

**GOVERNMENT OF MADHYA PRADESH**

**ACCOUNTS AT A GLANCE  
2004-2005**

**ACCOUNTANT GENERAL  
(ACCOUNTS AND ENTITLEMENT)  
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. Angam Chand Singh )**  
**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

There are two main divisions under the Consolidated Fund:

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

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

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

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 2004-2005 have recently been presented to the State Legislature. Audit Reports of the Comptroller and Auditor General of India for the year 2004-2005 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 2004-2005, total receipts amounted to Rs.26288.21 crore comprising revenue receipts of Rs.19743.25 crore (Rs.12849.65 crore as Tax revenue, Rs.4461.86 crore as Non-Tax revenue and Rs.2431.74 crore as Grants-in-aid and Contributions) and capital receipts of Rs.6544.96 crore.

Disbursements during the year were Rs.26288.21 crore – Rs.18026.37 crore (69 per cent) on revenue account and Rs.8261.84 crore (31 per cent) on capital account.

As per the rules 30 and 31 of Government Accounting Rules, 1990 expenditure on 'Grants-in-Aid' to Local Bodies/Institutions even for the purpose of creating assets can not ordinarily be classified as capital expenditure. However, during 2004-2005, the State Government provided for Rs.30.00 crore and booked expenditure of Rs.27.60 crore as 'Grants-in-Aid' to Local Bodies/Institutions under capital section of Accounts. This has had the effect of reducing the revenue deficit to this extent.

## **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 148 voted Grants.

Appropriation Acts, 2004 and 2005, had provided for a gross expenditure of Rs.43732.16 crore, inclusive of the Supplementary Grants/Appropriations totalling Rs.4908.47 crore by State Legislature during the year. An amount of Rs.2855.94 crore was projected as recoveries in reduction of expenditure.

Appropriation Accounts, 2004-2005 show gross disbursements aggregating Rs.34475.66 crore against the aggregate budget provision of Rs.43732.16 crore, resulting in savings of Rs.9256.50 crore against Grants and Appropriations. Of this, Rs.10671.20 crore 30.95 per cent was under the Grants controlled by the Finance Department (Interest Payments and Servicing of Debt, Public Debt and Grant No.6-Expenditure pertaining to Finance Department).

Recoveries in reduction of expenditure amounted to Rs.2561.32 crore reflecting a decrease of Rs.294.62 crores vis-à-vis budget estimates.

## CHAPTER-II

### HIGHLIGHTS OF ACCOUNTS

(Rupees in crore)

Sl. No.		Budget Estimate 2004-2005	Actuals	Percentage of Actuals to BE	Percentage of Actuals to GSDP
1.	Tax Revenue	13106.85	12849.65	98.04	11.91
2.	Non-Tax Revenue	1663.62	4461.86	268.20	4.13
3.	Grants-in-aid & Contributions	2481.50	2431.74	97.99	2.25
4.	Revenue Receipts (1+2+3)	17251.97	19743.25	114.44	18.29
5.	Recovery of Loans & Advances	47.41	53.20	112.21	0.05
6.	Other Receipts	..	..	..	..
7.	Borrowings and Other Liabilities (a)	7061.70	6491.76	91.93	6.01
8.	Capital Receipts (5+6+7)	7109.11	6544.96	92.06	6.06
9.	Total Receipts (4+8)	24361.08	26288.21	107.91	24.36
10.	Non-Plan Expenditure (NPE) (b)	16845.14	19018.84	112.90	17.62
11.	NPE on Revenue Account	14668.57	14861.20	101.31	13.77
12.	NPE on Interest Payments out of 11	3693.39	3661.14	99.13	3.39
13.	NPE on Capital Account	2176.57	4157.64	191.02	3.85
14.	Plan Expenditure (PE) (c)	7515.94	7269.37	96.72	6.74
15.	PE on Revenue Account	3592.58	3165.17	88.10	2.93
16.	PE on Capital Account	3923.36	4104.20	104.61	3.80
17.	Total Expenditure (10+14)	24361.08	26288.21	107.91	24.36
18.	Expenditure on Revenue Account (11+15)	18261.15	18026.37	98.71	16.70
19.	Expenditure on Capital Account (13+16) (d)	6099.93	8261.84	135.44	7.66
20.	Revenue Deficit/Surplus (18-4)	1009.18	1716.88		
21.	Fiscal Deficit {17-(4+5+6)=7}	7061.70	6491.76		

GSDP Rs.107926.35crore (A)

(A) = Advance Estimate

- (a) Borrowing and Other Liabilities include net of Public Debt (Rs.5457.62 crore), net of Contingency Fund (Rs.1.00 crore), net of Public Account (Rs.993.71 crore) and net of Opening and Closing Cash Balance (Rs.39.43 crore).
- (b) Non-plan expenditure includes Revenue Expenditure (Rs.14861.20 crore), Capital Expenditure (Rs.1382.99 crore) and Loans and Advances disbursed (Rs.2774.65 crore).
- (c) Plan Expenditure includes Revenue Expenditure (Rs.3165.17 crore), Capital Expenditure (Rs.3567.99 crore) and Loans and Advances disbursed (Rs.536.21 crore).
- (d) Expenditure on Capital Account includes Capital Expenditure (Rs.4950.98 crore) and Loans and Advances disbursed (Rs.3310.86 crore).
- (e) The revenue surplus is due to adjustment of grant of Rs.2749.36 crore given to M.P. Electricity Board under recommendation of Ahluwalia Committee in 2003-04 as loan by credit to Major head 0801-Power in 2004-05.

## Receipts and Disbursements

Total receipts during the year were Rs.26288.21 crore, against which total disbursements were Rs.26288.21 crore.

The following table summarises the Accounts for 2004-2005:

(Rupees in crore)

Total Receipts	26288.21	Total Disbursements	26288.21
Revenue Receipts	19743.25 (75 per cent)	Revenue Disbursements	18026.37 (69 per cent)
Capital Receipts	6544.96 (25 per cent)	Capital Disbursements	8261.84 (31 per cent)

## RECEIPTS

### Revenue Receipts

Gross Tax Revenue of Rs.12849.65 crore and Non-Tax Revenue of Rs.4461.86 crore formed 11.91 per cent and 4.13 per cent, respectively, of the GSDP. Major contribution to revenue was Rs.3912.01 crore from Taxes on Sales, Trade etc. (3.62 per cent of GSDP).

Net tax receipts during the year were lower than the budget estimates by Rs.257.20 crore, mainly on account of receipt under Union Excise Duties (Rs.176.35 crore).

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

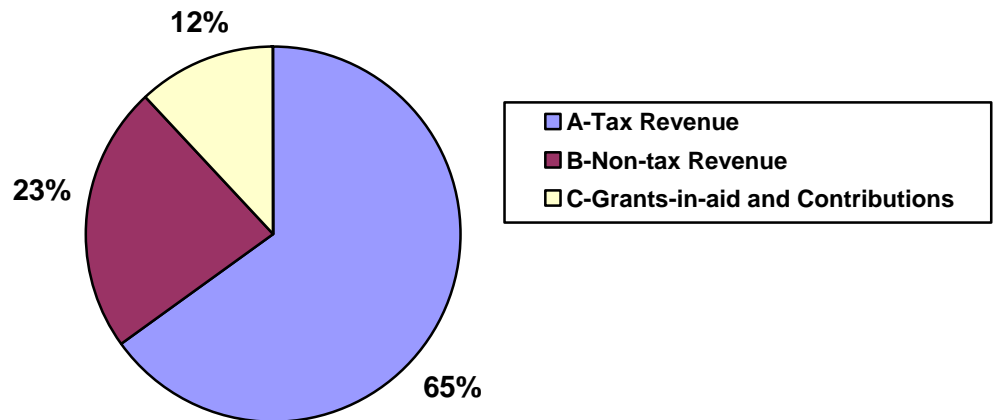
### Revenue Receipts and Grants-in-aid and Contributions

(Rupees in crore)

Components	Actuals	Percentage to total Revenue Receipts
<b>A- Tax Revenue</b>	<b>12849.65</b>	<b>65.08</b>
Taxes on Income and Expenditure *	2529.68	12.81
Taxes on Property and Capital Transactions	838.63	4.25
Taxes on Commodities and Services	9481.34	48.02
<b>B. Non-tax Revenue</b>	<b>4461.86</b>	<b>22.60</b>
Fiscal Services	0.04	..
Interest Receipts, Dividends and Profits	28.40	0.14
General Services	186.73	0.95
Social Services	88.61	0.45
Economic Services	4158.08	21.06
<b>C. Grants-in-aid and Contributions</b>	<b>2431.74</b>	<b>12.32</b>
<b>TOTAL-REVENUE RECEIPTS</b>	<b>19743.25</b>	<b>100.00</b>

(\* Share of Taxes on Income received form Union Government was Rs.930.17 crore).

**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.564.15 crore under Capital Receipts. The decrease was mainly under Borrowings and Other Liabilities.

***DISBURSEMENTS***

**Revenue Disbursements**

Revenue Disbursements (net) were 16.70 per cent of GSDP. These were in short of budget estimates by Rs.234.78 crore- excess of Rs.192.63 crore under Non-plan and short by Rs.427.41 crore under Plan.

**Capital Disbursements**

Capital Disbursements were 7.66 per cent of the GSDP. These were higher than the budget estimates by Rs.2161.91 crore due to excess disbursement under Non-Plan (Rs.1981.07 crore) and Plan (Rs.180.84 crore). It includes expenditure of Rs.27.60 crore under Plan being Grant-in-aid to local bodies/institutions incorrectly classified under Capital Section against Budget Estimates of Rs.30.00 crore.

**Plan Disbursements**

During the year 2004-2005, Plan Disbursements were Rs.7269.37 crore comprising Rs.5764.84 crore under State Plan and Rs.1504.53 crore under Centrally Sponsored schemes (including Central Plan Schemes) shared by Centre and State (A).

**Non-Plan Disbursements**

Non-Plan disbursements during 2004-2005 were Rs.19018.84 crore, consisting of Rs.14861.20 crore under Revenue and Rs.4157.64 crore under Capital (Capital-Rs.1382.99 crore, Loans and Advances-Rs.2774.65 crore).

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(A) The expenditure figures for Centrally Sponsored/Central sector and schemes shared by Centre and State are taken jointly in the Finance Accounts.

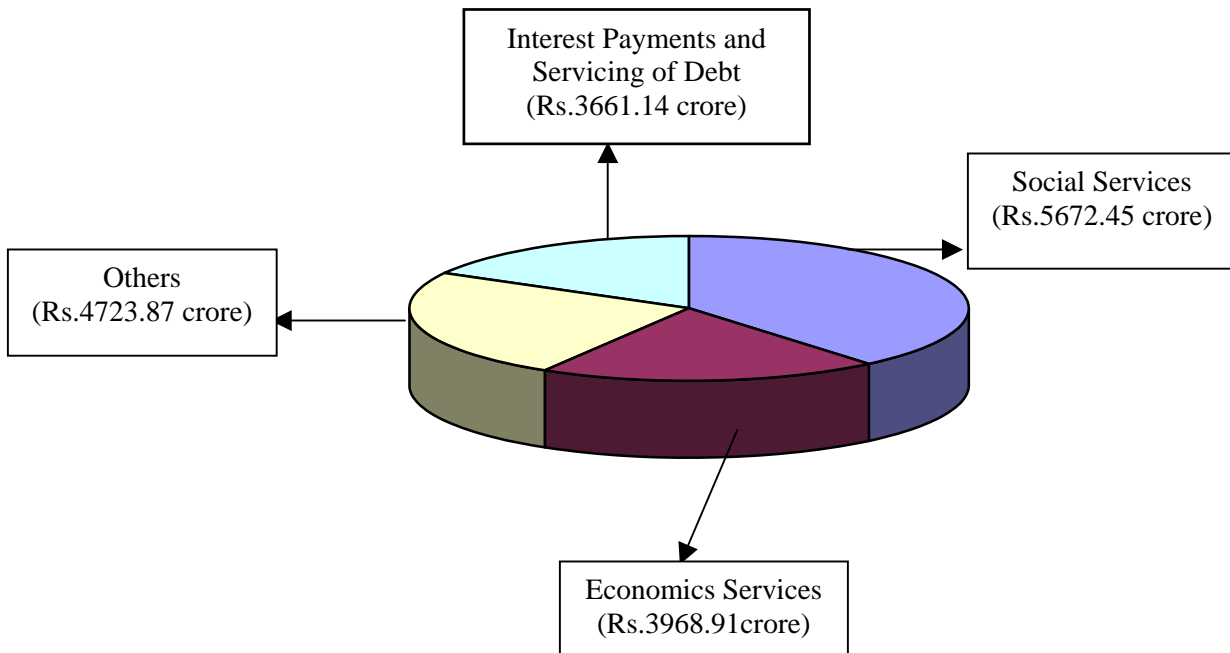
Sectoral distribution of expenditure and its percentage to total Revenue Expenditure is given below:-

**SECTORAL DISTRIBUTION OF EXPENDITURE AND ITS PERCENTAGE TO  
TOTAL REVENUE EXPENDITURE**

(Rupees in crore)

Components	Amount	Percentage to Total Revenue Expenditure
<b>A.Fiscal Services</b>	826.73	4.58
(i) Collection of Taxes on Income and Expenditure	0.18	..
(ii) Collection of Taxes on Property and Capital transactions	247.52	1.37
(iii) Collection on Taxes on Commodities and Services	556.80	3.09
(iv) Other Fiscal Services	22.23	0.12
<b>B. Organs of State</b>	201.49	1.12
<b>C. Interest Payments and Servicing of debt</b>	3661.14	20.31
<b>D. Administrative Services</b>	1443.77	8.01
<b>E. Pensions and Miscellaneous General Services</b>	1335.23	7.41
<b>F. Social Services</b>	5672.45	31.47
<b>G. Economic Services</b>	3968.91	22.02
<b>H. Grants-in-aid and Contributions</b>	916.65	5.08
<b>TOTAL EXPENDITURE (REVENUE ACCOUNT)</b>	18026.37	100.00

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





## TREND OF EXPENDITURE

Trend of expenditure in some important sectors between 2000-2001 and 2004-2005 (5 years) is brought out in the following table:-

### Statement of expenditure in selected Sectors

(Rupees in crore)

Sector	2000-2001	%of BE RE	2001-2002	%of BE RE	2002-2003	%of BE RE	2003-2004	%of BE RE	2004-2005	%of BE RE
<b>B. Social Services</b>										
i) Education	2749.87	<u>108.00</u> 110.75	2110.04	<u>108.15</u> 86.40	2295.58	<u>89.62</u> 95.96	2355.34	<u>85.39</u> 98.74	2552.40	<u>104.21</u> 94.58
ii) Health & Family Welfare	831.99	<u>95.84</u> 98.59	666.90	<u>88.45</u> 88.29	760.61	<u>100.02</u> 93.65	760.83	<u>94.50</u> 100.97	856.17	<u>92.35</u> 93.05
<b>C. Economic Services</b>										
i) Agriculture	1214.58	<u>86.01</u> 92.07	1107.62	<u>87.85</u> 78.95	1225.58	<u>85.70</u> 83.64	1148.05	<u>78.40</u> 90.42	1243.77	<u>94.23</u> 90.44
ii) Rural Development	903.01	<u>127.31</u> 93.93	619.00	<u>76.84</u> 87.13	632.31	<u>100.69</u> 98.71	605.92	<u>106.64</u> 95.26	703.24	<u>122.36</u> 95.02
iii) Irrigation & Flood Control	335.99	<u>123.65</u> 136.36	261.11	<u>119.01</u> 119.62	250.59	<u>118.09</u> 122.38	270.13	<u>117.36</u> 126.06	299.67	<u>128.91</u> 127.14
iv) Energy	410.49	<u>88.34</u> 100.18	2037.01	<u>591.02</u> 99.17	979.77	<u>665.65</u> 89.39	3954.34	<u>618.48</u> 98.51	1465.94	<u>139.95</u> 97.68
v) Transport	294.71	<u>85.56</u> 96.62	246.34	<u>87.22</u> 114.69	224.00	<u>119.81</u> 119.54	190.28	<u>130.66</u> 115.61	140.48	<u>138.34</u> 116.77
vi) General Economic Services	47.96	<u>113.43</u> 73.82	36.19	<u>72.96</u> 79.26	42.20	<u>83.07</u> 88.86	39.25	<u>81.30</u> 87.14	32.95	<u>74.06</u> 74.85

BE = Budget Estimates

RE = Revised Estimates

## DEBTS AND LIABILITIES

Outstanding Public Debt at the end of 2004-2005 was Rs.33268.26 crore, comprising internal debt of Rs.24156.09 crore and loans and advances of Rs.9112.17 crore from Central Government. Other liabilities accounted for Rs.10967.00 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.640.76 crore in respect of such liabilities of State Government during 2004-2005.

Interest payments on debt and other liabilities totalling Rs.3661.14 crore constituted 20.31 per cent of Revenue Expenditure of Rs.18026.37 crore. Interest payments on Public Debt were Rs.3268.21 crore (internal debt-Rs.1914.41 crore, loans and advances from Central Government-Rs.1074.86 crore and on other liabilities-Rs.278.94 crore). Expenditure on account of interest payments increased by Rs.454.64 crore during 2004-2005.

The internal debt of Rs.9202.73 crore, raised during 2004-2005, was mainly used for (i) discharge of debt obligations of Rs.3648.53 crore and (ii) payments of interest-Rs.1914.41 crore.

## INVESTMENTS AND RETURNS

Total investments as share capital in non-financial public sector undertakings (PSUs) stood at Rs.4151.65 crore at the end of 2004-2005. Dividends received on investments during the year were Rs.2.50 crore (i.e. 0.06 per cent). During 2004-2005, while investments increased by Rs.2414.35 crore, corresponding dividend income decreased by Rs.5.92 crore.

## LOANS AND ADVANCES BY THE STATE GOVERNMENT

Total loans and advances made by State Government at the end 2004-2005 amounted to Rs.5866.08 crore. Recovery of principal amount aggregating Rs.13.34 crore was in arrears. Details of interest on loans in arrears at the end of March 2005 was not furnished by State Government.

Total loans and advances to Government Corporations/ Companies, Non-Government Institutes, Local Bodies, etc. at the end of 2004-2005 was Rs.802.85 crore.

## FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

Assistance to Local Bodies etc. during 2004-2005 was Rs.1143.14 crore. It increased from Rs.745.25 crore in 2000-2001 to Rs.1143.14 crore in 2004-2005 (53.39 per cent). Assistance to Electricity Board, Rs.615.27 crore (53.82 per cent) and educational institutions, Rs.414.05 crore (36.22 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 2004-2005 present the accounts of sums expended in the year ended 31 March 2005 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 2004-2005, showed gross actual expenditure of Rs.34475.66 crore, comprising Rs.18132.31 crore Revenue Expenditure, Rs.7406.37 crore Capital Expenditure, Rs.5626.12 crore Repayment of Debt and Rs.3310.86 crore Loans and Advances by the Government. 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 2004-2005

(Rupees in crore)

Sl. No.	Nature of expenditure	Original Grant/ Appropriation	Supplementary Grant/Appropriation	Total	Actual expenditure	Savings (-) Excesses (+)
1	<b>Revenue</b> Voted Charged	14571.98 4079.54	1279.10 4.32	15851.08 4083.86	14093.89 4038.42	-1757.19 -45.44
2	<b>Capital</b> Voted Charged	7840.35 8.50	859.80 0.07	8700.15 8.57	7399.08 7.29	-1301.07 -1.28
3	Public Debt Charged	11641.25	..	11641.25	5626.12	-6015.13
4	Loans and Advances Voted	682.08	2765.17	3447.25	3310.86	-136.39
	Total	38823.70	4908.46	43732.16	34475.66	-9256.50

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)

<b>Year</b>	<b>Description of Grants</b>	<b>Total Provision</b>	<b>Saving</b>	<b>Percentage of savings to total provision</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>
2000-2001	1-General Administration	102.18	20.24	19.81
2001-2002		77.07	16.60	21.54
2002-2003		83.50	11.61	13.90
2003-2004		84.47	18.38	21.76
2004-2005		122.89	28.52	23.21
2000-2001	6-Finance	2344.98	1344.25	57.32
2001-2002		1771.65	731.45	41.29
2002-2003		1351.35	215.01	15.91
2003-2004		1688.74	438.83	25.99
2004-2005		1591.92	208.45	13.09
2000-2001	11-Commerce and Industry	44.23	8.24	18.63
2001-2002		33.76	9.16	27.13
2002-2003		42.61	12.19	28.61
2003-2004		55.71	16.12	28.94
2004-2005		45.93	7.06	15.37
2000-2001	13-Agriculture	317.83	67.72	21.31
2001-2002		295.52	62.08	21.01
2002-2003		284.30	56.59	19.90
2003-2004		324.18	92.59	28.56
2004-2005		329.16	56.44	17.15
2000-2001	29-Law and Legislative Affairs	130.76	36.03	27.55
2001-2002		111.81	28.24	25.26
2002-2003		145.49	48.64	33.43
2003-2004		185.99	60.11	32.32
2004-2005		223.28	79.24	35.49
2000-2001	40-Expenditure pertaining to Water Resources Department-Command Area Development	5.65	2.90	51.33
2001-2002		8.62	3.90	45.24
2002-2003		5.16	3.56	68.99
2003-2004		5.09	3.51	68.96
2004-2005		2.29	1.26	55.02
2000-2001	55-Women and Child Development	269.86	103.84	38.48
2001-2002		242.41	76.38	31.51
2002-2003		294.47	69.99	23.77
2003-2004		321.26	89.74	27.93
2004-2005		333.24	102.36	30.72
2000-2001	64-Special Component Plan for Scheduled Castes	331.82	99.24	29.91
2001-2002		261.95	85.51	32.64
2002-2003		321.41	70.55	21.95
2003-2004		401.15	118.07	29.43
2004-2005		366.46	82.96	22.64

(Rupees in crore)

(1)	(2)	(3)	(4)	(5)
2000-2001	72-Gas Tragedy Relief and Rehabilitation	26.05	6.99	26.83
2001-2002		32.62	13.05	40.01
2002-2003		36.52	16.51	45.21
2003-2004		38.91	18.32	47.08
2004-2005		28.28	5.73	20.26
2000-2001	74-Externally Aided Projects pertaining to Finance Department	150.00	129.91	86.61
2001-2002		250.00	83.68	33.47
2002-2003		150.00	56.72	37.81
2003-2004		22.17	22.17	100.00
2004-2005		5.00	5.00	100.00

**CAPITAL-VOTED SECTION**

(Rupees in crore)

(1)	(2)	(3)	(4)	(5)
2000-2001	23-Water Resources Department	258.98	72.46	27.98
2001-2002		255.11	61.27	24.02
2002-2003		349.89	41.44	11.84
2003-2004		446.27	84.01	18.82
2004-2005		671.34	84.05	12.52
2000-2001	24-Public Works-Roads and Bridges	154.64	76.64	49.56
2001-2002		342.28	178.20	52.06
2002-2003		282.19	57.13	20.25
2003-2004		476.34	178.81	37.54
2004-2005		443.35	70.41	15.88
2000-2001	41-Tribal Areas Sub-Plan	233.05	109.77	47.10
2001-2002		205.43	41.29	20.10
2002-2003		366.63	123.16	33.59
2003-2004		367.47	44.76	12.18
2004-2005		742.30	150.73	20.31
2000-2001	42-Public Works relating to Tribal Areas Sub-Plan-Roads and Bridges	72.67	45.69	62.87
2001-2002		69.10	25.22	36.50
2002-2003		97.11	46.04	47.41
2003-2004		96.60	34.85	36.08
2004-2005		103.00	48.75	47.33
2000-2001	48-Narmada Valley Development	497.97	137.36	27.58
2001-2002		526.32	164.40	31.24
2002-2003		1122.29	476.52	42.46
2003-2004		1273.28	507.32	39.84
2004-2005		2762.86	273.84	9.91
2000-2001	64-Special Component Plan for Scheduled Castes	98.33	41.52	42.23
2001-2002		153.37	87.00	56.73
2002-2003		206.97	58.48	28.26
2003-2004		186.80	39.88	21.35
2004-2005		237.92	83.57	35.13

## 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 2005 ranged between 50 per cent to 100 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	12-Energy	7290.45	6961.00	4357.09	62.59
2	30-Rural Development	250.76	245.87	140.10	56.98
3	59-Externally Aided Projects pertaining to Rural Development Department	39.66	73.59	39.00	53.00
4	69-Information Technology	0.99	0.74	0.48	64.86
5	71-Biodiversity and Biotechnology	2.20	0.81	0.47	58.02
6	84-Upgradation of Standards of Administration Recommended by the Eleventh Finance Commission-Revenue	27.44	31.40	23.36	74.39
7	90-Upgradation of Standards of Administration recommended by the Eleventh Finance Commission-Public Health and Family Welfare	12.16	11.81	11.81	100
8	93-Expenditure pertaining to Accelerated Energy Development	148.15	10.00	10.00	100

## 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 2004-2005, there were delays in reconciliation of the accounts by the departmental authorities. Out of 121 Controlling Officers, 11 Controlling Officers did not attend to the reconciliation work at all as shown below:-

### Controlling Officers who did not at all attend to the reconciliation work:

Controlling Officers
1. Chairman, Narmada Valley Development Authority, Bhopal
2. Engineer-in-Chief, Water Resources Department, Bhopal
3. Commissioner, Housing and Environment M.P. Bhopal
4. Superintending Engineer, Capital Project M.P. Bhopal
5. Secretary, 20-Point Programme, Bhopal
6. Commandant General, J.H.Q. Land Army, Bhopal
7. Director, Urban Welfare, Bhopal
8. Secretary, Land Assets M.P., Bhopal
9. Relief Commissioner, M.P., Bhopal
10. Director, Local Administration M.P., Bhopal
11. Director, State Education Board M.P., Bhopal

## SUBMISSION OF ACCOUNTS BY TREASURIES

During the year 2004-2005, 636 accounts in all were received from the district treasuries, of which 183 accounts were not received by due dates.

## CHAPTER-III

### TRENDS IN GOVERNMENT REVENUE AND EXPENDITURE

Trends in Government Revenue Receipts and Revenue Expenditure from 2000-2001 to 2004-2005 (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
2000-2001	6304.17	1724.33	4810.80	12839.30	88445.25	14.52
2001-2002	8118.28	1601.68	1491.12	11211.08	81285.75 (Q)	13.79
2002-2003	9893.29	1635.48	1861.63	13390.40	83011.13 (Q)	16.13
2003-2004	11036.00	1479.82	1773.14	14288.96	101026.64 (Q)	14.14
2004-2005	12849.65	4461.86	2431.74	19743.25	107926.35 (A)	18.29

#### Revenue Expenditure

(Rupees in crore)

Year	Revenue Expenditure (Actuals)	Total Expenditure	*GSDP	Percentage increase as compared to previous year			Percentage of Government Expenditure to GSDP
				Revenue Expenditure	Total Expenditure	GSDP	
2000-2001	14985.22	16391.44	88445.25	-7.13	-4.07	-10.45	18.53
2001-2002	14368.77	16443.55	81285.75 (Q)	-4.11	0.32	-8.09	20.23
2002-2003	14559.80	17495.39	83011.13 (Q)	1.33	6.40	2.12	21.08
2003-2004	18764.72	21647.72	101026.64(Q)	28.88	23.73	21.70	21.43
2004-2005	18026.37	26288.21	107926.35(A)	-3.93	21.44	6.83	24.36

\* (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.

(Q) = Quick Estimate

(A) = Advance Estimate

The overall increase in the Government's total expenditure during 2000-2001 to 2004-2005 (5 years) has been Rs.9896.77 crore (Rs.26288.21 crore-Rs.16391.44 crore). Growth in major areas of Revenue Expenditure is shown in the following table:-

(Rupees in crore)

Areas of Expenditure	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	Percentage increase in 2004-2005 over last year
Interest Payments and Servicing of Debt	2410.78	2253.67	2502.31	3206.50	3661.14	14.18
Pension and Miscellaneous General Services	964.92	1013.02	1085.02	1202.49	1335.23	11.04
Administrative Services	1373.75	1289.07	1277.78	1232.96	1443.77	17.10
Agriculture and Allied Activities	1214.58	1107.62	1225.58	1148.05	1243.77	8.34
Rural Development	903.01	619.00	632.31	605.92	703.24	16.06
Energy	410.49	2037.01	979.77	3954.34	1465.94	-62.93
Science, Technology and Environment	2.66	2.10	4.06	4.07	4.83	18.67

## 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		
2000-2001	12839.30	14985.22	-2145.92	-	1110.51	-1110.51	-1.11	-3257.54	-19335.25
2001-2002	11211.08	14368.77	-3157.69	-	1470.64	-1470.64	-0.05	-4628.38	-23963.63
2002-2003	13390.40	14559.80	-1169.40	-	2454.90	-2454.90	-0.64	-3624.94	-27588.57
2003-2004	14288.96	18764.72	-4475.76	-	2678.64	-2678.64	-0.06	-7154.46	-34743.03
2004-2005	19743.25	18026.37	+1716.88	-	4950.98	-4950.98	..	-3234.10	-37977.13

# Miscellaneous Government Account.



## LIABILITIES

Liabilities of the State Government increased by Rs.21520.98 crore from Rs.22228.46 crore in 2000-2001 to Rs.43749.44 crore during 2004-2005. Public Debt comprising internal debt of the State Government and loans and advances from Central Government increased by Rs.19335.98 crore, from Rs.13932.28 crore in 2000-2001 to Rs.33268.26 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
2000-2001	5967.51	7964.77	13932.28	1005.36	5529.46	1761.36	22228.46	88445.25	25.13
2001-2002	7648.43	9043.18	16691.61	1099.60	5842.82	2388.85	26022.88	81285.75(Q)	32.01
2002-2003	10664.24	9483.05	20147.29	1106.56	5927.94	2678.76	29860.55	83011.13(Q)	35.97
2003-2004	18601.89	9208.75	27810.64	886.30	5975.04	2403.33	37075.31	101026.64(Q)	36.70
2004-2005	24156.09	9112.17	33268.26	1144.36	6357.11	2979.71	43749.44	107926.35(A)	40.54

\* 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.
2000-2001	@ 4871.63	1602.76	944.93	657.83	5529.46	514.32
2001-2002	5529.46	1091.12	777.76	313.36	5842.82	400.63
2002-2003	5842.82	1041.47	956.35	85.12	5927.94	397.47
2003-2004	5927.94	1080.71	1033.60	47.11	5975.05	458.69
2004-2005	*5974.41	1446.29	1063.59	382.70	6357.11	392.09

@ Differs by Rs.974.52 crore from the closing balance of 1999-2000 due to allocation of the balance to successor State of Chhattisgarh.

\* Differs by Rs. 0.64 crore from the closing balance of 2003-2004 due to allocation of the balance 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
2000-2001	9709.60	429.29	38.15
2001-2002	9701.32	422.89	48.61
2002-2003	11572.38	527.12	57.54
2003-2004	12131.30	926.30	47.42
2004-2005	12506.63	1959.79	56.48

## 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.

	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005
i) Number of days on which minimum balance was maintained	318	193	189	306	365
a) Without obtaining any advance	152	76	86	106	238
b) By obtaining Ways and Means Advance	166	117	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	47	172	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:-

	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005
Number of withdrawals from Contingency Fund	23	21	14	13	12
Total withdrawals from Contingency Fund (Rupees in crore)	40.34	42.91	8.25	12.15	29.80
Withdrawals from Contingency Fund as a percentage to total Budget Provision	0.18	0.23	0.04	0.05	0.08
Budget Estimate (Rupees in crore)	22047.97	19294.59	22128.35	26222.66	36002.35

Note: Corpus of Contingency Fund was Rs.40 crore during the year 2000-2001 to 2004-2005.

## GENERAL CASH BALANCES

The closing cash balance according to the Reserve Bank of India was Rs.21.04 crore (credit) against the General Cash Balance of Rs.22.99 crore (debit) reflected in State Government accounts. The difference of Rs.1.95 crore (debit) was under reconciliation.

Investments held in the \*Cash Balance Investment Account as on 31<sup>st</sup> March 2005 was Rs.205.22 crore.

Other Cash Balances and Investments comprising Cash with departmental officers (Rs.16.58 crore), Permanent advances with departmental officers (Rs.0.52 crore) and investment of earmarked funds (Rs.12.63 crore) as on 31<sup>st</sup> March 2005 were as Rs.29.73 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.64.32 crore at the beginning of the year 2004-2005 to Rs.24.89 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	64.32	1.	Revenue expenditure	<u>Non-Plan</u> 14861.20	<u>Plan</u> 3165.17	<u>Total</u> 18026.37
2.	State's share of Union Taxes	5076.68	2.	Capital expenditure	<u>Non-Plan</u> 1382.99	<u>Plan</u> 3567.99	<u>Total</u> 4950.98
3.	State's own Revenue Collection	12234.83	3.	Loans and advances repaid	<u>To Central Govt.</u> 1977.59	<u>To others</u> ..	<u>Total</u> 1977.59
4.	Central grants/ assistance other than loans	2431.74	4.	Loans and advances given			3310.86
5.	Miscellaneous Receipts	..	5.	Net effect of adjustment of suspense and remittance balances and increase/ decrease of Reserve Funds			..
6.	Receipts from Public Debt/ Small Savings, Deposits and Advances (other than Central Loans)	6223.98	6.	Closing cash balance			24.89
7.	Receipts from Central Loans	1881.01					
8.	Recoveries from borrowers	53.20					
9.	Net contribution from Contingency Fund	1.00					
10.	Net effect of adjustment of suspense and remittance balances and increase/ decrease of Reserve Funds	323.93					
	<b>Total</b>	<b>28290.69</b>		<b>Total</b>			<b>28290.69</b>