

GOVERNMENT OF MADHYA PRADESH

**ACCOUNTS
AT A
GLANCE**

2006-2007

**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:

(Divya Malhotra)
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 there from , 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 2006-07 have recently been presented to the State Legislature. Audit Reports of the Comptroller and Auditor General of India for the year 2006-07 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 2006-07, total receipts amounted to Rs.28546.95 crore comprising revenue receipts of Rs.25694.28 crore (Rs.18561.67 crore as Tax revenue, Rs.2658.46 crore as Non-tax revenue and Rs.4474.15 crore as Grants-in-aid and Contributions) and capital receipts of Rs.2852.67 crore.
- ◆ Disbursements during the year were Rs.28546.95 crore (Rs.22362.61 crore (78 per cent) on revenue account and Rs.6184.34 crore (22 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 57 charged Appropriations and 136 voted Grants.
- ◆ Appropriation Acts, 2006 and 2007, had provided for a gross expenditure of Rs.40464.48 crore, inclusive of the Supplementary Grants/Appropriations totalling Rs.4268.34 crore by State Legislature during the year. An amount of Rs.1603.59 crore was estimated as recoveries in reduction of expenditure.
- ◆ Appropriation Accounts, 2006-07 show gross disbursements aggregating Rs.30813.09 crore against the aggregate budget provision of Rs.40464.48 crore, resulting in savings of Rs.9651.39 crore against Grants and Appropriations. Of this, Rs.5010.74 crore (51.92 per cent) was under the Grants controlled by the Finance Department (Interest Payments and Servicing of Debt, Public Debt, Grant No.6-Expenditure pertaining to Finance Department and Grant No.74-Externally Aided Project pertaining to Finance Department).
- ◆ The gross disbursement of Rs.30813.09 crore includes amount of Rs. 177.88 crore and Rs.465.49 crore drawn and credited to Major head 8443-Civil Deposits-106-Personal Deposits and 800-Other Deposits respectively during the year 2006-07.
- ◆ Recoveries in reduction of expenditure amounted to Rs.534.61 crore reflecting a decrease of Rs.1068.98 crore vis-a-vis budget estimates.

CHAPTER-II

HIGHLIGHTS OF ACCOUNTS

(Rupees in crore)

Sl. No.		Budget Estimate 2006-07	Actuals	Percentage of Actuals to BE	Percentage of Actuals to GSDP
1.	Tax Revenue	17044.63	18561.67	108.90	14.21
2.	Non-Tax Revenue	2059.08	2658.46	129.11	2.04
3.	Grants-in-aid & Contributions	4376.48	4474.15	102.23	3.43
4.	Revenue Receipts (1+2+3)	23480.19	25694.28	109.43	19.67
5.	Recovery of Loans & Advances	43.69	28.12	64.36	0.02
6.	Other Receipts	..	@10.30	..	0.01
7.	Borrowings and Other Liabilities (a)	4873.67	2814.25	57.74	2.15
8.	Capital Receipts (5+6+7)	4917.36	2852.67	58.01	2.18
9.	Total Receipts (4+8)	28397.55	28546.95	100.53	21.85
10.	Non-Plan Expenditure (NPE) (b)	17999.81	17975.80	99.87	13.76
11.	NPE on Revenue Account	17347.08	16910.54	97.48	12.95
12.	NPE on Interest Payments out of 11	4145.03	4028.95	97.20	3.08
13.	NPE on Capital Account	652.73	1065.26	163.20	0.82
14.	Plan Expenditure (PE) (c)	10397.74	10571.15	101.67	8.09
15.	PE on Revenue Account	5162.89	5452.07	105.60	4.17
16.	PE on Capital Account	5234.85	5119.08	97.79	3.92
17.	Total Expenditure (10+14)	28397.55	28546.95	100.53	21.85
18.	Expenditure on Revenue Account (11+15)	22509.97	22362.61	99.35	17.12
19.	Expenditure on Capital Account (13+16) (d)	5887.58	6184.34	105.04	4.73
20.	Revenue Deficit/Surplus (18-4)	970.22	(e) 3331.67	343.39	2.55
21.	Fiscal Deficit {17-(4+5+6)=7}	4873.67	2814.25	57.74	2.15

GSDP Rs.130628.93 crore (A)

(A) = Advance Estimate

- (a) Borrowing and Other Liabilities include net of Public Debt (Rs.2871.44 crore), net of Contingency Fund (Rs.68.15 crore), net of Public Account (Rs.-501.19 crore) and net of Opening and Closing Cash Balance (Rs.375.85 crore).
- (b) Non-plan expenditure includes Revenue Expenditure (Rs.16910.54 crore), Capital Expenditure (Rs.314.54 crore), Loans and Advances disbursed (Rs.689.39 crore), Inter State Settlement (Rs.1.33 crore) and Appropriation to Contingency Fund (Rs.60.00 crore).
- (c) Plan Expenditure includes Revenue Expenditure (Rs.5452.07 crore), Capital Expenditure (Rs.4855.40 crore) and Loans and Advances disbursed (Rs.263.68 crore).
- (d) Expenditure on Capital Account includes Capital Expenditure (Rs.5169.94 crore), Loans and Advances disbursed (Rs.953.07 crore), Inter State Settlement (Rs.1.33 crore) and Appropriation to Contingency Fund (Rs.60.00 crore).
- (e) Revenue Surplus of Rs. 3331.67 crore includes Rs. 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 Rs.363.06 crore each for 2005-06 and 2006-07 and credited to Major Head 0075- Miscellaneous General Services- 800-Other Receipts.
- @ Includes Capital Receipt (Rs.9.19 crore) on account of refund of investment in share Capital by Co-operative Societies/Banks and Inter State Settlement (Rs.1.11 crore).

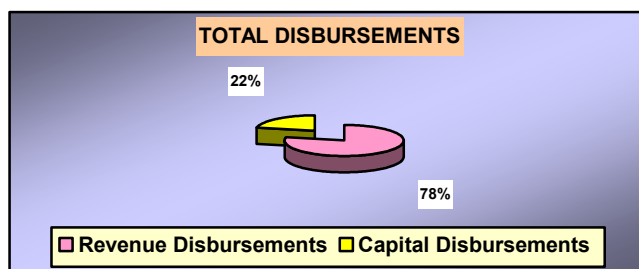
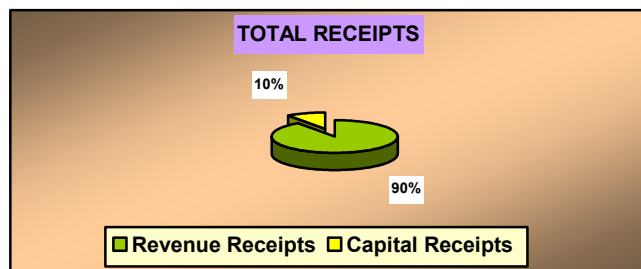
Receipts and Disbursements

Total receipts during the year were Rs.28546.95 crore, against which total disbursements were Rs.28546.95 crore.

The following table summarises the Accounts for 2006-07:

(Rupees in crore)

Total Receipts	28546.95	Total Disbursements	28546.95
Revenue Receipts	25694.28 (90 per cent)	Revenue Disbursements	22362.61 (78 per cent)
Capital Receipts	2852.67 (10 per cent)	Capital Disbursements	6184.34 (22 per cent)



RECEIPTS

Revenue Receipts

Gross Tax Revenue of Rs.18561.67 crore and Non-Tax Revenue of Rs.2658.46 crore formed 14.21 per cent and 2.04 per cent, respectively, of the GSDP. Major contribution to revenue was Rs.5261.41 crore from Taxes on Sales, Trade etc. (4.03 per cent of GSDP).

Net Tax Revenue during the year were higher than the budget estimates by Rs.1517.04 crore, mainly on account of receipts under Corporation Tax (Rs.405.82 crore), Stamps and Registration Fees (Rs.251.09 crore), Customs (Rs.453.97 crore), Taxes on Goods and Passengers (Rs.174.60 crore) and Service Tax (Rs.384.26 crore) partly off set by decrease under Union Excise Duties (Rs.333.69 crore).

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

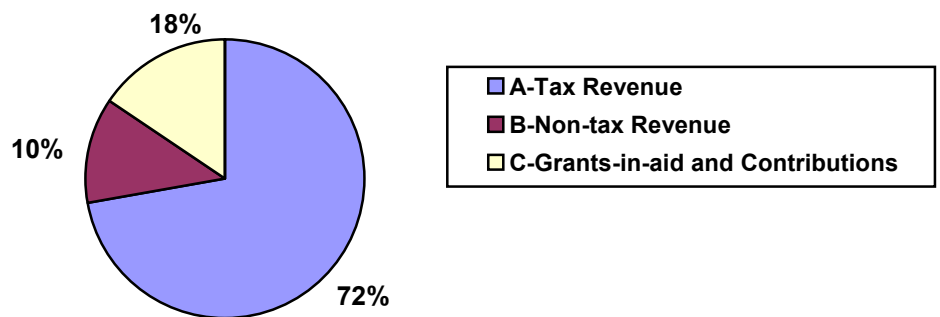
Revenue Receipts and Grants-in-aid and Contributions

(Rupees in crore)

Components	Actuals	Percentage to total Revenue Receipts
A- Tax Revenue	*18561.67	72.24
Taxes on Income and Expenditure	4225.79	16.45
Taxes on Property and Capital Transactions	1386.48	5.39
Taxes on Commodities and Services	12949.40	50.40
B. Non-tax Revenue	2658.46	10.35
Fiscal Services	0.01	..
Interest Receipts, Dividends and Profits	147.17	0.57
General Services	861.91	3.36
Social Services	75.06	0.29
Economic Services	1574.31	6.13
C. Grants-in-aid and Contributions	4474.15	17.41
TOTAL-REVENUE RECEIPTS	25694.28	100.00

(* Share of State in Union Taxes received from Government of India was Rs.8088.54 crore, constitute 31.48 per cent of total revenue receipts).

Pie-chart showing the Revenue Receipts and Grants-in-aid and Contributions.



Capital Receipts

Compared to the Budget estimates, there was an overall decrease of Rs.2064.69 crore under Capital Receipts. The decrease was mainly under recovery of Loans and Advances by the Government.

DISBURSEMENTS

Revenue Disbursements

Revenue Disbursements (net) were 17.12 per cent of GSDP. These were in overall short of budget estimates by Rs.147.36 crore (short by Rs.436.54 crore under Non-plan and excess by Rs.289.18 crore under Plan).

Capital Disbursements

Capital Disbursements were 4.73 per cent of the GSDP. These were higher than the budget estimates by Rs.296.76 crore due to excess disbursement under Non-Plan (Rs.412.53 crore) and less disbursement under Plan (Rs.115.77 crore).

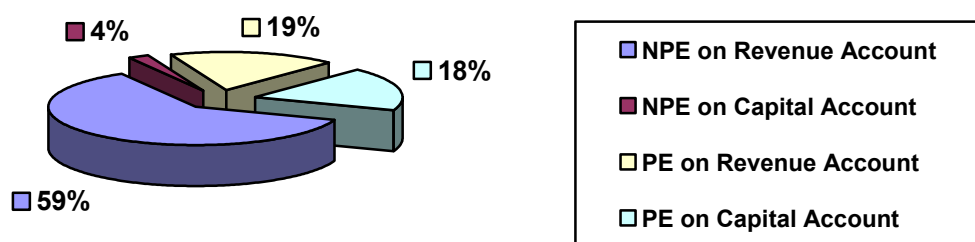
Plan Disbursements

During the year 2006-07, Plan Disbursements were Rs.10571.15 crore comprising Rs.7775.63 crore under State Plan, Rs.1760.13 crore under Centrally Sponsored schemes and Rs.1035.39 crore under other Central Plan Schemes.

Non-Plan Disbursements

Non-Plan disbursements during 2006-07 were Rs.17975.80 crore, consisting of Rs.16910.54 crore under Revenue Account and Rs.1065.26 crore under Capital Account (Capital:Rs.314.54 crore, Loans and Advances:Rs.689.39 crore, Inter State Settlement: Rs 1.33 crore and Appropriation to Contingency Fund: Rs 60.00 crore).

Revenue and Capital Expenditure



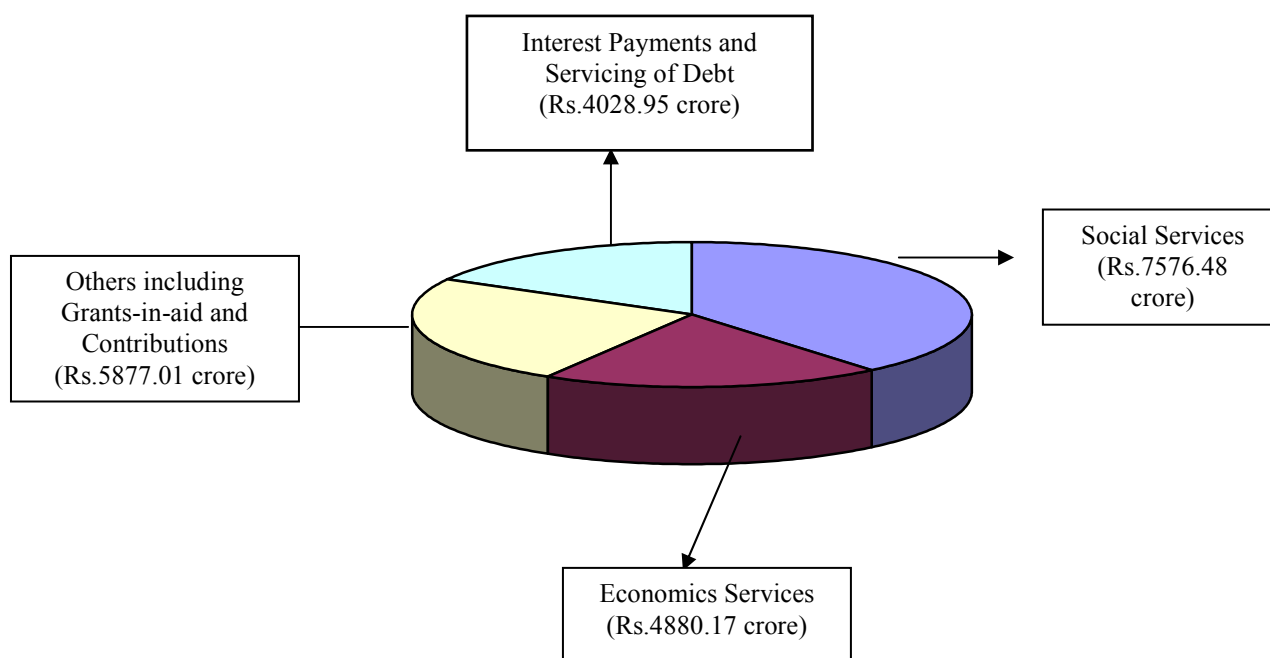
Sectoral distribution of expenditure and its percentage to total Revenue Expenditure is given below:-

SECTORAL DISTRIBUTION OF EXPENDITURE AND ITS PERCENTAGE TO TOTAL REVENUE EXPENDITURE

(Rupees in crore)

Components	Amount	Percentage to Total Revenue Expenditure
A.Fiscal Services	955.33	4.27
(i) Collection of Taxes on Income and Expenditure	0.19	..
(ii) Collection of Taxes on Property and Capital transactions	286.88	1.28
(iii) Collection of Taxes on Commodities and Services	656.81	2.94
(iv) Other Fiscal Services	11.45	0.05
B. Organs of State	209.64	0.94
C. Interest Payments and Servicing of debt	4028.95	18.02
D. Administrative Services	1546.25	6.91
E. Pensions and Miscellaneous General Services	1861.94	8.33
F. Social Services	7576.48	33.88
G. Economic Services	4880.17	21.82
H. Grants-in-aid and Contributions	1303.85	5.83
TOTAL EXPENDITURE (REVENUE ACCOUNT)	22362.61	100.00

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



TREND OF EXPENDITURE

Trend of expenditure in some important sectors between 2002-03 and 2006-07 (5 years) is brought out in the following table:-

Statement of revenue expenditure in selected Sectors

(Rupees in crore)

Sector	2002-03	%of <u>BE</u> <u>RE</u>	2003-04	%of <u>BE</u> <u>RE</u>	2004-05	%of <u>BE</u> <u>RE</u>	2005-06	%of <u>BE</u> <u>RE</u>	2006-07	%of <u>BE</u> <u>RE</u>
B. Social Services										
i) Education, Sports, Art and Culture	2295.58	<u>89.62</u> 95.96	2355.34	<u>85.39</u> 98.74	2552.40	<u>104.21</u> 94.58	2905.76	<u>102.68</u> 100.91	3674.04	<u>103.90</u> 102.59
ii) Health & Family Welfare	760.61	<u>100.02</u> 93.65	760.83	<u>94.50</u> 100.97	856.17	<u>92.35</u> 93.05	924.75	<u>93.25</u> 93.10	1010.11	<u>96.17</u> 93.51
C. Economic Services										
i) Agriculture and Allied activities	1225.58	<u>85.70</u> 83.64	1148.05	<u>78.40</u> 90.42	1243.77	<u>94.23</u> 90.44	1285.22	<u>95.50</u> 88.82	1638.43	<u>100.04</u> 90.85
ii) Rural Development	632.31	<u>100.69</u> 98.71	605.92	<u>106.64</u> 95.26	703.24	<u>122.36</u> 95.02	1118.35	<u>153.84</u> 91.90	1570.23	<u>107.31</u> 92.92
iii) Irrigation & Flood Control	250.59	<u>118.09</u> 122.38	270.13	<u>117.36</u> 126.06	299.67	<u>128.91</u> 127.14	327.21	<u>126.49</u> 119.87	340.51	<u>122.22</u> 119.54
iv) Energy	979.77	<u>665.65</u> 89.39	3954.34	<u>618.48</u> 98.51	1465.94	<u>139.95</u> 97.68	1983.47	<u>87.69</u> 100.22	682.44	<u>104.61</u> 99.14
v) Transport	224.00	<u>119.81</u> 119.54	190.28	<u>130.66</u> 115.61	140.48	<u>138.34</u> 116.77	298.10	<u>206.81</u> 102.19	438.14	<u>102.01</u> 99.92
vi) General Economic Services	42.20	<u>83.07</u> 88.86	39.25	<u>81.30</u> 87.14	32.95	<u>74.06</u> 74.85	35.23	<u>80.47</u> 89.92	43.08	<u>103.88</u> 85.41

BE = Budget Estimates

RE = Revised Estimates

DEBTS AND LIABILITIES

Outstanding Public Debt at the end of 2006-07 was Rs.40346.39 crore, comprising internal debt of Rs.31666.69 crore and loans and advances of Rs.8679.70 crore from Central Government. Other non-interest bearing obligations accounted for Rs.4812.32 crore under Public Account.

The State also acts as a banker and trustee in respect of deposits like small savings collections, provident funds and deposits. There was an overall increase of Rs.157.88 crore in respect of such liabilities of State Government during 2006-07.

Interest payments on debt and other liabilities totalling Rs.4028.95 crore constituted 18.02 per cent of Revenue Expenditure of Rs.22362.61 crore. Interest payments on Public Debt were Rs.3427.44 crore (internal debt: Rs.2709.89 crore, loans and advances from Central Government: Rs.717.55 crore), Small savings and Provident Funds: Rs.495.80 crore and on other obligations: Rs.105.71 crore. Expenditure on account of interest payments increased by Rs.607.16 crore during 2006-07 over previous year 2005-06.

The internal debt of Rs.4171.62 crore, raised during 2006-07, was mainly used for (i) discharge of debt obligations: Rs.988.87 crore and (ii) payments of interest: Rs.2709.89 crore.

INVESTMENTS AND RETURNS

Total investments as share capital in Government companies, public sector undertakings (PSUs) etc. stood at Rs.8161.71 crore at the end of 2006-07. Dividends received on investments during the year were Rs.14.44 crore (i.e. 0.18 per cent). During 2006-07, while investments increased by Rs.1195.72 crore, corresponding dividend income increased by Rs.8.72 crore.

LOANS AND ADVANCES BY THE STATE GOVERNMENT

Total loans and advances made by State Government at the end of 2006-07 amounted to Rs.4773.49 crore. Recovery of principal amount aggregating Rs.21.22 crore was in arrears. Details of interest on loans in arrears at the end of March 2007 was not furnished by State Government.

Total loans and advances to Government Corporations/ Companies, Non-Government Institutes, Local Bodies, etc. at the end of 2006-07 was Rs.3434.69 crore.

FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

Assistance to Local Bodies etc. during 2006-07 was Rs.708.31 crore. Assistance to Electricity Board-Rs.68.37 crore (9.65 per cent) and Educational Institutions-Rs.570.44 crore (80.53 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 2006-07 present the accounts of sums expended in the year ended 31 March 2007 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 2006-07, showed gross actual expenditure of Rs.30813.09 crore, comprising Rs.22706.79 crore Revenue Expenditure, Rs.5360.37 crore Capital Expenditure, Rs.1731.53 crore Repayment of Debt and Rs.1014.40 crore Loans and Advances by the Government. The expenditure includes the amount of Rs.177.88 crore and Rs.465.49 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 2006-07

(Rupees in crore)

Sl. No.	Nature of expenditure	Original Grant/ Appropriation	Supplementary Grant/Appro- priation	Total	Actual expenditure	Savings (-) Excesses (+)
1	Revenue Voted Charged	18411.93 4590.99	2368.39 35.73	20780.32 4626.72	18232.46 4474.33	-2547.86 -152.39
2	Capital Voted Charged	6099.16 3.82	1220.82 7.00	7319.98 10.82	5348.97 11.40	-1971.01 +0.58
3	Public Debt Charged	6195.00	..	6195.00	1731.53	-4463.47
4	Loans and Advances Voted	895.24	636.40	1531.64	(b) 1014.40	-517.24
	Total	36196.14	4268.34	40464.48	30813.09	(a)-9651.39

(a) Of this Rs.5010.74 crore (51.92 percent) were under the grants controlled by the Finance Department.

(b) Includes Appropriation to Contingency Fund (Rs.60.00 crore) and Inter State Settlement (Rs.1.33 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

(Rupees in crore)

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

1-General Administration

2002-03	83.50	11.61	13.90
2003-04	84.47	18.38	21.76
2004-05	122.89	28.52	23.21
2005-06	99.45	23.52	23.65
2006-07	97.09	12.98	13.37

6-Finance

2002-03	1351.35	215.01	15.91
2003-04	1688.74	438.83	25.99
2004-05	1591.92	208.45	13.09
2005-06	1886.78	172.92	9.16
2006-07	2262.74	366.18	16.18

11-Commerce and Industry

2002-03	42.61	12.19	28.61
2003-04	55.71	16.12	28.94
2004-05	45.93	7.06	15.37
2005-06	49.03	10.47	21.35
2006-07	68.17	10.25	15.04

13-Agriculture

2002-03	284.30	56.59	19.90
2003-04	324.18	92.59	28.56
2004-05	329.16	56.44	17.15
2005-06	342.20	111.77	32.66
2006-07	285.91	51.27	17.93

29-Law and Legislative Affairs

2002-03	145.49	48.64	33.43
2003-04	185.99	60.11	32.32
2004-05	223.28	79.24	35.49
2005-06	189.60	63.50	33.49
2006-07	209.76	60.00	28.60

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

2002-03	5.16	3.56	68.99
2003-04	5.09	3.51	68.96
2004-05	2.29	1.26	55.02
2005-06	1.88	0.90	47.87
2006-07	1.84	1.01	54.89

(Rupees in crore)

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

55-Women and Child Development

2002-03	294.47	69.99	23.77
2003-04	321.26	89.74	27.93
2004-05	333.24	102.36	30.72
2005-06	370.52	140.50	37.92
2006-07	481.50	181.88	37.77

64-Special Component Plan for Scheduled Castes

2002-03	321.41	70.55	21.95
2003-04	401.15	118.07	29.43
2004-05	366.46	82.96	22.64
2005-06	509.94	135.30	26.53
2006-07	548.84	95.63	17.42

72-Gas Tragedy Relief and Rehabilitation

2002-03	36.52	16.51	45.21
2003-04	38.91	18.32	47.08
2004-05	28.28	5.73	20.26
2005-06	25.77	3.10	12.03
2006-07	34.14	10.83	31.72

74-Externally Aided Projects pertaining to Finance Department

2002-03	150.00	56.72	37.81
2003-04	22.17	22.17	100.00
2004-05	5.00	5.00	100.00
2005-06	2.00	2.00	100.00
2006-07	2.00	2.00	100.00

CAPITAL-VOTED SECTION**23-Water Resources Department**

2002-03	349.89	41.44	11.84
2003-04	446.27	84.01	18.82
2004-05	671.34	84.05	12.52
2005-06	507.34	106.45	20.98
2006-07	479.51	73.90	15.41

(Rupees in crore)

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

41-Tribal Areas Sub-Plan

2002-03	366.63	123.16	33.59
2003-04	367.47	44.76	12.18
2004-05	742.30	150.73	20.31
2005-06	666.97	192.30	28.83
2006-07	692.72	106.38	15.36

**42-Public Works relating to Tribal Areas Sub-Plan-
Roads and Bridges**

2002-03	97.11	46.04	47.41
2003-04	96.60	34.85	36.08
2004-05	103.00	48.75	47.33
2005-06	184.62	51.70	28.00
2006-07	224.69	25.43	11.32

48-Narmada Valley Development

2002-03	1122.29	476.52	42.46
2003-04	1273.28	507.32	39.84
2004-05	2762.86	273.84	9.91
2005-06	1258.37	315.85	25.10
2006-07	1352.31	879.59	65.04

64-Special Component Plan for Scheduled Castes

2002-03	206.97	58.48	28.26
2003-04	186.80	39.88	21.35
2004-05	237.92	83.57	35.13
2005-06	310.74	80.75	25.99
2006-07	585.56	100.58	17.18

67-Public Works-Buildings

2002-03	55.36	37.95	68.55
2003-04	54.87	29.94	54.57
2004-05	69.74	32.14	46.09
2005-06	79.20	35.38	44.67
2006-07	79.69	46.67	58.56

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. It was, however, noticed that in the following cases the expenditure incurred during March 2007 ranged between 50 per cent to 80 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:-

(Rupees in crore)

Sl. No.	Description of Grant	Total provision	Total expenditure	Expenditure in March	Percentage of expenditure in March to total expenditure
1	17-Co-operation	243.05	225.69	173.40	76.83
2	39-Food, Civil Supplies and Consumer Protection	192.70	169.55	93.24	54.99
3	70-Externally Aided Projects pertaining to Technical Education and Training Department	27.84	16.63	8.84	53.15

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. In the year 2006-07, there were delays in reconciliation of the accounts by the departmental authorities.

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 (Rs. in crore)
2070	Superintendent, State Garage M.P. Bhopal	04	4/06 to 3/07	3.82
	Secretary, State Information Commission, Bhopal	02	4/06 to 3/07	0.48
	Director General of Police, Bhopal (Fire Brigade)	03	4/06 to 3/07	3.58
	State Sumptuary Officer, Bhopal	02		1.04
	Director, Public Relation, Bhopal	32		0.09
2011	Deputy Secretary, Vidhan Sabha Secretariat, Bhopal	28	4/06 to 3/07	13.78
2211	Director, Public Health and Family Welfare, Bhopal	19	4/06 to 3/07	112.12
2210	Drugs Controller, Food and Drugs Administration, Bhopal	19	1/07 to 3/07	0.46
2202	Commissioner, Public Education, Bhopal	15, 27, 41, 64, 77, 80, 81	4/06 to 3/07	1578.67
	State Education Centre, Bhopal	27	3/07	1168.12
2204	Director, Sports and Youth Welfare, Bhopal	43	3/07	17.26
2406	Principal Chief Conservator of Forest	10, 41, 64	1/07 to 3/07	16.27
2216	Principal Chief Conservator of Forest	10	1/07 to 3/07	0.22
3054	Principal Chief Conservator of Forest	10	1/07 to 3/07	0.09
4406	Principal Chief Conservator of Forest	10	1/07 to 3/07	0.05
			Total	2916.05
				(Charged) 0.23

SUBMISSION OF ACCOUNTS BY TREASURIES:

During the year 2006-07, out of 636 monthly accounts, 507 accounts were received on due dates and 128 accounts after due dates, though these were incorporated in the monthly civil accounts of respective months except one account of October 2006. On an average 80 percent accounts were received by due dates from the treasuries. 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
4/2006	53	47	06	53	-
5/2006	53	44	09	53	-
6/2006	53	40	13	53	-
7/2006	53	44	09	53	-
8/2006	53	45	08	53	-
9/2006	53	30	23	53	-
10/2006	53	46	06	52	01
11/2006	53	46	07	53	-
12/2006	53	37	16	53	-
01/2007	53	40	13	53	-
02/2007	53	40	13	53	-
03/2007	53	48	05	53	-
Total	636	507	128	635	01

CHAPTER-III

TRENDS IN GOVERNMENT REVENUE AND EXPENDITURE

Trends in Government Revenue Receipts and Revenue Expenditure from 2002-03 to 2006-07 (5 years period) is given below:-

Revenue Receipts

(Rupees in crore)

Year	Tax Revenue	Non-Tax Revenue	Grants in-aid and Contributions	Gross Revenue Receipts	*GSDP	Percentage of Gross Revenue Receipts to GSDP
2002-03	9893.29	1635.48	1861.63	13390.40	83011.13 (Q)	16.13
2003-04	11036.00	1479.82	1773.14	14288.96	101026.64 (Q)	14.14
2004-05	12849.65	4461.86	2431.74	19743.25	107926.35 (A)	18.29
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

@ Includes debt relief of Rs.726.12 crore received under Debt Consolidation and Relief Facility to states by Central Government under recommendations of Twelfth Finance Commission.

Revenue Expenditure

(Rupees 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	
2002-03	14559.80	17495.39	83011.13 (Q)	1.33	6.40	2.12	21.08
2003-04	(x) 18764.72	(x) 21647.72	101026.64(Q)	28.88	23.73	21.70	21.43
2004-05	18026.37	(y) 26288.21	107926.35(A)	-3.93	21.44	6.83	24.36
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

* (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.

(x) Includes Rs. 2749.36 crore assistance to M.P. Electricity Board.

(y) Includes Rs.2749.36 crore loan to M.P.E.B.

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

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

(Q) = Quick Estimate

(A) = Advance Estimate

The overall increase in the Government's total expenditure during 2002-03 to 2006-07 (5 years) has been Rs.11051.56 crore (Rs.28546.95 crore-Rs.17495.39 crore). Growth in major areas of Revenue Expenditure is shown in the following table:-

(Rupees in crore)

Areas of Expenditure	2002-03	2003-04	2004-05	2005-06	2006-07	Percentage increase (+)/ decrease(-) in 2006-07 over last year
Interest Payments and Servicing of Debt	2502.31	3206.50	3661.14	3421.79	4028.95	17.74
Pension and Miscellaneous General Services	1085.02	1202.49	1335.23	1663.82	1861.94	11.91
Administrative Services	1277.78	1232.96	1443.77	1436.26	1546.24	7.66
Agriculture and Allied Activities	1225.58	1148.05	1243.77	1285.22	1638.43	27.48
Rural Development	632.31	605.92	703.24	1118.35	1570.23	40.41
Energy	979.77	3954.34	1465.94	1983.47	682.44	-65.59
Science, Technology and Environment	4.06	4.07	4.83	40.32	7.50	-81.40

During 2006-07, expenditure on interest payments and pension and Miscellaneous General Services comprised 22.93 percent of the total revenue receipts and 4.51 percent of GSDP. Further there is increase in Interest Payments of Rs.607.16 crore mainly on account of payment of interest on Internal Debt (Rs.443 crore) and Interest on Small Savings, Provident Funds etc. (Rs.125 crore) in 2006-07.

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:-

(Rupees 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			
2002-03	13390.40	14559.80	-1169.40	-	2454.90	-2454.90	-0.64	-3624.94	-27588.57
2003-04	14288.96	(x)18764.72	-4475.76	-	2678.64	-2678.64	-0.06	-7154.46	-34743.03
2004-05	(*) 19743.25	18026.37	+1716.88	-	4950.98	-4950.98	..	-3234.10	-37977.13
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

Miscellaneous Government Account.

(x) Includes Rs. 2749.36 crore assistance to M.P. Electricity Board.

(*) Includes adjustment of grant of Rs. 2749.36 crore given to M.P.E.B. in 2003-04 in major head 0801- Power.

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

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

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

@ Revenue Surplus of Rs. 3331.67 crore includes Rs. 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.

LIABILITIES

Liabilities of the State Government increased by Rs.22942.16 crore from Rs.29860.55 crore in 2002-03 to Rs.52802.71 crore during 2006-07. Total Public Debt comprising internal debt of the State Government and loans and advances from Central Government increased by Rs.20199.10 crore, from Rs.20147.29 crore in 2002-03 to Rs.40346.39 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:-

(Rupees 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
2002-03	10664.24	9483.05	20147.29	1106.56	5927.94	2678.76	29860.55	83011.13(Q)	35.97
2003-04	18601.89	9208.75	27810.64	886.30	5975.04	2403.33	37075.31	101026.64(Q)	36.70
2004-05	24156.09	9112.17	33268.26	1144.36	6357.11	2979.71	43749.44	107926.35(A)	40.54
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

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

(Q) = Quick Estimate

(A) = Advance Estimate

STATE PROVIDENT FUND

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

(Rupees in crore)						
Year	Opening Balance	Receipts	Payments	Net accretion for the year	Closing Balance	Interest Charged on balance of P.F.
2002-03	5842.82	1041.47	956.35	85.12	5927.94	397.47
2003-04	5927.94	1080.71	1033.60	47.11	5975.05	458.69
2004-05	*5974.41	1446.29	1063.59	382.70	6357.11	392.09
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

* Differs by Rs. 0.64 crore from the closing balance of 2003-04 due to allocation of the balances to successor State of Chhattisgarh.

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

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

(Rupees in crore)			
At the end of the year	Amount Guaranteed (Principal only)	Amount outstanding	
		Principal	Interest
2002-03	11572.38	527.12	57.54
2003-04	12131.30	926.30	47.42
2004-05	12506.63	1959.79	56.48
2005-06	12636.81	521.84	91.54
2006-07	12424.26	783.66	82.15

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 Rs.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.

	2002-03	2003-04	2004-05	2005-06	2006-07
(i) Number of days on which minimum balance was maintained	189	306	365	365	365
a) Without obtaining any advance	86	106	238	365	365
b) By obtaining Ways and Means Advance	103	200	127
(ii) Number of days on which no overdrafts were taken though there was shortfall in minimum balance	03
(iii) Number of days on which overdraft was taken	173	60

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:-

	2002-03	2003-04	2004-05	2005-06	2006-07
Number of withdrawals from Contingency Fund	14	13	12	23	11
Total withdrawals from Contingency Fund (Rupees in crore)	8.25	12.15	29.80	14.14	31.15
Withdrawals from Contingency Fund as a percentage to total Budget Provision	0.04	0.05	0.08	0.04	0.09
Budget Estimate (Rupees in crore)	22128.35	26222.66	36002.35	34872.22	34592.54

Note: Corpus of Contingency Fund was Rs.40 crore during the year 2002-03 to 2005-06 and Rs. 100 crore during 2006-07.

GENERAL CASH BALANCES

The closing cash balance according to the Reserve Bank of India was Rs.384.90 crore (Debit) against the General Cash Balance of Rs.334.42 crore (credit) reflected in State Government accounts. The difference of Rs.50.48 crore (Debit) was under reconciliation and Remittance in transit was Rs.2.65 crore.

Investments held in the *Cash Balance Investment Account as on 31st March 2007 was Rs.2505.63 crore.

Other Cash Balances and Investments comprising Cash with departmental officers (Rs.17.27 crore), Permanent advances with departmental officers (Rs.0.70 crore) and investment of earmarked funds (Rs.217.94 crore) as on 31st March 2007 were as Rs.235.91 crore.

*Investment held in short term loans or other Government of India securities by the State Government.

The cash balance with Government of Madhya Pradesh decreased from Rs.44.08 crore at the beginning of the year 2006-07 to Rs.-331.77 crore at its end, the details of sources and application of funds being as follows:-

(Rupees in crore)

SOURCES			APPLICATION				
Sl No.	Items	Amount	Sl. No.	Items	Amount		
1.	Opening cash balance	44.08	1.	Revenue expenditure	<u>Non-Plan</u> 16910.54	<u>Plan</u> 5452.07	<u>Total</u> 22362.61
2.	State's share of Union Taxes	8088.54	2.	Capital expenditure	<u>Non-Plan</u> 314.54	<u>Plan</u> 4855.40	<u>Total</u> 5169.94
3.	State's own Revenue Collection	13131.59	3.	Loans and advances repaid	<u>To Central Govt.</u> 742.66	<u>To others</u> ..	<u>Total</u> (*)742.66
4.	Central grants/ assistance other than loans	4474.15	4.	Loans and advances given	689.39	263.68	953.07
			4a.	Inter-State Settlement			0.22
5.	Miscellaneous Receipts	9.19	5.	Net effect of adjustment of suspense and remittance balances and increase/ decrease of Reserve Funds			1441.31
6.	Receipts from Public Debt/ Small Savings, Deposits and Advances (other than Central Loans)	4122.87	6.	Net contribution from Contingency Fund			60.00
7.	Receipts from Central Loans	431.35	7.	Closing cash balance			-331.77
8.	Recoveries from borrowers	28.12					
9.	Net contribution from Contingency Fund	68.15					
10.	Net effect of adjustment of suspense and remittance balances and increase/ decrease of Reserve Funds						
	Total	30398.04		Total			30398.04

(*) Includes debt relief of Rs.726.12 crore received under Debt Consolidation and Relief Facility to states by Central Government under recommendations of Twelfth Finance Commission.