

GOVERNMENT OF MADHYA PRADESH

**ACCOUNTS
AT A
GLANCE**

2009-2010

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

Preface

The Annual Accounts of the State Government are prepared and examined under the directions of Comptroller and Auditor General of India in accordance with the requirements of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, read with the Madhya Pradesh Re-organisation Act, 2000, for being laid before the Legislature of the State. The Annual Accounts consist of (a) Finance Accounts and (b) Appropriation Accounts. Finance Accounts are summary statements of accounts under the Consolidated Fund, Contingency Fund and the Public Account. The Appropriation Accounts record the Grant wise expenditure against provisions approved by State Legislature and offer explanations for variations between the actual expenditure and the funds provided. The Accountant General (Accounts and Entitlements) prepares the State Finance Accounts and the Appropriation Accounts.

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

We look forward to suggestions that would help us in improving the publication.

Place: Gwalior
Date: 20.12.2010

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

CHAPTER-I

OVERVIEW

The monthly accounts of the State Government are compiled and consolidated from the accounts submitted by the District Treasuries, Public Works and Forest Divisions, etc., to the Accountant General (Accounts and Entitlements). Besides, the Finance Accounts and the Appropriation Accounts are prepared annually by the Accountant General under the directions of the Comptroller and Auditor General of India in accordance with the requirements of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

The accounts of Government are kept in the following three parts:

Part I	Consolidated Fund
Part II	Contingency Fund
Part III	Public Account

Part I : There are two main divisions under the Consolidated Fund:

The Revenue division (Revenue Account) deals with the proceeds of taxation and other receipts classed as revenue and the expenditure met therefrom, the net result of which represents the revenue surplus or deficit for the year.

In the Capital division, the section 'Receipt Heads (Capital Account)' deals with receipts of capital nature which cannot be applied as a set-off to capital expenditure. The section 'Expenditure Heads (Capital Account)' deals with expenditure met usually from borrowed funds with the object of increasing concrete assets of a material and permanent character. It also includes receipts of capital nature intended to be applied as a set-off to capital expenditure. The section 'Public Debt, Loans and Advances, etc.' comprises loans raised and their repayments by Government such as 'Internal Debt' and 'Loans and Advances' made (and their recoveries) by Government.

Part II : In the Contingency Fund, the transactions connected with Contingency Fund established under Article 267 of the Constitution of India are recorded.

Part III : In the Public Account, the transactions relating to 'Debt' (other than those included in Part I), 'Deposits', 'Advances', 'Remittances' and 'Suspense' are recorded.

Annual Accounts of the Government of Madhya Pradesh for the year 2009-10 have recently been presented to the State Legislature. Audit Reports of the Comptroller and Auditor General of India for the year 2009-10 are being presented separately.

Finance Accounts

- ◆ Finance Accounts present the accounts of receipts and outgoings of the Government for the year, together with the financial results disclosed by the revenue and capital accounts, the accounts of the public debt and the liabilities and assets as worked out from the balances recorded in the accounts. The balances include the figures yet to be allocated between Madhya Pradesh and Chhattisgarh shown separately in the Finance Accounts in bold figures.
- ◆ During 2009-10, total receipts amounted to ₹ 47641.43 crore comprising revenue receipts of ₹41394.70 crore (₹ 28349.79 crore as Tax revenue, ₹ 6382.04 crore as Non-tax revenue and ₹ 6662.87 crore as Grants-in-aid and Contributions) and capital receipts of ₹ 6246.73 crore.
- ◆ Disbursements during the year were ₹ 47641.43 crore {₹ 35896.90 crore (75 per cent) on revenue account and ₹ 11744.53 crore (25 per cent) on capital account.}

Appropriation Accounts

- ◆ Appropriation Accounts bring out the expenditure of the State Government against amounts voted and charged by the State Legislature and supplement the Finance Accounts. These comprise accounts of 54 charged Appropriations and 131 voted Grants.
- ◆ Appropriation Acts, 2009 and 2010, had provided for a gross expenditure of ₹ 62394.06 crore, inclusive of the Supplementary Grants/Appropriations totaling ₹ 8460.90 crore by State Legislature during the year. An amount of ₹ 1197.91 crore was estimated as recoveries in reduction of expenditure.
- ◆ Appropriation Accounts, 2009-10 show gross disbursements aggregating ₹ 50464.18 crore against the aggregate budget provision of ₹ 62394.06 crore, resulting in savings of ₹11929.88 crore against Grants and Appropriations. Of this, ₹ 5965.14 crore (50 per cent) was under the Grants controlled by the Finance Department (Interest Payments and Servicing of Debt, Public Debt, Grant No.6- Finance and Grant No.74-Externally Aided Projects pertaining to Finance Department).
- ◆ The gross disbursement of ₹ 50464.18 crore includes amount of ₹ 107.56 crore and ₹ 397.94 crore drawn and credited to Major head 8443-Civil Deposits-106-Personal Deposits and 800-Other Deposits respectively during the year 2009-10.
- ◆ Recoveries in reduction of expenditure amounted to ₹ 428.69 crore reflecting a decrease of ₹ 769.22 crore vis-a-vis budget estimates.

CHAPTER-II

HIGHLIGHTS OF ACCOUNTS

(₹ in crore)

Sl. No.		Budget Estimate 2009-10	Actuals	Percentage of Actuals to BE	Percentage of Actuals to GSDP
1.	Tax Revenue #	27122.86	28349.79	104.52	14.58
2.	Non-Tax Revenue	3936.54	6382.04	162.12	3.28
3.	Grants-in-aid & Contributions	8901.63	6662.87	74.85	3.43
4.	Revenue Receipts (1+2+3)	39961.03	41394.70	103.59	21.29
5.	Recovery of Loans & Advances	47.36	23.37	49.35	0.01
6.	Other Receipts	..	@24.45	..	0.01
7.	Borrowings and Other Liabilities (a)	6436.41	6198.91	96.31	3.19
8.	Capital Receipts (5+6+7)	6483.77	6246.73	96.34	3.21
9.	Total Receipts (4+8)	46444.80	47641.43	102.58	24.50
10.	Non-Plan Expenditure (NPE) (b)	27416.77	29892.68	109.03	15.37
11.	NPE on Revenue Account	26976.35	26059.22	96.60	13.40
12.	NPE on Interest Payments out of 11	4965.39	4454.30	89.71	2.29
13.	NPE on Capital Account	440.42	3833.46	870.41	1.97
14.	Plan Expenditure (PE) (c)	19028.03	17748.75	93.28	9.13
15.	PE on Revenue Account	11285.77	9837.68	87.17	5.06
16.	PE on Capital Account	7742.26	7911.07	102.18	4.07
17.	Total Expenditure (10+14)	46444.80	47641.43	102.58	24.50
18.	Expenditure on Revenue Account (11+15)	38262.12	35896.90	93.82	18.46
19.	Expenditure on Capital Account (13+16) (d)	8182.68	11744.53	143.53	6.04
20.	Revenue Surplus (18-4)	1698.91	(e)5497.80	323.61	2.83
21.	Fiscal Deficit {17-(4+5+6)=7}	6436.41	6198.91	96.31	3.19

GSDP ₹ 194427.26 crore (A)

(A) = Advance Estimate

Includes Share of Union Taxes and Duties.

(a) Actual Borrowing and Other Liabilities include net of Public Debt (₹ 6208.46 crore), net of Contingency Fund (Nil), net of Public Account {₹ (-) 1212.35 crore} and net of Opening and Closing Cash Balance (₹ 1202.80 crore).

(b) Actual Non-plan expenditure includes Revenue Expenditure (₹ 26059.22 crore), Capital Expenditure (₹ 61.05 crore), Loans and Advances disbursed (₹ 3769.63 crore) and Inter State Settlement (₹ 2.78 crore).

(c) Actual Plan expenditure includes Revenue Expenditure (₹ 9837.68 crore), Capital Expenditure (₹ 7863.82 crore) and Loans and Advances disbursed (₹ 47.25 crore).

(d) Actual expenditure on Capital Account includes Capital Expenditure (₹ 7924.87 crore), Loans and Advances disbursed (₹ 3816.88 crore), Inter-State Settlement (₹ 2.78 crore).

(e) Actual Revenue Surplus of ₹ 5497.80 crore includes ₹ 363.06 crore received by the State Government on account of Debt Consolidation and Relief Facility to States under recommendations of the Twelfth Finance Commission from Government of India and credited to Major Head 0075- Miscellaneous General Services- 800-Other Receipts.

@ Includes Capital Receipt (₹ 21.69 crore) on account of refund of investment in share Capital by Co-operative Societies/Banks and Inter-State Settlement (₹ 2.76 crore).

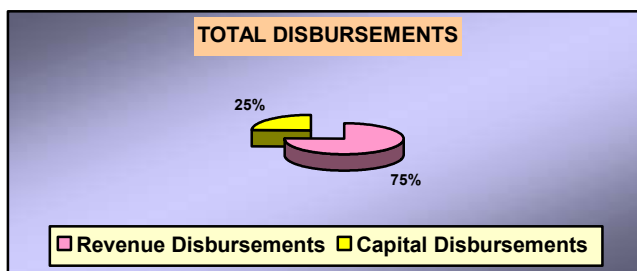
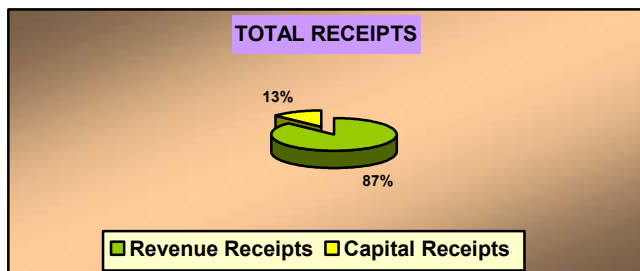
Receipts and Disbursements

Total receipts during the year were ₹ 47641.43 crore, against which total disbursements were ₹ 47641.43 crore.

The following table summarises the Accounts for 2009-10:

(₹ in crore)

Total Receipts	47641.43	Total Disbursements	47641.43
Revenue Receipts	41394.70 (87 per cent)	Revenue Disbursements	35896.90 (75 per cent)
Capital Receipts	6246.73 (13 per cent)	Capital Disbursements	11744.53 (25 per cent)



RECEIPTS

Revenue Receipts

Gross Tax Revenue of ₹ 28349.79 crore and Non-Tax Revenue of ₹ 6382.04 crore formed 14.58 per cent and 3.28 per cent respectively, of the GSDP. Major contribution to revenue was ₹ 7723.82 crore from Taxes on Sales, Trade etc. (3.97 per cent of GSDP).

Tax Revenue during the year were higher than the budget estimates by ₹ 1226.93 crore, mainly on account of more receipt under Taxes and Duties on Electricity (₹ 1146.49 crore).

Respective shares of various taxes, non-tax revenue and grants-in-aid and contributions to total revenue receipts are given below:-

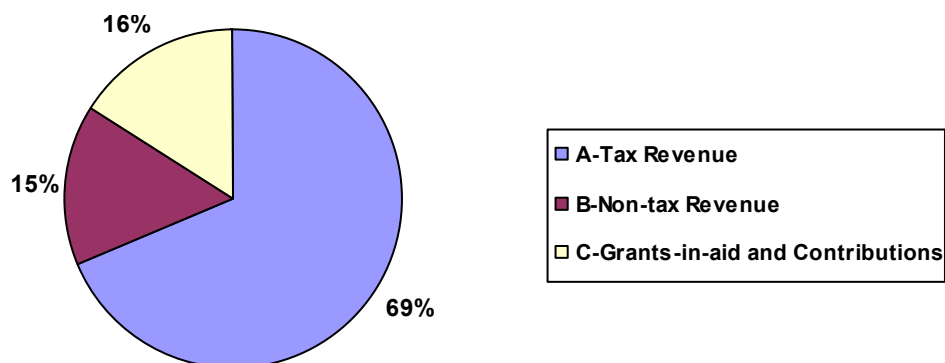
Revenue Receipts and Grants-in-aid and Contributions

(₹ in crore)

Components	Actuals	Percentage to total Revenue Receipts
A- Tax Revenue	*28349.79	68.49
Taxes on Income and Expenditure	7314.15	17.67
Taxes on Property and Capital Transactions	1973.61	4.77
Taxes on Commodities and Services	19062.03	46.05
B. Non-tax Revenue	6382.04	15.42
Fiscal Services	Token	..
Interest Receipts, Dividends and Profits	1333.78	3.22
General Services	597.73	1.45
Social Services	849.23	2.05
Economic Services	3601.30	8.70
C. Grants-in-aid and Contributions	6662.87	16.09
TOTAL-REVENUE RECEIPTS	41394.70	100.00

(* Share of State in Union Taxes received from Government of India was ₹ 11076.98 crore, constitute 26.76 per cent of total revenue receipts).

Pie-chart showing composition of the Revenue Receipts -



Capital Receipts

Compared to the Budget estimates, there was an overall decrease of ₹ 237.04 crore under Capital Receipts. The decrease was mainly under receipts of Borrowings and other Liabilities.

DISBURSEMENTS

Revenue Disbursements

Revenue Disbursements were 18.46 per cent of GSDP. These were in overall short of budget estimates by ₹ 2365.22 crore (short by ₹ 917.13 crore under Non-plan and ₹ 1448.09 crore under Plan).

Capital Disbursements

Capital Disbursements (including Loans and Advances and Inter-State Settlement) were 6.04 per cent of the GSDP. These were higher than the budget estimates by ₹ 3561.85 crore due to excess disbursement under Non-Plan (₹ 3393.04 crore) and under Plan (₹ 168.81 crore).

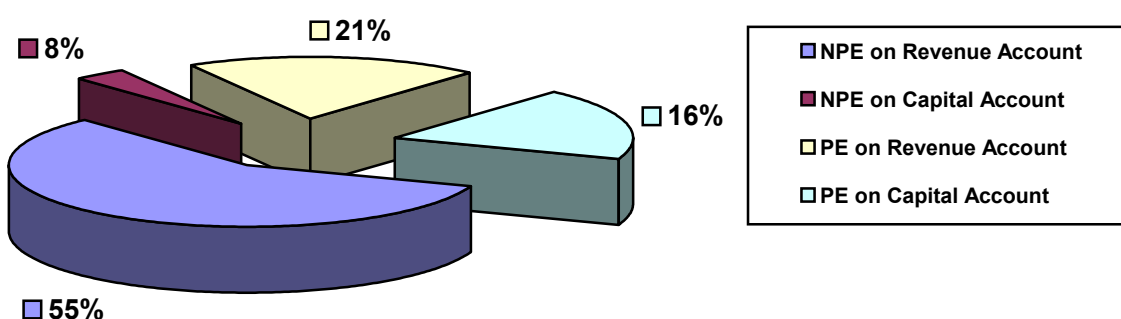
Plan Disbursements

During the year 2009-10, Plan Disbursements were ₹ 17748.75 crore comprising ₹ 12892.10 crore under State Plan, ₹ 3875.89 crore under Centrally Sponsored schemes and ₹ 980.76 crore under other Central Plan Schemes.

Non-Plan Disbursements

Non-Plan disbursements during 2009-10 were ₹ 29892.68 crore, consisting of ₹ 26059.22 crore under Revenue Account and ₹ 3833.46 crore under Capital Account (Capital expenditure: ₹ 61.05 crore, Loans and Advances: ₹ 3769.63 crore, Inter State Settlement: ₹ 2.78 crore).

Composition of Total Disbursement in plan and non-plan expenditure on Revenue and Capital Account



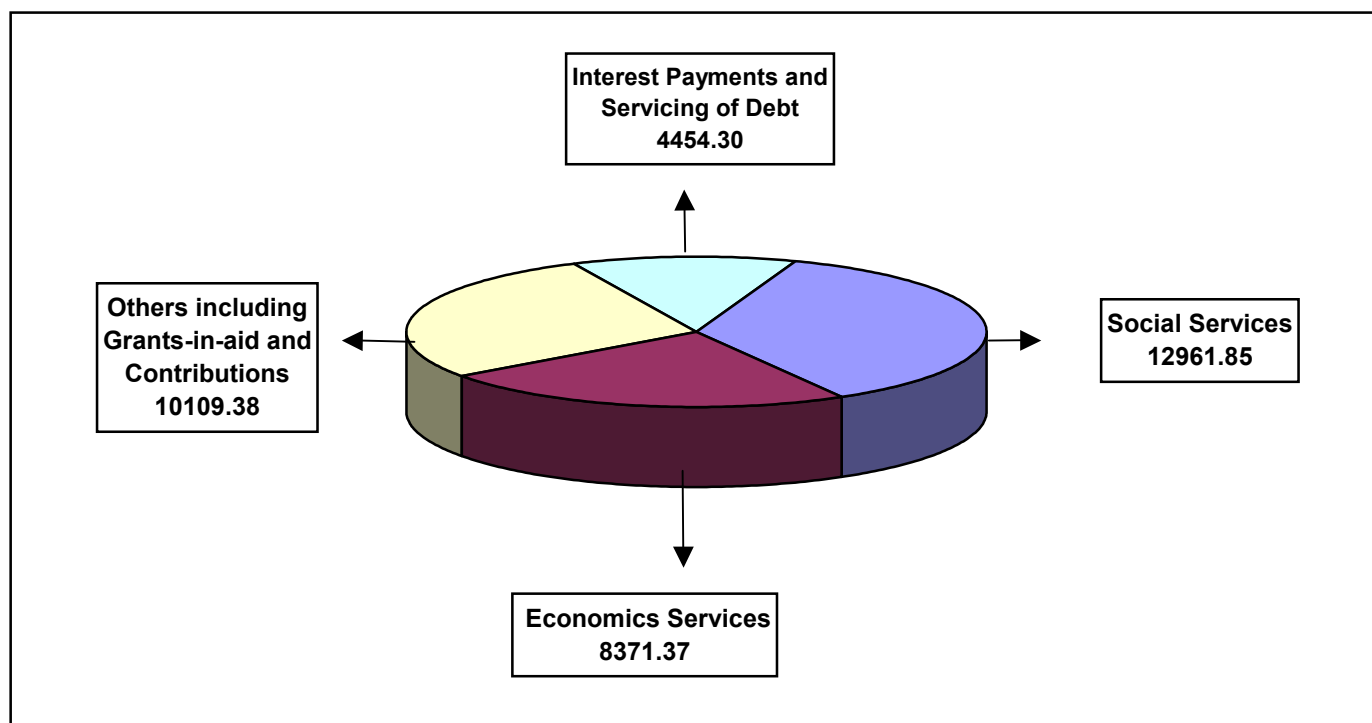
Sectoral distribution of expenditure and its percentage to total Revenue Expenditure is given below:-

SECTORAL DISTRIBUTION OF EXPENDITURE AND ITS PERCENTAGE TO TOTAL REVENUE EXPENDITURE

(₹ in crore)

Components	Amount	Percentage to Total Revenue Expenditure
A.Fiscal Services	1602.02	4.46
(i) Collection of Taxes on Income and Expenditure	0.43	..
(ii) Collection of Taxes on Property and Capital transactions	556.34	1.55
(iii) Collection of Taxes on Commodities and Services	1043.03	2.90
(iv) Other Fiscal Services	2.22	0.01
B. Organs of State	368.61	1.03
C. Interest Payments and Servicing of debt	4454.30	12.41
D. Administrative Services	2510.51	6.99
E. Pensions and Miscellaneous General Services	3078.34	8.58
F. Social Services	12961.85	36.11
G. Economic Services	8371.37	23.32
H. Grants-in-aid and Contributions	2549.90	7.10
TOTAL EXPENDITURE (REVENUE ACCOUNT)	35896.90	100.00

Pie chart showing the distribution of Revenue Expenditure under major segments:-



TREND OF EXPENDITURE

Trend of expenditure in some important sectors between 2005-06 and 2009-10 (5 years) is brought out in the following table:-

Statement of revenue expenditure in selected Sectors

(₹ in crore)

Sector	2005-06	%of <u>BE</u> <u>RE</u>	2006-07	%of <u>BE</u> <u>RE</u>	2007-08	%of <u>BE</u> <u>RE</u>	2008-09	%of <u>BE</u> <u>RE</u>	2009-10	%of <u>BE</u> <u>RE</u>
B. Social Services										
i) Education, Sports, Art and Culture	2905.76	<u>102.68</u> 100.91	3674.04	<u>103.90</u> 102.59	3767.84	<u>92.05</u> 92.64	4894.65	<u>96.39</u> 89.22	6267.76	<u>100.51</u> 95.42
ii) Health & Family Welfare	924.75	<u>93.25</u> 93.10	1010.11	<u>96.17</u> 93.51	1138.61	<u>96.89</u> 97.64	1308.15	<u>90.58</u> 91.77	1582.99	<u>99.25</u> 105.55
C. Economic Services										
i) Agriculture and Allied activities	1285.22	<u>95.50</u> 88.82	1638.43	<u>100.04</u> 90.85	1944.89	<u>110.87</u> 94.36	2571.36	<u>98.43</u> 93.76	2869.16	<u>89.50</u> 82.76
ii) Rural Development	1118.35	<u>153.84</u> 91.90	1570.23	<u>107.31</u> 92.92	2137.16	<u>105.84</u> 100.07	1975.79	<u>82.94</u> 81.07	2266.57	<u>85.41</u> 85.95
iii) Irrigation & Flood Control	327.21	<u>126.49</u> 119.87	340.51	<u>122.22</u> 119.54	394.14	<u>129.29</u> 120.41	428.30	<u>127.38</u> 130.19	507.51	<u>133.53</u> 120.72
iv) Energy	1983.47	<u>87.69</u> 100.22	682.44	<u>104.61</u> 99.14	1084.17	<u>146.74</u> 99.49	1443.49	<u>77.49</u> 93.22	1688.78	<u>114.57</u> 102.87
v) Transport	298.10	<u>206.81</u> 102.19	438.14	<u>102.01</u> 99.92	609.07	<u>125.84</u> 108.96	608.71	<u>99.04</u> 97.26	554.30	<u>99.50</u> 97.69
vi) General Economic Services	35.23	<u>80.47</u> 89.92	43.08	<u>103.88</u> 85.41	48.75	<u>89.66</u> 86.02	63.14	<u>87.91</u> 93.67	88.01	<u>95.65</u> 90.32

BE = Budget Estimates

RE = Revised Estimates

DEBTS AND LIABILITIES

Outstanding Public Debt at the end of 2009-10 was ₹ 52840.76 crore, comprising internal debt of ₹ 42461.81 crore and loans and advances of ₹ 10378.95 crore from Central Government. Other non-interest bearing obligations accounted for ₹ 6320.37 crore under Public Account.

The State also acts as a banker and trustee in respect of deposits like small savings collections, provident funds etc. There was an overall increase of ₹ 411.50 crore in respect of such liabilities of State Government during 2009-10.

Interest payments on debt and other liabilities totaling ₹ 4454.30 crore constituted 12.41 per cent of Revenue Expenditure of ₹ 35896.90 crore. Interest payments on Public Debt were ₹ 3904.84 crore (internal debt: ₹ 3201.89 crore, loans and advances from Central Government: ₹ 702.95 crore), Small savings and Provident Funds: ₹ 549.46 crore and on other obligations: Nil. Expenditure on account of interest payments increased by ₹ 262.31 crore during 2009-10 over previous year 2008-09.

Out of the internal debt of ₹ 7257.97 crore, raised during 2009-10, ₹ 1937.80 crore were used for discharge of debt obligations.

INVESTMENTS AND RETURNS

Total investments as share capital in Government companies, public sector undertakings (PSUs) etc. stood at ₹ 11686.28 crore at the end of 2009-10. Dividends received on investments during the year were ₹ 49.75 crore (i.e. 0.43 per cent). During 2009-10, while investments increased by ₹ 2042.93 crore, corresponding dividend income decreased by ₹ 19.30 crore.

LOANS AND ADVANCES BY THE STATE GOVERNMENT

Total loans and advances made by State Government at the end of 2009-10 amounted to ₹ 11423.66 crore. Details of Recoveries in arrear (Principal and Interest) at the end of March 2010 was not furnished by the State Government.

Total loans and advances to Government Corporations/ Companies, Non-Government Institutes, Local Bodies, etc. at the end of 2009-10 was ₹ 9805.08 crore.

FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

Assistance to Local Bodies etc. during 2009-10 was ₹1393.88 crore. Assistance to Electricity Board- ₹ 100.57 crore (7.22 per cent) and Educational Institutions-₹ 1091.48 crore (78.31 per cent) consumed the major portion of the total assistance during the year.

APPROPRIATION ACCOUNTS

The Appropriation Accounts of the Government of Madhya Pradesh for the year 2009-10 present the accounts of sums expended in the year ended 31 March 2010 compared with the sums specified in the Schedules appended to the Appropriation Acts passed under Articles 204 and 205 of the Constitution of India.

The Appropriation Accounts for the year 2009-10, showed gross actual expenditure of ₹ 50464.18 crore, comprising ₹ 36108.51 crore Revenue Expenditure, ₹ 8131.96 crore Capital Expenditure, ₹ 2394.05 crore Repayment of Debt and ₹ 3829.66 crore Loans and Advances by the Government. The expenditure includes the amount of ₹ 107.56 crore and ₹ 397.94 crore drawn and credited to Major head 8443-Civil Deposits-106-Personal Deposits and 800-Other Deposits respectively. There were savings under Revenue/Capital/ Public Debt/Loans and Advances Sections with reference to total grants/appropriations allocated by the State Legislature as detailed below:-

Summary of Appropriation Accounts 2009-10

(₹ in crore)

Sl. No.	Nature of expenditure	Original Grant/ Appropriation	Supplementary Grant/Appropriation	Total	Actual expenditure	Savings (-) Excesses (+)
1	Revenue Voted	33575.66	2914.83	36490.49	31315.76	-5174.73
	Charged	5468.27	16.42	5484.69	4792.75	-691.94
2	Capital Voted	7168.48	2649.36	9817.84	8101.94	-1715.90
	Charged	30.77	..	30.77	30.02	0.75
3	Public Debt Charged	6290.46	..	6290.46	2394.05	-3896.41
4	Loans and Advances Voted	1399.52	2880.29	4279.81	(b) 3829.66	-450.15
	Total	53933.16	8460.90	62394.06	50464.18	(a) -11929.88

(a) Of this ₹ 5965.14 crore (50 percent) were under the grants controlled by the Finance Department.

(b) Includes Inter State Settlement (₹ 2.78 crore).

Details of persistent savings during last five years in a few selected grants are given below:-

PERSISTENT SAVINGS IN SELECTED GRANTS

REVENUE-VOTED SECTION

(₹ in crore)			
Year	Total Provision	Saving	Percentage of savings to total provision
(1)	(2)	(3)	(4)

1-General Administration

2005-06	99.45	23.52	23.65
2006-07	97.09	12.98	13.37
2007-08	111.76	18.81	16.83
2008-09	128.30	21.56	16.80
2009-10	182.20	24.62	13.51

4- Other expenditure pertaining to Home Department

2005-06	10.77	1.33	12.35
2006-07	28.03	3.20	11.42
2007-08	11.37	1.41	12.40
2008-09	15.26	3.18	20.84
2009-10	15.19	3.31	21.79

6-Finance

2005-06	1886.78	172.92	9.16
2006-07	2262.74	366.18	16.18
2007-08	2755.44	611.64	22.20
2008-09	3116.31	624.61	20.04
2009-10	4579.03	1434.33	31.32

13-Farmer's Welfare and Agriculture Development

2005-06	342.20	111.77	32.66
2006-07	285.91	51.27	17.93
2007-08	487.94	90.65	18.58
2008-09	689.18	233.59	33.89
2009-10	660.91	149.10	22.56

22-Urban Administration Development-Urban Bodies

2005-06	13.06	4.04	30.93
2006-07	20.85	10.95	52.52
2007-08	23.72	9.45	39.84
2008-09	64.93	36.76	56.61
2009-10	61.70	24.83	40.24

29-Law and Legislative Affairs

2005-06	189.60	63.50	33.49
2006-07	209.76	60.00	28.60
2007-08	219.45	57.64	26.27
2008-09	302.54	68.50	22.64
2009-10	346.78	54.45	15.70

(₹ in crore)

Year	Total Provision	Saving	Percentage of savings to total provision
(1)	(2)	(3)	(4)

48-Narmada Valley Development

2005-06	540.67	538.57	99.61
2006-07	25.32	19.86	78.44
2007-08	24.07	8.05	33.44
2008-09	26.32	5.20	19.76
2009-10	31.47	10.90	34.64

55-Women and Child Development

2005-06	370.52	140.50	37.92
2006-07	481.50	181.88	37.77
2007-08	539.37	82.15	15.23
2008-09	699.01	112.69	16.12
2009-10	1162.96	210.24	18.08

64- Scheduled Castes Sub -Plan

2005-06	509.94	135.30	26.53
2006-07	548.84	95.63	17.42
2007-08	715.88	141.17	19.72
2008-09	823.03	165.51	20.11
2009-10	1089.51	234.83	21.55

72-Gas Tragedy Relief and Rehabilitation

2005-06	25.77	3.10	12.03
2006-07	34.14	10.83	31.72
2007-08	35.93	6.76	18.81
2008-09	42.55	7.96	18.71
2009-10	43.59	4.76	10.92

CAPITAL-VOTED SECTION**1- General Administration**

2005-06	6.10	6.10	100
2006-07	7.55	7.55	100
2007-08	9.35	7.25	77.59
2008-09	14.10	5.62	39.88
2009-10	9.60	5.02	52.29

3- Police

2005-06	113.40	72.81	64.21
2006-07	82.49	68.35	82.86
2007-08	31.27	27.73	88.67
2008-09	51.70	6.30	12.18
2009-10	37.10	4.05	10.92

(₹ in crore)

Year	Total Provision	Saving	Percentage of savings to total provision
(1)	(2)	(3)	(4)

23-Water Resources Department

2005-06	507.34	106.45	20.98
2006-07	479.51	73.90	15.41
2007-08	686.57	56.57	8.24
2008-09	682.81	63.00	9.23
2009-10	650.84	237.57	36.50

**40-Expenditure pertaining to Water Resources Development-
Command Area Development**

2005-06	11.20	4.50	40.18
2006-07	16.68	8.72	52.28
2007-08	15.48	6.05	39.08
2008-09	15.90	4.43	27.86
2009-10	17.49	3.75	21.44

41-Tribal Areas Sub-Plan

2005-06	666.97	192.30	28.83
2006-07	692.72	106.38	15.36
2007-08	1036.54	113.35	10.94
2008-09	1007.44	103.69	10.29
2009-10	1483.35	535.00	36.07

45-Minor Irrigation Works

2005-06	79.24	24.14	30.46
2006-07	104.99	36.86	35.11
2007-08	515.50	147.31	28.58
2008-09	342.73	60.41	17.63
2009-10	545.27	161.67	29.65

**57- Expenditure Aided Projects pertaining to Water Resources
Department**

2005-06	170.23	49.70	29.20
2006-07	183.59	93.04	50.68
2007-08	319.33	172.85	54.13
2008-09	350.24	111.18	31.74
2009-10	350.60	89.69	25.58

(₹ in crore)

Year	Total Provision	Saving	Percentage of savings to total provision
(1)	(2)	(3)	(4)

58- Expenditure on Relief on account of Natural Calamities and Scarcity

2005-06	16.30	16.30	100
2006-07	16.30	16.30	100
2007-08	4.30	4.30	100
2008-09	2.50	2.50	100
2009-10	4.20	2.70	64.29

64- Scheduled Castes Sub-Plan

2005-06	310.74	80.75	25.99
2006-07	585.56	100.58	17.18
2007-08	870.42	96.85	11.13
2008-09	892.00	110.67	12.41
2009-10	918.11	106.09	11.56

67-Public Works-Buildings

2005-06	79.20	35.38	44.67
2006-07	79.69	46.67	58.56
2007-08	77.12	38.80	50.31
2008-09	88.57	20.67	23.34
2009-10	78.10	11.41	14.61

72- Gas Tragedy Relief and Rehabilitation

2005-06	5.51	3.34	60.62
2006-07	6.14	3.68	59.93
2007-08	6.69	1.41	21.08
2008-09	4.94	2.67	54.05
2009-10	4.91	2.71	55.19

Rush of Expenditure

Regular flow of expenditure in the year is a primary requirement of budgetary control. Rush of expenditure particularly in the closing months of the financial year is regarded as a breach of financial rules (Para 92 of Madhya Pradesh Budget Manual). It was, however, noticed that in the seven cases the expenditure incurred during March 2010 ranged between 45 per cent to 95 per cent of the total expenditure during the year indicating the tendency to utilise the budget provision at the fag end of the financial year:-

(₹ in crore)

Sl. No.	Description of Grant	Total provision	Total expenditure	Expenditure in March	Percentage of expenditure in March to total expenditure
1.	12-Energy	7201.23	6896.12	4119.21	59.73
2.	17-Co-operation	120.26	117.25	57.08	48.68
3.	37-Tourism	69.84	69.78	34.92	50.04
4.	39-Food, Civil Supplies and Consumer Protection	613.57	545.28	256.61	47.06
5.	51-Religious Trusts and Endowments	12.50	10.46	5.13	49.04
6.	58-Expenditure on Relief on Account of Natural Calamities and Scascity	402.74	345.21	317.70	92.03
7.	60-Expenditure Pertaining to District Plan Schemes	172.30	163.31	80.06	49.02

RECONCILIATION OF ACCOUNTS

Accuracy and reliability of accounts depend, among other things, on timely reconciliation of the departmental figures with the accounts figures.

The Controlling Officers are required to reconcile the departmental accounts figures with those booked in the accounts compiled by the Accountant General before finalisation of the annual accounts. The reconciliation of accounts figures is to be done monthly by the departmental authorities. During 2009-10, 14 departmental authorities did not reconcile expenditure amounting to ₹ 3039.76 crore as detailed below:

Controlling Officers who did not attend the reconciliation work:

Major Head	Controlling officers who did not attend the reconciliation work	Grant no.	Period for which reconciliation was not done	Total amount (₹ in crore)
2235	Commissioner, Rehabilitation, Bhopal	02, 29, 35	02/10 and 03/10	10.86
3604	Commissioner, Panchayati Raj, Bhopal	75	04/09 to 03/10	2187.58
2055	Director, Public Prosecution, Bhopal	03	01/10 to 03/10	357.36
2250	Secretary, General Administration Department, Bhopal	02, 51	03/10	0.11
2236	Commissioner, Women and Child Development Department, Bhopal	41, 52, 53, 55, 64, 68	03/10	45.84
2501	Secretary, Panchayat and Rural Development, Bhopal	15, 30, 41, 52, 59, 64, 80	02/10 and 03/10	23.60
6075	Secretary, M.P.Govt. Finance Department, Bhopal	06	04/09 to 03/10	44.72
2810	Secretary, M.P.Govt. Energy Department, Bhopal	12	04/09 to 03/10	4.14
2852	Secretary, Commerce Industry and Employment, Bhopal	11	04/09 to 03/10	76.37
2045	Secretary, Energy Department, M.P.Govt., Bhopal	12	01/10 to 03/10	39.77
2052	Secretary, Law and Legislative Affairs Department, Bhopal	29, 08, 06	01/10 to 03/10	58.52
2230	Secretary, Commerce, Industry and Employment, Bhopal	11, 18	01/10 to 03/10	72.37
2402	Narmada Valley Development Department, Bhopal	48	01/10 to 03/10	1.23
2406	Principal Chief Conservator of forest, Bhopal	10, 41, 64	01/10 to 03/10	117.29
			Total	3039.76

SUBMISSION OF ACCOUNTS BY TREASURIES:

During the year 2009-10, out of 636 monthly accounts, 148 accounts were received after due dates, though these were incorporated in the monthly civil accounts of respective months. Timely submission of accounts may be ensured by the Treasury. The details are as below:-

Month	No. of due A/cs	No. of A/cs received on due date	No. of A/cs received after due date	No. of A/cs included	No. of A/cs excluded
4/2009	53	43	10	53	-
5/2009	53	45	08	53	-
6/2009	53	43	10	53	-
7/2009	53	35	18	53	-
8/2009	53	48	05	53	-
9/2009	53	42	11	53	-
10/2009	53	30	23	53	-
11/2009	53	43	10	53	-
12/2009	53	43	10	53	-
01/2010	53	43	10	53	-
02/2010	53	43	10	53	-
03/2010	53	30	23	53	-
Total	636	488	148	636	-

CHAPTER-III

TRENDS IN GOVERNMENT REVENUE AND EXPENDITURE

Trends in Government Revenue Receipts and Revenue Expenditure from 2005-06 to 2009-10 (5 years period) is given below:-

Revenue Receipts

(₹ in crore)						
Year	Tax Revenue	Non-Tax Revenue	Grants in-aid and Contributions	Gross Revenue Receipts	*GSDP	Percentage of Gross Revenue Receipts to GSDP
2005-06	15456.05	2208.20	2932.54	20596.79	109055.00 (A)	18.89
2006-07	18561.67	# 2658.46	4474.15	25694.28	130628.93 (A)	19.67
2007-08	22221.14	@ 2738.18	5729.41	30688.73	142203.96 (A)	21.58
2008-09	24380.64	@ 3342.86	5853.71	33577.21	162525.22(A)	20.66
2009-10	28349.79	@ 6382.04	6662.87	41394.70	194427.26(A)	21.29

Includes debt relief of ₹ 726.12 crore received for 2005-06 and 2006-07 under Debt Consolidation and Relief Facility to states by Central Government under recommendations of Twelfth Finance Commission.

@ Includes debt relief of ₹ 363.06 crore received under Debt Consolidation and Relief Facility to states by Central Government under recommendations of Twelfth Finance Commission.

Revenue Expenditure

(₹ in crore)							
Year	Revenue Expenditure (Actuals)	Total Expenditure	*GSDP	Percentage increase as compared to previous year			Percentage of Total Expenditure to GSDP
				Revenue Expenditure	Total Expenditure	GSDP	
2005-06	(*) 20563.47	(z) 28021.20	109055.00(A)	14.07	6.59	1.05	25.69
2006-07	22362.61	28546.95	130628.93(A)	8.75	1.88	19.78	21.85
2007-08	25601.11	33590.74	142203.96(A)	14.48	17.67	8.86	23.62
2008-09	29513.88	38089.23	162525.22(A)	15.28	13.39	14.29	23.44
2009-10	35896.90	47641.43	194427.26(A)	21.63	25.08	19.63	24.50

* (G.S.D.P.) Gross State Domestic Product is defined as the total value, at factor cost, of goods and services produced within the boundaries of the State which are either available for consumption and/ or for addition to wealth.

(*) Includes ₹ 814.78 crore conversion of investment in grant to REC.

(z) Includes investment of ₹ 2749.36 crore in successor companies of M.P.E.B and ₹ 814.78 crore conversion of investment in grant to REC.

(A) = Advance Estimate

The overall increase in the Government's total expenditure during 2005-06 to 2009-10 (5 years) has been ₹ 19620.23 crore (₹ 47641.43 crore-₹ 28021.20 crore). Growth in major areas of Revenue Expenditure is shown in the following table:-

(₹ in crore)

Areas of Expenditure	2005-06	2006-07	2007-08	2008-09	2009-10	Percentage increase (+)/decrease(-) in 2009-10 over last year
Interest Payments and Servicing of Debt	3421.79	4028.95	4190.77	4191.99	4454.30	6.26
Pension and Miscellaneous General Services	1663.82	1861.94	2064.91	2433.90	3078.34	26.48
Salaries	5659.16	5962.69	6533.63	8077.17	10173.12	25.95
Administrative Services	1436.26	1546.24	1756.80	2045.30	2510.51	22.75
Agriculture and Allied Activities	1285.22	1638.43	1944.89	2571.36	2869.15	11.58
Rural Development	1118.35	1570.23	2137.16	1975.79	2266.57	14.72
Energy	1983.47	682.44	1084.17	1443.49	1688.78	16.99
Science, Technology and Environment	40.32	7.50	42.53	50.64	45.60	- 9.95

During 2009-10, expenditure on interest payments and pension and Miscellaneous General Services and Salaries comprised 42.77 percent of the total revenue receipts and 9.11 percent of GSDP.

GOVERNMENT ACCOUNT

The total expenditure (Revenue and Capital) for the year is netted against total receipts (Revenue and non-debt Capital receipts) of the year and the surplus/deficit thereof is transferred to a separate ledger called "Government Account". In addition, net effect of Prior Period Adjustments, Miscellaneous Government Accounts, etc. is also transferred to the ledger "Government Account". Thus, the ledger "Government Account" represents the cumulative surplus/deficit of the operations of the Government. The details of the ledger "Government Account" for the past five years are given below:-

(₹ in crore)

Year	Revenue Heads			Capital Heads			Other Heads #	Deficit for the year	Cumulative deficit(-)/surplus(+) at the end of the year
	Receipts	Disbursements	Deficit	Receipts	Disbursements	Deficit			
2005-06	20596.79	(y) 20563.47	(z) +33.32	-	(p) 6623.28	-6623.28	-35.16	-6625.12	-44602.25
2006-07	25694.28	22362.61	@ +3331.67	9.19	5169.94	-5160.75	..	-1829.08	-46431.33
2007-08	30688.73	25601.11	(q) + 5087.62	11.07	6832.70	-6821.63	-33.81	-1767.82	-48199.15
2008-09	33577.21	29513.88	(r) + 4063.33	24.00	6713.15	-6689.15	-3.18	-2629.00	-50828.15
2009-10	41394.70	35896.90	(l) + 5497.80	21.69	7924.87	-7903.18	- 3.97	-2409.35	-53237.50

Miscellaneous Government Account.

(y) Includes ₹ 814.78 crore conversion of investment in grant to REC.

(z) Revenue surplus is understated by ₹ 814.78 crore due to conversion of investment in Rural Electrification Corporation to grant by State Government.

(p) Includes investment of ₹ 2749.36 crore in successor companies of M.P.E.B and ₹ 814.78 crore conversion of investment in grant to REC.

@ Revenue Surplus of ₹ 3331.67 crore includes ₹ 726.12 crore received by the State Government on account of Debt Consolidation and Relief Facility to States under recommendations of the Twelfth Finance Commission from Government of India.

(q) Revenue Surplus of ₹ 5087.62 crore includes ₹ 363.06 crore received by the State Government on account of Debt Consolidation and Relief Facility to States under recommendations of the Twelfth Finance Commission from Government of India.

(r) Revenue Surplus of ₹ 4063.33 crore includes ₹ 363.06 crore received by the State Government on account of Debt Consolidation and Relief Facility to States under recommendations of the Twelfth Finance Commission from Government of India.

(l) Revenue Surplus of ₹ 5497.80 crore includes ₹ 363.06 crore received by the State Government on account of Debt Consolidation and Relief Facility to States under recommendations of the Twelfth Finance Commission from Government of India.

LIABILITIES

Liabilities of the State Government increased by ₹ 18916.88 crore from ₹ 48694.87 crore in 2005-06 to ₹ 67611.75 crore during 2009-10. Total Public Debt comprising internal debt of the State Government and loans and advances from Central Government increased by ₹ 15365.81 crore, from ₹ 37474.95 crore in 2005-06 to ₹ 52840.76 crore at the end of the current year. Article 293 of the Constitution of India empowers the State Government to borrow on the security of the Consolidated Fund of the State within such limits, if any, as may be from time to time fixed by the State Legislature. No such limits have, however, been prescribed by the State Legislature. Details of the Public Debt and total liabilities of the State Government are as under:-

(₹ in crore)									
Year	Internal Debt	Loans & Advances from Central Government	Total Public Debt	Small Savings	Provident Funds	Other Obligations	Total Liabilities*	GSDP	Percentage of total liability to GSDP
2005-06	28483.94	8991.01	37474.95	1228.69	6260.71	3730.52	48694.87	109055.00(A)	44.65
2006-07	31666.69	8679.70	40346.39	1329.05	6314.95	4812.32	52802.71	130628.93(A)	40.42
2007-08	33258.49	8781.85	42040.34	1415.71	6420.77	4950.67	54827.49	142203.96(A)	38.56
2008-09	37141.63	9490.67	46632.30	1405.97	6634.23	5357.90	60030.40	162525.22(A)	36.94
2009-10	42461.81	10378.95	52840.76	1389.45	7061.17	6320.37	67611.75	194427.26(A)	34.77

* Small Savings, Provident Funds, non-interest bearing obligations such as deposits of Local funds, other earmarked funds etc.

(A) = Advance Estimate

STATE PROVIDENT FUND

The details of transactions from the State Provident Fund are shown in the following table:-

(₹ in crore)						
Year	Opening Balance	Receipts	Payments	Net accretion for the year	Closing Balance	Interest Charged on balance of P.F.
2005-06	@ 6343.85	1131.53	1214.67	-83.14	6260.71	370.60
2006-07	# 6257.43	1199.10	1141.58	57.52	6314.95	494.82
2007-08	(*) 6314.17	1224.34	1117.74	106.60	6420.77	533.44
2008-09	6420.77	1264.61	1051.15	213.46	6634.23	537.52
2009-10	(x) 6633.15	1390.43	962.41	428.02	7061.17	549.46

@ Differs by ₹ 13.26 crore from the closing balance of 2004-05 due to allocation of the balances to successor State of Chhattisgarh.

Differs by ₹ 3.28 crore from the closing balance of 2005-06 due to allocation of the balances to successor State of Chhattisgarh.

(*) Differs by ₹ 0.78 crore from the closing balance of 2006-07 due to allocation of the balances to successor State of Chhattisgarh.

(x) Differs by ₹ 1.08 crore from the closing balance of 2008-09 due to proforma transfer to Chhattisgarh.

GUARANTEES

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

(₹ in crore)			
At the end of the year	Amount Guaranteed (Principal only)	Amount outstanding *	
		Principal	Interest
2005-06	12636.81	521.84	91.54
2006-07	12424.26	783.66	82.15
2007-08	12086.00	758.58	97.16
2008-09	11991.33	1910.46	19.63
2009-10	11823.20	1506.83	122.76

* To the extent of information available.

WAYS AND MEANS ADVANCES

The State Government, in order to maintain and sustain its liquidity position, avails of Ways and Means Advances from the Reserve Bank of India and thereafter resorts to overdraft whenever there is shortfall in the agreed minimum cash balance in its account with the Reserve Bank of India. The Government is required to maintain a minimum cash balance of ₹ 1.96 crore with Reserve Bank of India. The larger the amount and greater the number of times such Ways and Means Advances are taken or drawals made, the more it reflects over the adverse position of the cash balance of the State Government.

	2005-06	2006-07	2007-08	2008-09	2009-10
(i) Number of days on which minimum balance was maintained	365	365	366	365	365
a) Without obtaining any advance	365	365	366	363	365
b) By obtaining Ways and Means Advance	..	..	..	2	..
(ii) Number of days on which no overdrafts were taken though there was shortfall in minimum balance	..	..	..	..	..
(iii) Number of days on which overdraft was taken	..	..	..	..	..

CONTINGENCY FUND

Contingency Fund of the State is designed to meet contingencies. The following details indicate the extent of use of this Fund during the year:-

	2005-06	2006-07	2007-08	2008-09	2009-10
Number of withdrawals from Contingency Fund	23	11	13	9	17
Total withdrawals from Contingency Fund (₹ in crore)	14.14	31.15	144.03	18.12	135.07
Withdrawals from Contingency Fund as a percentage to total Budget Provision	0.04	0.09	0.40	0.04	0.26
Budget Estimate (Consolidated Fund) (₹ in crore)	34872.22	34592.54	36375.72	43278.91	52735.25

Note: Corpus of Contingency Fund was ₹ 40 crore during 2005-06 and ₹ 100 crore during 2006-07 to 2009-10.

GENERAL CASH BALANCES

The closing cash balance according to the Reserve Bank of India was ₹ 1995.25 crore (Debit) against the General Cash Balance of ₹ 2043.74 crore (credit) reflected in State Government accounts. The difference of ₹ 48.49 crore (Credit) was under reconciliation and Remittance in transit was ₹ 2.67 crore.

Investments held in the *Cash Balance Investment Account as on 31 March 2010 was ₹ 5559.72 crore.

Other Cash Balances and Investments as on 31 March 2010 was ₹ 394.28 crore comprising Cash with departmental officers (₹ 13.54 crore), Permanent advances with departmental officers (₹ 0.79 crore) and investment of earmarked funds (₹ 379.95 crore).

*Investment held in short term loans (Government of India Treasury Bills) and other Government of India securities by the State Government.

The cash balance with Government of Madhya Pradesh decreased from ₹ (-) 838.27 crore at the beginning of the year 2009-10 to ₹ (-) 2041.07 crore at its end, the details of sources and application of funds being as follows:-

(₹ in crore)

SOURCES			APPLICATION				
Sl No.	Items	Amount	Sl. No.	Items	Amount		
1.	Opening cash balance	(-) 838.27	1.	Revenue expenditure	<u>Non-Plan</u> 26059.22	<u>Plan</u> 9837.68	<u>Total</u> 35896.90
2.	State's share of Union Taxes	11076.98	2.	Capital expenditure	<u>Non-Plan</u> 61.05	<u>Plan</u> 7863.82	<u>Total</u> 7924.87
3.	State's own Revenue Collection	23654.85	3.	Loans and advances repaid	<u>To Central Govt.</u> 456.26	<u>To others</u> ..	<u>Total</u> (*)456.26
4.	Central grants/ assistance other than loans from Govt. of India.	6662.87	4.	Loans and advances given	3769.63	47.25	3816.88
			4a.	Net of Inter-State Settlement			0.02
5.	Miscellaneous Capital Receipts	21.69	5.	Net effect of adjustment of suspense and remittance balances and increase/ decrease of Reserve Funds			2328.46 [@]
6.	Net effect of Receipts from Public Debt (other than Central Loans), Small Savings and Provident Funds, Deposits and Advances	6436.29	6.	Net contribution from Contingency Fund			..
7.	Receipts from Central Loans	1344.54	7.	Closing cash balance			(-) 2041.07
8.	Recoveries from borrowers	23.37					
9.	Net contribution from Contingency Fund	..					
10.	Net effect of adjustment of suspense and remittance balances and increase/ decrease of Reserve Funds						
	Total	48382.32		Total			48382.32

(*) Includes debt relief of ₹ 363.06 crore received under Debt Consolidation and Relief Facility to States by Central Government under recommendations of Twelfth Finance Commission.

@ Includes Suspense and Miscellaneous (-) ₹ 2620.35 crore, Reserve Fund (+) ₹ 260.86 crore and Remittance (+) ₹ 31.03 crore.