

GOVERNMENT OF MADHYA PRADESH

**ACCOUNTS
AT A
GLANCE**

2008-2009

**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:

(L.Tochhawng)
Accountant General (A&E)-I
Madhya Pradesh

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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 2008-09 have recently been presented to the State Legislature. Audit Reports of the Comptroller and Auditor General of India for the year 2008-09 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 2008-09, total receipts amounted to Rs.38089.23 crore comprising revenue receipts of Rs.33577.21 crore (Rs.24380.64 crore as Tax revenue, Rs.3342.86 crore as Non-tax revenue and Rs.5853.71 crore as Grants-in-aid and Contributions) and capital receipts of Rs.4512.02 crore.
- ◆ Disbursements during the year were Rs.38089.23 crore (Rs.29513.88 crore (77 per cent) on revenue account and Rs.8575.35 crore (23 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 55 charged Appropriations and 132 voted Grants.
- ◆ Appropriation Acts, 2008 and 2009, had provided for a gross expenditure of Rs.49126.37 crore, inclusive of the Supplementary Grants/Appropriations totaling Rs.4628.15 crore by State Legislature during the year. An amount of Rs.1219.31 crore was estimated as recoveries in reduction of expenditure.
- ◆ Appropriation Accounts, 2008-09 show gross disbursements aggregating Rs.40774.21 crore against the aggregate budget provision of Rs.49126.37 crore, resulting in savings of Rs.8352.16 crore against Grants and Appropriations. Of this, Rs.3123.26 crore (37.39 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 Rs.40774.21 crore includes amount of Rs.338.13 crore and Rs.289.59 crore drawn and credited to Major head 8443-Civil Deposits-106-Personal Deposits and 800-Other Deposits respectively during the year 2008-09.
- ◆ Recoveries in reduction of expenditure amounted to Rs.723.98 crore reflecting a decrease of Rs.495.33 crore vis-a-vis budget estimates.

CHAPTER-II

HIGHLIGHTS OF ACCOUNTS

(Rupees in crore)

Sl. No.		Budget Estimate 2008-09	Actuals	Percentage of Actuals to BE	Percentage of Actuals to GSDP
1.	Tax Revenue #	24745.04	24380.64	98.53	15.00
2.	Non-Tax Revenue	3017.70	3342.86	110.77	2.06
3.	Grants-in-aid & Contributions	6641.04	5853.71	88.14	3.60
4.	Revenue Receipts (1+2+3)	34403.78	33577.21	97.60	20.66
5.	Recovery of Loans & Advances	297.55	53.62	18.02	0.03
6.	Other Receipts	..	@24.79	..	0.02
7.	Borrowings and Other Liabilities (a)	4741.00	4433.61	93.52	2.73
8.	Capital Receipts (5+6+7)	5038.55	4512.02	89.55	2.78
9.	Total Receipts (4+8)	39442.33	38089.23	96.57	23.44
10.	Non-Plan Expenditure (NPE) (b)	24090.49	23287.01	96.66	14.33
11.	NPE on Revenue Account	23245.54	21892.29	94.18	13.47
12.	NPE on Interest Payments out of 11	4489.67	4191.99	93.37	2.58
13.	NPE on Capital Account	844.95	1394.72	165.07	0.86
14.	Plan Expenditure (PE) (c)	15351.84	14802.22	96.42	9.11
15.	PE on Revenue Account	8318.46	7621.59	91.62	4.69
16.	PE on Capital Account	7033.38	7180.63	102.09	4.42
17.	Total Expenditure (10+14)	39442.33	38089.23	96.57	23.44
18.	Expenditure on Revenue Account (11+15)	31564.00	29513.88	93.50	18.16
19.	Expenditure on Capital Account (13+16) (d)	7878.33	8575.35	108.85	5.28
20.	Revenue Deficit/Surplus (18-4)	2839.78	(e)4063.33	143.09	2.50
21.	Fiscal Deficit {17-(4+5+6)=7}	4741.00	4433.61	93.52	2.73

GSDP Rs. 162525.22 crore (A)

(A) = Advance Estimate

Includes Share of Union Taxes and Duties.

(a) Actual Borrowing and Other Liabilities include net of Public Debt (Rs.4591.96 crore), net of Contingency Fund (Nil), net of Public Account (Rs. 304.52 crore) and net of Opening and Closing Cash Balance (Rs.-462.87 crore).

(b) Actual Non-plan expenditure includes Revenue Expenditure (Rs.21892.29 crore), Capital Expenditure (Rs.209.70 crore), Loans and Advances disbursed (Rs.1184.28 crore), Inter State Settlement (Rs.0.74 crore).

(c) Actual Plan expenditure includes Revenue Expenditure (Rs.7621.59 crore), Capital Expenditure (Rs.6503.45 crore) and Loans and Advances disbursed (Rs.677.18 crore).

(d) Actual expenditure on Capital Account includes Capital Expenditure (Rs.6713.15 crore), Loans and Advances disbursed (Rs 1861.46 crore), Inter State Settlement (Rs.0.74 crore).

(e) Actual Revenue Surplus of Rs. 4063.33 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.24.00 crore) on account of refund of investment in share Capital by Co-operative Societies/Banks and Inter State Settlement (Rs.0.79 crore).

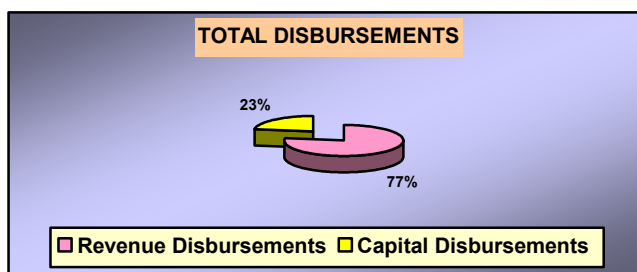
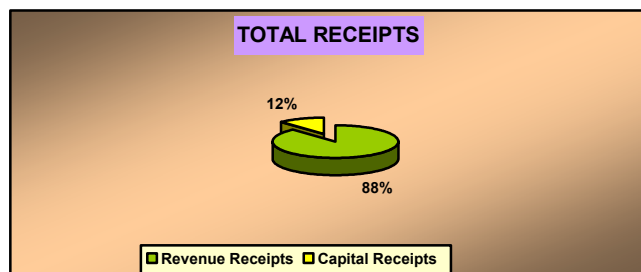
Receipts and Disbursements

Total receipts during the year were Rs.38089.23 crore, against which total disbursements were Rs.38089.23 crore.

The following table summarises the Accounts for 2008-09:

(Rupees in crore)

Total Receipts	38089.23	Total Disbursements	38089.23
Revenue Receipts	33577.21 (88 percent)	Revenue Disbursements	29513.88 (77 percent)
Capital Receipts	4512.02 (12 percent)	Capital Disbursements	8575.35 (23 percent)



RECEIPTS

Revenue Receipts

Gross Tax Revenue of Rs.24380.64 crore and Non-Tax Revenue of Rs.3342.86 crore formed 15 per cent and 2.06 per cent respectively, of the GSDP. Major contribution to revenue was Rs.6842.99 crore from Taxes on Sales, Trade etc. (4.21 per cent of GSDP).

Net Tax Revenue during the year were lower than the budget estimates by Rs.364.40 crore, mainly on account of less receipts under Stamps and Registration Fees (Rs.360.71 crore).

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

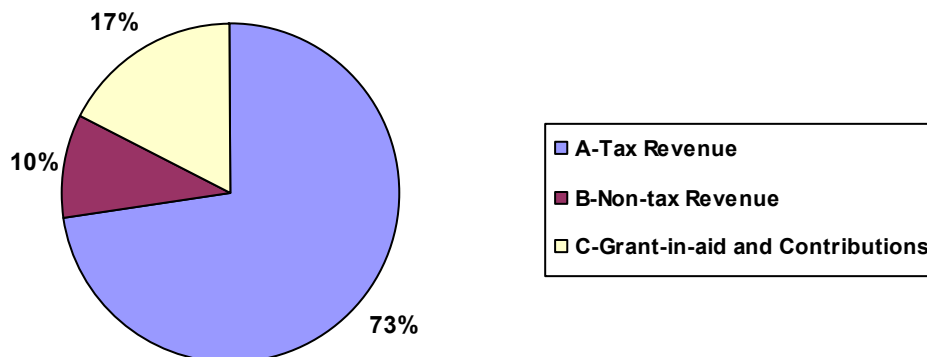
Revenue Receipts and Grants-in-aid and Contributions

(Rupees in crore)

Components	Actuals	Percentage to total Revenue Receipts
A- Tax Revenue	*24380.64	72.61
Taxes on Income and Expenditure	5929.59	17.66
Taxes on Property and Capital Transactions	1821.49	5.42
Taxes on Commodities and Services	16629.56	49.53
B. Non-tax Revenue	3342.86	9.96
Fiscal Services	..	..
Interest Receipts, Dividends and Profits	232.34	0.69
General Services	507.54	1.51
Social Services	447.27	1.34
Economic Services	2155.71	6.42
C. Grants-in-aid and Contributions	5853.71	17.43
TOTAL-REVENUE RECEIPTS	33577.21	100.00

(* Share of State in Union Taxes received from Government of India was Rs.10766.59 crore, constitute 32.07 percent 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 Rs.526.53 crore under Capital Receipts. The decrease was mainly under receipts of Borrowings and other Liabilities and recovery of Loans and Advances.

DISBURSEMENTS

Revenue Disbursements

Revenue Disbursements were 18.16 per cent of GSDP. These were in overall short of budget estimates by Rs.2050.12 crore (short by Rs.1353.25 crore under Non-plan and Rs.696.87 crore under Plan).

Capital Disbursements

Capital Disbursements (including Loans and Advances) were 5.28 per cent of the GSDP. These were higher than the budget estimates by Rs.697.02 crore due to excess disbursement under Non-Plan (Rs.549.77 crore) and under Plan (Rs.147.25 crore).

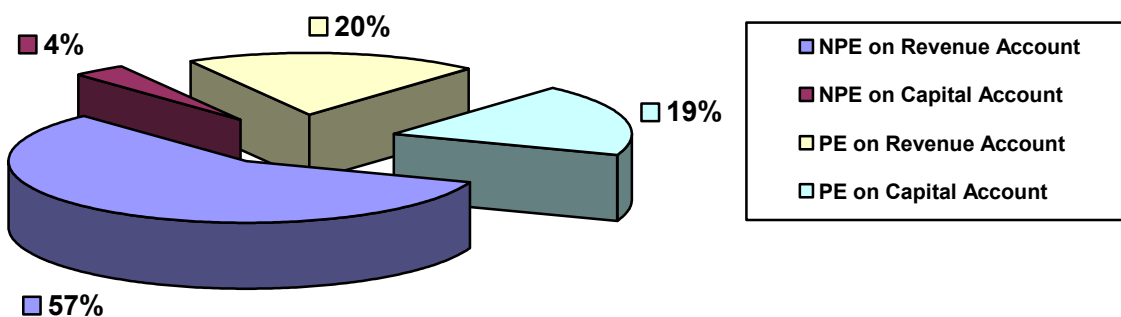
Plan Disbursements

During the year 2008-09, Plan Disbursements were Rs.14802.22 crore comprising Rs.10459.78 crore under State Plan, Rs.2942.83 crore under Centrally Sponsored schemes and Rs.1399.61 crore under other Central Plan Schemes.

Non-Plan Disbursements

Non-Plan disbursements during 2008-09 were Rs.23287.01 crore, consisting of Rs.21892.29 crore under Revenue Account and Rs.1394.72 crore under Capital Account (Capital: Rs.209.70 crore, Loans and Advances: Rs.1184.28 crore, Inter State Settlement: Rs 0.74 crore).

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



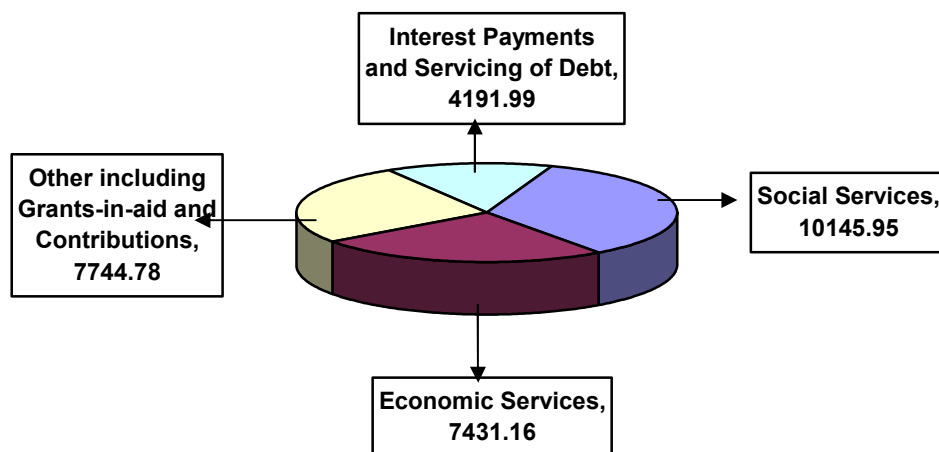
Sectoral distribution of expenditure and its percentage to total Revenue Expenditure is given below:-

SECTORAL DISTRIBUTION OF EXPENDITURE AND ITS PERCENTAGE TO TOTAL REVENUE EXPENDITURE

(Rupees in crore)

Components	Amount	Percentage to Total Revenue Expenditure
A.Fiscal Services	1210.58	4.10
(i) Collection of Taxes on Income and Expenditure	0.33	..
(ii) Collection of Taxes on Property and Capital transactions	407.39	1.38
(iii) Collection of Taxes on Commodities and Services	800.68	2.71
(iv) Other Fiscal Services	2.18	0.01
B. Organs of State	280.56	0.95
C. Interest Payments and Servicing of debt	4191.99	14.20
D. Administrative Services	2045.30	6.93
E. Pensions and Miscellaneous General Services	2433.90	8.25
F. Social Services	10145.95	34.38
G. Economic Services	7431.16	25.18
H. Grants-in-aid and Contributions	1774.44	6.01
TOTAL EXPENDITURE (REVENUE ACCOUNT)	29513.88	100.00

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



TREND OF EXPENDITURE

Trend of expenditure in some important sectors between 2004-05 and 2008-09 (5 years) is brought out in the following table:-

Statement of revenue expenditure in selected Sectors

(Rupees in crore)

Sector	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>	2008-09	%of <u>BE</u> <u>RE</u>
B. Social Services										
i) Education, Sports, Art and Culture	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	4894.65	<u>96.39</u> 89.22
ii) Health & Family Welfare	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	1308.15	<u>90.58</u> 91.77
C. Economic Services										
i) Agriculture and Allied activities	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	2571.36	<u>98.43</u> 93.76
ii) Rural Development	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	1975.79	<u>82.94</u> 81.07
iii) Irrigation & Flood Control	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	428.30	<u>127.38</u> 130.19
iv) Energy	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	1443.49	<u>77.49</u> 93.22
v) Transport	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	608.71	<u>99.04</u> 97.26
vi) General Economic Services	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	63.14	<u>87.91</u> 93.67

BE = Budget Estimates

RE = Revised Estimates

DEBTS AND LIABILITIES

Outstanding Public Debt at the end of 2008-09 was Rs.46632.30 crore, comprising internal debt of Rs.37141.63 crore and loans and advances of Rs.9490.67 crore from Central Government. Other non-interest bearing obligations accounted for Rs.5357.90 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.203.71 crore in respect of such liabilities of State Government during 2008-09.

Interest payments on debt and other liabilities totaling Rs.4191.99 crore constituted 14.20 per cent of Revenue Expenditure of Rs.29513.88 crore. Interest payments on Public Debt were Rs.3654.27 crore (internal debt: Rs.2961.36 crore, loans and advances from Central Government: Rs.692.91 crore), Small savings and Provident Funds: Rs.537.52 crore and on other obligations: Rs.0.20 crore. Expenditure on account of interest payments increased by Rs.1.22 crore during 2008-09 over previous year 2007-08.

Out of the internal debt of Rs.5399.29 crore, raised during 2008-09, Rs.1516.15 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.9643.34 crore at the end of 2008-09. Dividends received on investments during the year were Rs.69.05 crore (i.e. 0.72 per cent). During 2008-09, while investments increased by Rs.798.35 crore, corresponding dividend income increased by Rs.9.82 crore.

LOANS AND ADVANCES BY THE STATE GOVERNMENT

Total loans and advances made by State Government at the end of 2008-09 amounted to Rs.7630.97 crore. Recovery of principal amount aggregating Rs.29.02 crore was outstanding. Details of interest on loans in arrears at the end of March 2009 was not furnished by State Government.

Total loans and advances to Government Corporations/ Companies, Non-Government Institutes, Local Bodies, etc. at the end of 2008-09 was Rs.5997.15 crore.

FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

Assistance to Local Bodies etc. during 2008-09 was Rs.1087.31 crore. Assistance to Electricity Board-Rs. 87.99 crore (8.09 percent) and Educational Institutions-Rs.796.36 crore (73.24 percent) 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 2008-09 present the accounts of sums expended in the year ended 31 March 2009 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 2008-09, showed gross actual expenditure of Rs.40774.21 crore, comprising Rs.30195.63 crore Revenue Expenditure, Rs.6755.37 crore Capital Expenditure, Rs.1961.02 crore Repayment of Debt and Rs.1862.19 crore Loans and Advances by the Government. The expenditure includes the amount of Rs.338.13 crore and Rs.289.59 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 2008-09

(Rupees in crore)

Sl. No.	Nature of expenditure	Original Grant/ Appropriation	Supplementary Grant/Appropriation	Total	Actual expenditure	Savings (-) Excesses (+)
1	Revenue Voted	27263.82	2565.26	29829.08	25606.83	-4222.25
	Charged	4998.49	13.82	5012.31	4588.80	-423.51
2	Capital Voted	6601.43	1168.73	7770.16	6721.82	-1048.34
	Charged	6.77	27.34	34.11	33.55	-0.56
3	Public Debt Charged	3836.56	..	3836.56	1961.02	-1875.54
4	Loans and Advances Voted	1791.15	853.00	2644.15	(b) 1862.19	-781.96
	Total	44498.22	4628.15	49126.37	40774.21	(a)-8352.16

(a) Of this Rs.3123.26 crore (37.39 percent) were under the grants controlled by the Finance Department.

(b) Includes Inter State Settlement (Rs.0.73 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

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
2008-09	128.30	21.56	16.80

6-Finance

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
2008-09	3116.31	624.61	20.04

11-Commerce, Industry and Employment

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
2008-09	111.90	9.97	8.91

13-Farmer's Welfare and Agriculture Development

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
2008-09	689.18	233.59	33.89

29-Law and Legislative Affairs

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
2008-09	302.54	68.50	22.64

48-Narmada Valley Development

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
2008-09	26.32	5.20	19.76

(Rupees in crore)

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

55-Women and Child Development

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
2008-09	699.01	112.69	16.12

64- Scheduled Castes Sub -Plan

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
2008-09	823.03	165.51	20.11

72-Gas Tragedy Relief and Rehabilitation

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
2008-09	42.55	7.96	18.71

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

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
2008-09	9.06	2.91	32.12

23-Water Resources Department

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
2008-09	682.81	63.00	9.23

(Rupees in crore)

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

41-Tribal Areas Sub-Plan

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
2008-09	1007.44	103.69	10.29

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

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
2008-09	393.27	49.41	12.56

45-Minor Irrigation Works

2004-05	38.23	20.02	52.37
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

64- Scheduled Castes Sub-Plan

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
2008-09	892.00	110.67	12.41

67-Public Works-Buildings

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
2008-09	88.57	20.67	23.34

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 2009 ranged between 50 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:-

(Rupees in crore)

Sl. No.	Description of Grant	Total provision	Total expenditure	Expenditure in March	Percentage of expenditure in March to total expenditure
1	21-Housing and Environment	240.67	226.03	123.31	54.55
2.	40-Expenditure pertaining to Water Resources Department Command Area Development	20.01	12.66	6.45	50.95
3.	53-Financial Assistance to Urban Bodies under Scheduled Castes Sub Plan	122.34	89.23	47.97	53.76
4.	63-Minority Welfare	14.53	7.42	4.89	65.90
5.	69-Information Technology	43.40	30.33	28.35	93.47
6.	71-Biodiversity & Biotechnology	4.07	3.09	1.84	59.55

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 2008-09, 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)
2045	Electric Inspector (E/S) Energy Deptt.	12	12/08 to 3/09	1.55
2047	Director, Small Savings & State Lotteries	06	4/08 to 3/09	1.84
2053	Director, Aviation Deptt.	65	3/09	2.81
2059	Engineer-in-Chief, Public Works Deptt.	21,23 67,80	4/08 to 3/09	1.80
2059	Engineer-in-Chief, Public Works Deptt.	19,24,41, 42,64,67	12/08 to 3/09	70.85
2059	Principal Secretary, Public Works Deptt.	19,24,41 42,64,67	4/08 to 3/09	103.69
2230	Labour Commissioner, Labour Deptt. Indore	18	8/08 to 3/09	1.13
2235	Commissioner, Rehabilitation Department	35	4/08 to 3/09	0.36
2235	Secretary, Law and Legislative Affairs Deptt.	29	4/08 to 3/09	3.79
2235	Secretary, General Administration Deptt.	02	4/08 to 3/09	16.67
2235	Commissioner, Public Relations Deptt.	32	4/08 to 3/09	0.19
2402	Director, Agriculture Deptt.	13	3/09	2.68
2406	Principal Chief Conservator of Forest	10,41	12/08 to 3/09	72.35
3454	Director, Economic and Statistics Deptt.	31	10/08 to 3/09	6.97
			Total	286.68

SUBMISSION OF ACCOUNTS BY TREASURIES:

During the year 2008-09, out of 636 monthly accounts, 526 accounts were received on due dates and 110 accounts after due dates, though these were incorporated in the monthly civil accounts of respective months. On an average 83 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
4/2008	53	40	13	53	-
5/2008	53	37	16	53	-
6/2008	53	39	14	53	-
7/2008	53	44	09	53	-
8/2008	53	49	04	53	-
9/2008	53	47	06	53	-
10/2008	53	43	10	53	-
11/2008	53	47	06	53	-
12/2008	53	43	10	53	-
01/2009	53	44	09	53	-
02/2009	53	46	07	53	-
03/2009	53	47	06	53	-
Total	636	526	110	636	-

CHAPTER-III

TRENDS IN GOVERNMENT REVENUE AND EXPENDITURE

Trends in Government Revenue Receipts and Revenue Expenditure from 2004-05 to 2008-09 (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
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
2008-09	24380.64	*3342.86	5853.71	33577.21	162525.22(A)	20.66

- # Includes debt relief of Rs.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 Rs.363.06 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	
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
2008-09	29513.88	38089.23	162525.22(A)	15.28	13.39	14.29	23.44

- * (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.
- (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.

(A) = Advance Estimate

The overall increase in the Government's total expenditure during 2004-05 to 2008-09 (5 years) has been Rs.11801.02 crore (Rs.38089.23 crore-Rs.26288.21 crore). Growth in major areas of Revenue Expenditure is shown in the following table:-

(Rupees in crore)

Areas of Expenditure	2004-05	2005-06	2006-07	2007-08	2008-09	Percentage increase (+)/ decrease(-) in 2008-09 over last year
Interest Payments and Servicing of Debt	3661.14	3421.79	4028.95	4190.77	4191.99	0.03
Pension and Miscellaneous General Services	1335.23	1663.82	1861.94	2064.91	2433.90	17.87
Salaries	-	5659.16	5962.69	6533.63	8077.17	23.62
Administrative Services	1443.77	1436.26	1546.24	1756.80	2045.30	16.42
Agriculture and Allied Activities	1243.77	1285.22	1638.43	1944.89	2571.36	32.21
Rural Development	703.24	1118.35	1570.23	2137.16	1975.79	-7.55
Energy	1465.94	1983.47	682.44	1084.17	1443.49	33.14
Science, Technology and Environment	4.83	40.32	7.50	42.53	50.64	19.07

During 2008-09, expenditure on interest payments and pension and Miscellaneous General Services and Salaries comprised 43.79 percent of the total revenue receipts and 9.05 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:-

(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			
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
2008-09	33577.21	29513.88	(R)+4063.33	24.00	6713.15	-6689.15	-3.18	-2629.00	-50828.15

Miscellaneous Government Account.

(*) 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.

(R) Revenue Surplus of Rs. 4063.33 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.16280.96 crore from Rs.43749.44 crore in 2004-05 to Rs.60030.40 crore during 2008-09. Total Public Debt comprising internal debt of the State Government and loans and advances from Central Government increased by Rs.13364.04 crore, from Rs.33268.26 crore in 2004-05 to Rs.46632.30 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
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
2008-09	37141.63	9490.67	46632.30	1405.97	6634.23	5357.90	60030.40	162525.22(A)	36.94

* 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:-

(Rupees in crore)

Year	Opening Balance	Receipts	Payments	Net accretion for the year	Closing Balance	Interest Charged on balance of P.F.
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
2008-09	6420.77	1264.61	1051.15	213.46	6634.23	537.52

* 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
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
2008-09	11991.33	1910.46	19.63

* 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.

	2004-05	2005-06	2006-07	2007-08	2008-09
(i) Number of days on which minimum balance was maintained	365	365	365	366	365
a) Without obtaining any advance	238	365	365	366	363
b) By obtaining Ways and Means Advance	127	..	..	..	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:-

	2004-05	2005-06	2006-07	2007-08	2008-09
Number of withdrawals from Contingency Fund	12	23	11	13	9
Total withdrawals from Contingency Fund (Rupees in crore)	29.80	14.14	31.15	144.03	18.12
Withdrawals from Contingency Fund as a percentage to total Budget Provision	0.08	0.04	0.09	0.40	0.04
Budget Estimate (Consolidated Fund) (Rupees in crore)	36002.35	34872.22	34592.54	36375.72	43278.91

Note: Corpus of Contingency Fund was Rs.40 crore during the year 2004-05 to 2005-06 and Rs. 100 crore during 2006-07 to 2008-09.

GENERAL CASH BALANCES

The closing cash balance according to the Reserve Bank of India was Rs.827.81 crore (Debit) against the General Cash Balance of Rs.840.93 crore (credit) reflected in State Government accounts. The difference of Rs.13.12 crore (Credit) was under reconciliation and Remittance in transit was Rs.2.66 crore.

Investments held in the *Cash Balance Investment Account as on 31st March 2009 was Rs.2929.46 crore.

Other Cash Balances and Investments as on 31st March 2009 was Rs.330.91 crore comprising cash with departmental officers (Rs.13.38 crore), Permanent advances with departmental officers (Rs 0.77 crore) and investment of earmarked funds (Rs.316.76 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 increased from Rs.(-)1301.14 crore at the beginning of the year 2008-09 to Rs.(-)838.27 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	(-)1301.14	1.	Revenue expenditure	<u>Non-Plan</u> 21892.29	<u>Plan</u> 7621.59	<u>Total</u> 29513.88
2.	State's share of Union Taxes	10766.59	2.	Capital expenditure	<u>Non-Plan</u> 209.70	<u>Plan</u> 6503.45	<u>Total</u> 6713.15
3.	State's own Revenue Collection	16956.91	3.	Loans and advances repaid	<u>To Central Govt.</u> 444.86	<u>To others</u> ..	<u>Total</u> (*)444.86
4.	Central grants/ assistance other than loans from Govt. of India.	5853.71	4.	Loans and advances given	1184.28	677.18	1861.46
			4a.	Net of Inter-State Settlement			(-)0.05
5.	Miscellaneous Capital Receipts	24.00	5.	Net effect of adjustment of suspense and remittance balances and increase/ decrease of Reserve Funds			135.85
6.	Net effect of Receipts from Public Debt (other than Central Loans), Small Savings, Deposits and Advances	4323.51	6.	Net contribution from Contingency Fund			..
7.	Receipts from Central Loans	1153.68	7.	Closing cash balance			(-)838.27
8.	Recoveries from borrowers	53.62					
9.	Net contribution from Contingency Fund	..					
10.	Net effect of adjustment of suspense and remittance balances and increase/ decrease of Reserve Funds						
	Total	37830.88		Total			37830.88

(*) 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.