032         |
| 7         | Ecological garden   | 3501         |
| 8         | Forestry Day - other expenses                               | 142          |
| 9         | Repairs and Maintenance of wireless set and other equipment | 476          |
| 10        | Public Forestry - work shop expenses                        | 10           |
| 11        | Public Forestry - Meeting Expenses                          | 16           |
| 12        | Fire Fighting Training to Filed Staff                       | 547          |
|           | <b>Total</b>  | <b>10298</b> |

**Territorial Forest Division Bhopal**  
**Statement of Financial Position as of 31st March 2009**

**Schedule - 9**  
**Receivables**

**In thousands of Rupees**

| S. No. | Particulars  | Amount       |
|--------|--|--------------|
| 1      | Advance for civil works (M.P. Tourism Development Corporation for construction of New Van Bhawan)    | 54698        |
| 2      | Expenses Receivable (Minor forest produce sangh for Godrej furniture purchased for audio video shed) | 464          |
| 3      | Loans and Advances to staff (as per enclosed statement)  |              |
|        | House building advance   | 49           |
|        | Grain advance  | 8            |
|        | Festival advance   | 1            |
| 4      | Forest advance to disbursers (as per enclosed statement)   | 17           |
|        | <b>Total</b>   | <b>55237</b> |

**Statement showing details of Loans and Advances to staff and forest advance to disbursers**

**(In Rs.)**

| Particulars of Advance | Balance as on 31-03-2008 | Paid during the year 2008-09 | Recovered / adjusted during the year | Balance as on 31-03-2009 | In thousands of Rs. |
|------------------------|--------------------------|------------------------------|--------------------------------------|--------------------------|---------------------|
| House building advance | 54208                    | NIL                          | 5808                                 | 48400                    | 49                  |
| Grain advance          | 7800                     | 74000                        | 73400                                | 8400                     | 8                   |
| Festival advance       | 10000                    | 2000                         | 11100                                | 900                      | 1                   |
| Advance to disbursers  | 15000                    | 31887223                     | 31885564                             | 16659                    | 17                  |

**Public Sector Entity: Territorial Forest Division Bhopal  
Statement of Financial Position as of 31st March 2009**

**Schedule – 10**

**Inventory of Forest Produce as on 31-03-2009**

**(In Rupees)**

| <b>S. No.</b> | <b>Name of Depot</b> | <b>Timber</b>  | <b>Bamboo</b>  | <b>Fuel Wood</b>      | <b>Total</b>   |
|---------------|----------------------|----------------|----------------|-----------------------|----------------|
| <b>1</b>      | Ahmedpur             | 1685313        | 1290627        | 425020                | <b>3400960</b> |
| <b>2</b>      | Berasia              | 591498         | Nil            | 597600                | <b>1189098</b> |
|               | <b>Total</b>         | <b>2276811</b> | <b>1290627</b> | <b>1022620</b>        | <b>4590058</b> |
|               |                      |                |                | In thousand of Rupees | <b>4590</b>    |



**Territorial Forest Division Bhopal**  
**Statement of Financial Position as of 31st March 2009**

**Schedule – 11**  
**Other Financial Assets**

**Re-generation expenses for the year 2007 – 08**

| SL. | Bought Code  | Total Expenditure<br>of March 2008<br>(Rs.) |
|-----|--|---|
| 1.  | Highly Technical Plantation (20 Ha.) XII finance Commission      | 5,30,642                                    |
| 2.  | Mixed Species Plantation (50 Ha.)                                | 18,34,452                                   |
| 3.  | Plantation in R.D.F. Area (200 Ha.)                              | 6,63,782                                    |
| 4.  | Improvement work (3411 Ha.) Maintenance (Wages)                  | 8,50,000                                    |
| 5.  | Wages – Improvement of Degraded Forests (990 Ha.)                | 33,05,034                                   |
| 6.  | Wages – Improvement of Degraded forest (6547 Ha.)                | 32,74,347                                   |
| 7.  | Bamboo – Renovation (05 Ha.)                                     | 86,265                                      |
| 8.  | Wages – Maintenance (92 Ha.)                                     | 46,269                                      |
| 9.  | Wages – Establishment of Energy Forest (400 Ha.)                 | 11,99,297                                   |
| 10. | Security Plan  | 7,19,961                                    |
| 11. | Demarcation (Construction of 49 Boundry Pillars)                 | 73,496                                      |
| 12. | Preparation for improvement works for Mixed Plantation (496 Ha.) | 8,17,946                                    |
| 13. | Wages (1 <sup>st</sup> Year) Fire Protection (60 Fire guards)    | 74,903                                      |
| 14. | Wages (1st Year) Fire Protection (cutting of fire line)          | 1,40,121                                    |
| 15. | Maintenance of forest – wages                                    | 8,30,979                                    |
| 16. | Material Supply  | 10,30,532                                   |
|     | <b>Total</b>   | <b>1,54,78,026</b>                          |

|   |                           |
|---|---------------------------|
| Re-generation expenses for the year 2007 – 08 | <b>1,54,78,026</b>        |
| Re-generation expenses for the year 2008 – 09 | <b><u>1,67,15,186</u></b> |
| <b>Total</b>                                  | <b><u>3,21,93,212</u></b> |

**In thousand of Rupees                      32,193**

**Annexure - Schedule – 11**

**Re-generation Expenses for the year 2008-09**

| <b>Demand – Major Head-Scheme-Miner head</b> | <b>Particulars</b>  | <b>Amount (Inner Column)</b> | <b>Amount (Outer Column )</b> |
|--|---|------------------------------|-------------------------------|
| 10-2406-7882                                 | <b>Implementation of Working Plan:-</b>                     | Rs.                          | Rs.                           |
| 10-2406-7882-12                              | Wages for plantation  | 8,89,609                     |                               |
|  | Wages for Mixed plantation works                            | 4,95,218                     |                               |
|  | Wages for Arrangement of drinking water for wild life       | 4,01,253                     |                               |
|  | Trainees  | 39,534                       |                               |
|  | Training  | 20,339                       |                               |
|  | Wages for Preparatory works                                 | 7,04,244                     |                               |
|  | Wages for Maintenance work                                  | 5,75,667                     |                               |
| 10-2406-7882                                 | <b>Total Wages for Plantation etc.</b>                      |                              | <b>31,25,864</b>              |
| 10-2406-7882-12                              | <b>Degraded Forest:-</b>                                    |                              |                               |
|  | Preparatory Work  | 32,72,289                    |                               |
|  | Maintenance work  | 20,64,925                    |                               |
| 10-2406-7882                                 | <b>Total Degraded Forest</b>                                |                              | <b>53,37,214</b>              |
| 10-2406-7882-12                              | <b>Fire Protection Works :-</b>                             |                              |                               |
|  | Fire Watchers   | 6,40,276                     |                               |
|  | Casual Fire Protection                                      | 20,931                       |                               |
|  | Wages for Cleaning of Fire Line                             | 1,51,410                     |                               |
| 10-2406-7882                                 | <b>Total Fire Protection Works</b>                          |                              | <b>8,12,617</b>               |
| 10-2406-7882-12                              | Maintenance of Irrigated Plantation                         | 46,542                       |                               |
|  | Wages for Plantation in Rehabilitation of Degraded Forest   | 5,02,359                     |                               |
| 10-2406-7882                                 | <b>Total Plantation</b>                                     |                              | <b>5,48,901</b>               |
|  | <b>Mixed Plantation :-</b>                                  |                              |                               |
| 10-2406-7882-12                              | Wages   | 3,86,798                     |                               |
| 10-2406-7882-34                              | 001-Purchases of Material                                   | 13,82,592                    |                               |
| 10-2406-7882                                 | <b>Total Mixed Plantation</b>                               |                              | <b>17,69,390</b>              |
| 10-2406-7882-12                              | Wages for Renovation and extraction of Bamboo Forest        | 8,00,131                     |                               |
|  | Wages for construction of boundary pillars                  | 3,07,449                     |                               |
| 10-2406-7882                                 | <b>Total Renovation etc.</b>                                |                              | <b>11,07,580</b>              |
| 10-2406-7882                                 | <b>Eco Tourist Kendra Project :-</b>                        |                              |                               |
| 10-2406-7882                                 | <b>Bilkhiriya Project</b>                                   | 4,53,583                     |                               |
|  | Borda Project (150 Hect.)                                   |                              |                               |
| 10-2406-7882-12                              | Wages   | 8,06,063                     |                               |
| 10-2406-7882-34                              | 001- Purchases of Material                                  | 17,35,752                    |                               |
| 10-2406-7882                                 | <b>Total Borda Project</b>                                  | <b>25,41,815</b>             |                               |
| 10-2406-7882                                 | <b>Total Eco Tourist Kendra Project</b>                     |                              | <b>29,95,398</b>              |
| 10-2406-7882                                 | <b>Total Implementation of Working Plan-Major Head 2406</b> |                              | <b>1,56,96,964</b>            |

**Annexure - Schedule – 11**

|                 |   |          |                    |
|-----------------|---|----------|--------------------|
| 10-4406-6896    | Grant-in-aid for Conservation of Forest                       |          |                    |
| 10-4406-6896-34 | 009-Highly Technical Plantation                               | 2,01,235 |                    |
|                 | 009- Maintenance of hills without forest 2005-06 (1001 Hect.) | 3,99,740 |                    |
|                 | 009- Maintenance of hills without forest 2006-07 (Hect.424)   | 2,96,972 |                    |
|                 | 009- Maintenance of hills without forest 2007-08 (Hect.100)   | 120275   |                    |
| 10-4406-6896    | <b>Total Grant-in-aid for Conservation of Forest</b>          |          | <b>10,18,222</b>   |
|                 | <b>Grand Total</b>  |          | <b>1,67,15,186</b> |

**Territorial Forest Division Bhopal**  
**Statement of Financial Position as of 31st March 2009**

***Schedule -12***

***Land and Buildings, Infrastructure, Plant and Equipment, and Depreciation***

***(In Rs.)***

| S.No. | Particulars of Assets                     | Quantity                | Life (years) | Gross Block                   |                         |                               | Accumulated Depreciation      |                      |                    | Net Block        |                  |
|-------|---|-------------------------|--------------|-------------------------------|-------------------------|-------------------------------|-------------------------------|----------------------|--------------------|------------------|------------------|
|       |   |                         |              | Opening balance on 01.04.2008 | Addition during 2008-09 | Closing balance on 31.03.2009 | Closing balance on 01.04.2008 | For the year 2008-09 | Total upto 2008-09 | As on 31.03.2009 | As on 01.04.2008 |
| 1     | 2   | 3                       | 4            | 5                             | 6                       | 7                             | 8                             | 9                    | 10                 | 11               | 12               |
| 1.    | Forest land                               | 43719.318 hect.         | ---          | 43719318                      | ---                     | 43719318                      | ---                           | ---                  | ---                | 43719318         | 43719318         |
| 2.    | Revenue land                              | 11.159 hect.            | ---          | 248959200                     | ---                     | 248959200                     | ---                           | ---                  | ---                | 248959200        | 248959200        |
| 3.    | Residential Building with RCC Roof        | 140308 sq.ft<br>152 Nos | 40           | 2827991                       | 3907459                 | 6735450                       | 475242                        | 67489                | 542731             | 6192719          | 2352749          |
| 4.    | Residential Building without RCC Roof     | 35116 sq.ft<br>48 Nos   | 5            | 896685                        | ---                     | 896685                        | 861569                        | ---                  | 861569             | 35116            | 35116            |
| 5.    | Non-Residential Building with RCC Roof    | 21904 sq.ft<br>8 Nos    | 40           | 21904                         | 799874                  | 821778                        | ---                           | ---                  | ---                | 821778           | 21904            |
| 6.    | Non-Residential Building without RCC Roof | 19828 sq.ft<br>8 Nos    | 5            | 349348                        | ---                     | 349348                        | 329520                        | ---                  | 329520             | 19828            | 19828            |
|       | <b>Total land and buildings</b>           |                         |              | <b>296774446</b>              | <b>4707333</b>          | <b>301481779</b>              | <b>1666331</b>                | <b>67489</b>         | <b>1733820</b>     | <b>299747959</b> | <b>295108115</b> |

In thousand of Rupees: 2,99,748

(In Rupees)

| S.No. | Particulars of Assets                            | Quantity   | Life (years) | Gross Block                   |                         |                               | Accumulated Depreciation      |                      |                    | Net Block  |                  |
|-------|--|------------|--------------|-------------------------------|-------------------------|-------------------------------|-------------------------------|----------------------|--------------------|--|------------------|
|       |  |            |              | Opening balance on 01.04.2008 | Addition during 2008-09 | Closing balance on 31.03.2009 | Closing balance on 01.04.2008 | For the year 2008-09 | Total upto 2008-09 | As on 31.03.2009                                   | As on 01.04.2008 |
| 1     | 2  | 3          | 4            | 5                             | 6                       | 7                             | 8                             | 9                    | 10                 | 11   | 12               |
| 1.    | WBM Road   | 7 kms      | 5            | 699999                        | ---                     | 699999                        | 420000                        | 140000               | 560000             | 139999   | 279999           |
| 2.    | Diesel Engine                                    | 2 Nos      | 5            | 17001                         | ---                     | 17001                         | 6800                          | 3400                 | 10200              | 6801   | 10201            |
| 3.    | Furniture  | 104 Nos    | 5            | 104                           | ---                     | 104                           | ---                           | ---                  | ---                | 104  | 104              |
| 4.    | Office Equipments                                | 19 Nos     | 5            | 13                            | 299940                  | 299953                        | ---                           | ---                  | ---                | 299953   | 13               |
| 5.    | Vehicles   | 13 Nos     | 5            | 1572275                       | ---                     | 1572275                       | 424418                        | 314454               | 738872             | 833403   | 1147857          |
| 6.    | Confiscated Vehicles                             | 15 Nos     | 5            | 15                            | ---                     | 15                            | ---                           | ---                  | ---                | 15   | 15               |
| 7.    | Stop Dam   | 9 Nos      | 5            | 682130                        | ---                     | 682130                        | 682121                        | ---                  | 682121             | 9  | 9                |
| 8.    | Dug Wells  | 2 Nos      | 5            | 2                             | ---                     | 2                             | ---                           | ---                  | ---                | 2  | 2                |
| 9.    | Tube Wells                                       | 8 Nos      | 5            | 552670                        | ---                     | 552670                        | 408675                        | 39330                | 448005             | 104665   | 143995           |
| 10.   | Twelve Bore Double Barrel Guns                   | 2 Nos      | 5            | 8102                          | ---                     | 8102                          | 8100                          | ---                  | 8100               | 2  | 2                |
| 11.   | Twelve Bore Power Guns                           | 26         | 5            | ---                           | 379158                  | 379158                        | ---                           | ---                  | ---                | 379158   | ---              |
| 12.   | Heritage   | 5 Nos      | ---          | 5                             | ---                     | 5                             | ---                           | ---                  | ---                | 5  | 5                |
|       | <b>Total Infrastructure, plant and equipment</b> |            |              | <b>3532316</b>                | <b>679098</b>           | <b>4211414</b>                | <b>1950114</b>                | <b>497184</b>        | <b>2447298</b>     | <b>1764116</b><br><b>In thousand of Rs. : 1764</b> | <b>1582202</b>   |
|       | <b>Grand Total</b>                               | <b>---</b> | <b>---</b>   | <b>300306762</b>              | <b>5386431</b>          | <b>305693193</b>              | <b>3616445</b>                | <b>564673</b>        | <b>4181118</b>     | <b>301512075</b>                                   | <b>296690317</b> |

**Territorial Forest Division Bhopal**  
**Statement of Financial Position as of 31st March 2009**

**Schedule – 13**  
**Payables**

In thousands of Rupees

| S. No. | Particulars  | Amount                          |
|--------|--|---------------------------------|
| 1      | Fund received from other departments<br>Balance as on 31-03-2008           4880<br>Add: Received during the year       2839<br>Less: Utilized during the year       2201<br><b>Balance as on 31-03-2009</b>                  | <br><br><br><br><br><b>5518</b> |
| 2      | <b>Salaries payable</b>  | <b>3793</b>                     |
| 3      | Expenses payable<br>Forest expenses                       2241<br>Travelling allowence               487<br>Office expenses                       61<br>Vehicle maintenance expenses     68<br><b>Total Expenses payable</b> | <br><br><br><br><br><b>2857</b> |
| 4      | Commercial tax collected but not remitted<br>Balance as on 31-03-2008           41<br>Add: Collected during the year     70<br>Less: Remitted during the year     94<br><b>Tax collected but not remitted</b>                | <br><br><br><br><br><b>17</b>   |
|        | <b>Total</b>   | <b>12185</b>                    |

**Territorial Forest Division Bhopal**  
**Statement of Financial Position as of 31st March 2009**

**Schedule - 14:**  
**Employee benefits**

In thousands of Rupees

| S. No. | Particulars   | Amount                          |
|--------|---|---------------------------------|
| 1      | Department Provident Fund<br>Balance as on 31-03-2008           7652<br>Add: Deductions during the year     568<br>Add: Interest for the year           585<br>Less; Withdrawals                   928<br><b>Balance as on 31-03-2009</b> | <br><br><br><br><br><b>7877</b> |
| 2      | Contributory pension scheme<br>Employees contribution               189<br>Departmental contribution           189<br><b>Total Contribution</b>   | <br><br><br><br><b>379</b>      |
|        | <b>Total</b>  | <b>8256</b>                     |

**Territorial Forest Division Bhopal**  
**Statement of Financial Position as of 31st March 2009**

**Schedule - 15**  
**Accumulated surplus**

In thousands of Rupees

| <b>S. No.</b> | <b>Particulars</b>                       | <b>Amount</b> |
|---------------|--|---------------|
|               | Capital Fund                             | 447999        |
|               | Less : Deficit from operating activities | -74908        |
|               | <b>Accumulated surplus</b>               | <b>373091</b> |

