

GOVERNMENT OF MADHYA PRADESH

**ACCOUNTS
AT A
GLANCE**

2007-2008

**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 2007-08 have recently been presented to the State Legislature. Audit Reports of the Comptroller and Auditor General of India for the year 2007-08 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 2007-08, total receipts amounted to Rs.33590.74 crore comprising revenue receipts of Rs.30688.73 crore (Rs.22221.14 crore as Tax revenue, Rs.2738.18 crore as Non-tax revenue and Rs.5729.41 crore as Grants-in-aid and Contributions) and capital receipts of Rs.2902.01 crore.
- ◆ Disbursements during the year were Rs.33590.74 crore (Rs.25601.11 crore (76 per cent) on revenue account and Rs.7989.63 crore (24 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 53 charged Appropriations and 132 voted Grants.
- ◆ Appropriation Acts, 2007 and 2008, had provided for a gross expenditure of Rs.43500.58 crore, inclusive of the Supplementary Grants/Appropriations totalling Rs.5872.54 crore by State Legislature during the year. An amount of Rs.1252.32 crore was estimated as recoveries in reduction of expenditure.
- ◆ Appropriation Accounts, 2007-08 show gross disbursements aggregating Rs.36104.87 crore against the aggregate budget provision of Rs.43500.58 crore, resulting in savings of Rs.7395.71 crore against Grants and Appropriations. Of this, Rs.2700.63 crore (36.52 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 Projects pertaining to Finance Department).
- ◆ The gross disbursement of Rs.36104.87 crore includes amount of Rs.705.97 crore and Rs.136.04 crore drawn and credited to Major head 8443-Civil Deposits-106-Personal Deposits and 800-Other Deposits respectively during the year 2007-08.
- ◆ Recoveries in reduction of expenditure amounted to Rs.837.12 crore reflecting a decrease of Rs.415.20 crore vis-a-vis budget estimates.

CHAPTER-II

HIGHLIGHTS OF ACCOUNTS

(Rupees in crore)

Sl. No.		Budget Estimate 2007-08	Actuals	Percentage of Actuals to BE	Percentage of Actuals to GSDP
1.	Tax Revenue	20101.59	22221.14	110.54	15.63
2.	Non-Tax Revenue	2427.03	2738.18	112.82	1.92
3.	Grants-in-aid & Contributions	5467.22	5729.41	104.80	4.03
4.	Revenue Receipts (1+2+3)	27995.84	30688.73	109.62	21.58
5.	Recovery of Loans & Advances	43.78	105.24	240.38	0.07
6.	Other Receipts	..	@12.86	..	0.01
7.	Borrowings and Other Liabilities (a)	4654.63	2783.91	59.81	1.96
8.	Capital Receipts (5+6+7)	4698.41	2902.01	61.77	2.04
9.	Total Receipts (4+8)	32694.25	33590.74	102.74	23.62
10.	Non-Plan Expenditure (NPE) (b)	19576.12	19827.60	101.28	13.94
11.	NPE on Revenue Account	19112.90	18794.82	98.34	13.22
12.	NPE on Interest Payments out of 11	4253.32	4190.77	98.53	2.95
13.	NPE on Capital Account	463.22	1032.78	222.96	0.72
14.	Plan Expenditure (PE) (c)	13118.13	13763.14	104.92	9.68
15.	PE on Revenue Account	6876.21	6806.29	98.98	4.79
16.	PE on Capital Account	6241.92	6956.85	111.45	4.89
17.	Total Expenditure (10+14)	32694.25	33590.74	102.74	23.62
18.	Expenditure on Revenue Account (11+15)	25989.11	25601.11	98.51	18.00
19.	Expenditure on Capital Account (13+16) (d)	6705.14	7989.63	119.16	5.62
20.	Revenue Deficit/Surplus (18-4)	2006.73	(e)5087.62	253.53	3.58
21.	Fiscal Deficit {17-(4+5+6)=7}	4654.63	2783.91	59.81	1.96

GSDP Rs. 142203.96 crore (A)

(A) = Advance Estimate

- (a) Borrowing and Other Liabilities include net of Public Debt (Rs.1693.95 crore), net of Contingency Fund (Nil), net of Public Account (Rs. 120.59crore) and net of Opening and Closing Cash Balance (Rs.969.37 crore).
- (b) Non-plan expenditure includes Revenue Expenditure (Rs.18794.82 crore), Capital Expenditure (Rs.322.23 crore), Loans and Advances disbursed (Rs.708.49 crore), Inter State Settlement (Rs.2.06 crore).
- (c) Plan Expenditure includes Revenue Expenditure (Rs.6806.29 crore), Capital Expenditure (Rs.6510.47 crore) and Loans and Advances disbursed (Rs.446.38 crore).
- (d) Expenditure on Capital Account includes Capital Expenditure (Rs.6832.70 crore), Loans and Advances disbursed (Rs 1154.87 crore), Inter State Settlement (Rs.2.06 crore).
- (e) Revenue Surplus of Rs. 5087.62 crore includes Rs. 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 (Rs.11.07 crore) on account of refund of investment in share Capital by Co-operative Societies/Banks and Inter State Settlement (Rs.1.79 crore).

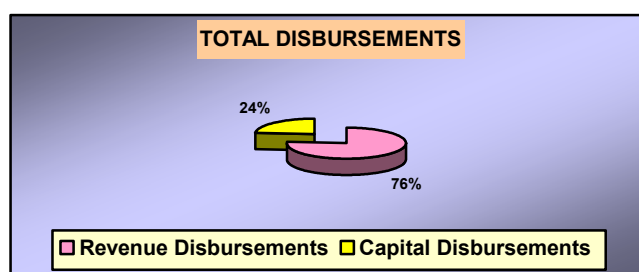
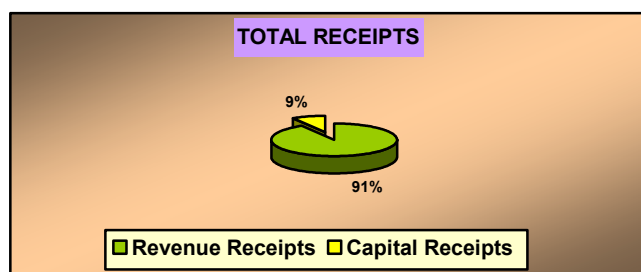
Receipts and Disbursements

Total receipts during the year were Rs.33590.74 crore, against which total disbursements were Rs.33590.74 crore.

The following table summarises the Accounts for 2007-08:

(Rupees in crore)

Total Receipts	33590.74	Total Disbursements	33590.74
Revenue Receipts	30688.73 (91 per cent)	Revenue Disbursements	25601.11 (76 per cent)
Capital Receipts	2902.01 (9 per cent)	Capital Disbursements	7989.63 (24 per cent)



RECEIPTS

Revenue Receipts

Gross Tax Revenue of Rs.22221.14 crore and Non-Tax Revenue of Rs.2738.18 crore formed 15.63 per cent and 1.92 per cent respectively, of the GSDP. Major contribution to revenue was Rs.6045.07 crore from Taxes on Sales, Trade etc.(4.25 per cent of GSDP).

Net Tax Revenue during the year were higher than the budget estimates by Rs.2119.55 crore, mainly on account of receipts under Corporation Tax (Rs.743.82 crore), Taxes on Income other than Corporation Tax (Rs.578.91 crore), Customs (Rs.276.83 crore), Taxes on Sales, Trade etc.(Rs.145.07crore) and Service Tax (Rs.247.21 crore).

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

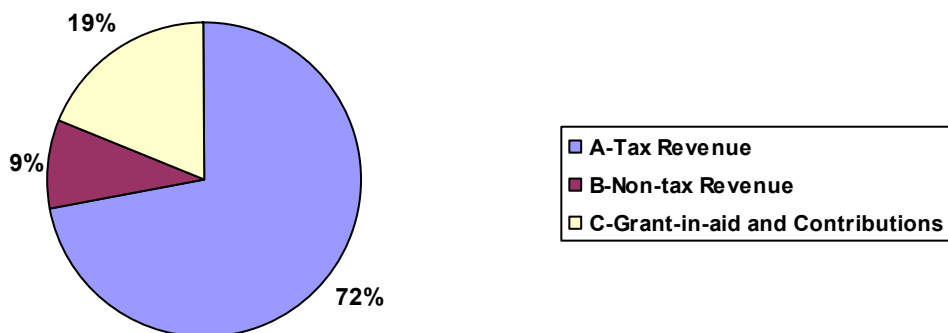
Revenue Receipts and Grants-in-aid and Contributions

(Rupees in crore)

Components	Actuals	Percentage to total Revenue Receipts
A- Tax Revenue	*22221.14	72.41
Taxes on Income and Expenditure	5604.35	18.26
Taxes on Property and Capital Transactions	1664.28	5.42
Taxes on Commodities and Services	14952.51	48.73
B. Non-tax Revenue	2738.18	8.92
Fiscal Services	0.03	..
Interest Receipts, Dividends and Profits	266.21	0.87
General Services	508.90	1.66
Social Services	95.80	0.31
Economic Services	1867.24	6.08
C. Grants-in-aid and Contributions	5729.41	18.67
TOTAL-REVENUE RECEIPTS	30688.73	100.00

(* Share of State in Union Taxes received from Government of India was Rs.10202.96 crore, constitute 33.25 percent 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.1796.40 crore under Capital Receipts. The decrease was mainly under receipts of Borrowings and other Liabilities.

DISBURSEMENTS

Revenue Disbursements

Revenue Disbursements (net) were 18.00 per cent of GSDP. These were in overall short of budget estimates by Rs.388.00 crore (short by Rs.318.08 crore under Non-plan and Rs.69.92 crore under Plan).

Capital Disbursements

Capital Disbursements were 5.62 per cent of the GSDP. These were higher than the budget estimates by Rs.1284.49 crore due to excess disbursement under Non-Plan (Rs.569.56 crore) and under Plan (Rs.714.93 crore).

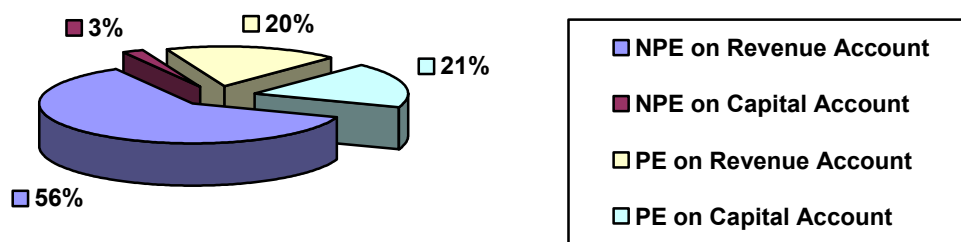
Plan Disbursements

During the year 2007-08, Plan Disbursements were Rs.13763.14 crore comprising Rs.9968.10 crore under State Plan, Rs.2389.78 crore under Centrally Sponsored schemes and Rs.1405.26 crore under other Central Plan Schemes.

Non-Plan Disbursements

Non-Plan disbursements during 2007-08 were Rs.19827.60 crore, consisting of Rs.18794.82 crore under Revenue Account and Rs.1032.78 crore under Capital Account (Capital:Rs.322.23 crore, Loans and Advances:Rs.708.49 crore, Inter State Settlement: Rs 2.06 crore).

Revenue and Capital Expenditure



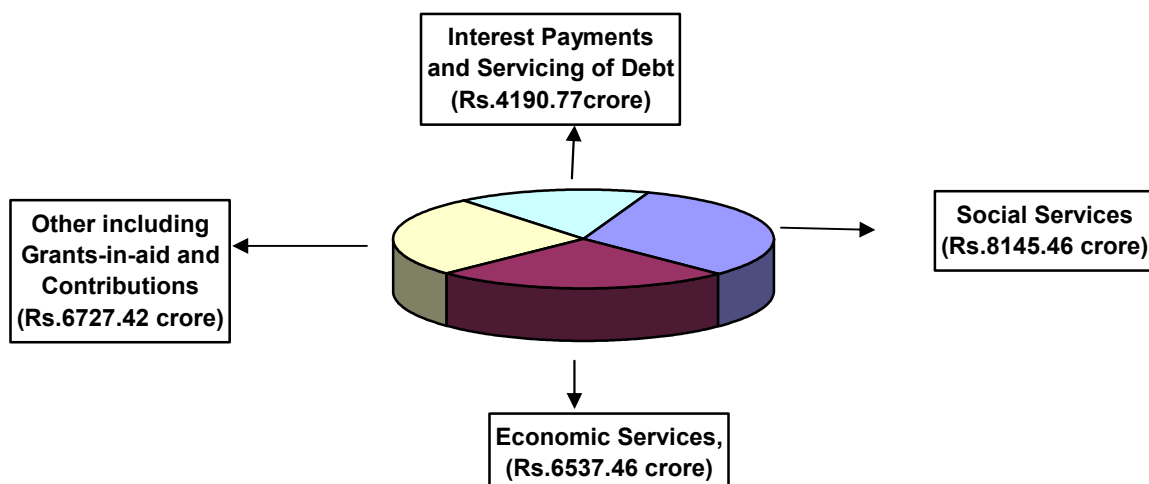
Sectoral distribution of expenditure and its percentage to total Revenue Expenditure is given below:-

SECTORAL DISTRIBUTION OF EXPENDITURE AND ITS PERCENTAGE TO TOTAL REVENUE EXPENDITURE

(Rupees in crore)

Components	Amount	Percentage to Total Revenue Expenditure
A. Fiscal Services	1121.48	4.38
(i) Collection of Taxes on Income and Expenditure	0.21	..
(ii) Collection of Taxes on Property and Capital transactions	365.35	1.43
(iii) Collection of Taxes on Commodities and Services	753.83	2.94
(iv) Other Fiscal Services	2.09	0.01
B. Organs of State	220.39	0.86
C. Interest Payments and Servicing of debt	4190.77	16.37
D. Administrative Services	1756.80	6.86
E. Pensions and Miscellaneous General Services	2064.91	8.06
F. Social Services	8145.46	31.82
G. Economic Services	6537.46	25.54
H. Grants-in-aid and Contributions	1563.84	6.11
TOTAL EXPENDITURE (REVENUE ACCOUNT)	25601.11	100.00

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



TREND OF EXPENDITURE

Trend of expenditure in some important sectors between 2003-04 and 2007-08 (5 years) is brought out in the following table:-

Statement of revenue expenditure in selected Sectors

(Rupees in crore)

Sector	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>	2007-08	%of <u>BE</u> <u>RE</u>
B. Social Services										
i) Education, Sports, Art and Culture	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	3767.84	<u>92.05</u> 92.64
ii) Health & Family Welfare	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	1138.61	<u>96.89</u> 97.64
C. Economic Services										
i) Agriculture and Allied activities	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	1944.89	<u>110.87</u> 94.36
ii) Rural Development	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	2137.16	<u>105.84</u> 100.07
iii) Irrigation & Flood Control	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	394.14	<u>129.29</u> 120.41
iv) Energy	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	1084.17	<u>146.74</u> 99.49
v) Transport	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	609.07	<u>125.84</u> 108.96
vi) General Economic Services	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	48.75	<u>89.66</u> 86.02

BE = Budget Estimates

RE = Revised Estimates

DEBTS AND LIABILITIES

Outstanding Public Debt at the end of 2007-08 was Rs.42040.34 crore, comprising internal debt of Rs.33258.49 crore and loans and advances of Rs.8781.85 crore from Central Government. Other non-interest bearing obligations accounted for Rs.4950.67 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.193.26 crore in respect of such liabilities of State Government during 2007-08.

Interest payments on debt and other liabilities totalling Rs.4190.77 crore constituted 16.37 per cent of Revenue Expenditure of Rs.25601.11 crore. Interest payments on Public Debt were Rs.3553.23 crore (internal debt: Rs.2859.00 crore, loans and advances from Central Government: Rs.694.23 crore), Small savings and Provident Funds: Rs.534.49 crore and on other obligations: Rs.103.05 crore. Expenditure on account of interest payments increased by Rs.161.82 crore during 2007-08 over previous year 2006-07.

Out of the internal debt of Rs.2831.93 crore, raised during 2007-08, Rs.1240.13 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 Rs.8844.99 crore at the end of 2007-08. Dividends received on investments during the year were Rs.59.23 crore (i.e. 0.67 per cent). During 2007-08, while investments increased by Rs.683.28 crore, corresponding dividend income increased by Rs.44.79 crore.

LOANS AND ADVANCES BY THE STATE GOVERNMENT

Total loans and advances made by State Government at the end of 2007-08 amounted to Rs.5823.12 crore. Recovery of principal amount aggregating Rs.21.04 crore was in arrears. Details of interest on loans in arrears at the end of March 2008 was not furnished by State Government.

Total loans and advances to Government Corporations/ Companies, Non-Government Institutes, Local Bodies, etc. at the end of 2007-08 was Rs.4223.52 crore.

FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

Assistance to Local Bodies etc. during 2007-08 was Rs.897.99 crore. Assistance to Electricity Board-Rs.76.06 crore (8.47 per cent) and Educational Institutions-Rs.563.33 crore (62.73 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 2007-08 present the accounts of sums expended in the year ended 31 March 2008 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 2007-08, showed gross actual expenditure of Rs.36104.87 crore, comprising Rs.26076.70 crore Revenue Expenditure, Rs.7182.82 crore Capital Expenditure, Rs.1677.00 crore Repayment of Debt and Rs.1168.35 crore Loans and Advances by the Government. The expenditure includes the amount of Rs.705.97 crore and Rs.136.04 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 2007-08

(Rupees in crore)

Sl. No.	Nature of expenditure	Original Grant/ Appropriation	Supplementary Grant/Appropriation	Total	Actual expenditure	Savings (-) Excesses (+)
1	Revenue					
	Voted	21854.50	3160.51	25015.01	21427.16	-3587.85
	Charged	4662.53	84.27	4746.80	4649.54	-97.26
2	Capital					
	Voted	6550.71	1910.05	8460.76	7170.87	-1289.89
	Charged	5.87	6.77	12.64	11.95	-0.69
3	Public Debt					
	Charged	3681.48	..	3681.48	1677.00	-2004.48
4	Loans and Advances					
	Voted	872.95	710.94	1583.89	1168.35	-415.54
	Total	37628.04	5872.54	43500.58	36104.87	(a)-7395.71

(a) Of this Rs.2700.63 crore (36.52 percent) were under the grants controlled by the Finance Department.

(b) Includes Inter State Settlement (Rs.2.06 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

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
2007-08	111.76	18.81	16.83

6-Finance

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
2007-08	2755.44	611.64	22.20

11-Commerce, Industry and Employment

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
2007-08	94.48	12.20	12.91

13-Farmer's Welfare and Agriculture Development

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
2007-08	487.94	90.65	18.58

29-Law and Legislative Affairs

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
2007-08	219.45	57.64	26.27

48-Narmada Valley Development

2003-04	9.21	3.97	43.11
2004-05	11.03	7.03	63.74
2005-06	540.67	538.57	99.61
2006-07	25.32	19.86	78.44
2007-08	24.07	8.05	33.44

(Rupees in crore)

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

55-Women and Child Development

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
2007-08	539.37	82.15	15.23

64- Scheduled Castes Sub -Plan

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
2007-08	715.88	141.17	19.72

72-Gas Tragedy Relief and Rehabilitation

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
2007-08	35.93	6.76	18.81

CAPITAL-VOTED SECTION**17-Co-operation**

2003-04	110.81	53.53	48.31
2004-05	40.22	18.30	45.50
2005-06	45.63	15.67	34.34
2006-07	35.74	8.17	22.86
2007-08	99.56	43.79	43.98

23-Water Resources Department

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
2007-08	686.57	56.57	8.24

(Rupees in crore)

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

41-Tribal Areas Sub-Plan

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
2007-08	1036.54	113.35	10.94

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

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
2007-08	446.30	70.93	15.89

48-Narmada Valley Development

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
2007-08	738.38	108.90	14.75

64- Scheduled Castes Sub-Plan

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
2007-08	870.42	96.85	11.13

67-Public Works-Buildings

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
2007-08	77.12	38.80	50.31

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 2008 ranged between 50 per cent to 90 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	198.02	146.94	106.87	72.73
2.	21- Housing and Environment	514.72	211.32	112.91	53.43
3.	22- Urban Administration and Development-Urban Bodies	266.24	256.29	142.09	55.44
4.	26- Culture	54.73	51.24	27.92	54.49
5.	59- Externally Aided Projects pertaining to Rural Development Department	68.95	68.95	46.66	67.67
6.	69- Information Technology	30.09	25.04	21.12	84.35

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 2007-08, 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)
2059	Engineer in Chief, Public Works Department, Bhopal	01,67	4/07 to 3/08	86.17
2408	Commissioner Food Cum Director Civil Supplies and Consumer Protection, Bhopal	39	1/08 to 3/08	46.02
2041	Commissioner Transport M.P.	36	4/07 to 3/08	28.43
3054	Engineer in Chief, Public Works Department, Bhopal	10,21,24	4/07 to 3/08	590.46
5054	Engineer in Chief, Public Works Department, Bhopal	24		1095.67
5054	Engineer in Chief, Public Works Department, Bhopal	76	4/07 to 3/08	94.47
5054	Commissioner Scheduled Tribe/Backward Class Welfare Department	42	4/07 to 3/08	375.37
4885	Secretary, Government of M.P., Finance Department, Ministry, Bhopal	06	4/07 to 3/08	5.00
2211	Director, Public Health and Family Welfare Department	19	4/07 to 3/08	160.47
2216	P.C.C.F M.P., Bhopal	10	7/07 to 3/08	0.51
2406	P.C.C.F M.P., Bhopal	10,41,64	4/07 to 3/08	50.96
4217	P.C.C.F M.P., Bhopal	21	12/07 to 3/08	0.26
4406	P.C.C.F M.P., Bhopal	10	7/07 to 3/08	0.99
			Total	2534.78

SUBMISSION OF ACCOUNTS BY TREASURIES:

During the year 2007-08, out of 636 monthly accounts, 493 accounts were received on due dates and 141 accounts after due dates, though these were incorporated in the monthly civil accounts of respective months except one account each of November 2007 and February 2008. On an average 78 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
4/2007	53	29	24	53	-
5/2007	53	41	12	53	-
6/2007	53	30	23	53	-
7/2007	53	42	11	53	-
8/2007	53	41	12	53	-
9/2007	53	47	06	53	-
10/2007	53	49	04	53	-
11/2007	53	45	07	52	01
12/2007	53	43	10	53	-
01/2008	53	43	10	53	-
02/2008	53	43	9	52	01
03/2008	53	40	13	53	-
Total	636	493	141	634	02

CHAPTER-III

TRENDS IN GOVERNMENT REVENUE AND EXPENDITURE

Trends in Government Revenue Receipts and Revenue Expenditure from 2003-04 to 2007-08 (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
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
2007-08	22221.14	@2738.18	5729.41	30688.73	142203.96 (A)	21.58

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.

@ Includes debt relief of Rs.363.06 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	
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
2007-08	25601.11	33590.74	142203.96(A)	14.48	17.67	8.86	23.62

* (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 2003-04 to 2007-08 (5 years) has been Rs.11943.02 crore (Rs.33590.74 crore-Rs.21647.72 crore). Growth in major areas of Revenue Expenditure is shown in the following table:-

(Rupees in crore)

Areas of Expenditure	2003-04	2004-05	2005-06	2006-07	2007-08	Percentage increase (+)/ decrease(-) in 2007-08 over last year
Interest Payments and Servicing of Debt	3206.50	3661.14	3421.79	4028.95	4190.77	4.02
Pension and Miscellaneous General Services	1202.49	1335.23	1663.82	1861.94	2064.91	10.90
Administrative Services	1232.96	1443.77	1436.26	1546.24	1756.80	13.62
Agriculture and Allied Activities	1148.05	1243.77	1285.22	1638.43	1944.89	18.70
Rural Development	605.92	703.24	1118.35	1570.23	2137.16	36.10
Energy	3954.34	1465.94	1983.47	682.44	1084.17	58.87
Science, Technology and Environment	4.07	4.83	40.32	7.50	42.53	467.07

During 2007-08, expenditure on interest payments and pension and Miscellaneous General Services comprised 20.38 percent of the total revenue receipts and 4.40 percent of GSDP. Further there is increase in Interest Payments of Rs.161.82 crore mainly on account of payment of interest on Internal Debt (Rs.149 crore) in 2007-08.

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				Deficit
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
2007-08	30688.73	25601.11	(q) +5087.62	11.07	6832.70	-6821.63	-33.81	-1767.82	-48199.15

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.

(q) Revenue Surplus of Rs. 5087.62 crore includes Rs. 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 Rs.17752.18 crore from Rs.37075.31 crore in 2003-04 to Rs.54827.49 crore during 2007-08. Total Public Debt comprising internal debt of the State Government and loans and advances from Central Government increased by Rs.14229.70 crore, from Rs.27810.64 crore in 2003-04 to Rs.42040.34 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
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
2007-08	33258.49	8781.85	42040.34	1415.71	6420.77	4950.67	54827.49	142203.96(A)	38.56

* 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.
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
2007-08	(*) 6314.17	1224.34	1117.74	106.60	6420.77	533.44

* 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.

(*) Differs by Rs.0.78 crore from the closing balance of 2006-07 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
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
2007-08	12086.00	758.58	97.16

* 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 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.

	2003-04	2004-05	2005-06	2006-07	2007-08
(i) Number of days on which minimum balance was maintained	306	365	365	365	366
a) Without obtaining any advance	106	238	365	365	366
b) By obtaining Ways and Means Advance	200	127	..	..	..
(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	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:-

	2003-04	2004-05	2005-06	2006-07	2007-08
Number of withdrawals from Contingency Fund	13	12	23	11	13
Total withdrawals from Contingency Fund (Rupees in crore)	12.15	29.80	14.14	31.15	144.03
Withdrawals from Contingency Fund as a percentage to total Budget Provision	0.05	0.08	0.04	0.09	0.40
Budget Estimate (Rupees in crore)	26222.66	36002.35	34872.22	34592.54	36375.72

Note: Corpus of Contingency Fund was Rs.40 crore during the year 2003-04 to 2005-06 and Rs. 100 crore during 2006-07 and 2007-08.

GENERAL CASH BALANCES

The closing cash balance according to the Reserve Bank of India was Rs.1137.68 crore (Debit) against the General Cash Balance of Rs.1303.79 crore (credit) reflected in State Government accounts. The difference of Rs.166.11 crore (Credit) was under reconciliation and Remittance in transit was Rs.2.65 crore.

Investments held in the *Cash Balance Investment Account as on 31st March 2008 was Rs.2759.00 crore.

Other Cash Balances and Investments as on 31st March 2008 was Rs.334.59 crore comprising cash with departmental officers (Rs.15.90 crore), Permanent advances with departmental officers (Rs 0.74 crore) and investment of earmarked funds (Rs.317.95 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.(-)331.77 crore at the beginning of the year 2007-08 to Rs.(-)1301.14 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	(-) 331.77	1.	Revenue expenditure	<u>Non-Plan</u> 18794.82	<u>Plan</u> 6806.29	<u>Total</u> 25601.11
2.	State's share of Union Taxes	10202.96	2.	Capital expenditure	<u>Non-Plan</u> 322.23	<u>Plan</u> 6510.47	<u>Total</u> 6832.70
3.	State's own Revenue Collection	14756.36	3.	Loans and advances repaid	<u>To Central Govt.</u> 436.87	<u>To others</u> ..	<u>Total</u> (*)436.87
4.	Central grants/ assistance other than loans	5729.41	4.	Loans and advances given	708.49	446.39	1154.88
			4a.	Net of Inter-State Settlement			0.27
5.	Miscellaneous Capital Receipts	11.07	5.	Net effect of adjustment of suspense and remittance balances and increase/ decrease of Reserve Funds			346.21
6.	Net effect of Receipts from Public Debt/ Small Savings, Deposits and Advances (other than Central Loans)	2058.60	6.	Net contribution from Contingency Fund			..
7.	Receipts from Central Loans	539.02	7.	Closing cash balance			(-)1301.14
8.	Recoveries from borrowers	105.25					
9.	Net contribution from Contingency Fund	..					
10.	Net effect of adjustment of suspense and remittance balances and increase/ decrease of Reserve Funds						
	Total	33070.90		Total			33070.90

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