



# **Report of the Comptroller and Auditor General of India**

**On**

**State Finances**

**for the year ended 31 March 2013**

**Government of Maharashtra**

This Report is Presented to  
the State Legislature on  
JUN 14 2014

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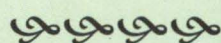
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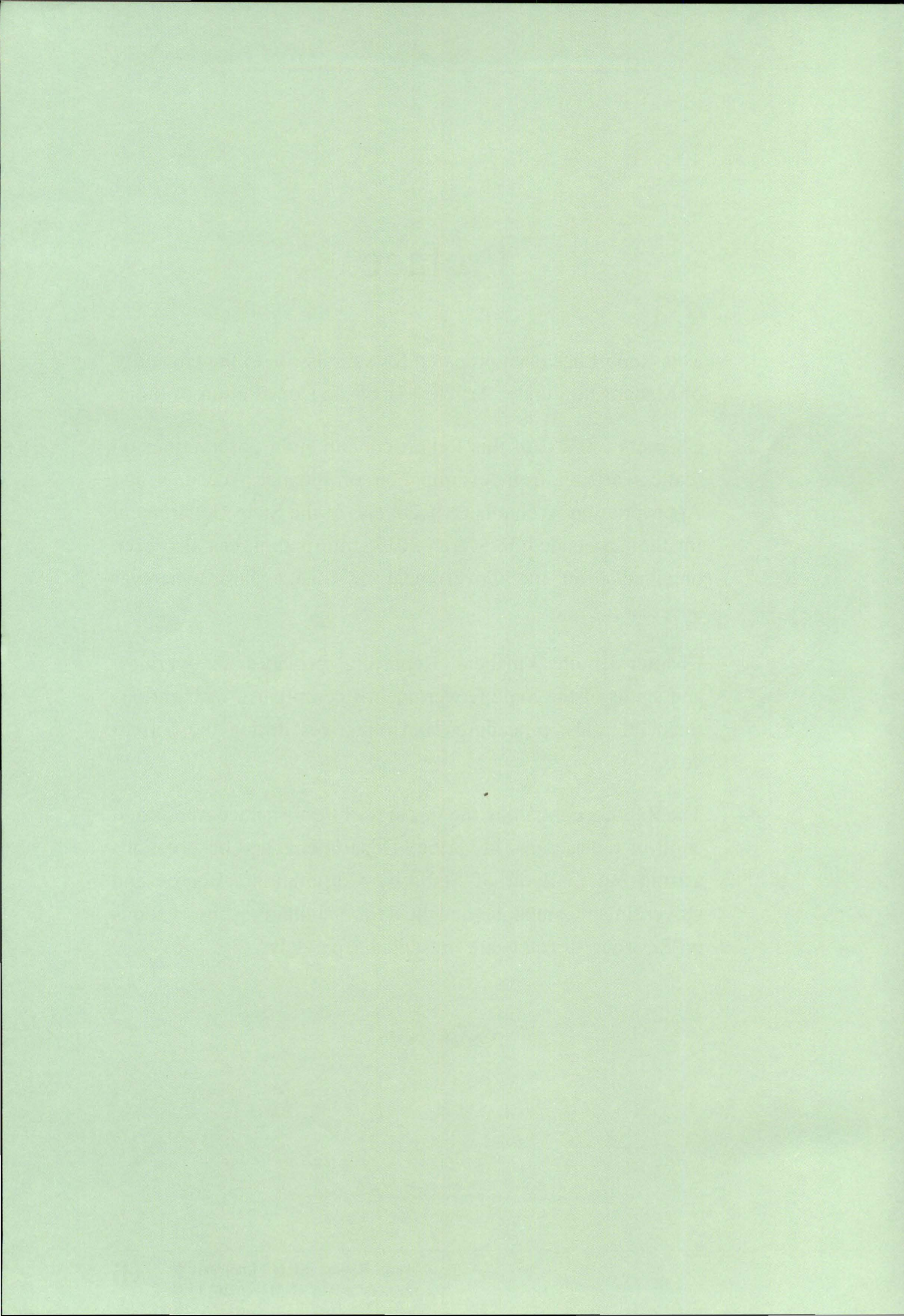
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# Preface

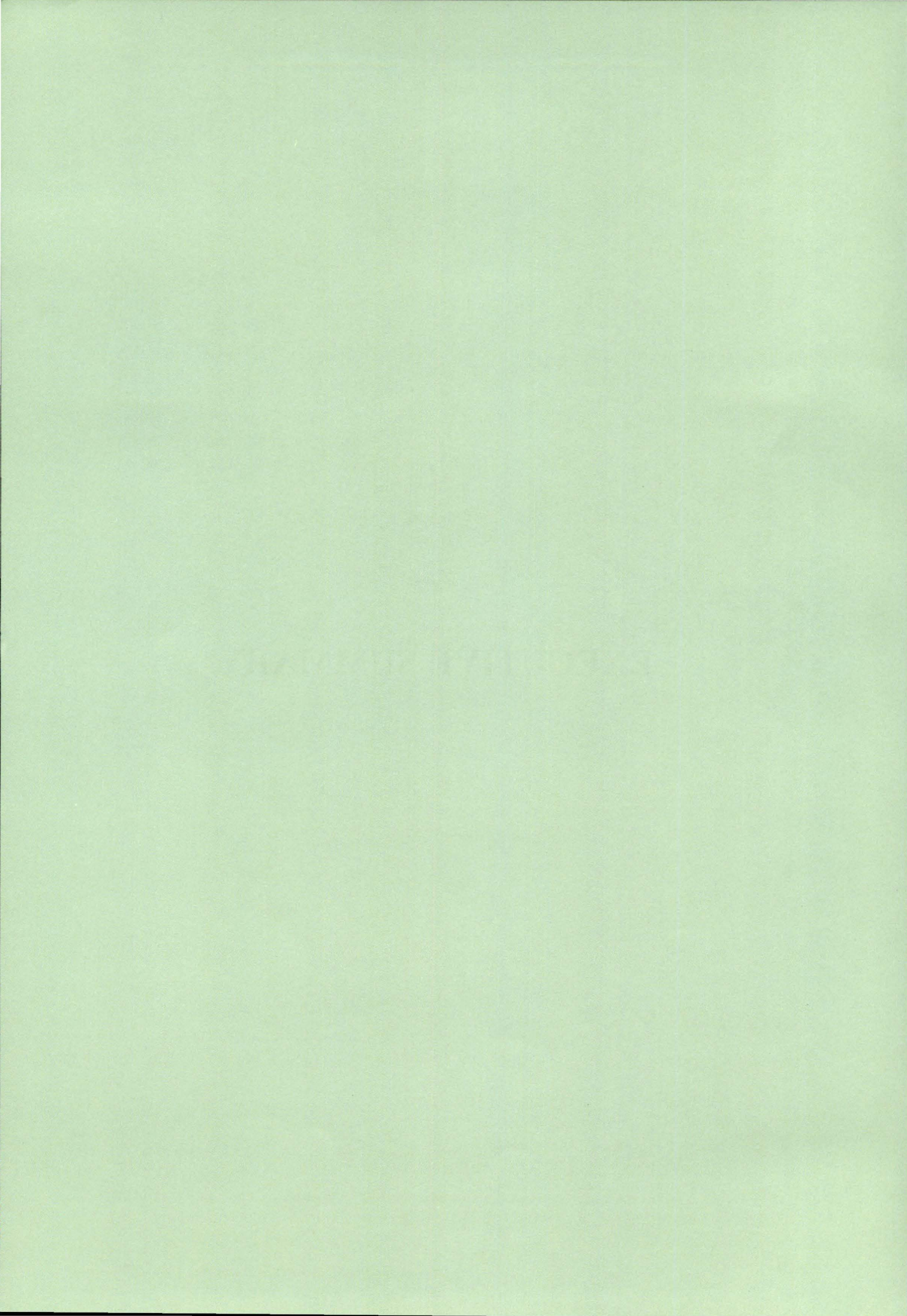
1. This Report has been prepared for submission to the Governor of Maharashtra under Article 151 of the Constitution of India.
2. Chapters I and II of this Report contain audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts respectively, of the State Government for the year ended 31 March 2013. Information has also been obtained from the Government of Maharashtra, wherever necessary.
3. Chapter III on 'Financial Reporting' provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the current year.
4. The Reports containing the findings of Performance Audits and audit of transactions in various Departments and observations arising out of audit of Statutory Corporations, Boards and Government Companies and the Report containing observations on Revenue Receipts are presented separately.







## **EXECUTIVE SUMMARY**



# Executive Summary

## Background

Maharashtra is the second largest State in India, in terms of population and third in terms of geographical area. The State has shown higher economic growth in the past decade as the compound annual growth rate of its Gross State Domestic Product for the period 2003-04 to 2012-13 has been 16.73 *per cent* as compared to 16.37 *per cent* in the General Category States of the country. The population below the poverty line in Maharashtra (17.35 *per cent*) is lower than the All India Average (21.92 *per cent*). During the above mentioned period, its population grew by 16 *per cent* against 13.22 *per cent* in General Category States. However, the per capita income compound annual growth rate in Maharashtra (14.83 *per cent*) has been lower than that of the General Category States (14.94 *per cent*) in the current decade.

This Report on the Finances of the Government of Maharashtra is being brought out with a view to objectively assess the financial performance of the State during 2012-13 and to provide the State Government and State Legislature with timely inputs based on audit analysis of financial data. In order to give a perspective to the analysis, an effort has been made to compare the achievements with the targets envisaged by the State Government Fiscal Responsibilities and Budgetary Management Act, 2005 and in the Budget Estimates of 2012-13.

## The Report

Based on the audited accounts of the Government of Maharashtra for the year ended March 2013, this Report provides an analytical review of the Annual Accounts of the Government. The Report is structured in three Chapters.

**Chapter I** is based on the audit of Finance Accounts and makes an assessment of the Maharashtra Government's fiscal position as on 31 March 2013. It provides an insight into trends of committed expenditure and the borrowing pattern, besides giving a brief account of Central funds transferred directly to the State implementing agencies, without routing it through the State budget.

**Chapter II** is based on audit of Appropriation Accounts and gives a grant-by-grant description of appropriations and the manner in which the allocated resources were managed by the service delivery Departments.

**Chapter III** is an inventory of the Maharashtra Government's compliance with various reporting requirements and financial rules. The report also compiles the data collated from various Government Departments/ organisations in support of the findings.

## Audit findings and recommendations

### Chapter I

#### Finances of the State Government

**Fiscal Correction:** The fiscal parameters *i.e.* revenue, fiscal and primary deficits indicate the extent of overall fiscal imbalances in the finances of the

State Government during a specified period. The significant gap between the growth rates of the revenue receipts (18 *per cent*) and revenue expenditure (12 *per cent*) over the previous year resulted in a turn around to revenue surplus during 2012-13 from the revenue deficit for the past three years.

During 2012-13 the State achieved both the major parameters specified by the Thirteenth Finance Commission (ThFC) *viz.*, revenue deficit to zero and fiscal deficit within three *per cent* of Gross State Domestic Product (GSDP).

**Interest payments:** Interest payments (₹ 19,076 crore), which increased by nine *per cent* during the year over 2011-12, were within the projection made in the ThFC (₹ 20,783 crore), but more than the projections made in the Medium Term Fiscal Policy Statement (₹ 18,523 crore) and less than the projections made in the Fiscal Correction Path (₹ 21,117 crore).

**Non-Plan revenue expenditure:** The revenue expenditure (₹ 1,38,736 crore) constituted 88 *per cent* of the total expenditure (₹ 1,57,550 crore), of which, 82 *per cent* was the Non-Plan component (₹ 1,14,206 crore). The Non-Plan Revenue Expenditure remained higher than the normative assessments made by the Thirteenth Finance Commission (₹ 85,884 crore), the State Government's projections (Medium Term Fiscal Policy Statement/Budget) (₹ 1,07,755 crore) and that projected in the Fiscal Correction Path (₹ 1,09,832 crore).

**Capital Expenditure:** The percentage of Capital expenditure to total expenditure showed a declining trend from 20 *per cent* in 2008-09 to 11 *per cent* in 2012-13. The ratio of Capital Expenditure to Aggregate Expenditure in 2012-13 was lower than the ratio of General Category States. Greater fiscal priority needs to be given to this area as increased priority to physical capital formation will increase the growth prospects of the State by creating durable assets.

**Fiscal Priority:** The priority given to health and family welfare in the State was less than that given to the General Category States. Greater fiscal priority needs to be given to the area of health by the State Government.

**Ongoing Projects:** Of the 601 ongoing irrigation projects, 225 projects were under execution for more than 15 years of which, 77 projects were under execution for more than 30 years. The balance estimated cost of 601 ongoing projects was ₹ 82,609.64 crore of which, there was cost overrun of ₹ 47,427.10 crore in 363 ongoing projects. In respect of 181 ongoing projects relating to Public Works and Roads and Bridges, time overrun up to six years was noticed as of 31 March 2013.

**Review of Government investments:** The average return on the State Government's investment in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives varied between 0.04 and 0.06 *per cent* in the past three years while the Government paid an average interest of 7.10 to 7.23 *per cent* on its borrowings. Thus, this was an unsustainable proposition.

The Government should take steps to ensure better value for money in investments. Otherwise, high-cost borrowed funds will continue to be invested in projects with low financial returns. Projects which are justified on account of low financial but high socio-economic returns may be identified and prioritized with full justification for channelling high-cost borrowings there.

The working of State Public Sector Undertakings which are incurring huge losses should be reviewed and a strategy should be worked out for those undertakings which can be made viable.

**Guarantee:** The committed liabilities of the Government of Maharashtra on account of invocation of guarantees as on 31 March 2013 was ₹ 2,583.45 crore. There was lack of control and effective monitoring on recovery of guarantee fee from the beneficiary institutions.

**Cash management:** The State Government is having a high cash balance, significant part of which is pertaining to balances in public accounts. Serious efforts need to be made to reduce balance in public accounts. The State should utilise its surplus cash balance before resorting to borrowing.

**Debt sustainability:** During 2012-13, the fiscal liabilities (₹ 2,81,434 crore) of the State increased over the previous year by 10 *per cent*. The fiscal liabilities to Gross State Domestic Product ratio at 20.5 *per cent* was lower than the norm of 25.8 *per cent* recommended by the Thirteenth Finance Commission and the Maharashtra Fiscal Responsibility and Budgetary Management Rules of 2011.

**Oversight of funds transferred directly from Government of India to the State implementing agencies:** The Government of India directly transferred ₹ 7,489 crore to the State implementing agencies during 2012-13 which was an increase of ₹ 345 crore (five *per cent*) over the previous year. Funds transferred directly from Government of India to State implementing agencies results in non-monitoring of the expenditure incurred by them on various Schemes as these funds are not reflected in the State budget. It also inhibits the Maharashtra Fiscal Responsibility and Budgetary Management requirement of transparency in fiscal operations and thus, bypasses accountability. The present mechanism does not provide a complete picture of the resources under the control of the State Government.

There is a need for uniform accounting practices to be followed by all the implementing agencies in receipt of direct funds from the Government of India and a system of timely reporting of the expenditure incurred to the State Government for proper monitoring.

## Chapter II

### Financial Management and Budgetary Control

The slow pace of programme implementation of various social and developmental programmes in the State left an overall savings of ₹ 22,753.87 crore, set off by an excess of ₹ 1,004.16 crore. This requires regularisation under Article 205 of the Constitution of India. There were instances of inadequate provision of funds and unnecessary/excessive re-appropriations. Rush of expenditure at the end of the financial year was another chronic feature noticed in the State. In many cases, the anticipated savings were either not surrendered or surrendered on the last two days of March 2013, leaving no scope for utilizing these funds for other developmental purposes.

All the Departments should submit realistic budget estimates, keeping in view the trend of expenditure and the actual requirement of funds in order to avoid

large savings/excesses. All the Departments should closely monitor the expenditure against the allocations and incurring of excess expenditure over the grants should be strictly avoided. Surrender of funds should be done much before the last working day of the closing year so as to enable the Government to utilize the funds on other Schemes. Release of funds at the end of the year should be avoided.

Instances of Government receipts being kept in Personal Ledger Account without crediting the same to the Consolidated Fund of the State were also noticed.

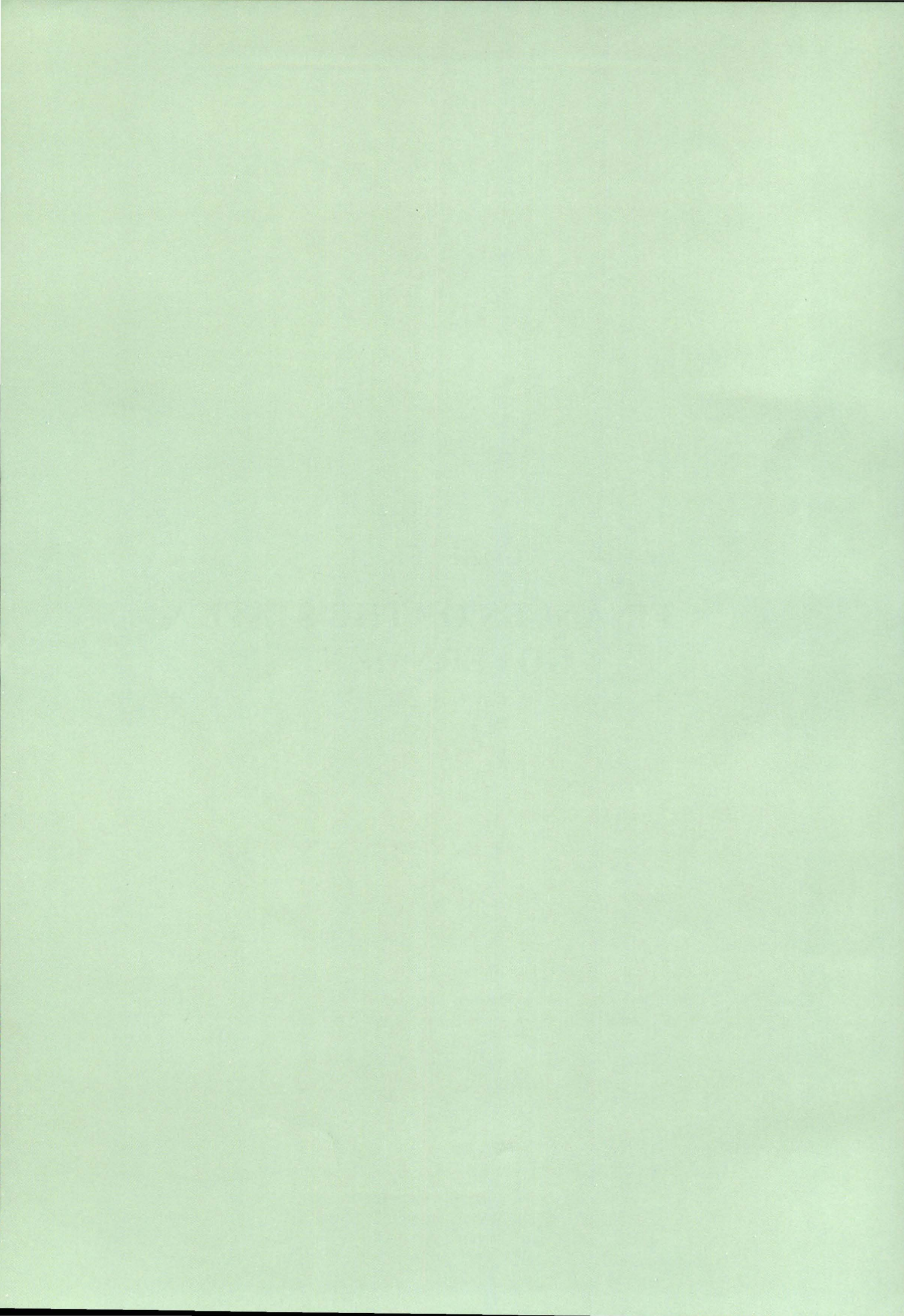
## **Chapter III**

### **Financial Reporting**

The Government's compliance with various rules, procedures and directives was lacking in various Departments, which was evident from delays in furnishing of utilization certificates against loans and grants by various grantee institutions. Delays were also seen in submission of annual accounts by autonomous bodies and departmentally managed commercial undertakings. There were instances of large outstanding cases of losses and misappropriations for which departmental action was pending since long. There were delays in submission of Detailed Contingent bills drawn against Abstract Contingent bills. Significant amounts of expenditure and receipts under Central and State Schemes booked under the Minor Head '800-Other Expenditure' and '800-Other Receipts' were not distinctly depicted in the State Finance Accounts of 2012-13 thus, adversely affecting its transparency.

The Departments should ensure timely submission of utilisation certificates in respect of the grants released for specific purposes to the grantee institutions and the annual accounts in respect of the autonomous bodies to the Principal Accountant General (Audit) I, Maharashtra, Mumbai and Accountant General (Audit) II, Maharashtra, Nagpur. Departmental enquiries in respect of all fraud and misappropriation cases should be expedited to bring the defaulters to book. Internal controls in all the organisations should be strengthened to prevent such cases. An effective monitoring mechanism should be put in place in the Departments to adjust the advances drawn on Abstract Contingent bills within the stipulated period, as required under the extant rules.

**CHAPTER - I**  
**FINANCES OF THE STATE**  
**GOVERNMENT**





# Finances of the State Government

## Profile of Maharashtra

Maharashtra occupies the western and central part of the country and has a long coastline along the Arabian Sea. It is the second largest State in India in terms of population (11.24 crore as per 2011 census) and third in terms of geographical area (3.08 lakh sq. km). As indicated in **Appendix 1.1**, the State's population increased from 9.69 crore in 2001 to 11.24 crore in 2011 (Provisional figure) recording a decadal growth of 16 *per cent*. The density of population of Maharashtra has increased from 315 persons per sq. km to 365 persons per sq. km. Still Maharashtra has a lower density of population as compared to the all India average of 382.

The percentage of population below the poverty line at 17.35<sup>#</sup> *per cent* is lower than the all India average of 21.92 *per cent*. The State's Gross State Domestic Product (GSDP) in 2012-13 at current prices was ₹ 13,72,644 crore. The State's literacy rate increased from 76.88 *per cent* (as per 2001 census) to 82.90 *per cent* (as per 2011 census). The per capita income of the state stands at ₹ 95,339<sup>1</sup> against the country average of ₹ 61,564. General data relating to the State is given in **Appendix 1.1**.

## Gross State Domestic Product

The GSDP is the market value of all officially recognised final goods and services produced within the State in a given period of time. The growth of GSDP of the State is an important indicator of the State's economy as it indicates the standard of living of the State's population. The trends in the annual growth of India's GSDP at current prices are indicated below:

**Table 1.1 Trends in annual growth rate of GSDP**

Year	2008-09	2009-10	2010-11	2011-12	2012-13
India's GDP (₹ in crore)	5303567	6108903	7266967	8353495	9461013
Growth rate of GDP (percentage)	15.75	15.18	18.96	14.95	13.26
State's GSDP (₹ in crore)	692749 <sup>a</sup>	901330 <sup>a</sup>	1068327 <sup>a</sup>	1199548 <sup>a</sup>	1372644 <sup>b</sup>
Growth rate of GSDP (percentage)	17.22	30.11	18.53	12.28	14.43

*Annual growth rate of GDP and GSDP at current prices*

<sup>a</sup> Based on Economic Survey of Maharashtra

<sup>b</sup> Advanced estimates as furnished by Directorate of Economics and Statistics Government of Maharashtra

**Table 1.1** shows that the annual growth rate of GSDP of the State was higher than the all India growth rate except 2010-11 and 2011-12. However the annual growth rate was very uneven and ranged between 30.11 (2009-10) to 12.28 (2011-12). For 2012-13 the annual growth rate was 14.43 *per cent*.

## 1.1 Introduction

This chapter is based on the audit of the Finance Accounts and makes an assessment of the State's fiscal position as on 31 March 2013. It provides a broad perspective of the finances of the State during 2012-13 and analyses critical changes observed in the major fiscal aggregates in relation to the previous year, keeping in view the

<sup>#</sup> Source: Press Note on Poverty Estimates, 2011-12, Planning Commission of India, July 2013

<sup>1</sup> Source: Economic Survey of Maharashtra 2012-13

overall trends during the last five years. The structure and form of Government accounts have been explained in **Appendix 1.2 Part A** and the layout of the Finance Accounts is depicted in **Appendix 1.2 Part B**. The methodology adopted for assessment of the fiscal position and norms/ceilings prescribed by the Maharashtra Fiscal Responsibility and Budgetary Management (MFRBM) Act, 2005; MFRBM (Amendment) Act, 2006; MFRBM Rules, 2006; MFRBM (Amendment) Rules, 2008; MFRBM (Second Amendment) Rules, 2011 and MFRBM (Amendment) Rules, 2012 of the State are given in **Appendix 1.3**. According to the Act, Government developed its own Fiscal Correction Path (FCP) given in **Appendix 1.4**. As prescribed in the Act, Government laid its Medium Term Fiscal Policy Statement (MTFPS) for 2012-13 in the State legislature in March 2012.

### 1.1.1 Summary of fiscal transactions in 2012-13

The **Table 1.2** presents the summary of the State Government's fiscal transactions during the current year (2012-13) *vis-à-vis* the previous year (2011-12), while **Appendix 1.6** provides details of receipts and disbursements as well as the overall fiscal position during the current year.

**Table 1.2: Summary of fiscal operations in 2012-13**

(₹ in crore)

2011-12	Receipts	2012-13	2011-12	Disbursements	2012-13		
Section-A: Revenue					Non Plan	Plan	Total
121286.14**	Revenue receipts	142947.23	123554.19	Revenue expenditure	114205.90	24530.08	138735.98
87608.46	Tax revenue	103448.58	42852.88	General services	47058.81	606.86	47665.67
8167.70	Non-tax revenue	9984.40	54812.21	Social services	46869.64	15169.33	62038.97
13343.34	Share of Union Taxes/ Duties	15191.92	24868.75	Economic services	18944.11	8606.71	27550.82
12166.64	Grants from Government of India	14322.33	1020.35	Grants-in-aid and Contributions	1333.34	147.18	1480.52
Section B: Capital							
455.83	Miscellaneous Capital Receipts	0.00	17879.54	Capital Outlay	2303.38	15094.60	17397.98
558.74	Recoveries of Loans and Advances	862.85	836.28	Loans and Advances disbursed			1415.94
24452.56	Public debt receipts*	21725.12	6458.35	Repayment of Public Debt*			6652.52
1000.00	Appropriation from Contingency fund	725.00	500.00	Appropriation to Contingency fund			875.00
511.20	Contingency Fund	875.00	1000.00	Contingency Fund			734.62
53389.38	Public Account Receipts	47059.63	46962.93	Public Account Disbursements			35511.02
31509.39	Opening Cash Balance	35971.95	35971.95	Closing Cash Balance			48843.72
<b>233163.24</b>	<b>Total</b>	<b>250166.78</b>	<b>233163.24</b>	<b>Total</b>			<b>250166.78</b>

Source: Finance Accounts of the respective years

\* Excluding ways and means advances on two occasions for eight days  
(Receipt: ₹ 391.50 crore and Disbursement: ₹ 391.50 crore)

\*\* Includes ₹ 170.23 crore, the outstanding central loans under Central Plan Schemes and Centrally Sponsored Schemes advanced to State Governments by the Ministries other than Ministry of Finance written off as per the recommendation of the Thirteenth Finance Commission

The following are the major changes in fiscal transactions during 2012-13:

- Revenue receipts (RR) grew by ₹ 21,661 crore (18 per cent) over 2011-12. The increase was the net effect of increase in tax revenue by ₹ 15,840 crore (18 per cent), non-tax revenue by ₹ 1,817 crore (22 per cent), State's share of Union Taxes and Duties by ₹ 1,849 crore (14 per cent) and Grants from Government of India (GoI) by ₹ 2,156 crore (18 per cent). The revenue receipts at ₹ 1,42,947 crore were 106 per cent of the assessments made by the State Government in its FCP (₹ 1,34,869 crore) and 105 per cent of the MTFPS (₹ 1,36,711 crore) for the year 2012-13.
- The increase in non-tax revenue receipts by ₹ 1,817 crore (22 per cent) over 2011-12 was mainly due to an 81 per cent increase (₹ 1,105 crore) under 'Interest Receipt' due to more interest realised on investments of Cash Balance of 91 days Treasury Bills, 553 per cent increase (₹ 307 crore) under Social Security and Welfare Programme and 47 per cent increase (₹ 174 crore) under Urban Development. The non-tax revenue receipts (₹ 9,984 crore) of the Government was also lower than the projections made in the FCP (₹ 10,315 crore) and the MTFPS/Budget (₹ 10,886 crore) of the Government by three per cent and eight per cent respectively and the Thirteenth Finance Commission (ThFC) normative assessment by 22 per cent (₹ 12,822 crore).
- Revenue expenditure increased by ₹ 15,182 crore (12 per cent) over 2011-12, mainly due to increase in expenditure on general services (₹ 4,813 crore), social services (₹ 7,227 crore), economic services (₹ 2,682 crore) and increase in grants-in-aid and contributions (₹ 460 crore). While 16 per cent of the increase was under Plan head the remaining 84 per cent was under Non-Plan head. The major heads that registered increases include General Education, Interest Payment, Industries, Pension and other Retirement Benefits, Relief on account of Natural Calamities, District Administration, Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes, Medical and Public Health and Social Security. The revenue expenditure (₹ 1,38,736 crore) was, however, more than the assessment made by the State Government in its FCP (2.90 per cent) and MTFPS/Budget by 1.59 per cent. The Non-Plan Revenue expenditure (₹ 1,14,206 crore) exceeded the normative assessments made by ThFC (₹ 85,884 crore), the State Government's projections in FCP (₹ 1,09,832 crore) and the MTFPS/Budget (₹ 1,07,755 crore) (Table 1.19).
- Capital expenditure (₹ 17,398 crore) decreased marginally by 2.7 per cent over 2011-12. The decrease was mainly due to less contribution of Government's share capital to Vidarbha Irrigation Development Corporation, as discussed in Paragraph 1.6.1. The capital expenditure was lower than the assessment made by the State Government in its FCP by 33.34 per cent (₹ 26,099 crore), Budget by 22.48 per cent (₹ 22,444 crore) and the projections made in MTFPS by 27.36 per cent (₹ 23,952 crore) for the year 2012-13. The major areas of decrease are commented in Paragraph 1.1.3.
- Recoveries of loans and advances increased by 54.43 per cent (₹ 304 crore) and disbursements also increased by 69.31 per cent (₹ 580 crore) over 2011-12.
- Public debt receipts decreased by 11.15 per cent (₹ 2,727 crore) and public debt disbursement increased by three per cent (₹ 194 crore) over 2011-12 resulting in net decrease of ₹ 2,921 crore in public debt receipts in 2012-13.

- Decrease of 11.86 *per cent* (₹ 6,330 crore) in Public Account receipts in 2012-13 over the previous year was on account of decrease under Suspense and Miscellaneous (₹ 9,816 crore), set off by increase of receipts under Reserve Funds by 62.49 *per cent* (₹ 1,907 crore), Deposits and Advances by 4.36 *per cent* (₹ 1,114 crore), Small Savings, Provident Fund *etc.* by 6.99 *per cent* (₹ 311 crore) and Remittances by 0.71 *per cent* (₹ 154 crore).
- Public Account disbursements decreased by 24.38 *per cent* (₹ 11,452 crore) in 2012-13 mainly due to decrease under Suspense and Miscellaneous by ₹ 11,390 crore, Remittances by 4.27 *per cent* (₹ 943 crore) and Deposit and Advances by 3.79 *per cent* (₹ 797 crore), set off by increase under Reserve Funds by 80.50 *per cent* (₹ 1,331 crore) and Small Savings, Provident Fund *etc.* by 17.53 *per cent* (₹ 384 crore).
- Appropriation from the Contingency Fund decreased by ₹ 275 crore in 2012-13 from ₹ 1,000 crore in 2011-12 to ₹ 725 crore in 2012-13 while appropriation to the Contingency Fund increased by ₹ 375 crore from ₹ 500 crore in 2011-12 to ₹ 875 crore in 2012-13, as discussed in **Paragraph 2.6**.
- Cash balances of the Government at the close of the year 2012-13 (₹ 48,844 crore) increased by ₹ 12,872 crore (36 *per cent*) over the previous year. Of the above, ₹ 36,621 crore was invested in GoI Treasury Bills, as discussed in **Paragraph 1.8.4**.

### 1.1.2 Review of the fiscal situation

Major fiscal variables provided in the budget, based on recommendations of the Thirteenth Finance Commission (ThFC) and as targeted in the FRBM Act of the State is given in **Table 1.3**:

Table 1.3 Review of the Fiscal situation

Fiscal variables	2012-13				
	XIII FC targets for the State in percentage	Targets as prescribed in FRBM Act	Targets proposed in the Budget/ MTFP	Projections made in Five Year Fiscal plan	Actuals
Revenue Deficit (-) /Surplus (+) (₹ in crore)	0	152	152	37	4211
Fiscal Deficit/GSDP (in <i>per cent</i> )	Below 3	1.72	1.72	2	1
Ratio of total outstanding debt of the Government to GSDP (in <i>per cent</i> )	25.8	25.8	18.8	19.0	20.5

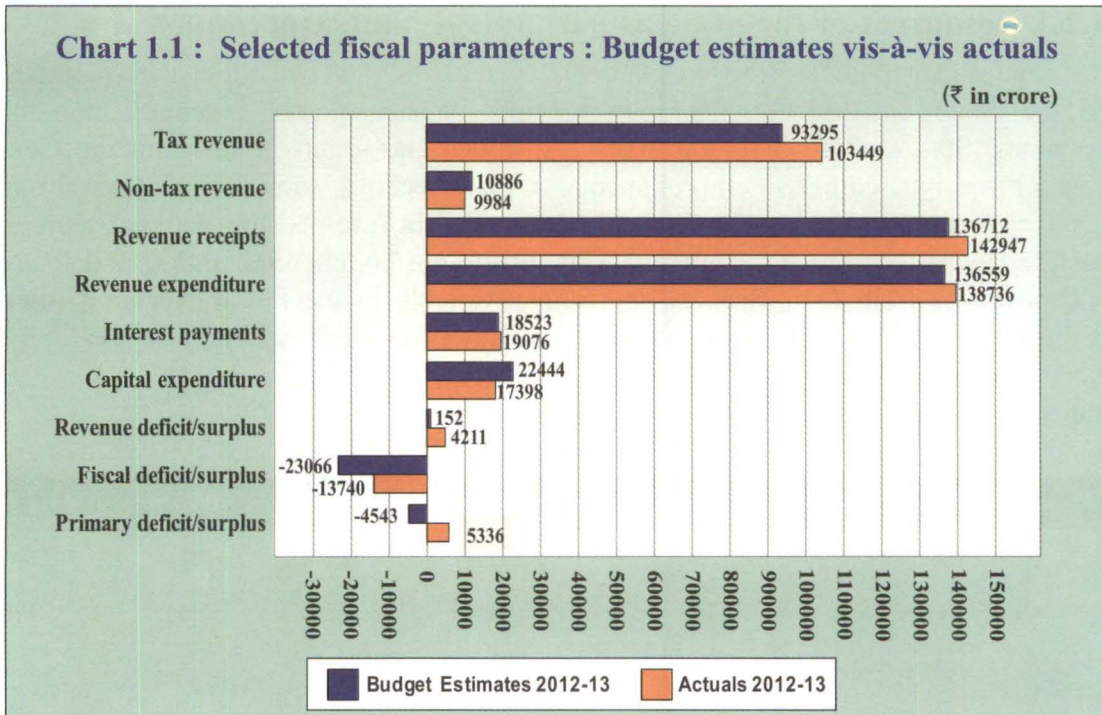
Source: MTFPS/FCP/XIII FC

From **Table 1.3** it can be seen that State is well within the targets prescribed by ThFC and under FRBM Act. In as far as ratio of total outstanding debt of the Government to GSDP the state is slightly above the target proposed in the Budget and FCP.

### 1.1.3 Budget estimates and actuals

There was a revenue surplus in 2012-13 as the actual revenue receipts was more than the budget estimates by 4.56 *per cent*, while revenue expenditure was more than the budget estimates by only 1.59 *per cent*. The capital expenditure decreased

by 22.48 per cent and interest payments increased by 2.99 per cent over the budget estimates.



(Source: Finance Accounts)

As may be observed from **Chart 1.1** (also see **Appendix 1.13**), there was considerable variation between budget estimates and actuals in the case of several key parameters. Revenue receipts had a positive variation (₹ 6,235 crore: 4.56 per cent) over budget estimates and almost all categories of revenue receipts (with the exception of State Excise, Taxes on Goods and Passengers and Land Revenue, etc.) were higher than the budget estimates. Revenue expenditure increased by 1.59 per cent over the budget estimates, mainly because of more expenditure under Economic Services, i.e. Rural Development, Energy and Industry and Minerals.

The increase in revenue receipts was the net result of increase in tax revenue by 11 per cent, set off by a decrease in non-tax revenue by eight per cent, share in Central taxes by three per cent and grants-in-aid from GoI by 15 per cent.

The actual capital expenditure was less by ₹ 5,046 crore (22 per cent) compared to the original budget estimates of 2012-13. The decrease was mainly under Rural development (₹ 2,131 crore), Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes (₹ 1,273 crore) and Irrigation and Flood Control (₹ 933 crore).

The higher revenue surplus of ₹ 4,059 crore in 2012-13 was more than the budget estimates mainly because of increase in revenue receipts by ₹ 6,235 crore which was set off by increase in revenue expenditure by ₹ 2,177 crore over the budget estimates. Further, the revenue surplus is overstated by ₹ 1,868.84 crore (₹ 757.07 crore due to incorrect booking of revenue expenditure under Capital and ₹ 1,111.77 crore due to shortfall in expenditure on Central Schemes) as discussed in **Paragraph 1.6.1**.

Fiscal deficit also improved and it was less than the assessment made in the budget estimates by 40 per cent (₹ 23,066 crore), mainly due to higher growth of revenue receipts vis-à-vis growth of revenue expenditure and decrease in capital expenditure.

## 1.2 Resources of the State

### 1.2.1 Resources of the State as per annual finance accounts

Revenue and capital are the two streams of receipts that constitute the resources of the State Government. Revenue receipts consist of tax revenues, non-tax revenues, State's share of union taxes and duties and grants-in-aid from the GoI. Capital receipts comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GoI. Besides, the funds available in the Public Accounts after disbursement is also utilised by the Government to finance its deficit.

**Table 1.4: Trends in growth and composition of aggregate receipts**

(₹ in crore)

Sources of State's Receipts	2008-09	2009-10	2010-11	2011-12	2012-13
<b>I Revenue Receipts</b>	<b>81271</b>	<b>86910</b>	<b>105868</b>	<b>121286</b>	<b>142947</b>
<b>II Capital Receipts (CR)</b>	<b>21287</b>	<b>22104</b>	<b>21397</b>	<b>25467</b>	<b>22588</b>
Miscellaneous Capital Receipts	18	25	17	456	0
Recovery of Loans and Advances	560	515	640	559	863
Public Debt Receipts	20709	21564	20740	24452	21725
Growth rate of debt capital receipts	75.38	4.13	(-)3.82	17.90	(-)11.15
Growth rate of non-debt capital receipts	(-)21.15	(-)6.57	21.67	54.49	(-)14.98
Growth rate of GSDP	17.22	30.11	18.53	16.86	14.43
Rate of growth of CR ( <i>per cent</i> )	69.74	3.84	(-)3.20	19.02	(-)11.30
<b>III Contingency Fund</b>	<b>709</b>	<b>352</b>	<b>853</b>	<b>511</b>	<b>875</b>
<b>IV Public Account Receipts</b>	<b>37357</b>	<b>44072</b>	<b>48406</b>	<b>53389</b>	<b>47060</b>
a. Small Savings, Provident Fund <i>etc.</i>	2220	3309	3882	4449	4760
b. Reserve Fund	2428	2559	3346	3052	4960
c. Deposits and Advances	11438	14150	21918	25544	26658
d. Suspense and Miscellaneous	3132	4166	(-)993 <sup>2</sup>	(-)1491 <sup>2</sup>	(-)11308 <sup>2</sup>
e. Remittances	18139	19888	20253	21835	21990
<b>V Total Receipts</b>	<b>140624</b>	<b>153438</b>	<b>176524</b>	<b>200653</b>	<b>213470</b>

Source: Finance Accounts of the respective years

**Flow chart 1.1** presents the receipts of the State during the current year as recorded in its Annual Finance Accounts while **Table 1.4** and **Chart 1.2** depicts the trends in various components of the receipts of the State during 2008-13. **Chart 1.3** depicts the composition of the receipts of the State during the current year.

<sup>2</sup> Minus credit is due to realization of cheques being more than the cheques issued during the year owing to clearance of last year's cheques

Flow chart 1.1: Trends in various components of Receipts of the State

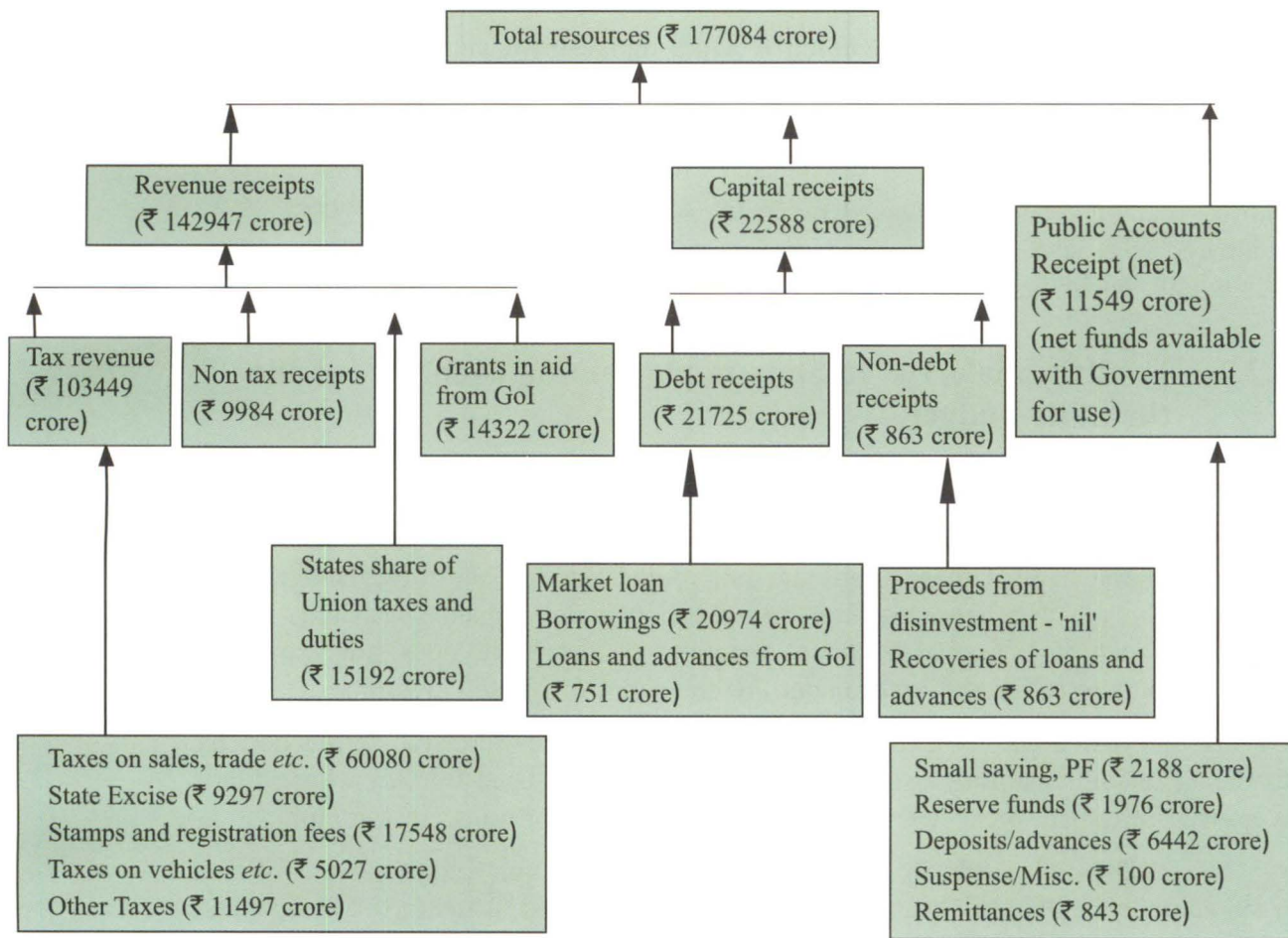
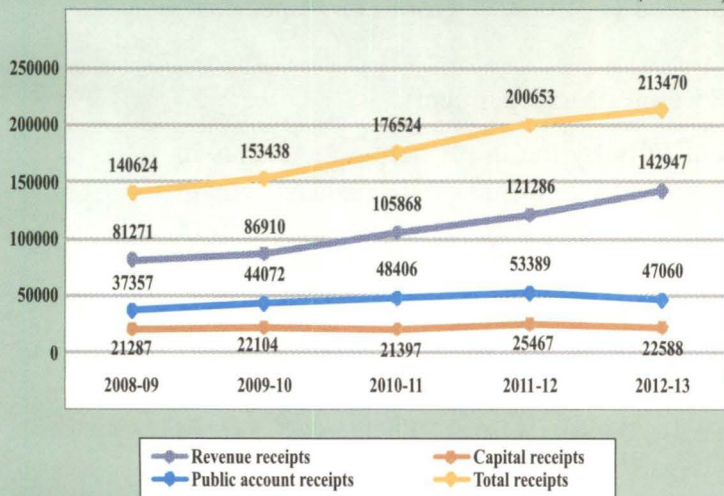


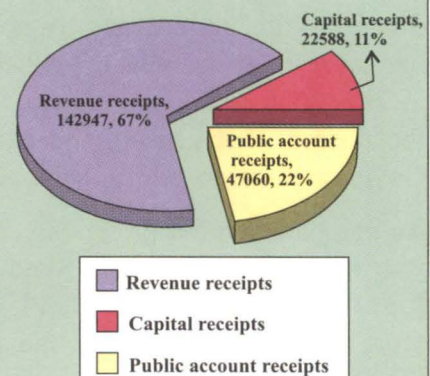
Chart 1.2 : Trends in Aggregate Receipts

(₹ in crore)



(Source: Finance Accounts of the respective years)

Chart 1.3 : Composition of Aggregate Receipts during 2012-13 (₹ in crore and percentage to total receipts)



(Source: Finance Accounts)

The total receipts of the State increased by ₹ 72,846 crore (51.80 per cent) from ₹ 1,40,624 crore in 2008-09 to ₹ 2,13,470 crore in 2012-13. The share of revenue receipts in total receipts of the State increased from 58 per cent in 2008-09 to 67 per

cent in 2012-13, while the share of public account receipts in total receipts of the State decreased from 27 per cent in 2008-09 to 22 per cent in 2012-13.

**Table 1.4** shows that the debt capital receipts registered a negative growth of 11 per cent in 2012-13 as compared to the positive growth of 17.90 per cent in 2011-12. Non-debt capital receipts also registered a negative growth of 14.98 per cent in 2012-13 as compared to the positive growth of 54.49 per cent in 2011-12.

Public Account receipts increased by 25.97 per cent over the period 2008-13. As compared to 2011-12, there was a decrease during 2012-13 by 11.85 per cent, which was mainly under Suspense and Miscellaneous.

### 1.2.2 Funds transferred to State implementing agencies outside the State budget

The Central Government has been transferring a sizeable amount of funds directly to State implementing agencies<sup>3</sup> for implementation of various Schemes/programmes in social and economic sector, which is recognised as critical. As in the present mechanism these funds are not routed through the State Budget/State Treasury System and hence, do not find mention in the Finance Accounts of the State. As such, the Annual Finance Accounts of the State does not provide a complete picture of the resources under the control of the State Government.

During the year 2012-13, Central funds of ₹ 7,489 crore were transferred directly to the State implementing agencies. The programmes assisted by GoI whose funds were transferred are presented in **Appendix 1.8**. The major transfers were to:

- the DRDAs (₹ 2,886.38 crore i.e. 39 per cent) for Indira Awas Yojana, Swarnajayanti Gram Swarajgar Yojana, the Integrated Watershed Management Programme, DRDA administration and the National Rural Employment Guarantee Scheme;
- the State Water and Sanitation Mission (₹ 1,185.80 crore i.e. 16 per cent);
- the Maharashtra Prathamik Shikshan Parishad (₹ 1,068.81 crore i.e. 14 per cent) for Sarva Shiksha Abhiyan; and
- National Rural Health Mission (₹ 834.85 crore i.e. 11 per cent).

Since the funds are generally not being spent fully by the implementing agencies in the same financial year in which they are given to them, unspent balances remain in the bank accounts of the implementing agencies. The aggregate amount of the unspent balances in the accounts of the implementing agencies, kept outside Government accounts, in bank accounts, is not ascertainable.

As compared to the previous year, the increase in transfer of funds (₹ 345.26 crore) was mainly under a) the State Water and Sanitation Mission for the Accelerated Rural Water Supply Scheme (₹ 409.44 crore i.e. 53 per cent), b) DRDAs (₹ 545.14 crore i.e. 23 per cent) for the Integrated Watershed Management Programme and the National Rural Employment Guarantee Scheme. In respect of Gramin Bhandar Yojana/ Rural Godowns no funds were provided during 2011-12, however, during 2012-13 ₹ 237 crore was provided.

<sup>3</sup> State implementing agencies include any organisation/institutions including non-governmental organisations which are authorized by the State Government to receive funds from the GoI for implementing specific programmes in the State, e.g. Sarva Shiksha Abhiyan, National Rural Health Mission etc.



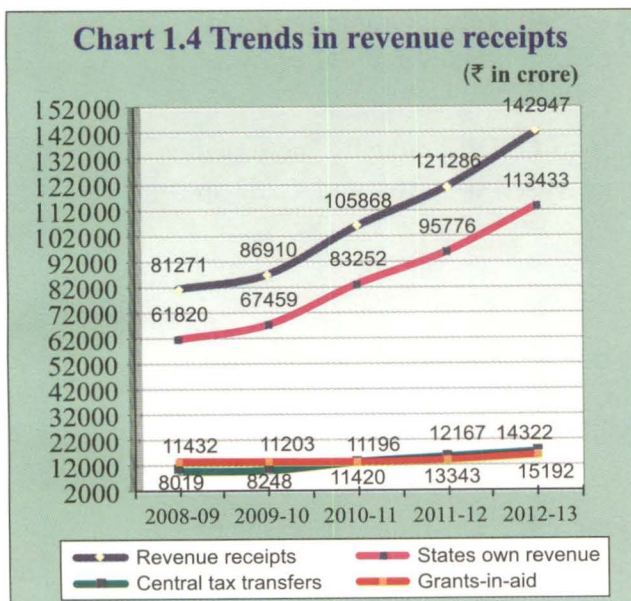
The transfer of funds decreased mainly under the Pradhan Mantri Gram Sadak Yojana (nil during 2012-13 and ₹ 796 crore in 2011-12).

Direct transfer of funds from GoI to the State implementing agencies ran the risk of improper utilisation of funds by these agencies. Unless uniform accounting practices are followed by all these agencies, with proper documentation and timely reporting of expenditure, it would be difficult to monitor the end use of these direct transfers.

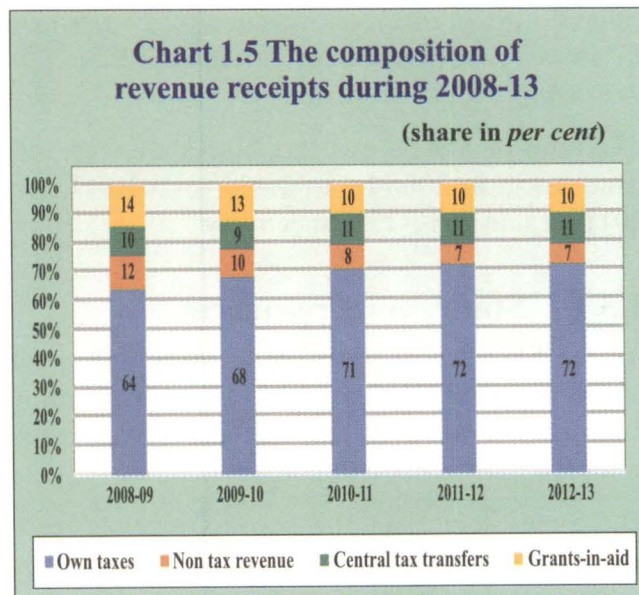
### 1.3 Revenue receipts

**Statement 11** of the Finance Accounts details the revenue receipts of the Government. These consist of the State’s own tax and non-tax revenues, Central tax transfers and grants-in-aid from GoI. The trends of revenue receipts over the period 2008-13 are presented in **Chart 1.4** and also in **Appendix 1.5**.

The composition of revenue receipts over the period 2008-13 are presented in **Chart 1.5**.



(Source: Finance Accounts of the respective years)



(Source: Finance Accounts of the respective years)

The revenue receipts have shown a progressive increase over the period 2008-13. As shown in **Chart 1.5**, there was an increasing trend in the share of the State’s own taxes during the period 2008-13. The shares of non-tax revenue showed a declining trend during 2008-13 while the share of Central transfers was relatively stable during 2010-13. The share of grants-in-aid decreased during 2008-10 but remained stable during 2010-13.

During 2003-04 to 2011-12, the compound growth rate of revenue receipts (17.07 per cent) was less than the growth rate of General Category States (17.48 per cent). This growth rate for the period 2003-04 to 2012-13 increased to 17.16 per cent (**Appendix 1.1**).

Revenue receipts at ₹ 1,42,947 crore were 105.98 per cent of the assessments made by the State Government in its FCP (₹ 1,34,869 crore) and 104.56 per cent in the MTFPS (₹ 1,36,711 crore) for the year 2012-13.

The trends in revenue receipts relative to GSDP at current prices are presented in **Table 1.5**.

**Table 1.5: Trends in revenue receipts relative to GSDP**

	2008-09	2009-10	2010-11	2011-12	2012-13
<b>I Revenue Receipts (₹ in crore)</b>	<b>81271</b>	<b>86910</b>	<b>105868</b>	<b>121286</b>	<b>142947</b>
Rate of growth <sup>4</sup> of RR ( <i>per cent</i> )	2.12	6.94	21.81	14.56	17.86
RR/GSDP ( <i>per cent</i> )	11.7	9.6	9.9	10.1	10.4
<b>Buoyancy Ratios<sup>5</sup></b>					
Revenue Receipts Buoyancy w.r.t. GSDP	0.122	0.229	1.176	1.186	1.238
State's own taxes Buoyancy w.r.t. GSDP	0.550	0.452	1.454	1.366	1.253
<b>Gross State Domestic Product (₹ in crore)</b>	<b>692749<sup>@</sup></b>	<b>901330<sup>@</sup></b>	<b>1068327<sup>@</sup></b>	<b>1199548<sup>@</sup></b>	<b>1372644<sup>#</sup></b>
Revenue Receipts Buoyancy w.r.t. State's own taxes	0.224	0.510	0.810	0.868	0.988

Source: Finance Accounts and Economic Survey of Maharashtra (Preliminary Estimates)

<sup>@</sup> Based on Economic Survey of Maharashtra

<sup>#</sup> Advance estimates furnished by Directorate of Economics and Statistics, Government of Maharashtra

The increase in revenue receipts during 2012-13 (17.86 *per cent*) as compared to previous year was due to the net effect of increase in non-tax revenue by 22 *per cent* (₹ 1,817 crore), tax revenue by 18 *per cent* (₹ 15,840 crore), Grants from GoI by 18 *per cent* (₹ 2,156 crore) and the State's share of Union taxes and duties by 14 *per cent* (₹ 1,849 crore).

The ratio of State's own tax buoyancy with reference to GSDP gradually increased from 0.550 in 2008-09 to 1.454 in 2010-11 but, it decreased to 1.366 and 1.253 in 2011-12 and 2012-13 respectively.

### 1.3.1 State's own resources

As the State's share in Central taxes and grants-in-aid is determined on the basis of recommendations of the Finance Commission, the State's performance in mobilization of additional resources was assessed in terms of its own resources comprising own tax and non-tax sources.

The States actual tax and non-tax receipts for the year 2012-13 *vis-à-vis* assessment made by the ThFC and the MTFP (latest) are given in **Table 1.6**.

**Table 1.6: Actual tax and non-tax receipts**

	ThFC projections	Budget estimates	MTFP projection	Actual
Tax revenue	92678	93295	93295	103449
Non tax revenue	12822	10886	10886	9984

(₹ in crore)

Source: Finance Accounts/ThFC/Budget/MTFPS

**Table 1.6** shows that the actual realisation of tax revenue during the year was higher than the normative assessment of ThFC as well as projections made in the budget and MTFPS. The non-tax revenue of the Government was lower than the normative assessment of the ThFC (22 *per cent*), Budget/MTFPS projections (eight *per cent*).

<sup>4</sup> see Glossary at page 166

<sup>5</sup> Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For instance, revenue buoyancy at 0.9 implies that revenue receipts tend to increase by 0.9 percentage points, if the GSDP increases by one *per cent* (also see Glossary at page 166)

### 1.3.1.1 Tax revenue

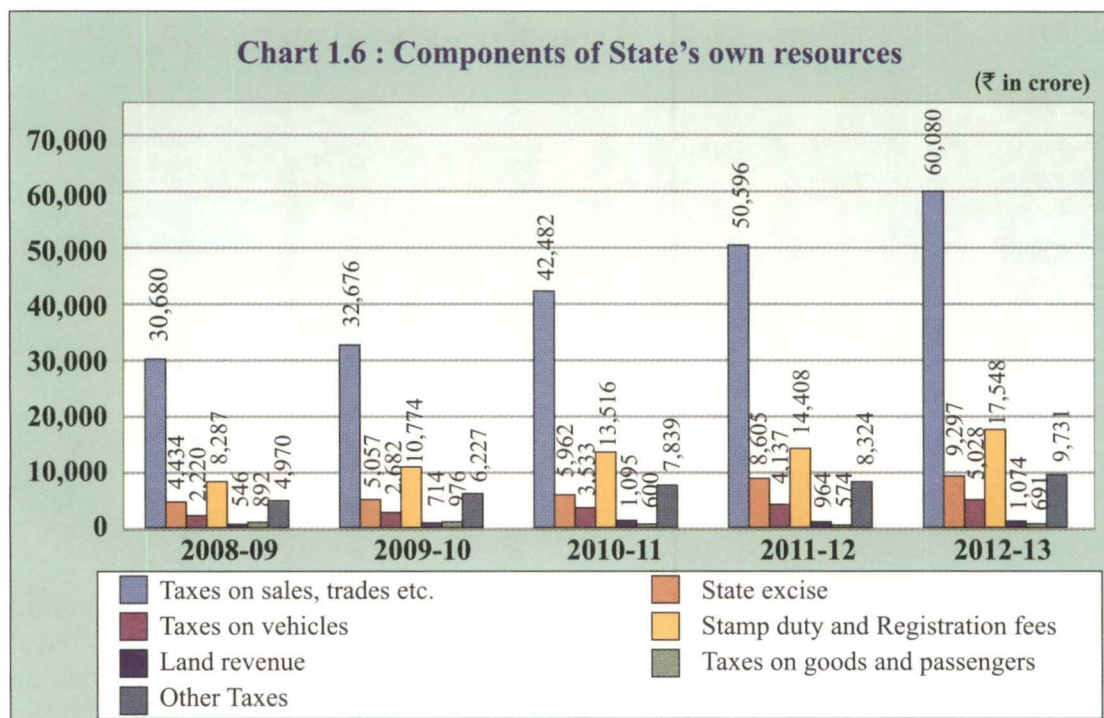
The gross collection in respect of major taxes and duties are given in **Table 1.7**.

**Table 1.7: Components of State's own resources**

(₹ in crore)

Revenue Head	2008-09	2009-10	2010-11	2011-12	2012-13	Percentage increase in 2012-13 over previous year
Taxes on sales, trades etc.	30680	32676	42482	50596	60080	19
Stamp duty and Registration fees	8287	10774	13516	14408	17548	22
State excise	4434	5057	5962	8605	9297	8
Taxes on vehicles	2220	2682	3533	4137	5028	22
Land revenue	546	714	1095	964	1074	11
Taxes on goods and passengers	892	976	600	574	691	20
Other taxes <sup>6</sup>	4970	6227	7839	8324	9731	17
<b>Total</b>	<b>52029</b>	<b>59106</b>	<b>75027</b>	<b>87608</b>	<b>103449</b>	<b>18</b>

Source: Finance Accounts of the respective years



(Source: Finance Accounts of the respective years)

The tax revenue increased by ₹ 15,841 crore (18 per cent) over the previous year. The increase over the previous year was mainly under (a) taxes on Sales, Trades, etc. by ₹ 9,484 crore (19 per cent) due to more tax collection under 'Value Added Tax', (b) stamps and registration fees by ₹ 3,140 crore (22 per cent) due to more collection of Stamp duty and Registration fees, (c) taxes on vehicles by ₹ 890 crore (22 per cent) due to more tax collection under 'State Motor Vehicles Taxation Act'

<sup>6</sup> Other taxes include taxes on professions, trades, callings and employment and taxes and duties on electricity

and (d) state excise by ₹ 692 crore (eight per cent) due to receipt of more excise duty on wines and spirits.

During 2003-04 to 2011-12, the compound growth rate of tax revenue (16.88 per cent) was less than the growth rate of General Category States (17.44 per cent). This growth rate for the period 2003-04 to 2012-13 increased to 17.01 per cent (Appendix 1.1).

The tax revenue as a percentage of GSDP (7.54 per cent) was less than the normative assessment of ThFC (8.54 per cent) and marginally higher than the FCP (7.08 per cent), MTFPS (6.95 per cent).

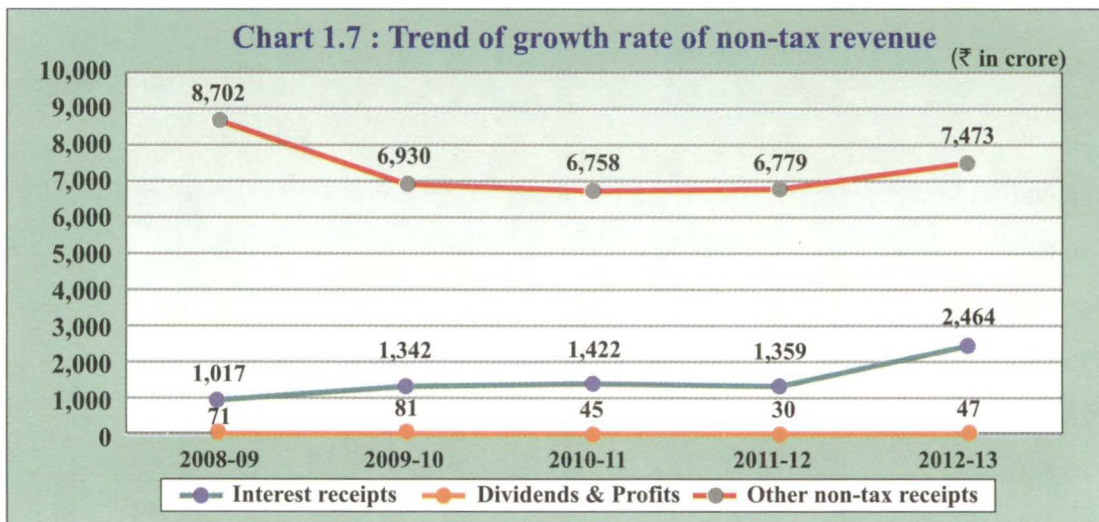
### 1.3.1.2 Non-tax revenue

Growth rate of non-tax revenue is shown in Table 1.8

Table 1. 8 Growth rate of non-tax revenue

Revenue Head	2008-09	2009-10	2010-11	2011-12	2012-13	Percentage increase in 2012-13 over previous year
	(₹ in crore)					
Interest Receipts	1017	1342	1422	1359	2464	81
Dividends and Profits	71	81	45	30	47	57
Other non-tax receipts	8702	6930	6758	6779	7473	10
<b>Total</b>	<b>9790</b>	<b>8353</b>	<b>8225</b>	<b>8168</b>	<b>9984</b>	<b>22</b>

Source: Finance Accounts of the respective years



(Source: Finance Accounts of the respective years)

The non-tax revenue of the State increased by 22 per cent (₹ 1,816 crore) from ₹ 8,168 crore in 2011-12 to ₹ 9,984 crore in 2012-13, mainly under Interest Receipts (₹ 1,105 crore) due to more receipts under ‘interest realised on Investments of Cash Balances’ and under ‘Other Receipts’ of Social Security and Welfare Programme (₹ 307 crore), Urban Development (₹ 174 crore) and under Education, Sports, Arts and Culture (₹ 132 crore).

During 2003-04 to 2011-12, the compound growth rate of non-tax revenue (10.98 per cent) was less than the growth rate of General Category States (12.64 per cent). This growth rate for the period 2003-04 to 2012-13 further decreased to 12.18 per cent (Appendix 1.1).

### 1.3.2 Grants-in-aid from Government of India

The grants-in-aid from GoI increased by 18 per cent from ₹ 12,167 crore in 2011-12 to ₹ 14,322 crore in 2012-13. The increase was mainly under Non-Plan grants (171

per cent) and grants under Central Plan Schemes (74 per cent), while the grants for State Plan Schemes and Centrally Sponsored Plan Schemes decreased by 12 per cent and two per cent respectively in 2012-13 as given in Table 1.9. The trend of total grants from GoI as a percentage of Revenue Receipts is continuously decreasing. This shows State is less dependent on Centre.

Table 1.9: Grants-in-aid from Government of India

(₹ in crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
Non-Plan grants	2832	3707	2304	1723	4676
Grants for State Plan Schemes	6683	5396	5805	6380	5630
Grants for Central Plan Schemes	139	87	245	65	113
Grants for Centrally Sponsored Plan Schemes	1778	2013	2842	3999	3903
Grants for Special Plan Schemes	-	-	-	-	-
<b>Total</b>	<b>11432</b>	<b>11203</b>	<b>11196</b>	<b>12167</b>	<b>14322</b>
Percentage of increase/decrease over previous year	52.22	(-) 2.0	(-) 0.06	8.67	17.71
Total grants as a percentage of Revenue Receipts	14.07	12.89	10.58	10.03	10.02

Source: Finance Accounts of the respective years

The increases under Non-Plan grants (₹ 2,953 crore) were mainly under (a) Grants towards contribution to the State Disaster Response Fund (₹ 2,042 crore) and (b) Grants from Central Road Fund (₹ 235 crore). The increase under Central Plan Schemes (₹ 48 crore) were mainly under Welfare of Scheduled Castes, Scheduled Tribes and other Backward Classes (₹ 45 crore) and under Animal Husbandry (₹ 20 crore), set off by decrease under Urban Development (₹ 15 crore) and under Crop Husbandry (₹ two crore).

The overall decrease under grants for Centrally Sponsored Plan Schemes (₹ 96 crore) was mainly due to decrease under (a) Nutrition (₹ 458 crore), (b) Welfare of Scheduled Castes, Scheduled Tribes and other Backward Classes Backward Classes (₹ 143 crore) and (c) Crop Husbandry (₹ 123 crore), set off by increase under (i) Social Securities and Welfare (₹ 335 crore), (ii) Technical Education (₹ 228 crore) and (iii) Family Welfare (₹ 59 crore). The overall decrease under grants for the State Plan Schemes (₹ 750 crore) was mainly due to decrease under Jawahar Lal Nehru Urban Renewal Mission grants (₹ 534 crore), Accelerated Irrigation Benefits Programme and other Water related Schemes (₹ 279 crore), grants under proviso to Article 275(1) of the Constitution (₹ 236 crore) and Additional Central Assistance for other Projects (₹ 92 crore), set off by increase under National Social Assistance Programme Annapurna (₹ 250 crore) and other grants (₹ 176 crore).

### 1.3.3 Debt waiver under the debt consolidation and relief facilities

The ThFC had framed a Scheme of debt relief of central loans named the Debt consolidation and relief facilities based on the fiscal performance of the State linked to the reduction of deficits in the States. On this account, an interest relief of ₹ 573.28 crore on account of reset of interest rate of National Small Savings Fund (NSSF) loan for the period from 2010-11 to 2012-13 has been received by the State Government from GoI during 2012-13. Earlier, State had received a debt write-off of ₹ 170.23 crore during 2011-12.

### 1.3.4 Central tax transfers

Central tax transfers increased by 14 *per cent* from ₹ 13,343 crore in 2011-12 to ₹ 15,192 crore in 2012-13. The increase was mainly under service tax (₹ 630 crore), taxes on income other than corporation tax (₹ 607 crore), Union Excise Duties (₹ 223 crore) and Corporation Tax (₹ 221 crore).

### 1.3.5 Optimisation of the Thirteenth Finance Commission grants

The Thirteenth Finance Commission (ThFC) was constituted by the President of India under Article 280 of the Constitution on 13 November 2007 to give recommendations on specified aspects of Centre-State fiscal relations during 2010-15 (award period). The ThFC, as per the terms of reference, has three constitutionally mandated tasks namely, the distribution of net revenues from the divisible pool of taxes, grants-in-aid to the needy States and measures for supplementing the States' resources for devolution to local bodies.

Audit of records pertaining to the grants given by the GoI on the recommendations of the ThFC was conducted (May to August 2013) in the Finance Department (FD), Rural Development Department (RDD), Urban Development Department (UDD), Director of Municipal Administration (DMA), Revenue and Forest Department (RFD), School Education Department, Planning Department, General Administration Department and Directorate of Accounts and Treasuries.

The State Government had formed a High Level Monitoring Committee (HLMC) headed by the Chief Secretary to monitor the release and utilization of ThFC grants and adherence to the guidelines of the ThFC.

The various purposes and the details of grants released, disbursed and utilized as per utilization certificates (UC) furnished by the GoM are given in **Table 1.10**.

**Table 1.10: The details of grants released, disbursed and utilized**

(₹ in crore)

Sr. No	Purpose for which grant is released	2010-13			
		Amount to be released by GoI as per recommendation of the ThFC	Actual Release	Shortfall in release of grants	Amount for which UCs submitted
1 a	Local Bodies (PRI)	2514.24	2711.70 <sup>7</sup>	3.90	1056.58
1 b	Local Bodies (ULB)	1432.53	1522.46 <sup>8</sup>	130.84	691.05
2	Disaster Relief	1061.68	873.66	188.02	873.66
3	Improving outcome grants	564.53	354.62 <sup>9</sup>	342.99	41.22
4	Environment Related Grants	338.80	338.80	0	336.74
5	Elementary Education	420.00	420.00	0	420.00
6	Roads and Bridges	974.00	974.00	0	311.07
7	State Specific Grants	617.50	515.97	101.53	199.59
<b>GRAND TOTAL</b>		<b>7923.28</b>	<b>7711.21</b>	<b>767.28</b>	<b>3929.91</b>

Source: Information received from Finance and Other Departments

<sup>7</sup> In RDD, though the overall grants released by the GoI was more than that recommended by the ThFC by ₹ 201.36 crore, there was a short release of ₹ 3.90 crore under Special area performance grant to PRIs (**Appendix 1.15**)

<sup>8</sup> In UDD, grants released by the GoI was more than that recommended by the ThFC by ₹ 220.77 crore due to receipt of forfeited grant. The second installment of Performance grant of ₹ 130.84 crore was not received (**Appendix 1.15**)

<sup>9</sup> For reduction in Infant Mortality Rate, though there is no recommended amount the State Government received ₹ 133.08 crore (**Appendix 1.14**)

As of March 2013, the State Government received financial assistance of ₹ 7,711.21 crore against the recommended amount of ₹ 7,923.28 crore. The grant-wise details are indicated in **Appendix 1.14**.

Audit observed that in respect of nine grants, the amount received by the GoM was less than that recommended by the ThFC till 2013 by ₹ 767.28 crore. The grant-wise short receipts and the reasons for short receipts are given in **Appendix 1.15**.

### 1.3.5.1 Grants to local bodies

#### Details governing release of grants

As per GoI guidelines (September 2010), percentage of previous year's divisible pool of taxes of Central Government was recommended as grants-in-aid to local bodies to be distributed in two tranches. These grants are untied to expenditure conditions and should be transferred electronically to local bodies within five days. In case of delay the said installment should be released along with interest at the rates prescribed by the Reserve Bank of India (RBI).

The grant comprises of two components *i.e.* a basic grant component (from 2010-11) and a performance based component (from 2011-12). If the specified conditions are not fulfilled by the State in a particular fiscal year, the entitlement for the performance grant would be forfeited for that State and would be distributed among the performing States as 'Forfeited Grant'. For implementation of various projects these grants are disbursed by RDD to PRIs and by UDD to ULBs through DMA which is the nodal agency.

Of the total grant released during 2010-13 (₹ 2,711.70 crore) to PRIs, the actual utilization by PRIs during the year 2010-11 and 2011-12 were only 89 *per cent* and 60 *per cent* respectively.

### 1.3.5.2 Violation of guidelines

#### (i) Discrepancy in the pattern of release of grants by UDD

A uniform pattern was not followed by the UDD while transferring funds to the DMA. Of the total 11 releases for the period 2010-2013, six releases were transferred electronically and five releases (₹ 680.93 crore) were transferred by drawing cheques in favour of the DMA. This resulted in delay of 20 to 35 days in further disbursement of grants to the implementing agencies thus, violating GoI's guidelines for release of grant within five days.

#### (ii) Retention of grants by the nodal agency

The UDD while releasing the grants, instructed (October 2010) the DMA to retain a portion (3.7 *per cent* of the total releases of three years) of the grant in order to meet any special requirement of Municipal Councils. The retention of grants with the nodal agency violated the GoI guidelines which stipulated release of ThFC grants within five days. As per UDD's instructions, DMA retained an amount of ₹ 55.79 crore (2010-13). Subsequently, an amount of ₹ 10.27 crore was released as detailed in **Appendix 1.16**. The balance amount of ₹ 45.52 crore was kept in fixed deposits.

#### (iii) Submission of utilization certificates

Of the total grant released (₹ 1,522.46 crore) during the period 2010-13, ULBs submitted UCs for ₹ 691.05 crore only. UCs for the basic grant received during

2010-11 was submitted only in March 2013. UCs for the performance/forfeited grant for 2011-12 was submitted in February 2013. Delay in submission of UCs resulted in receipt of the first instalment of general performance grant (2012-13) in March 2013 instead of September 2012 and non-release of the second instalment for 2012-13.

### **(iv) Irregular purchase of biometric attendance machines**

As per the guidelines issued (August 2010) by RDD, a biometric attendance system should be implemented for the staff members of PRIs at all levels. In violation of these guidelines, instead of installing the biometric attendance machines in the offices of the Panchayat Samitis, the Block Development Officer, Mudkhed, District, Nanded purchased 153 machines at a total cost of ₹ 53.70 lakh for installation in 79 primary schools under their jurisdiction.

### **(v) Diversion of the ThFC grants**

RDD guidelines stipulate that any mitigation and construction activities should be kept out of the Schemes funded through the ThFC grant. During the scrutiny of records maintained by the Chief Accounts and Finance Officers (CAFO), Buldhana and Aurangabad, it was noticed that the Department diverted the ThFC grants for construction of wall of primary schools in Buldhana district (₹ 0.20 crore) and work of water pipeline at Malegaon, Aurangabad district (₹ 0.06 crore). This resulted in diversion of the ThFC grant to the extent of ₹ 0.26 crore. The CAFO, Buldhana and Aurangabad stated (July 2013) that such diversion would be avoided in future.

### **(vi) Utilisation of funds in subsequent year without revalidation**

A grant of ₹ 154.80 crore was released by GoI during 2010-13 for forests in order to manage ecology, environment and climate change consistent with sustainable development with an emphasis on the preparation of working plans and utilisation of grants in the same year of release. Of this grant, ₹ 2.43 crore was disbursed (2010-12) to Forest Development Corporation Limited (FDCL). FDCL utilized ₹ 0.8 crore during 2010-11 and 2011-12. The balance amount of ₹ 1.63 crore was revalidated till 2011-12. Revalidation to utilize the unspent amount was not taken up after 2011-12. However, an amount of ₹ 1.18 crore (out of ₹ 1.63 crore) was utilised during 2012-13 which was contrary to the grant release order. Further, the unspent balance of ₹ 0.45 crore was neither surrendered nor reflected in the UC submitted to GoI for the year 2012-13 but lying with FDCL *i.e.* outside the Government Accounts.

## **1.3.5.3 Improving outcome grants**

### **(i) Delay in finalization of implementing Department**

To support and promote innovations for increasing the efficiency of already existing capital assets, a grant of ₹ 35 crore (2011-15) was allocated to Maharashtra as 'District Innovation fund' (DIF), as per GoI guidelines issued in March 2011 to be released in two instalments. The FD took one year to finalize the implementing Department for allocating this fund and eventually the Planning Department was entrusted with the execution of the Scheme (March 2012). The action plan as per guidelines was submitted by the Planning Department in December 2012 and it was submitted to GoI in March 2013. The first instalment of ₹ 17.50 crore was released only in April 2013. Delay in finalization of the implementing Department resulted in delay in release of first installment.



**(ii) Delay in submission of action plan report**

GoI apportioned ₹ 35 crore (2011-15) to be released in five instalments annually for Improvement of Statistical System at the State and District levels. Due to late submission of HLMC approved Action Plan Report (February 2012) against the target date of May 2011, the Planning Department received the first instalment of ₹ seven crore for the year 2011-12 only in March 2012. The grant was surrendered due to its receipt at the end of the year and the same was revalidated (July 2012).

Out of ₹ seven crore, the Planning Department released ₹ 4.20 crore to Directorate of Economics and Statistics (DES) in August 2012. As per UC submitted in May 2013, only ₹ 0.02 crore was utilised, resulting in surrender of ₹ 6.98 crore (March 2013) due to slow progress of work. Even the milestones for the first instalment *i.e.* Development of Business Register and Net Connectivity at DES Headquarter and district offices were not achieved. As a result, the second and third instalments totaling ₹ 14 crore was not released by GoI.

**(iii) Absence of guidelines and budget provisions**

- GoI allocated incentive grant to the State Government to be disbursed to the people below poverty line (BPL) upon successful registration of Aadhar Card/ Unique Identification (UID). The enrolment to UID/Aadhar in Maharashtra is being done by Director, Information and Technology. The first tranche of ₹ 31.74 crore released (July 2010), remained unutilised and kept in the State SETU Society<sup>10</sup> Account with Bank of India since 18th March 2011. It was stated by the Director, Information and Technology (June 2013) that the amount was unutilized due to non-receipt of clear guidelines regarding BPL from GoI. Further, during 2011-12, the State Government released an amount of ₹ 1.20 crore (April and May 2011) in anticipation of receipt of grant from GoI and the same was also kept in the State SETU Society Account without any utilisation.
- As per the Sample Registration System of Registrar General of India, Infant Mortality Rate in Maharashtra has improved from 34 per 1000 live births in 2007 to 25 per 1000 live births in 2011. On the basis of Sample Registration System data collected annually, the incentive grant of ₹ 133.08 crore for 2012-13 was released by GoI in December 2012 but was lying unutilized. No budget provision was made by the Public Health Department, as guidelines for utilisation of Improving outcome grant for infant mortality was awaited from GoI.

**1.3.5.4 State specific grants**

- Recognising the State specific issues and local needs, GoI released State Specific Grants amounting to ₹ 515.97 crore to Maharashtra during 2010-13 and UCs have been submitted for only ₹ 199.59 crore.
- Grant of ₹ 150 crore was released by GoI in two instalments of ₹ 75 crore each in the year 2011-12 and 2012-13 for construction of anganwadis. The State Government released ₹ 123.25 crore of which, ₹ 120.59 crore was spent and ₹ 29.41 crore was lying unutilised (March 2013) as indicated in **Table 1.11**.

<sup>10</sup> State SETU Society is a registered apex body at the State level chaired by Chief Secretary to guide and monitor the district level bodies

Table 1.11: Details of ThFC grants for construction of Anganwadis

(₹ in crore)

Year	Release		Expenditure	Unutilised amount
	by GoI	by State Government		
2011-12	75	63.25	60.59	14.41
2012-13	75	60	60	15
<b>Total</b>	<b>150</b>	<b>123.25</b>	<b>120.59</b>	<b>29.41</b>

- Grant of ₹ 205 crore (2011-2015) was allocated to the State for taking up 110 anti-sea erosion bund works in six districts of which, only ₹ 102.50 crore was released in two instalments (December 2011 and March 2013). The entire amount was handed over to Maharashtra Maritime Board, the implementing agency, for undertaking 36 works in 2011-12 and 28 works in 2012-13. Of the 64 anti-sea erosion bund works, only eight were completed, 31 were in progress and 25 were yet to be taken up and ₹ 23.52 crore was lying unutilised in Fixed Deposits.
- A grant of ₹ 100 crore was released in two instalments during 2011-12 and 2012-13 for 'Development of roads in hilly areas'. Of the grant released during 2011-12, UCs for ₹ 36.26 crore were submitted to GoI. The UCs for the year 2012-13 were not submitted (December 2013).
- For enhancing Police training facilities through upgradation of various Police training schools in the State, GoI released ₹ 111.50 crore in two instalments during 2011-12 and 2012-13. Of the grant released during 2011-12, an amount of ₹ 41.93 crore was handed over by the Home Department to Maharashtra State Police Housing and Welfare Corporation Ltd, ₹ 6.31 crore to PWD/MJP and ₹ 7.51 crore to Director General of Police (DGP), Mumbai. Though UC submitted (October 2012) to GoI showed only ₹ 7.09 crore as unutilised, actual amount lying unutilized with the Maharashtra State Police Housing and Welfare Corporation Ltd and PWD/MJP was ₹ 35.66 crore and ₹ 4.21 crore respectively. Thus, the unutilized amount was understated by ₹ 39.87 crore.
- Against the grant of ₹ 15.22 crore released by GoI in December 2011, Home Department earmarked ₹ 7.64 crore for 'Upgradation of prisons' and ₹ 7.58 crore for 'Improving the security in prisons'. During 2012-13, UCs for the year 2011-12 was submitted to GoI for a total amount of ₹ 2.83 crore. Though UC for ₹ 9.18 crore (March 2013) was submitted by the Home Department, the same was not forwarded to GoI on the grounds that expenditure incurred was not approved by HLMC. The FD accepted the same and stated that the matter would be taken up during the next meeting of HLMC.

## 1.4 Capital receipts

Table 1.12: Trends in growth and composition of receipts

(₹ in crore)

Sources of State's Receipts	2008-09	2009-10	2010-11	2011-12	2012-13
Capital Receipts (CR)	21287.24	22104.33	21397.15	25467.13	22587.97
Miscellaneous Capital Receipts	18.01	25.07	17.28	455.83	0.00
Recovery of Loans and Advances	560.21	514.84	640.09	558.74	862.85
Public Debt Receipts	20709.02	21564.42	20739.78	24452.56	21725.12
Rate of growth of debt capital receipts	75	4	(-) 4	18	(-) 11
Rate of growth of non-debt capital receipts	(-) 21.07	(-) 6.63	21.76	54.34	(-) 14.95
Rate of growth of GSDP	17.22	30.11	18.53	12.28	14.43
Rate of growth of CR (per cent)	70	3.84	(-) 3.20	19.02	(-) 11.31

Source: Finance Accounts of the respective years

### 1.4.1 Proceeds from disinvestment:

During the year 2012-13, proceeds on account of disinvestment were nil.

### 1.4.2 Recoveries of loans and advances

Recovery of loans and advances increased from ₹ 559 crore to ₹ 863 crore during the current year, mainly on account of more recoveries from Loans for Co-operatives (₹ 76 crore)

### 1.4.3 Debt receipts from internal sources (market loans, borrowings from financial institutions, banks)

During 2012-13, the State Government raised open market loans of ₹ 17,500 crore at an average interest rate of 8.77 *per cent*. The Government also borrowed ₹ 3,866 crore from the National Small Savings Fund and other institutions and ₹ 751 crore from GoI during the year.

### 1.4.4 Loans and advances from GoI

During 2012-13, the State Government received ₹ 751 crore as Loans and Advances from Government of India. The increase during 2012-13 was ₹ 445 crore as compared to previous year. A time series data on Loans and Advances *vis-à-vis* public debt receipts is shown in **Table 1.13**.

**Table 1.13: Data on Loans and Advances vis-à-vis public debt receipts**

	(₹ in crore)				
	2008-09	2009-10	2010-11	2011-12	2012-13
Loans and Advances from Government of India	385.58	752.22	819.92	306.37	750.79
	(1.86)	(3.49)	(3.95)	(1.25)	(3.46)
Public Debt Receipts	20709.02	21564.42	20739.78	24452.56	21725.12

*Figures in parentheses indicate percentages to Public Debt receipts*  
 Source: Finance Accounts of the respective years

**Table 1.13** indicates that loans and advances from GoI is less than four *per cent* of public debt receipts. The percentage to public debt increased from 1.25 in 2011-12 to 3.46 in 2012-13.

## 1.5 Public accounts receipts

Receipts and disbursements in respect of certain transactions such as small savings, provident funds, reserve funds, deposits, suspense, remittances *etc.*, which do not form part of the Consolidated Fund, are kept in the Public Account set up under Article 266(2) of the Constitution and are not subject to vote by the State legislature. Here the Government acts as a banker. The balance after disbursements is the fund available with the Government for use.

**Table 1.14: Trends of Receipts under Public Account**

	(₹ in crore)				
Resources under various heads	2008-09	2009-10	2010-11	2011-12	2012-13
<b>Public Account Receipts</b>					
a. Small Savings, Provident Fund <i>etc.</i>	2219.81	3308.73	3882.03	4449.03	4759.89
b. Reserve Fund	2427.79	2559.11	3346.12	3052.51	4960.13
c. Deposits and Advances	11437.77	14150.16	21917.52	25544.27	26657.82
d. Suspense and Miscellaneous	3132.02	4165.71	(-) 992.59	(-) 1491.27	(-) 11307.73
e. Remittances	18138.83	19887.80	20253.20	21834.80	21989.52
<b>Total</b>	<b>37356.22</b>	<b>44071.51</b>	<b>48406.28</b>	<b>53389.34</b>	<b>47059.63</b>

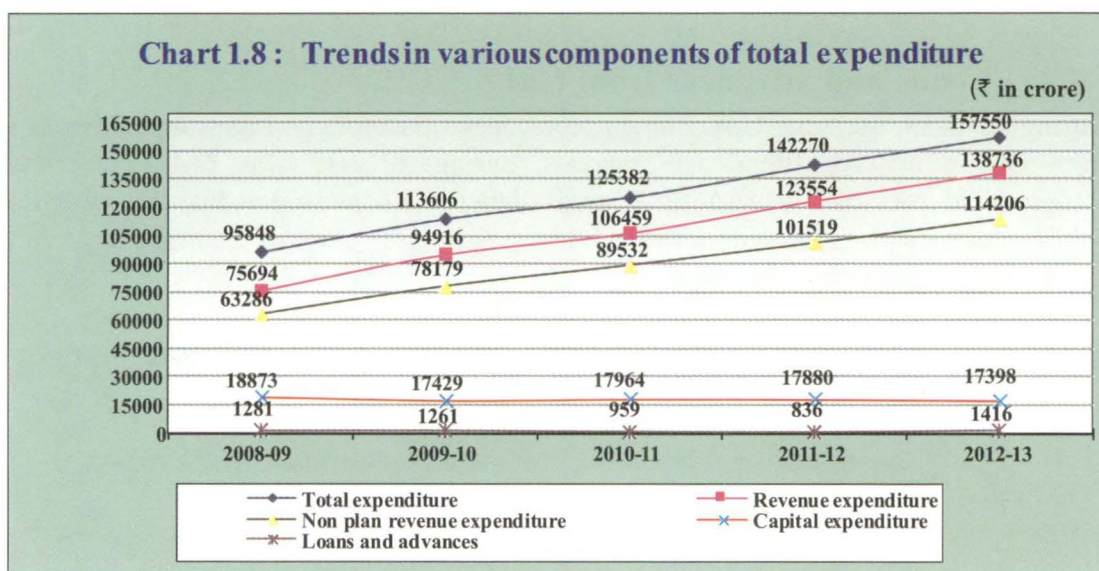
Source: Finance Accounts of the respective years

## 1.6 Application of resources

Analysis of the allocation of expenditure assumes significance since major expenditure responsibilities are entrusted with the State Government at various levels. Within the framework of fiscal responsibility legislations, there are budgetary constraints in raising public expenditure financed by deficit or borrowings. It is, therefore, important to ensure that the ongoing fiscal correction and consolidation process at the State level is not at the cost of expenditure especially directed towards development and social sector.

### 1.6.1 Growth and composition of expenditure

Chart 1.8 presents the trends in total expenditure over a period of the last five years (2008-13) and its composition both in terms of 'economic classification' and 'expenditure by activities' depicted in Charts 1.9 and 1.10 respectively.



(Source: Finance Accounts of the respective years)

#### Total expenditure

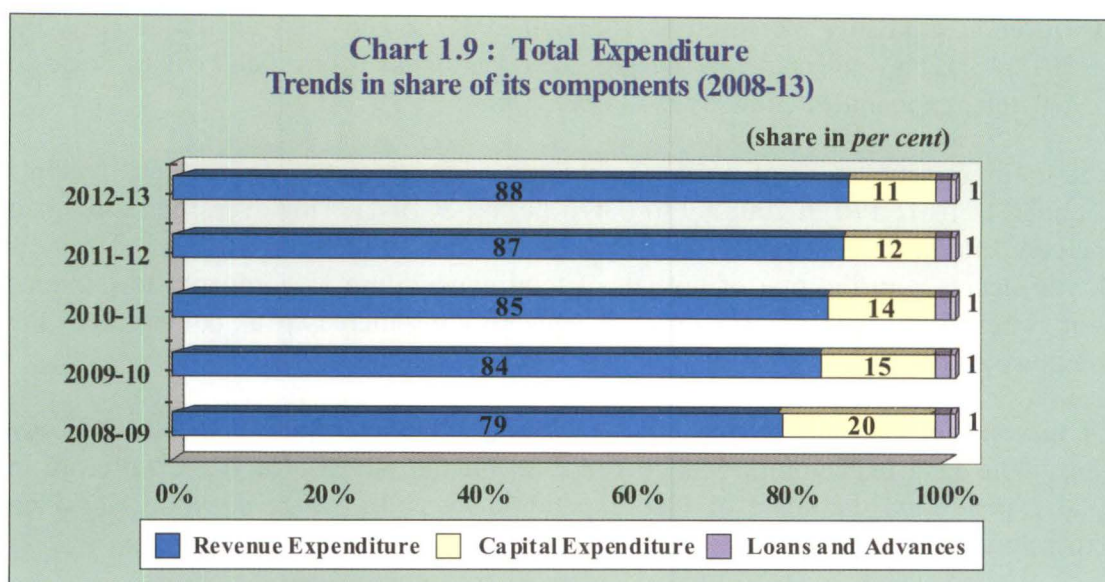
The total expenditure and its compositions during the years 2008-09 to 2012-13 are presented in the Table 1.15 and Chart 1.10.

Table 1.15: Total expenditure and its composition

	2008-09	2009-10	2010-11	2011-12	2012-13
<b>Total expenditure</b>	95848	113606	125382	142270	157550
<b>Revenue expenditure</b>	75694 (79)	94916 (84)	106459 (85)	123554 (87)	138736 (88)
<i>of which, Non-Plan Revenue expenditure</i>	63286	78179	89532	101519	114206
<b>Capital Expenditure</b>	18873 (20)	17429 (15)	17964 (14)	17880 (12)	17398 (11)
<b>Loans and Advances</b>	1281 (1)	1261 (1)	959 (1)	836 (1)	1416 (1)

Figure in parentheses indicate percentage to total expenditure

Source: Finance Accounts of the respective years



(Source: Finance Accounts of the respective years)

The total expenditure of the State increased at an average growth rate of 16 per cent from ₹ 95,848 crore in 2008-09 to ₹ 1,57,550 crore in 2012-13 but the percentage of capital expenditure to total expenditure decreased from 20 per cent in 2008-09 to 11 per cent in 2012-13. The total expenditure, its annual growth rate, the ratio of expenditure to the State GSDP and to revenue receipts and its buoyancy with respect to GSDP and revenue receipts are indicated in **Table 1.16**.

During 2003-04 to 2011-12, the compound growth rate of total expenditure (13.20 per cent) was less than the growth rate of General Category States (14.15 per cent). This growth rate further decreased to 12.94 per cent for the period 2003-04 to 2012-13 (**Appendix 1.1**).

**Table 1.16: Total expenditure – basic parameters**

	2008-09	2009-10	2010-11	2011-12	2012-13
Total expenditure (TE) (₹ in crore)	95848	113606	125382	142270	157550
Rate of growth of TE over previous year (per cent)	23.68	18.53	10.37	13.47	10.74
TE/GSDP ratio (per cent)	13.8	12.6	11.7	11.9	11.5
RR /TE ratio (per cent)	84.8	76.5	84.4	85.3	90.7
Buoyancy of Total expenditure with reference to:					
GSDP (ratio)	1.375	0.615	0.560	1.097	0.744
RR (ratio)	11.170	2.681	0.476	0.925	0.601

Source: Finance Accounts of the respective years

The increase of ₹ 15,280 crore (10.74 per cent) in total expenditure in 2012-13 over the previous year was mainly on account of an increase of ₹ 15,182 crore in revenue expenditure and of ₹ 580 crore in disbursement of loans and advances, set off by a decrease of ₹ 482 crore in capital expenditure.

The ratio of total expenditure to GSDP decreased from 13.8 per cent in 2008-09 to 11.5 per cent in 2012-13, mainly due to increase in the GSDP at a faster rate as compared to total expenditure. The ratio of revenue receipts to total expenditure increased from 84.8 per cent in 2008-09 to 90.7 per cent in 2012-13 which shows that 91 per cent of the total expenditure was met from revenue receipts.

The ratio of buoyancy of total expenditure with reference to GSDP decreased from 1.375 in 2008-09 to 0.615 in 2009-10 and further decreased to 0.560 in 2010-11.

However, it gradually increased to 1.097 in 2011-12 and then decreased to 0.744 in 2012-13. This indicated that during 2012-13 for each one *per cent* increase in GSDP, total expenditure grew by 0.744 *per cent*.

The ratio of buoyancy of total expenditure with reference to revenue receipts declined from 11.170 in 2008-09 to 0.476 during 2010-11. However, the ratio again increased to 0.925 during 2011-12 and then declined to 0.601 in 2012-13. This was due to decrease in the rate of growth of total expenditure as compared to previous year, whereas the rate of growth of revenue receipts increased as compared to the previous year.

Of the total expenditure during 2012-13, Non-Plan expenditure contributed 74 *per cent* while Plan expenditure was 26 *per cent*. Of the increase of ₹ 15,280 crore in total expenditure, the share of Plan expenditure was 16 *per cent*, while Non-Plan expenditure contributed 84 *per cent*.

During 2003-04 to 2011-12, the compound growth rate of capital expenditure (10.24 *per cent*) was lower than the growth rate of General Category States (16.83 *per cent*). This growth rate for the period 2003-04 to 2012-13, however, decreased to 8.72 *per cent* (**Appendix 1.1**).

### *Trends in total expenditure in terms of activities*

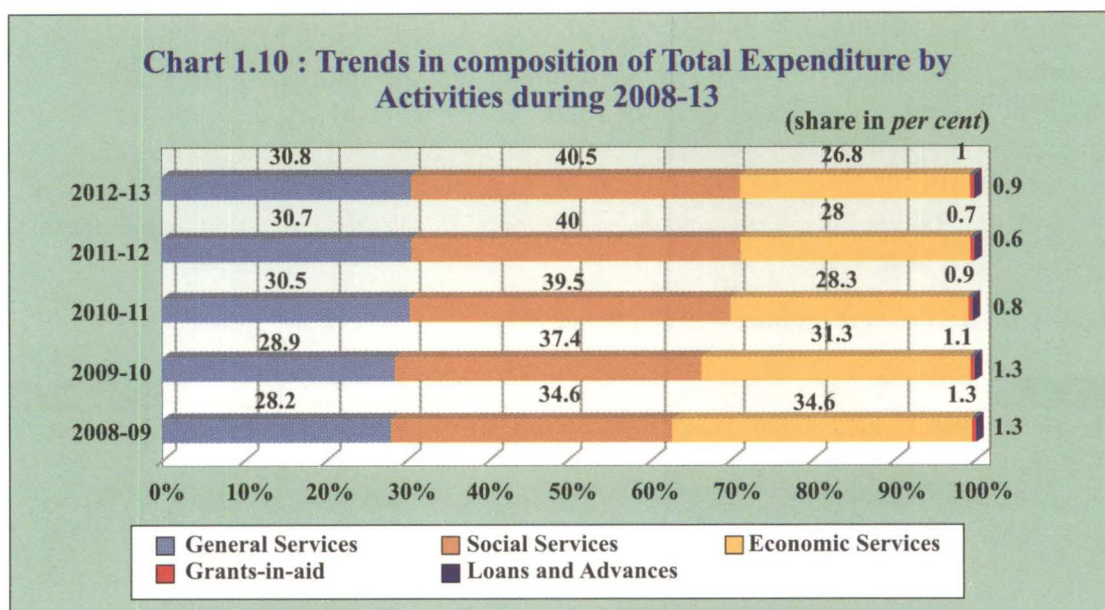
In terms of the activities, total expenditure could be considered as being composed of expenditure on General Services including interest payments, Social and Economic Services, grants-in-aid and loans and advances. Relative shares of these components in the total expenditure are indicated in **Table 1.17** and **Chart 1.10**.

**Table 1.17: Components of expenditure – relative shares**

(in *per cent*)

	2008-09	2009-10	2010-11	2011-12	2012-13
<b>General Services</b>	28.2	28.9	30.5	30.7	30.8
<i>of which, Interest Payments</i>	12.8	12.4	12.5	12.3	12.1
<b>Social Services</b>	34.6	37.4	39.5	40.0	40.5
<b>Economic Services</b>	34.6	31.3	28.3	28.0	26.8
<b>Grants-in-aid</b>	1.3	1.1	0.9	0.7	1.0
<b>Loans and Advances</b>	1.3	1.3	0.8	0.6	0.9

Source: Finance Accounts of the respective years



(Source: Finance Accounts)

The movement of the relative share of the above components of expenditure indicated that the share of General Services and Social Services in the total expenditure increased during 2012-13 over the previous year. These increases were set off by decrease in respective share of Economic Services.

The share of General Services in total expenditure increased mainly on account of increase in Interest Payments (₹ 1,571 crore), Police (₹ 1,117 crore), Pension and other Retirement Benefits (₹ 969 crore), Public Works (₹ 344 crore), and Taxes on Vehicles (₹ 214 crore), whereas the share of Social Services increased mainly due to General Education (₹ 3,706 crore), Social Welfare and Nutrition (₹ 1,313 crore), Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes (₹ 1,300 crore) and Health and Family Welfare (₹ 934 crore).

The decrease in the share of Economic Services was mainly due to decrease in Government's share capital contribution to Vidarbha Irrigation Development Corporation (₹ 201 crore).

The increase in grants-in-aid was mainly due to increase under the head 'Compensation and Assignment to Local Bodies and Panchayati Raj Institutions' (₹ 400 crore).

Though the share of Economic Services in total expenditure decreased, there was increase in expenditure on Economic Services (₹ 2,368 crore), mainly on Rural Development (₹ 1,809 crore).

### Revenue expenditure

Revenue expenditure constituted 88 per cent of the total expenditure (Chart 1.9). The increase in revenue expenditure was mainly on (a) General Education (₹ 3,706 crore), (b) Interest Payments (₹ 1,571 crore), (c) Welfare of Scheduled Caste, Scheduled Tribes and Other Backward Classes (₹ 1,300 crore), (d) Police (₹ 1,117 crore), (e) Rural Employment (₹ 1,089 crore), (f) Pension and other Retirement Benefits (₹ 969 crore), (g) Medical and Public Health (₹ 866 crore), (h) Relief on account of Natural Calamities (₹ 793 crore) and (i) Other Rural Development Programmes (₹ 789 crore).

**Incidence of revenue expenditure**

Revenue expenditure is incurred to maintain the current level of services and payment for past obligations and as such, does not result in any addition to the State's infrastructure and service network. The overall revenue expenditure, its rate of growth, the ratio of non-plan revenue expenditure to GSDP and to revenue receipts and buoyancy of revenue expenditure with GSDP and revenue receipts are indicated in **Table 1.18**.

**Table 1.18: Revenue expenditure – basic parameters**

	(₹ in crore)				
	2008-09	2009-10	2010-11	2011-12	2012-13
Revenue expenditure (RE), of which	75694	94916	106459	123554	138736
Non-Plan Revenue expenditure (NPRE)	63286	78179	89532	101519	114206
Plan Revenue expenditure (PRE)	12408	16737	16927	22035	24530
<b>Rate of Growth of</b>					
RE (per cent)	16.8	25.4	12.2	16.1	12.3
NPRE (per cent)	16.1	23.5	14.5	13.4	12.5
PRE (per cent)	20.8	34.9	1.1	30.2	11.3
Revenue Expenditure as percentage to TE	79.0	83.5	84.9	86.8	88.0
NPRE/GSDP (per cent)	9.1	8.7	8.4	8.1	8.3
NPRE as percentage of TE	66.0	68.8	71.4	71.4	72.5
NPRE as percentage of RR	77.9	90	84.6	83.7	79.9
<b>Buoyancy of Revenue expenditure with</b>					
GSDP (ratio)	0.976	0.844	0.658	0.955	0.852
Revenue Receipts (ratio)	8	3.681	0.560	1.106	0.689

Source: Finance Accounts of the respective years

The revenue expenditure increased by ₹ 15,182 crore (12.3 per cent) in 2012-13 over the previous year. The buoyancy ratio of revenue expenditure with reference to both GSDP and revenue receipts showed a fluctuating trend. The revenue expenditure was more (2.9 per cent) than the assessment made by the State Government in its FCP and Budget for the year 2012-13.

**Plan revenue expenditure**

The Plan Revenue Expenditure increased by ₹ 2,495 crore (11 per cent) in 2012-13 over the previous year, mainly due to increase in expenditure under Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes (₹ 1,039 crore) and Agriculture and Allied Activities (₹ 1,255 crore),

The State Government is entrusted with the execution of the Central Plan and Centrally Sponsored Schemes in the State, for which grants are released by the GoI. The State Government provides for the Central and State share in its Budget. During the year, Government of India released ₹ 9,637.54 crore towards Centrally Sponsored Schemes, Central Plan Schemes and Additional Central Assistance. The State Government's budget of 2012-13 provided for an expenditure of ₹ 8,838.24 crore (Central share: ₹ 6,615.22 crore and State share: ₹ 2,223.02 crore) against which, ₹ 8,525.77 crore was spent. Thus, if viewed in the context of total Central receipts (₹ 9,637.54 crore) and total expenditure incurred (₹ 8,525.77 crore), the revenue surplus of the State Government was overstated by ₹ 1,111.77 crore.

In 11 major Schemes (as listed in Annexure to Statement No.12 of the Finance Accounts 2012-13), of the ₹ 2,597 crore released by the GoI, the State Government released only ₹ 1,657 crore for the Schemes and the balance amount of ₹ 940 crore



was lying in the cash balance of the State Government and to that extent though the money was available, the intended beneficiaries were deprived of the benefits.

**Non-plan revenue expenditure**

The Non-Plan Revenue Expenditure (NPRE) in 2012-13 constituted a dominant share of 82 per cent in the revenue expenditure and increased by ₹ 12,687 crore (12 per cent) over the previous year. The variations in NPRE under the major heads indicate increase in expenditure under General Services (₹ 4,813 crore), Education, Sports, Art and Culture (₹ 4,012 crore) and Social Welfare and Nutrition (₹ 1,133 crore).

The NPRE as percentage of revenue receipts increased from 77.9 per cent in 2008-09 to 90 per cent in 2009-10 but reduced to 79.9 per cent in 2012-13, indicating that 79.9 per cent of the revenue receipts were used to meet the NPRE.

Table 1.19 provides the comparative position of NPRE with reference to assessments made by ThFC and the projections of the State Government.

Table 1.19: NPRE vis-à-vis assessment made by the ThFC, FCP and MTFPS

(₹ in crore)

Year	Assessments made by the ThFC	Projection in FCP	Projection in MTFPS/ Budget	Actuals
2011-12	73742	95542	95542	101519
2012-13	85884	109832	107755	114206

Source: Finance Accounts, Budget Documents and Report of the ThFC

The NPRE remained significantly higher than the normative assessments of the ThFC, the FCP and MTFPS/Budget projections during both the years 2011-12 and 2012-13.

**Subsidies**

Subsidies made during the years 2008-09 to 2012-13 are presented in the Table 1.20.

Table 1.20: Subsidies

(₹ in crore)

	2008-09	2009-10	2010-11	2011-12	2012-13	2012-13
					BE	Actuals
Subsidies	4308 (5)	8041 (9)	5485 (5)	9833 (8)	8798 (6)	9268 (6)
Total Revenue Expenditure	75694	94916	106459	123554	136559	138736
Revenue Receipts	81271	86910	105868	121286	136712	142947

Figures in parentheses indicate percentage to Revenue Receipts  
Source: Finance Accounts of the respective years

Table 1.20 indicates that expenditure under subsidies decreased by six per cent from ₹ 9,833 crore in 2011-12 to ₹ 9,268 crore in 2012-13. During the current year, subsidies constituted about six per cent of the total revenue expenditure. The major Schemes which received subsidy include subsidy to Distribution/Transmission Licences for reduction in Agriculture and Powerloom Tariff (51 per cent), subsidy to Medium and Large Industries under the Graded Package Scheme of Incentives (27 per cent), covering the deficit in Foodgrain Transactions (two per cent) and Transport (nine per cent).

The subsidies projected by the Government in the FCP and the actual expenditure during 2011-12 and 2012-13 are presented in **Table 1.21**.

**Table 1.21: Subsidies vis-à-vis FCP**

(₹ in crore)

	2011-12		2012-13	
	Projections in FCP	Actuals	Projections in FCP	Actuals
Power (Subsidy for reduction in Agriculture and Powerloom Tariff)	3000	5163	3240	4729
General/Others	4100	4670	4428	4539
<b>Total</b>	<b>7100</b>	<b>9833</b>	<b>7668</b>	<b>9268</b>

Source: Finance Accounts and Budget Document of the respective years

The subsidies given to 'Power' (Subsidy for reduction in Agriculture and Powerloom Tariff) and for other Schemes with reference to the projections made in the FCP of the State Government indicated (**Table 1.21**) that expenditure on subsidies decreased during 2012-13 as compared to previous year.

The State Government provided food subsidy of ₹ 280 crore in the State budget 2012-13 but the actual expenditure was ₹ 313 crore (against ₹ 326 crore in 2011-12). Similarly, for the Scheme 'Subsidy to Distribution/Transmission Licencees for reduction in Agriculture and Powerloom Tariff', the Government provided ₹ 3,240 crore in the FCP during 2012-13 but, actual expenditure incurred was ₹ 4,729 crore (against ₹ 5,163 crore in 2011-12). For the Scheme 'Subsidy to Medium and Large Industries under the Graded Package Scheme of Incentives' the Government provided ₹ 1,480 crore in the State budget during 2012-13 but, the actual expenditure incurred was ₹ 2,480 crore (against ₹ 2,366 crore in 2011-12).

### Capital expenditure

Capital expenditure constituted 11 *per cent* of the total expenditure (**Chart 1.9**). The decrease of ₹ 482 crore (three *per cent*) in capital expenditure during 2012-13 was mainly on account of decrease in Government's share capital contribution to the Vidarbha Irrigation Development Corporation (₹ 201 crore), Krishna Valley Development Corporation (₹ 416 crore), Maharashtra Jeevan Pradhikaran (₹ 210 crore), Tapi Irrigation Development Corporation (₹ 169 crore), Capital Outlay on Welfare of Schedule Castes (₹ 174 crore), Capital Outlay on Welfare of Schedule Tribes (₹ 105 crore).

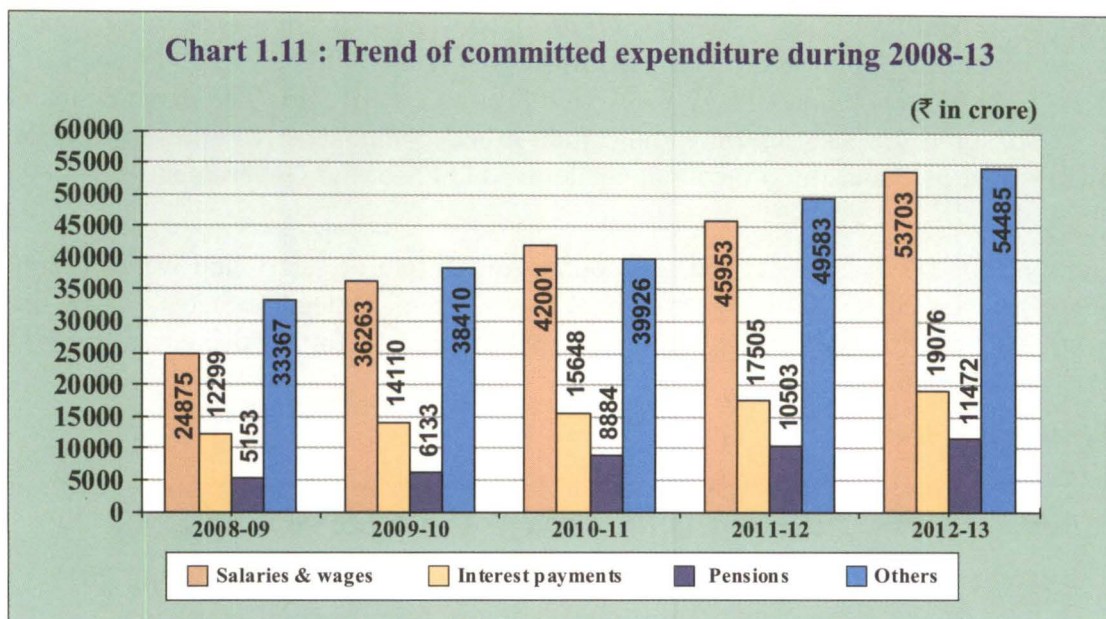
### Loans and advances

Loans and advances constituted one *per cent* of the total expenditure (**Chart 1.9**). The increase of ₹ 580 crore in disbursement of loans and advances during 2012-13 was mainly in loans for Other General Economic Services-Other Loans (₹ 379 crore) and Loans for Power Projects – Expenditure awaiting transfer to Other Heads/Departments (₹ 259 crore), set off by decrease under Loans for Urban Development *etc.* (₹ 77 crore).

## 1.6.2 Committed expenditure

The committed expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages and pensions. In spite of the recommendations of the Twelfth Finance Commission, the statement of committed liabilities is not included in the Finance Accounts due to non-receipt

of the complete information from the Government. Chart 1.11 and Table 1.22 present the trends in the expenditure on these components during 2008-13.



(Source: Finance Accounts of the respective years)

**Table 1.22: Components of committed expenditure**

(₹ in crore)

Components of Committed Expenditure	2008-09	2009-10	2010-11	2011-12	2012-13	2012-13
					BE	Actuals
Salaries and Wages	24875	36263	42001	45953	53484	53703 <sup>5</sup>
	(31)	(42)	(40)	(38)	(37)	(38)
of which	23627	34574	40917	42955		50165
Non-Plan Head	(29)	(40)	(39)	(35)		(35)
of which	1248	1689	1084	2998		3538
Plan Head**	(2)	(2)	(1)	(2)		(2)
Interest Payments	12299	14110	15648	17505	19035	19076
	(15)	(16)	(15)	(14)	(14)	(13)
Pensions	5153	6133	8884	10503	13393	11472
	(6)	(7)	(8)	(9)	(9)	(8)
<b>Total Committed expenditure</b>	<b>42327</b>	<b>56506</b>	<b>66533</b>	<b>73961</b>	<b>85912</b>	<b>84251</b>
	<b>(52)</b>	<b>(65)</b>	<b>(63)</b>	<b>(61)</b>	<b>(63)</b>	<b>(59)</b>
Other Components <sup>11</sup>	33367	38410	39926	49583	50647	54485
	(41)	(44)	(38)	(41)	(37)	(38)
<b>Total Revenue Expenditure</b>	<b>75694</b>	<b>94916</b>	<b>106459</b>	<b>123554</b>	<b>136559</b>	<b>138736</b>
<b>Revenue Receipts</b>	<b>81271</b>	<b>86910</b>	<b>105868</b>	<b>121286</b>	<b>136712</b>	<b>142947</b>

Figures in parentheses indicate percentage to Revenue Receipts

<sup>5</sup> Salaries: ₹ 51,928 crore (Finance Accounts) + Wages: ₹ 1,775 crore (Finance Accounts)

\*\* Plan Head also includes the salaries and wages paid under Centrally Sponsored Schemes

Note: Expenditure on Salaries and Wages included grants-in-aid component during 2008-09 (₹ 14,405 crore), 2009-10 (₹ 22,666 crore), 2010-11 (₹ 25,937 crore), 2011-12 (₹ 27,358 crore) and 2012-13 (₹ 32,870 crore)

Source: Finance Accounts of the respective years

<sup>11</sup> Revenue expenditure under General Services, Social Services, Economic Services and Grants-in-aid (excluding salary and wages, interest payments and pension payments)

**Salaries and wages**

The average annual growth in salaries and wages excluding the grant-in-aid component during 2008-13 was 24.74 per cent. The expenditure on salaries and wages (including grant-in-aid component) increased by ₹ 7,750 crore (17 per cent) from ₹ 45,953 crore in 2011-12 to ₹ 53,703 crore in 2012-13. The expenditure of ₹ 53,703 crore on salaries (including grant-in-aid component) was lower than the State's own FCP and the projections made in MTFPS of the Government (₹ 55,805 crore).

During 2003-04 to 2011-12, the compound growth rate of salary and wages (13.50 per cent) was lower than the growth rate of General Category States (14.18 per cent). This growth rate for the period 2003-04 to 2012-13 further decreased to 13.33 per cent (Appendix 1.1).

**Pension payments**

The expenditure on pension payments had increased at an average annual growth of 31 per cent from ₹ 5,153 crore in 2008-09 to ₹ 11,472 crore in 2012-13.

The increase in pension payments of ₹ 969 crore (nine per cent) during 2012-13 over the previous year was mainly due to revision of pension consequent to the award of the Sixth Pay Commission.

During 2003-04 to 2011-12, the compound growth rate of pension (18.87 per cent) was higher than the growth rate of General Category States (18.36 per cent). This growth rate for the period 2003-04 to 2012-13 however, decreased to 17.75 per cent (Appendix 1.1).

The Table 1.23 below shows actual pension payments with reference to assessment made by the ThFC and projections of the State Government.

**Table 1.23: Pension payments vis-à-vis ThFC assessment and State's projections**

(₹ in crore)

Year	Projection in MTFPS	Assessment made by the ThFC	Projection in FCP	Actuals
2011-12	11431	6678	11431	10503
2012-13	13393	7346	12803	11472

Source: Finance Accounts, Budget Documents and Report of the ThFC

The expenditure on Pension and Other Retirement Benefits to State Government Employees during the year was ₹ 11,472.09 crore. The pension payments during 2011-12 and 2012-13 were higher than the normative assessments made by the ThFC while they were lower than the projections of the State Government under MTFPS and FCP. In order to limit future pension liabilities, the Government had introduced the Defined Contribution Pension Scheme for employees recruited after 1 November 2005. An amount of ₹ 1,073.11 crore towards employee's contribution and employer's share was deposited during 2012-13 under the head '8342-Other Deposits - 117 - Defined Contribution Pension Scheme for Government Employees.' The State Government's liability on this account as on 31 March 2013 was ₹ 2,755.55 crore. Out of these deposits, no investments were made by the State Government till 31 March 2013. State Government has not transferred any amount to the New Pension Scheme Trust/Fund Managers from the inception of the Scheme. Therefore, the main objective of introducing the Defined Contribution

Pension Scheme to limit future pension liabilities was defeated. This aspect was also stated in the State Finance Report 2010-11 and 2011-12.

**Interest payments**

Interest payments increased by 55 per cent from ₹ 12,299 crore in 2008-09 to ₹ 19,076 in 2012-13, primarily due to increase in debt liabilities. However, relative to revenue receipts, interest payments revealed a marginal declining trend. They declined from 15 per cent in 2008-09 to 13 per cent in 2012-13, except during 2009-10, when it was 16 per cent.

**Table 1.24 Interest payments vis-à-vis ThFC assessments and State's projections**

(₹ in crore)

Year	Projection in MTFPS	Assessment made by the ThFC	Projection in FCP	Actuals
2011-12	18049	18343	17540	17505
2012-13	18523	20783	21117	19076

Source: Finance Accounts, Budget Documents and Report of the ThFC

The interest payments with reference to the assessments made by the ThFC and the projections in the MTFPS of the State Government (Table 1.24) were lower during 2011-12 while it was higher during 2012-13 with reference to the projections made in the MTFPS. As compared to the projections made in the FCP, it was more or less the same during 2011-12 but less in 2012-13.

The increase in interest payments by ₹ 1,571 crore in 2012-13 over the previous year was mainly due to more interest paid on market loans (₹ 1,645 crore) and State Provident Fund (₹ 585 crore), set off by decrease in interest paid on special securities issued to the National Small Savings Fund of the Central Government (₹ 696 crore).

**1.6.3 Financial assistance by State Government to local bodies and other institutions**

Local bodies in Maharashtra consist of Panchayat Raj Institutions (PRIs) and Urban Local Bodies (ULBs). In conformity with the provisions of the 73<sup>rd</sup> and 74<sup>th</sup> Constitutional Amendment, the State Government established a three tier system of PRIs comprising Zilla Parishads (ZPs) at the district level, Panchayat Samitis (PS) at block level and Village Panchayats (VPs) at village level. There are Municipal Corporations (MC), Municipal Councils and Nagar Panchayats (NP) for urban area population in the State. Though the second State Finance Commission (SFC) recommended (March 2002) allocation of 40 per cent of State revenues to Local Bodies (LBs), it was not accepted by the State Government. The report of the third SFC submitted in June 2006 was placed in the Legislature only in December 2013. The interim report of the fourth SFC (2011-12 to 2015-16) scheduled to be submitted in September 2012, was submitted in March 2013.

**1.6.3.1 Accounts and finances of Panchayati Raj Institutions**

ZPs are required to prepare the budget for the planned development of the District and utilization of the resources. Government of India Schemes, funded through the District Rural Development Agency (DRDA) and State Government Schemes are also implemented by ZPs. The District Fund consist of money received from the Central Government for Centrally Sponsored Schemes, through State budget funds

for plan and non-plan State Schemes, assigned tax and non-tax revenue, receipts of ZPs, interest on investment *etc.* (**Table 1.25; Sr No. 3**). ZPs are empowered to impose water tax, pilgrim tax and special tax on land and buildings. The intermediate tier PSs at the block level in the State do not have their own source of revenue and are totally dependent on the Block Grants received from ZPs. PSs undertake development works at the block level. VP is the body consisting of persons registered in the electoral rolls of the village within a VP. VPs are empowered to levy tax on buildings, betterment charges, pilgrim tax, taxes on fairs/festivals/entertainment, taxes on bicycles, vehicles, shops, hotels *etc.*

### ***Accounting arrangements***

Under the provisions of Section 136(2) of ZP Act, the Block Development Officer (BDO) forward the accounts approved by the PSs to the ZPs and these form part of the ZPs account. Under provision of Section 62(4) of the VP Act, the Secretaries to the VPs are required to prepare annual accounts of VPs. The Chief Executive Officer (CEO) of ZPs are required to prepare every year statements of account of revenue and expenditure of the ZPs for placement before the Finance Committee. The accounts are finally placed before the ZPs for approval along with the Finance Committee reports.

### ***Audit arrangements***

The Audit of PRIs is conducted by the Director, Local Fund Audit (DLFA) in accordance with the provisions of the Bombay Local Fund Act, 1930 who prepares an Annual Audit Review Report on the financial working of PRIs for placement before the State Legislature.

### ***Transfer of functions and functionaries***

The 73<sup>rd</sup> Constitutional Amendment envisaged that all 29 functions along with funds and functionaries mentioned in the XI Schedule of the Constitution of India would be eventually transferred to the PRIs through suitable legislation of the State Governments.

As on 31 March 2012, the State Government has transferred 11 functions and 15,480 functionaries to PRIs. Non-transfer of functions and functionaries has been commented in earlier two Local Bodies Audit Reports (2007-08 and 2009-10).

### ***Status of accounts***

As per Section 136 of ZP Act and Rule 66 of Maharashtra Zilla Parishads and Panchayat Samitis Account Code, 1968, the prescribed date for preparation and approval of annual accounts of ZPs for a financial year is 30 September of the following year and accounts of ZPs are required to be published in the Government Gazette by 15 November of the year. However, information provided by Rural Development Department (December 2013) indicated that only the accounts up to the year 2010-11 have been submitted to the Government for publishing in the Government Gazette and submission to the State Legislature.

### **1.6.3.2 Accounts and finances of urban local bodies**

In accordance with the 74<sup>th</sup> Constitutional Amendment, the GoM amended (December 1994) the existing Mumbai Municipal Corporation (MMC) Act, 1888, The Bombay Provincial Municipal Corporation (BPMC) Act, 1949, The Nagpur City Municipal Corporation (NMC) Act, 1948 and The Maharashtra Municipal

Councils, Nagar Panchayats and Industrial Townships Act, 1965. All the MCs, except Municipal Corporation of Greater Mumbai (MCGM) and NCMC which had their own Acts, are governed by the provisions of the amended BPMC Act. There are 26 MCs which have been created for urban agglomerations having a population of more than three lakh. These MCs have been classified into four categories *i.e.* A, B, C and D based on the criteria of population, per capita income and per capita area. Similarly, 231 Municipal Councils including five NPs have been created for smaller urban areas and categorized based on their population.

### ***Financial profile***

Municipals funds are formed under the provisions contained in the Acts. All monies received by or on behalf of the MCs and Municipal Councils under the provisions of the respective Acts, all monies raised by way of taxes, fees, fines and penalties, all monies received by or on behalf of MC and Municipal Councils from the Government, public or private bodies and individuals by way of grants or gifts or deposits and all interests and profits are credited to the Municipal funds. The State Government and Central Government release grants to the MCs and Municipal Councils for implementation of Schemes of the State sector and for the Centrally Sponsored Schemes respectively. In addition, grants under the State Finance Commission and the Central Finance Commission recommendations are released for developmental works (**Table 1.25; Sr No.2**).

Under the Acts, MCs are required to constitute special purpose funds e.g. Water and Sewerage Fund, Depreciation Fund, Sinking Fund, *etc.* The capital works of water supply Schemes and sewerage projects are to be executed out of the Water and Sewerage Fund. The Depreciation fund is to be created for replacement of capital assets. The Sinking Fund is to be created for redemption of long term loans.

### ***Accounting arrangements***

Section 93 of the BPMC Act 1949 and Section 123 of MMC Act 1888 provide that the accounts of the MCs should be maintained in the formats prescribed by the Standing Committee.

### ***Audit arrangements***

Municipal Chief Auditor (MCA) is appointed by the respective Corporation under the Acts except NCMC where audit is entrusted to DLFA. MCA should audit the Municipal accounts and submit a report to the Standing Committee. The Comptroller and Auditor General (C&AG) of India conducts audit of MCs under Section 14(2) of the C&AG's (DPC) Act, 1971. The audit of Municipal Councils and NPs has been entrusted (March 2011) by GoM to the C&AG under Technical Guidance and Supervision.

### ***Status of accounts***

As per information furnished by the MCs (May 2012 to January 2013), of the 23 MCs which have prepared their annual accounts, audit by MCA had been completed up to 2011-12 in four<sup>12</sup> MCs; up to 2010-11 in 11<sup>13</sup> MCs and reports submitted to

<sup>12</sup> Ahmednagar, Akola, Kolhapur and Ulhasnagar

<sup>13</sup> Bhiwandi-Nizampur, Dhule, Jalgaon, Kalyan-Dombivli, Malegaon, Mira-Bhayander, Nagpur, Nashik, Pimpri Chinchwad, Sangli-Miraj-Kupwad and Vasai-Virar

the respective Standing Committees. In the remaining eight<sup>14</sup> MCs there were arrears in audit by MCA ranging between one and six years.

### 1.6.3.3 Quantum of assistance

The quantum of assistance provided by way of grants and loans to local bodies and others during 2012-13 relative to the previous years is presented in **Table 1.25**.

**Table 1.25: Financial assistance to local bodies and other institutions**

(₹ in crore)

Sr No	Institutions	2008-09	2009-10	2010-11	2011-12	2012-13
1	Educational institutions (Aided Schools, Aided Colleges, Universities, etc.)	8214.83	11638.18	11482.61	13844.84	20167.02
2	Municipal Corporations and Municipalities	1651.47	1708.89	4350.04 <sup>15</sup>	4871.33	4401.93
3	Zilla Parishads and other Panchayati Raj Institutions	10501.98	11726.62	13260.93	14294.73	16444.42
4	Development agencies	1914.93	299.45	187.26	276.83	246.51
5	Hospital and other charitable institutions	674.43	1065.48	1084.74	1313.33	1792.44
6	Other Institutions	12711.32	18150.70	17280.87	20761.95 <sup>16</sup>	20715.59 <sup>17</sup>
<b>Total</b>		<b>35668.96</b>	<b>44589.32</b>	<b>47646.45</b>	<b>55363.01</b>	<b>63767.91</b>
Assistance as percentage of RE		47	47	45	45	46

Source : Finance Accounts and vouchers compiled by Principal Accountant General (Accounts and Entitlements)

It would be seen from **Table 1.25** that the financial assistance to local bodies and other institutions by the Government increased from ₹ 35,669 crore in 2008-09 to ₹ 63,768 crore in 2012-13. As compared to the previous year, the assistance during 2012-13 increased by 15 per cent. During 2012-13, more financial assistance was given to (a) Educational Institutions (Aided Schools, Aided Colleges, Universities etc.; ₹ 6,322 crore) mainly due to payment of more assistance to non-Government colleges and (b) Zilla Parishads and other Panchayati Raj Institutions (₹ 2,150 crore) due to payment of more educational grant under Section 182 of the Maharashtra Zilla Parishads and Panchayat Samitis Act, 1961.

## 1.7 Quality of Expenditure

The availability of better social and physical infrastructure in the State generally reflects the quality of its expenditure. The improvement in the quality of expenditure basically involves three aspects viz., adequacy of expenditure (i.e. adequate provisions for providing public services), efficiency of expenditure use and its effectiveness (assessment of outlay-outcome relationships for selected services).

<sup>14</sup> Amravati, Aurangabad, MCGM, Navi Mumbai, Nanded-Waghala, Pune, Solapur and Thane

<sup>15</sup> Huge variation due to misclassification in the previous year

<sup>16</sup> Includes Education, Sports, Art and Culture: ₹ 5,136.34 crore; Social Welfare and Nutrition: ₹ 2,888.36 crore; Agriculture and Allied Activities: ₹ 2,300.01 crore; Welfare of SC, ST and OBC: ₹ 1,596.41 crore; Administrative Services: ₹ 1,159.23 crore and Housing: ₹ 1,020.31 crore

<sup>17</sup> Includes Education, Sports, Art and Culture: ₹ 7,019.59 crore; Social Welfare and Nutrition: ₹ 4,106.58 crore; Agriculture and Allied Activities: ₹ 2,128.53 crore; Welfare of SC, ST and OBC: ₹ 2,397.81 crore; Administrative Services: ₹ 1,415.51 crore and Housing: ₹ 1,267.28 crore



### 1.7.1 Adequacy of public expenditure

The expenditure responsibilities relating to the social sector and the economic infrastructure assigned to the State Governments are largely State subjects. Enhancing human development levels requires the States to step up their expenditure on key social services like education, health *etc.* Low fiscal priority (ratio of expenditure under a category to aggregate expenditure) is attached to a particular sector, if it is below the respective national average. An analysis of the fiscal priority of the State Government with regard to development expenditure, social expenditure and capital expenditure during 2009-10 and 2012-13 has been indicated in **Table 1.26**.

**Table 1.26: Fiscal Priority of the State in 2009-10 and 2012-13**

Fiscal Priority by the State	AE / GSDP	DE <sup>#</sup> / AE	SSE / AE	CE / AE	Education, Sports, Art and Culture / AE	Health and Family Welfare / AE
General Category States Average (Ratio) 2009-10	17.06	66.05	35.73	14.96	16.19	4.24
Maharashtra's Average (Ratio) 2009-10	16.40	69.85	37.80	15.34	19.70	3.44
General Category States Average (Ratio) 2012-13	15.93	65.79	32.77	13.23	17.23	4.47
Maharashtra Average (Ratio) 2012-13	11.49	68.29	40.57	11.02	21.56	4.05

AE: Aggregate expenditure; DE: Development expenditure; SSE: Social Sector expenditure; CE: Capital expenditure  
<sup>#</sup> Development expenditure includes development revenue expenditure, development capital expenditure and loans and advances disbursed

As shown in **Table 1.26**, the comparison of fiscal priority given to different categories of expenditure of the State in 2009-10 and 2012-13 is given below:

- The ratios of AE to GSDP in 2009-10 and 2012-13 (16.40 *per cent* and 11.49 *per cent*) were lower in the State as compared to General Category States (17.06 *per cent* and 15.93 *per cent*). This meant that the General Category States were spending more as a proportion of their GSDP when compared to Maharashtra.
- The Government has given adequate fiscal priority to development expenditure and social sector expenditure in 2009-10 and 2012-13, as their ratios to AE were higher than the average ratio of General Category States.
- The ratio of CE to AE in the State (15.34 *per cent*) was higher in 2009-10 as compared to the ratio (14.96 *per cent*) of General Category States whereas, in 2012-13 it was lower (11.02 *per cent*) than the ratio (13.23 *per cent*) of General Category States. Greater fiscal priority needs to be given to this area as increased priority to physical capital formation will increase the growth prospects of the State by creating durable assets.
- Significant improvement was observed in the ratio of expenditure on education, sports, art and culture to AE which increased from 19.70 *per cent* in 2009-10 to 21.56 *per cent* in 2012-13. The priority given to these areas in Maharashtra was higher than that given to General Category States.

- Less priority was given to health and family welfare in Maharashtra than the General Category States in 2009-10 and 2012-13. This trend is continuing from 2005-06 onwards. Greater fiscal priority needs to be given to this area by the Government.

### 1.7.2 Efficiency of expenditure use and its effectiveness

In view of the importance of public expenditure on development heads from the point of view of social and economic development, it is important for the State Government to take appropriate expenditure rationalization measures and lay emphasis on provision of core public and merit goods<sup>18</sup>. Apart from improving the allocation towards development expenditure<sup>19</sup>, particularly in view of the fiscal space being created on account of decline in debt servicing in recent years, the efficiency of expenditure use is also reflected by the ratio of capital expenditure to total expenditure (and/or GSDP) and the proportion of revenue expenditure being spent on operation and maintenance of the existing social and economic services. The higher the ratio of these components to total expenditure (and/or GSDP), the better would be the quality of expenditure. **Table 1.27** and **Chart 1.12** present the trends in DE relative to the AE of the State during the current year *vis-à-vis* budget estimates of the current year and the actual expenditure during the previous years.

**Table 1.27: Development expenditure**

(₹ in crore)

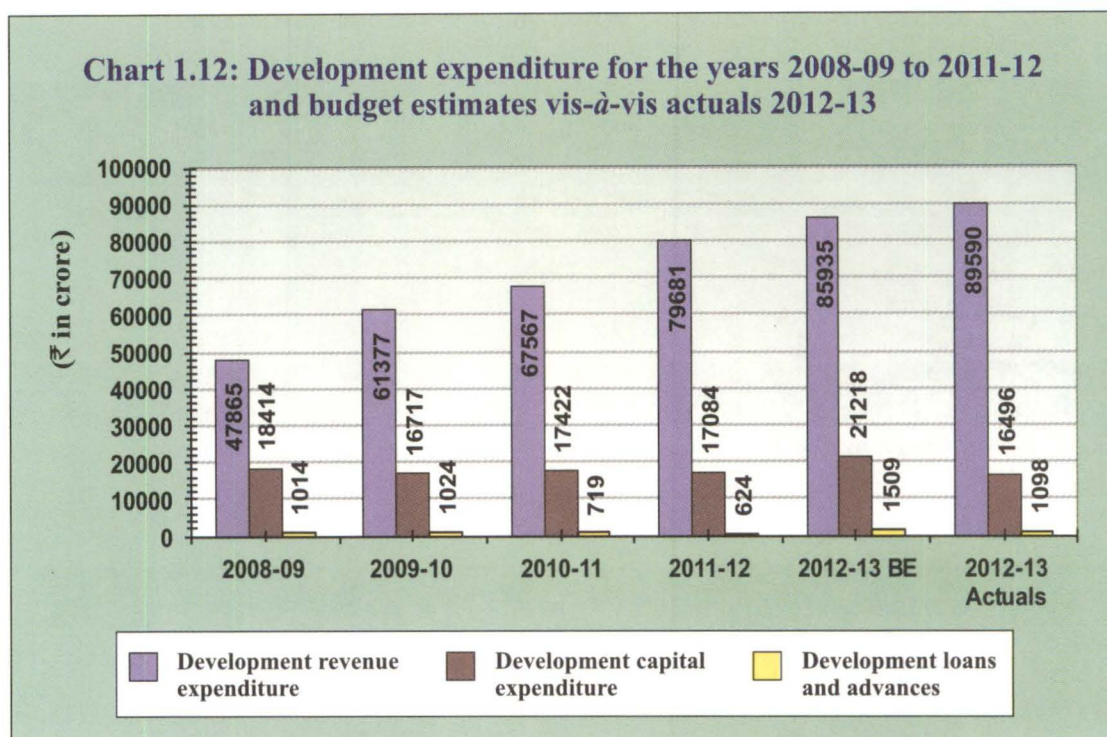
Components of Development Expenditure	2008-09	2009-10	2010-11	2011-12	2012-13	
					BE	Actuals
<b>Development expenditure (a to c)</b>	<b>67293</b>	<b>79118</b>	<b>85708</b>	<b>97389</b>	<b>108661</b>	<b>107184</b>
	(70.2)	(69.6)	(68.4)	(68.4)	(67.7)	(68)
<b>a. Development revenue expenditure</b>	<b>47865</b>	<b>61377</b>	<b>67567</b>	<b>79681</b>	<b>85935</b>	<b>89590</b>
	(49.9)	(54)	(53.9)	(56)	(53.5)	(56.9)
<b>b. Development capital expenditure</b>	<b>18414</b>	<b>16717</b>	<b>17422</b>	<b>17084</b>	<b>21218</b>	<b>16496</b>
	(19.2)	(14.7)	(13.9)	(12)	(13.2)	(10.5)
<b>c. Development Loans and Advances</b>	<b>1014</b>	<b>1024</b>	<b>719</b>	<b>624</b>	<b>1509</b>	<b>1098</b>
	(1)	(1)	(0.6)	(0.4)	(0.9)	(0.7)

Figures in parentheses indicate percentage to total expenditure

Source: Finance Accounts of the respective years

<sup>18</sup> See Glossary at page 166

<sup>19</sup> The analysis of expenditure data is segregated into development and non-development expenditure. All expenditure relating to revenue account, capital outlay and loans and advances are categorized into Social Services, Economic Services and General Services. Broadly, the Social and Economic Services constitute development expenditure, while expenditure on General Services is treated as non-development expenditure



(Source: Finance Accounts of the respective years)

#### *Development revenue expenditure*

The development revenue expenditure increased by ₹ 9,909 crore from ₹ 79,681 crore in 2011-12 to ₹ 89,590 crore in 2012-13. The increase was under Social Services (₹ 7,227 crore) and Economic Services (₹ 2,682 crore). The actual development revenue expenditure was more than the State's projection in the budget by ₹ 3,655 crore.

#### *Development capital expenditure*

The development capital expenditure decreased by ₹ 588 crore from ₹ 17,084 crore in 2011-12 to ₹ 16,496 crore in 2012-13. The decrease under Economic Services was ₹ 315 crore (mainly under Irrigation and Flood Control) while the decrease under Social Services was ₹ 273 crore (mainly under Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes and Water Supply, Sanitation, Housing and Urban Development). The actual development capital expenditure was less than the State's projection in the budget by ₹ 4,722 crore.

#### *Development loans and advances*

Development loans and advances increased by ₹ 474 crore from ₹ 624 crore in 2011-12 to ₹ 1,098 in 2012-13. The actual development loans and advances were more than the State's projections in the budget by ₹ 411 crore.

**Table 1.28** provides the details of capital expenditure and the component of revenue expenditure incurred on the maintenance of the selected social and economic services.

**Table 1.28 –Efficiency of expenditure use in selected social and economic services**

(in per cent)

Social/Economic Infrastructure	2011-12			2012-13		
	Ratio of CE to TE	In RE, the share of		Ratio of CE to TE	In RE, the share of	
		S and W	O and M		S and W	O and M
<b>Social Services (SS)</b>						
Education, Sports, Art and Culture	0.52	78.22	0.05	0.49	83.90	4.06
Health and Family Welfare	7.49	71.39	1.07	7.20	67.56	0.03
Housing and Urban Development and Water Supply, Sanitation	5.70	2.54	0.41	5.06	3.52	13.27
<b>Total (SS)</b>	<b>3.68</b>	<b>49.50</b>	<b>0.18</b>	<b>2.10</b>	<b>52.36</b>	<b>3.74</b>
<b>Economic Services (ES)</b>						
Agriculture and Allied Activities	16.74	49.30	9.15	16.56	21.65	0.29
Irrigation and Flood Control	74.84	36.72	29.5	73.74	40.90	1.53
Power and Energy	25.20	0.38	0.00	26.12	0.56	0.03
Transport	40.11	1.23	30.08	42.52	1.19	0.34
<b>Total (ES)</b>	<b>37.60</b>	<b>16.46</b>	<b>10.54</b>	<b>41.31</b>	<b>9.79</b>	<b>0.28</b>
<b>Total (SS+ES)</b>	<b>17.65</b>	<b>39.19</b>	<b>3.41</b>	<b>18.15</b>	<b>39.27</b>	<b>2.68</b>

TE: Total expenditure; CE: Capital Expenditure; RE: Revenue Expenditure; S and W: Salaries and Wages; O and M: Operations and Maintenance

Source: Finance Accounts

The trends presented in **Table 1.28** reveal that development capital expenditure as a percentage to total expenditure increased from 17.65 in 2011-12 to 18.15 in 2012-13. The percentage of capital expenditure on Social Services to the total expenditure decreased from 3.68 in 2011-12 to 2.10 in 2012-13. The decrease was mainly seen under Housing and Urban Development and Water Supply, Sanitation and Health and Family Welfare. The percentage of capital expenditure on Economic Services to the total expenditure increased from 37.60 in 2011-12 to 41.31 in 2012-13. The increase was mainly seen under Transport and Power and Energy.

The share of salary and wages in revenue expenditure increased from 39.19 per cent in 2011-12 to 39.27 per cent in 2012-13. The share of salary and wages in revenue expenditure on Social Services increased from 49.50 per cent in 2011-12 to 52.36 per cent in 2012-13. The increase was mainly under Education, Sports, Art and Culture. The share of salary and wages in revenue expenditure on Economic Services decreased from 16.46 per cent in 2011-12 to 9.79 per cent in 2012-13. The decrease was mainly under Agriculture and Allied Activities and Transport.

The share of operations and maintenance in revenue expenditure decreased from 3.41 per cent in 2011-12 to 2.68 per cent in 2012-13. The share of operations and maintenance in revenue expenditure on Social Services increased from 0.18 per cent in 2011-12 to 3.74 per cent in 2012-13. The increase was seen mainly under Housing and Urban Development and Water Supply, Sanitation under Social Services. While the share of operations and maintenance in revenue expenditure on Economic Services decreased from 10.54 per cent in 2011-12 to 0.28 per cent in 2012-13. The decrease was seen mainly under Transport, Irrigation and Flood Control and Agriculture and Allied Activities.

## 1.8 Financial analysis of Government expenditure and investments

In the post-MFRBM framework, the State is expected to keep its fiscal deficit (and borrowings) not only at low levels but also meet its capital expenditure/ investment

(including loans and advances) requirements. In addition, in a transition to complete dependence on market-based resources, the State Government needs to initiate measures to earn adequate returns on its investments and recover its cost of borrowed funds rather than bearing the same on its budget in the form of implicit subsidy and take requisite steps to infuse transparency in financial operations. This section presents the broad financial analysis of investments and other capital expenditure undertaken by the Government during the current year *vis-à-vis* previous years.

## 1.8.1 Ongoing projects

### 1.8.1.1 Water Resources Department

#### Cost overrun and delays in execution of projects

As of June 2013, there were 601 ongoing irrigation projects in the five<sup>20</sup> Irrigation Development Corporations (IDCs) under Water Resources Department. Data of all the ongoing projects as of June 2013 furnished by the IDCs were analyzed in audit to assess the number of years these projects have been under execution. The summarized position is given in **Table 1.29**.

**Table 1.29: Age profile of ongoing projects under WRD as on June 2013**

Age Profile (Since the date of original AA)	Total projects			
	Major	Medium	Minor	Total
More than 30 years	31	21	25	77
More than 20 years but up to 30 years	9	18	45	72
More than 15 years but up to 20 years	19	23	34	76
More than 10 years but up to 15 years	9	22	96	127
More than 5 years but up to 10 years	3	3	90	96
Up to 5 years	1	24	128	153
<b>Total</b>	<b>72</b>	<b>111</b>	<b>418</b>	<b>601</b>

Source: Information furnished by IDCs

**Table 1.29** shows that 225 projects (37.44 per cent) were under execution for more than 15 years and of these, 77 projects (12.81 per cent) were under execution for more than 30 years.

**Table 1.30: Cost overrun and balance cost in respect of all ongoing projects**

(₹ in crore)

IDC	Status of 601 ongoing projects				Status of 363 out of 601 ongoing projects with cost overrun					
	Number of projects	Expenditure	Updated cost	Balance cost	Number of projects	Amount of original AA	Expenditure	Cost overrun	Updated cost	Balance cost
MKVDC	94	17056.15	34594.58	17538.43	68	4119.27	16489.63	12370.36	32276.16	15786.53
KIDC	64	6020.58	11662.04	5641.46	54	783.49	5991.18	5207.69	11275.68	5284.50
TIDC	58	3799.41	14649.81	10850.40	36	1157.93	3615.44	2457.51	8885.59	5270.15
VIDC	257	22612.82	55759.32	33146.50	138	4137.38	20993.72	16856.34	39040.06	18046.34
GMIDC	128	12149.47	27582.32	15432.85	67	886.02	11421.22	10535.20	21145.06	9723.84
<b>Total</b>	<b>601</b>	<b>61638.43</b>	<b>144248.07</b>	<b>82609.64</b>	<b>363</b>	<b>11084.09</b>	<b>58511.19</b>	<b>47427.10</b>	<b>112622.55</b>	<b>54111.36</b>

Source: Information furnished by the IDCs

**Table 1.30** shows that the balance estimated cost of 601 ongoing projects as of June 2013 was ₹ 82,609.64 crore. Of these 601 projects, there was cost overrun in 363 projects amounting to ₹ 47,427.10 crore (June 2013) *i.e.* an increase of more than four times the original cost.

<sup>20</sup> Maharashtra Krishna Valley Development Corporation; Konkan Irrigation Development Corporation; Tapi Irrigation Development Corporation; Vidarbha Irrigation Development Corporation; Konkan Irrigation Development Corporation; and Godavari Marathwada Irrigation Development Corporation

### 1.8.1.2 Public Works Department

As on 31 March 2013, an expenditure of ₹ 513.82 crore was incurred on 181 ongoing projects (Appendix 1.9). There was time overrun up to six years in respect of 123 projects of roads and bridges (expenditure: ₹ 297.45 crore) and up to five years in respect of 58 projects of buildings and housing (expenditure: ₹ 216.37 crore).

### 1.8.2 Investment and returns

As of 31 March 2013, Government had invested ₹ 90,668 crore in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives (Table 1.31). The average return on this investment was 0.08 per cent in the last five years while the Government paid average interest rate of 7.24 per cent on its borrowings during 2008-13.

Table 1.31: Return on investment

Investment/Return/Cost of Borrowings	2008-09	2009-10	2010-11	2011-12	2012-13
Investment at the end of the year (₹ in crore)	56386.38	64192.68	74391.39	83016.00	90667.84
Return (₹ in crore)	71.16	80.88	44.82	30.2	47.0
Return (per cent)	0.13	0.13	0.06	0.04	0.05
Average rate of interest on Government borrowing (per cent)	7.29	7.38	7.23	7.21	7.10
Difference between interest rate and return (per cent)	7.16	7.25	7.17	7.17	7.05

Source: Finance Accounts of the respective years

The increase in investments of ₹ 7,652 crore during 2012-13 was mainly attributable to capital contributions to the Vidarbha Irrigation Development Corporation (₹ 2,677 crore), the Maharashtra Krishna Valley Development Corporation (₹ 1,531 crore), the Godavari Marathwada Irrigation Development Corporation (₹ 1,426 crore), the Konkan Irrigation Development Corporation (₹ 651 crore), the Tapi Irrigation Development Corporation (₹ 450 crore), Maharashtra State Road Transport Corporation (₹ 262 crore) and Maharashtra Water Conservation Development Corporation (₹ 176 crore) as compared to the previous year.

As on 31 March 2013, twenty three Companies (Appendix 1.12) in which Government had invested ₹ 23,711.02 crore (share capital: ₹ 16,244.61 and loans: ₹ 7,466.41 crore), were incurring losses and their net accumulated losses as on September 2013 amounted to ₹ 14,002.24 crore.

Information furnished by the Commissioner for Cooperation and Registrar of Co-operative Societies revealed that of the 9,103 Societies with an aggregate investment of ₹ 399.95 crore (equity: ₹ 248.65 crore and loan: ₹ 151.30 crore), 4,491 Societies had incurred losses (31 March 2013) and their accumulated losses (₹ 161.32 crore) were 40 per cent of the initial investments made in these Societies.

#### Investment in Public Private Partnership projects

Recourse to Public Private Partnership (PPP) mode for project financing is encouraged because it frees valuable fiscal space for the provision of public goods in areas where such financing may not be forthcoming. PPP projects in sectors that come under the purview of Government of Maharashtra are road, metro rail, urban infrastructure, airport, power and water supply.

Table 1.32 Sector and stage-wise status of PPP projects

(₹ in crore)

Sector	Status							
	Completed		Planning/Pipeline		Under implementation		Total No. of projects	Total cost of Projects
	No. of Project	Cost of Project	No. of project	Cost of Project	No. of project	Cost of Project		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
Agriculture			6	570.10			6	570.10
Airport			5	8216.95			5	8216.95
Education	7	59.43	3	297.00	5	162.35	15	518.78
Health	4	4.22	7	689.00	4	6.60	15	699.82
Housing	4	6.20	1	1919.00	4	639.30	9	2564.50
Industries	7	175.87	2	23.75	4	545.16	13	744.78
Information Technology	1	13.00	1	44.00			2	57.00
Irrigation			2	1810.00			2	1810.00
Metro Rail			2	17486.00	2	10606.00	4	28092.00
Port	2	2909.74	1	716.00	4	11675.00	7	15300.74
Power			1	3382.00	7	662.04	8	4044.04
Road	22	14079.69	28	17710.56	18	4179.26	68	35969.51
Rural Water			1	72.36			1	72.36
Solid Waste Management			2	591.14	3	424.40	5	1015.54
Sports			1	25.00	1	200.00	2	225.00
Tourism			2	570.00			2	570.00
Transport			6	1569.06	1	1000.00	7	2569.06
Urban Infrastructure	53	181.61	21	10560.31	16	283.36	90	11025.28
Water Supply			14	3516.30	2	621.11	16	4137.41
<b>Grand Total</b>	<b>100</b>	<b>17429.75</b>	<b>106</b>	<b>69768.53</b>	<b>71</b>	<b>31004.58</b>	<b>277</b>	<b>118202.86</b>

Source: Information from PPP Cell under Urban Development Department

Mention was made in paragraph 2.1.12.4 of the Report of the C&AG of India on General and Social Sector for the year ended March 2012 (Report No.3 of the year 2013) about absence of conditions stipulating access to the original books of accounts of the Special Purpose Vehicles to the Maharashtra Maritime Board and its auditors. Further, six PPP agreements pertaining to Public Works Department as detailed in **Appendix 1.26** had no provisions for access to their books of accounts.

### 1.8.2.1 Departmental commercial undertakings

Activities of quasi-commercial nature are also performed by departmental undertakings of certain Government Departments. The State Government has 49 Departmental Commercial Undertakings (DCUs). The position of Department-wise investments by the Government up to the year for which *proforma* accounts have been finalised, net profits/loss as well as return on capital invested in these undertakings are given in **Appendix 1.10**. It was observed that:

- An amount of ₹ 1,934.92 crore had been invested by the State Government in four<sup>21</sup> undertakings at the end of the financial year up to which their accounts were finalised (**Appendix 3.3**).
- Of the four undertakings having 49 units, only one<sup>22</sup> unit could earn net profit amounting to ₹ 0.62 crore against capital investment of ₹ 29.08 crore, thereby yielding a rate of return of 12.83 *per cent*.

<sup>21</sup> Agriculture, Animal Husbandry, Dairy Development and Fisheries; Food, Civil Supplies and Consumer Protection; Land Development Bulldozer Scheme; and Revenue and Forest

<sup>22</sup> Unit Scheme, Mumbai (2011-12)

- Of the loss-making DCUs, 26<sup>23</sup> DCUs had been incurring losses continuously since the last five years.
- As per accounting system being followed by the departmental commercial undertakings of 'Government Milk Schemes', 'Procurement, Distribution and Price Control Scheme in Mumbai and Thane Rationing Area and in Mofussil Area', the net loss/profit for the year is deducted/ added directly from/to the Capital Account in the Balance Sheet. Therefore, the figures of accumulated loss cannot be ascertained from the *proforma* accounts of the departmental undertakings.

In view of the heavy losses of some of the undertakings, Government should review their working to make them self-sustaining in the medium to long term.

### 1.8.3 Loans and advances by State Government

In addition to investments in Co-operative Societies, Corporations and Companies, the Government has also been providing loans and advances<sup>24</sup> to many institutions/ organizations. **Table 1.33** presents the outstanding loans and advances as on 31 March 2013, interest receipts *vis-à-vis* interest payments during the last three years.

**Table 1.33: Average interest received on loans advanced by the State Government**

	(₹ in crore)		
Quantum of loans/interest receipts/cost of borrowings	2010-11	2011-12	2012-13
Opening Balance	19590	19909	20187
Amount advanced during the year	959	837	1416
Amount repaid during the year	640	559	863
<b>Closing Balance</b>	<b>19909</b>	<b>20187</b>	<b>20740</b>
<i>of which</i> Outstanding balance for which terms and conditions have been settled	NA	NA	NA
Net addition	319	278	553
Interest Receipts	89	228	167
Interest receipts as <i>per cent</i> to outstanding loans and advances	0.45	1.15	0.81
Interest payments as <i>per cent</i> to outstanding fiscal liabilities of the State Government.	7.23	7.21	7.10
Difference between interest receipts and interest payments ( <i>per cent</i> )	(-) 6.78	(-) 6.06	(-) 6.29
<i>Source: Finance Accounts of the respective years</i>			

As can be seen from the **Table 1.33**, the total outstanding loans and advances as on 31 March 2013 was ₹ 20,740 crore. The amount of loans disbursed during the year increased from ₹ 837 crore in 2011-12 to ₹ 1,416 crore in 2012-13. Of the total amount of loans and advances disbursed during the year, ₹ 168 crore went to Social Services and ₹ 930 crore to Economic Services. Under the Economic Services, the major portion of loans went to Power (46 *per cent*) followed by Other General Economic Services (41 *per cent*).

<sup>23</sup> Greater Mumbai Milk Scheme, Worli; Electrical Scheme, Mumbai; Dairy Project, Dapchhari; Government Milk Chilling Centre, Saralgaon (Dist.: Thane); Government Milk Schemes in Khopoli, Mahad, Ratnagiri, Kankavli, Nashik, Wani, Ahmednagar, Chalisgaon, Dhule, Aurangabad, Udgir, Beed, Nanded, Bhoom, Amravati, Akola, Yavatmal, Nandura, Nagpur, Wardha and Gondia; and Procurement and Distribution and Price Control Scheme in Mofussil Area

<sup>24</sup> Loan balances and complete information in respect of recoveries in arrears could not be confirmed for want of information from Government



However, interest received against these loans decreased from 1.15 *per cent* during 2011-12 to 0.81 *per cent* in 2012-13, mainly due to less interest receipts from Power Projects (₹ 67 crore).

The detailed accounts of loans are maintained by the State Government Departments, who are required to confirm the loan balances to the Principal Accountant General (Accounts and Entitlements) and also furnish complete information regarding recoveries in arrears. This has not been done. Consequently, the information contained in Finance Accounts in accordance with the Indian Government Accounting Standards (IGAS) 3 was incomplete.

#### 1.8.4 Cash balances and investment of cash balances

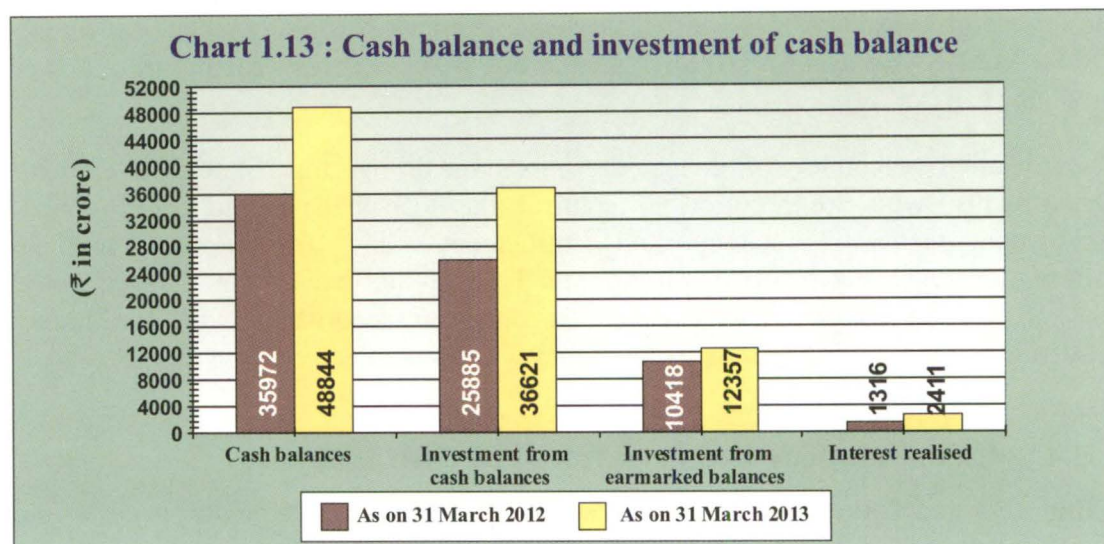
Table 1.34 and Chart 1.13 depict the cash balances and investments made by the State Government out of cash balances during the year.

Table 1.34: Cash balances and investment of cash balances

(₹ in crore)

Particulars	As on 31 March 2012	As on 31 March 2013	Increase (+)/ Decrease(-)
Cash in treasuries	0.14	0.14	0
Deposits with Reserve Bank of India	(-) 368.47	(-) 194.42	174.05
Remittances in transit - Local	33.55	55.10	21.55
Cash with the departmental officers	3.89	4.61	0.72
Permanent advance for contingent expenditure with departmental officers	0.47	0.49	0.02
Investments from cash balances (a to d)	25884.62	36621.16	10736.54
a. GoI Treasury Bills	25883.92	36620.46	10736.54
b. GoI Securities	--	--	--
c. Other Securities, if any specify	--	--	--
d. Other Investments	0.70	0.70	0
Fund-wise break-up of investment from Earmarked balances (a to e)	10417.75	12356.64	1938.89
a. General and other Reserve Funds	10.82	10.88	0.06
b. Sinking Fund	10392.43	12331.26	1938.83
c. Fund for Development of Milk supply	1	1	0
d. Other Development and Welfare Funds	13.42	13.42	0
e. Miscellaneous Deposits	0.08	0.08	0
<b>Total Cash Balances</b>	<b>35971.95</b>	<b>48843.72</b>	<b>12871.77</b>
Interest Realized	1316.09	2411.21	1095.12

Source : Finance Accounts of the respective years



(Source: Finance Accounts)

The cost of holding surplus cash balances was high. The interest received on investment of cash balances in ‘RBI Investment in Treasury Bills’ was 4.69 per cent during 2012-13, while average interest paid by Government on its borrowings during the year was 7.10 per cent.

The State Government’s cash balances of ₹ 48,844 crore at the end of the current year showed an increase by 36 per cent (₹ 12,872 crore) over the previous year. Of the above, ₹ 36,621 crore was invested in GoI Treasury Bills which earned an interest of ₹ 1,716.38 crore during the year. Further, ₹ 12,357 crore was invested in earmarked funds. The State Government resorted to ways and means advances on two occasions during the year as shown in the notes below **Table 1.2** and **Appendix 1.5**.

### 1.8.4.1 Outstanding balances under the head ‘Cheques and Bills’

This head is an intermediary accounting head for initial record of transactions which are to be cleared eventually. When the cheque is issued, the functional head is debited and the Major Head-8670-Cheques and Bills is credited. On clearance of the cheque by the bank, the minus credit is given to Major Head 8670-Cheques and Bills by crediting the Major Head- 8675-Deposits with Reserve Bank of India and thereby reducing the cash balance of the Government. Thus, the outstanding balance under the Major Head 8670-Cheques and Bills represents the amount of un-encashed cheques.

As on 31 March 2013, there was an outstanding balance (cumulative) of ₹ 10,233.32 crore and to this extent the Government Cash Balance of ₹ (-) 194.42 crore (Deposits with the Reserve Bank of India) stood overstated.

## 1.9 Assets and Liabilities

### 1.9.1 Growth and composition of assets and liabilities

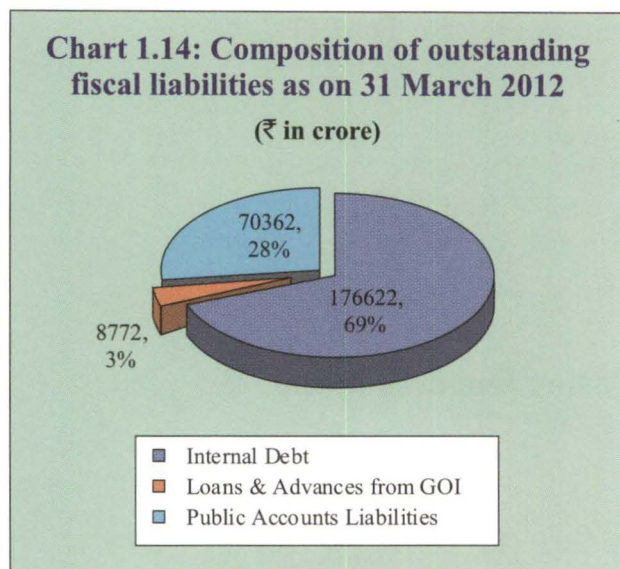
In the existing cash-based Government accounting system, comprehensive accounting of fixed assets like land and buildings owned by the Government is not done. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred. **Appendix 1.7** gives an abstract of such liabilities and the assets as on 31 March 2013, compared with the corresponding position on 31 March 2012. While the liabilities consist mainly of internal borrowings, loans and advances from the GoI, receipts from the

Public Account and Reserve Funds, the assets mainly comprise the capital outlay and loans and advances given by the State Government and cash balances.

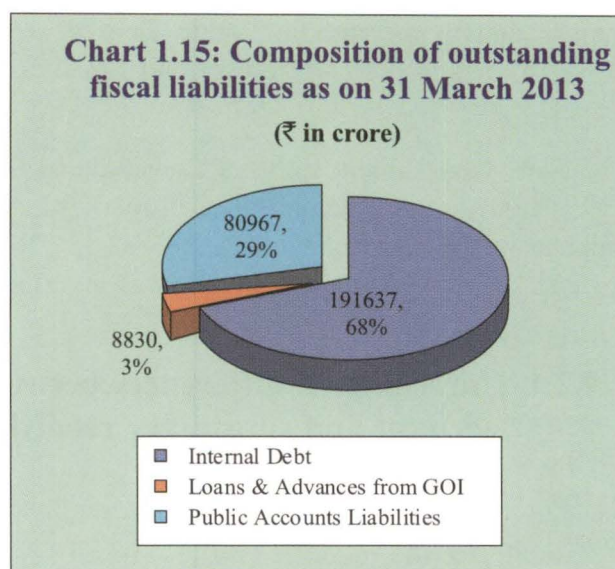
According to the MFRBM Act, 2005, the “total liabilities of the State” means the liabilities under the Consolidated Fund of the State and the Public Account of the State.

### 1.9.2 Fiscal liabilities

The composition of fiscal liabilities during the current year *vis-à-vis* the previous year is presented in **Charts 1.14** and **1.15**.



(Source: Finance Accounts)



(Source: Finance Accounts)

**Table 1.35** gives the fiscal liabilities of the State, their rate of growth, the ratio of these liabilities to GSDP, to revenue receipts and to the State’s own resources as also the buoyancy of fiscal liabilities with reference to these parameters.

**Table 1.35: Fiscal liabilities – basic parameters**

	2008-09	2009-10	2010-11	2011-12	2012-13
Fiscal Liabilities (₹ in crore)	179262	203165	229569	255756	281434
Rate of Growth ( <i>per cent</i> )	13.38	13.33	13	11.41	10.04
Ratio of Fiscal Liabilities to					
GSDP ( <i>per cent</i> )	25.9	22.5	21.5	21.3	20.50
Revenue Receipts ( <i>per cent</i> )	220.6	233.8	216.8	210.9	196.88
Own Resources ( <i>per cent</i> )	344.5	343.7	306	291.9	272.1
<i>Buoyancy of Fiscal Liabilities with reference to :</i>					
GSDP (ratio)	0.777	0.443	0.702	0.929	0.696
Revenue Receipts (ratio)	6.371	1.932	0.596	0.784	0.562
Own Resources (ratio)	1.408	0.98	0.483	0.680	0.555

Source: Finance Accounts of the respective years

The overall fiscal liabilities of the State increased at an average annual rate of 14.25 *per cent* during the period 2008-13. The growth rate decreased from 13 *per cent* in 2010-11 to 10.04 *per cent* in 2012-13. During 2012-13, the debt to GSDP ratio at

20.5 per cent was higher than the projections made in MTFPS (18.84 per cent) and FCP (18.84 per cent) but lower than the ThFC and MFRBM Rules, 2011 (25.8 per cent). These liabilities were around twice the revenue receipts and thrice the State's own resources at the end of 2012-13. The buoyancy of these liabilities with respect to GSDP during 2012-13 was 0.696, indicating that for each one per cent increase in GSDP, fiscal liabilities grew by 0.696 per cent.

Of the total fiscal liabilities, the share of public debt was maximum (71 per cent), followed by deposits<sup>25</sup> (14 per cent), reserve funds (eight per cent) and small savings, provident fund<sup>26</sup> etc. (seven per cent). Fiscal liabilities increased by ₹ 25,678 crore from ₹ 2,55,756 crore in 2011-12 to ₹ 2,81,434 crore in 2012-13, mainly due to increase in Public Debt (₹ 15,073 crore), Reserve Fund (₹ 1,976 crore), Deposits (₹ 6,442 crore) and Small Savings and Provident Funds (₹ 2,187 crore).

The State Government set up a Consolidated Sinking Fund during the financial year 1999-2000 for amortization of open market loans. As on 31 March 2013, the closing balance in the Sinking Fund was ₹ 12,331.26 crore which included ₹ 1,244 crore for 2012-13 and the entire balance was invested.

### 1.9.2.1 Unreconciled differences between closing balances in the account and subsidiary records

As per the Finance Accounts for the year 2012-13, there was an unreconciled balance of ₹ 2,522.80 crore under Civil Deposits and Other Civil Deposits, pertaining to the period 1960-61 to 2012-13. Of the above 'Provident Fund Accounts maintained by departmental officers' was the major item with an amount of ₹ 2,513.73 crore pertaining to the period 1960-61 to 2012-13 that remained unreconciled as of March 2013.

### 1.9.3 Transactions under reserve fund

- There were 18 reserve funds earmarked for specific purposes of which, nine funds were active as shown in the **Appendix 1.11**. The total accumulated balance as on 31 March 2013 in these funds was ₹ 22,868.45 crore (₹ 22,839.44 crore in active funds and ₹ 29.01 crore in inoperative funds). However, the investment out of this balance was only ₹ 12,356.56 crore (54 per cent).
- Of the nine inoperative reserve funds amounting to ₹ 29.01 crore, five<sup>27</sup> reserve funds amounting to ₹ 1.62 crore are inoperative for more than 10 years. Hence, the Government needs to review the balances in these funds and consider their utilization for the intended purpose/ closure as per prescribed rules/procedure.

<sup>25</sup> Deposits include Security Deposits, Deposits from Government Companies, Corporations etc., Defined Contribution Pension Scheme for Government Employees and Civil Deposits, which are liable to be repaid by the Government to the subscribers and depositors

<sup>26</sup> Small Savings and Provident Fund include State Provident Fund and Insurance and Pension Funds which are liable to be repaid by the Government to the subscribers and depositors

<sup>27</sup> Transport Department Betterment Fund; Development Funds for Medical and Public Health; Development Funds for Animal Husbandry Purposes; Funds for Development of Milk Supply; and State Transport Road Development Fund

## 1.9.4 Contingent liabilities

### 1.9.4.1 Status of guarantees

Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee has been extended.

The maximum amount for which guarantees were given by the State and outstanding guarantees for the last three years as given in the Statement 9 of the Finance Accounts (Volume II), are summarised in **Table 1.36**.

**Table 1.36: Guarantees given by the Government of Maharashtra**

(₹ in crore)

Guarantees	2010-11	2011-12	2012-13
Maximum amount guaranteed	44414	45515	41353
Outstanding amount of guarantees	15041	15041	9246
Percentage of maximum amount guaranteed to total revenue receipt	42	38	29

Source: Finance Accounts of the respective years

During 2012-13, guarantees of ₹ 350 crore were given by the State Government to (i) Maharashtra Agricultural Industries Development Corporation (₹ 150 crore); (ii) Maharashtra State Co-operative Marketing Federation (₹ 100 crore); and (iii) Vidarbha Co-operative Marketing Federation Ltd., (₹ 100 crore). Outstanding guarantees (₹ 9,246 crore) during 2012-13 accounted for six *per cent* of the revenue receipts (₹ 1,42,947 crore). The outstanding guarantees during 2012-13 were 0.67 *per cent* of the GSDP.

The State Government charged guarantee fees for guarantees given to institutions and the same was booked under 'Miscellaneous General Services'. Receipts under guarantee fees decreased to ₹ 82.01 crore (receivable: ₹ 92.63 crore) during 2012-13, as against ₹ 128.85 crore received during 2011-12.

### 1.9.4.2 Guarantees given by State Government

**Guarantees** – Guarantees are given by the State Governments under Article 293(i) of the Constitution of India for discharge of certain liabilities like loans raised by Statutory Corporations, Government Companies, Joint-Stock Companies, Co-operative Institutions, Local Bodies, firms *etc.* These guarantees constitute contingent liabilities of the State.

**Guarantee fees** – The Government charges fees for guarantees given to parties and institutions at the rate of ₹ two per ₹ 100 *per annum* for guarantees given on or after 1 April 1997. This rate is applicable to all institutions/bodies except institutions dealing with agricultural credit to weaker section co-operatives of handloom weavers and marketing co-operatives dealing with foodgrains procurements programme as given in **Appendix 1.17**. The fees realized are credited to the revenue account of the Government.

The FD in November 1999 issued a Government Resolution (GR) detailing the modalities for proposing/recommending/sanctioning of guarantees by the Administrative Departments.

### Outstanding guarantees

The details of guarantees outstanding, invoked and guarantee fee receivable during the period from 2008-09 to 2012-13 is shown in Table 1.37.

Table 1.37: Guarantees outstanding, invoked and guarantee fee receivable during the period from 2008-13

(₹ in crore)

Year	Guarantees outstanding at the beginning of the year		Net of additions (+)/ deletions (-) (other than invoked) during the year, including principal and interest	Invoked during the year		Outstanding at the end of the year		Guarantee fee	
	Principal	Interest.		Discharged	Not discharged	Principal	Interest	Received	Receivable
2008-09	42699.22	15576.40	----	----	----	38547.03	12923.52	3539.02	----
2009-10	38547.03	12923.52	----	----	1.09 <sup>28</sup>	31869.88	10813.22	551.77	374.26
2010-11	31869.88	10813.22	(-) 27642.23	----	----	11585.82	3455.05	551.18	300.54
2011-12	11585.82	3455.05	----	----	----	11585.82	3455.05	128.85	60.03
2012-13	10562.76	3414.68	(-) 4731.72	----	----	6743.34	2502.38	82.01	92.63

Source: Finance Accounts of the respective years

### Audit coverage

The audit of guarantees given to Co-operative Sugar Factories (CSFs) by Cooperation, Marketing and Textiles Department (CMTD) and to the State Social Welfare Corporations by Social Justice and Special Assistance (SJSA) Department during the period 2010-11 to 2012-13 was conducted (May to June 2013) through test-check of records in the FD, CMTD, Sugar Commissionerate (Pune), Regional Joint Director (RJD) office (Pune) and SJSA Department. In respect of guarantee fees collected during the period 2008-09 to 2012-13, fourteen institutions in eight Departments with high outstanding loan amounts were selected for test check (Appendix-1.21).

### Audit findings

#### (a) Non-framing of policy

With a view to streamlining and improving methodology for approval of guarantees, the Department of Economic Affairs, Ministry of Finance, GoI issued a policy paper in September 2010 on Government guarantees that serves as an overall guideline for considering various guarantee proposals from Ministries/Departments. However, the State Government has not framed any policy (July 2013) for Government guarantees. No limits for guarantees to be given by the State Government have been fixed by Law under Article 293 of the Constitution of India. The Maharashtra FRBM Act, 2005 also does not contain any provisions for laying down the limits. However, as per Fiscal Policy Strategy Statement of 2007-08, the State Government is consciously discouraging Government guarantees.

#### (b) Systemic deficiencies

##### *Non-adherence to prescribed procedure*

The proposals of CSFs in need of guarantee and having a negative net worth together with, no outstanding guaranteed loans/guarantee fee and cane availability of minimum 50 per cent of its crushing capacity statements are forwarded to the

<sup>28</sup> An amount of ₹ 1.09 crore was invoked by Bank of India in respect of Adivasi Govari Shahid Smruti Sheli va Pashupalan Sahakari Sanstha Ltd., Nagpur during 2009-10. No amount was paid by the Government on account of invocation of guarantee during the year

Commissioner of Sugar<sup>29</sup> by the RJDs<sup>30</sup> after scrutiny by the Special Auditor<sup>31</sup>. The proposal is then forwarded to the Government and final decision is taken by the Cabinet. The annual accounts of the CSF are audited by the Special Auditor and kept in the office of the respective RJD along with the audit reports.

During the period 2010-11 and 2011-12, 70 proposals were forwarded by the Commissioner of Sugar to GoM seeking approval for Government guarantees on pre-seasonal loans<sup>32</sup> raised by CSFs. No proposals were forwarded during the year 2012-13.

Scrutiny of the records available in the office of Commissioner of Sugar and RJD, Pune revealed the following:

- During the years 1992 to 2010, of the 60 CSFs, guarantee deeds were executed in respect of only 18 CSFs. In respect of the 42 CSFs (total loan amount ₹ 436.78 crore), no guarantee deeds were executed. Of the 42 CSFs, 13 were under liquidation (total loan amount ₹ 149.07 crore) as of March 2013.
- During 2010-11 and 2011-12, of the 70 proposals, guarantee deeds were executed in only 12 CSFs (for pre-seasonal loans). In the remaining 58 CSFs, no guarantee deeds were executed.
- Thirtynine out of 70 proposals were received directly from financial institutions, processed by the Commissioner of Sugar and forwarded to the Government, without scrutiny by Special Auditors and the RJDs concerned. The RJD, Pune stated (May 2013) that the proposals received directly in the Sugar Commissioner office in respect of Pune region would be collected and kept in the RJD's office. The fact remained that in the absence of any scrutiny by the Special Auditor as well as the RJD himself, the eligibility of these 39 CSFs for Government guarantee could not be ascertained in audit.

***Inadequate control and monitoring***

- The register of guarantee was not maintained both at the Sugar Commissionerate as well as the RJD office, Pune. Vital details such as, guarantees given, interest and guarantee fees due and paid during the year *etc.* were reflected in the loan register maintained for each CSF. However, the loan register did not reflect the opening and closing balances of the guarantee fees, penalty for delay in payment of guarantee fee *etc.*
- A central control register is maintained in the Guarantee Monitoring Cell of the FD to watch the guarantees given to the CSFs and recovery of guarantee fees from them. Scrutiny of the registers revealed that the details such as, opening balance, additions, deletions during the year, details of guarantee fee received and that remaining outstanding, were not entered in the relevant columns of the register. The FD stated (June 2013) that the Administrative Departments were responsible for recovering the guarantee fee and providing an up-to-date information to them.

<sup>29</sup> The Commissioner of Sugar heads the Sugar Commissionerate

<sup>30</sup> There are seven RJDs who assist the Commissioner of Sugar

<sup>31</sup> Statutory Auditors for Co-operatives under Maharashtra Co-operative Societies Act, 1960 and report to the RJDs

<sup>32</sup> Pre-seasonal loans are given for overhauling of plant and machinery, payment of advance to harvesting and transportation contractors, purchase of stores materials and payment of off-seasonal wages to labourers

### *Data inconsistencies*

- The closing balances of Government guarantees did not tally with opening balance during the year 2009-10 to 2011-12 (**Appendix 1.18**). The difference in these figures needs to be reconciled. Further, during 2011-12, an amount of ₹ 12.83 crore was shown as the liability discharged due to invocation. This was however, not consistent with ₹ 81.92 crore shown as adjusted during 2011-12 against the ad-hoc grant of ₹ 170 crore released to five defaulting CSFs {**paragraph (f)**}.
- In 12 out of 70 proposals where guarantee deeds were executed, the guarantee amounts (principal and interest) shown in the guarantee deeds did not tally with the figures reported by the Sugar Commissioner to the GoM (**Appendix 1.19**). The CMTD stated (May 2013) that information submitted to audit by the Sugar Commissioner was not correct. Thus, the guarantee figures maintained by the Sugar Commissioner, responsible for controlling and monitoring the guarantees, were not reliable and the data at the Government level was inconsistent.

### (c) **Waiver of outstanding loans by State Government**

Guarantees given by the Social Justice and Special Assistance (SJSA) Department were in the nature of Block Guarantee<sup>33</sup>/Letter of Assurance<sup>34</sup> from the State Government.

Scrutiny of records in SJSA Department revealed that as on March 2013, the SJSA Department had given guarantees to loans given by four<sup>35</sup> National Corporations amounting to ₹ 237.92 crore to six State Corporations (**Appendix 1.20**) established as companies under the Companies Act, 1956. The objective of these State Corporations was to implement various financing Schemes of the SJSA Department for the specific weaker sections.

Audit observed that these State Corporations were running in losses and depended on grants-in-aid from the State Government for their day-to-day operations. Further, poor recovery of loans from beneficiaries resulted in large arrears in repayment of loans. The share capital contribution made by the State Government was partly used by the State Corporations for repayment of loans raised from National Corporations due to non-recovery of loans from the beneficiaries. Audit further observed that the State Government waived off (August 2009) ₹ 134.41 crore that was due from the beneficiaries to the State Corporations. Consequently, the State Government had to pay ₹ 114.05 crore and ₹ 86.35 crore (including interest) to the Nationalized Banks and to the National Corporations respectively in July 2010 as one time settlement of the outstanding loans raised by the State Corporations. By Department's own admission, this loan waiver contributed to poor recovery of loans, as the beneficiaries were hoping for further waiver.

Thus, the grants provided to these State Corporations were implicit subsidies and unless proper measures are taken to ensure satisfactory recovery of loans from the

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<sup>33</sup> Block Guarantees: Lump sum guarantees wherein a limit of guarantee is fixed up to which the PSU can avail loans

<sup>34</sup> Assurance letter: In the absence of approval of guarantee, a letter is obtained from the State Government stating that the proposal for additional guarantee was under consideration

<sup>35</sup> National Scheduled Castes Finance and Development Corporation (NSFDC), National Safai Karmachari's Finance and Development Corporation (NSKFDC), National Backward Class Finance and Development Corporation (NBFDC) and National Handicapped Finance and Development Corporation (NHFDC)



beneficiaries, chances of invocation of guarantees by the National Corporations cannot be ruled out.

**(d) Levy and collection of guarantee fee**

Audit observed the following:

- As per the Twelfth Finance Commission Report, States should set up guarantee redemption funds through earmarked guarantee fees, in order to provide for sudden discharge of the States' obligations on guarantees. A guarantee reserve fund created in 1963-64 in Maharashtra to meet the liabilities, which may arise as a result of the invocation of guarantees given by the Government, was closed with effect from 1 April 1990. In the MTFPS for the year 2009-10, laid before the Maharashtra State Legislature, it was stated that the State was also in the process of setting up a guarantee redemption fund to meet the contingent liabilities arising from the guarantees given by the Government. However, the GoM has since taken a decision not to create the guarantee redemption fund.
- Test check of 14 institutions in eight Departments (**Appendix 1.21**) revealed that the respective Administrative Departments did not maintain the details of repayment of loans, recovery of guarantee fee and outstanding guarantee fee. The records provided to audit did not contain information such as, loan-wise details, total amount of outstanding interest, copies of Government Resolutions and repayment details/repayment schedules. This indicated lack of controls and effective monitoring on recovery of guarantee fee and penal interest. The Administrative Departments stated (June 2013) that these details would be called for from the beneficiary institutions for confirmation of the figures, as the same were not available with them.
- The amount of guarantee fees recoverable from the 14 test-checked institutions as worked out by audit stood at ₹ 1,534.86 crore (**Appendix 1.21**) on the basis of the loan and interest component payable by the beneficiary institutions. In March 2009, Government provided ₹ 3,432.36 crore towards share capital contribution to five of its Irrigation Development Corporations (Autonomous Bodies) to adjust the guarantee fee and interest payable. Similarly, during 2012-13, ₹ 13.99 crore was provided towards share capital contribution to Maharashtra Jeevan Pradhikaran (Autonomous Bodies) and ₹ 15.24 crore to Maharashtra Irrigation Finance Company Limited (Government Company) to be adjusted against guarantee fee and interest payable.
- In SJSA Department, six State Corporations had raised loans in excess of the guarantees given by the Government by ₹ 54.72 crore, resulting in difficulties in calculation of guarantee fee payable (**Appendix 1.20**). Further, as per the FD, the guarantee fee including interest/penal interest outstanding as on 31 March 2013 in respect of six State Corporations was ₹ 78.83 crore whereas, as per the Department the fee payable was only ₹ 9.49 crore. The discrepancy had occurred as there was no uniformity in the rates adopted by the State Corporations (at 0.50 per cent) and the FD (at two per cent) while calculating the guarantee fee.
- The CMTD converted (March 2008) guarantee fee of ₹ 23.94 crore recoverable from 11 CSFs as on 31 May 2004, to interest free loans

repayable in eight years (**Appendix 1.25**). Considering a three year moratorium (May 2004 to May 2007) allowed by CMTD, this amount was recoverable by the Commissioner of Sugar in five equal instalments from May 2008. Of the ₹ 23.94 crore an amount of ₹ 1.90 crore was fully recovered from two CSFs, while ₹ 1.33 crore was partially recovered from four CSFs. Further information furnished (May 2013) by CMTD revealed that as on 31 March 2013 the total outstanding loans to be recovered from 15 CSFs was ₹ 23.92 crore (**Appendix 1.25**).

**(e) Continuance of guarantees to commercial enterprises**

The GoM entered into a Memorandum of Understanding (MoU) with Ministry of Finance, GoI in October 2002 to enable the State to achieve fiscal sustainability in the medium term in accordance with the Maharashtra Fiscal Reforms Programme for 2000-01 to 2004-05. As per Clause 7 of the MoU, it was agreed by GoM that commercial enterprises in the Cooperative Sector were no longer to be given guarantees. However, CMTD continued to give guarantees to CSFs which were commercial enterprises.

**(f) Delay in settlement of invocation of guarantees**

Mention was made in Paragraph 1.7.3.1 of the Report of the C&AG of India on the State Finances for the year ended March 2012 on GoM regarding pending claims of invocation of guarantees from MSCB<sup>36</sup>. The details of the committed liabilities of the GoM on account of invocation of guarantees as on 31 March 2013 was ₹ 2,583.45 crore as indicated in **Table 1.38**.

**Table 1.38: Details of the committed liabilities on account of invocation of guarantees as on 31 March 2013**

(₹ in crore)

	Position of outstanding claims as on 31 March 2010				Position of outstanding claims as on 31 March 2013			
	No of Units	Principal	Interest	Total	No of Units	Principal	Interest	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
CSFs	67	666.16	665.98	1332.14	60	547.37	1327.50	1874.87
Others <sup>37</sup>	21	121.11	377.96	499.07	20	109.87	598.71	708.58
<b>Total</b>	<b>88</b>	<b>787.27</b>	<b>1043.94</b>	<b>1831.21</b>	<b>80</b>	<b>657.24</b>	<b>1926.21</b>	<b>2583.45</b>
Of the above details of units under liquidation								
CSFs	23	350.83	326.70	677.53	24	210.09	759.70	969.79
Others <sup>37</sup>	11	27.08	78.67	105.75	12	57.57	291.24	348.81
<b>Total</b>	<b>34</b>	<b>377.91</b>	<b>405.37</b>	<b>783.28</b>	<b>36</b>	<b>267.66</b>	<b>1050.94</b>	<b>1318.60</b>

From **Table 1.38** it can be seen that:

- There was an increase of ₹ 752.24 crore (41 per cent) in the invocation claims during the last three years. The share of CSFs in the total outstanding claims was 72.57 per cent.
- The share of interest on the above increase was ₹ 882.27 crore which was compensated by a decrease in principal by ₹ 130.03 crore
- ₹ 1,318.60 crore (51 per cent) of the total outstanding claims pertained to units which were under liquidation.

<sup>36</sup> Maharashtra State Cooperative Bank, the nodal bank in the State for all the District Cooperative Banks

<sup>37</sup> Others comprises mainly Co-operative spinning mills and processing units

Further scrutiny of records in the office of the Commissioner of Sugar and CMTD revealed the following:

- The GR of November 1999 provided for immediate reporting by the financial institutions about default in repayment of loans and interest by the beneficiaries. The Government neither obtained these reports from the MSCB and the Sugar Commissioner nor did it maintain any records at the Government level for the purpose of monitoring and control. This resulted in accumulation of total invocation claims of ₹ 1,874.87 crore (as on March 2013) in respect of 60 CSFs alone and delay in settlement of claims and increase in interest liability on this account.
- In respect of 17 out of 60 CSFs, Government had given guarantees on various types of loans amounting to ₹ 86.11 crore raised by these CSFs, as detailed in **Appendix 1.22** even though the CSFs had defaulted in repayment of loans in the preceding years. Incidentally, seven out of 17 CSFs were under liquidation. The justification for extending further guarantees to these defaulting units was not available on record.
- The GoM provided financial assistance of ₹ 220 crore (**Appendix 1.23**) to MSCB in the form of ad-hoc grants<sup>38</sup> amounting to ₹ 170 crore in March 2011 and ₹ 50 crore in March 2012 to enable the bank to maintain the minimum reserves (CRR). It was observed that the proposal from MSCB to adjust the initial grant of ₹ 170 crore against invocation claims in respect of five defaulting CSFs was limited to ₹ 81.92 crore only (2011-12). Details of adjustments of the balance amount of ₹ 88.08 crore was not available on record (July 2013). The subsequent grant of ₹ 50 crore was not adjusted (July 2013) by the GoM against invocation claims in respect of eight defaulting CSFs.

**(g) Unfavourable guarantee Clauses**

The Clauses of guarantee deeds were in favour of the lending bank (MSCB) as detailed below:

- As per Clause 2, in the event of delay/failure by the guarantor to make payment on demand under the guarantee (within 30 days from the date of invocation of guarantee), the guarantor shall pay entire amount of guarantee with interest at the rate of 14 *per cent per annum* compounded quarterly from the date of invocation of guarantee till the date of payment. The Clause has led to a significant increase in interest liability from ₹ 1,043.94 crore in March 2010 to ₹ 1,926.21 crore in March 2013 (**Table 1.38**).
- As per Clause 4, the MSCB shall be at liberty at any time to add to, alter, amend, modify or delete or suspend any of the terms and conditions of the deed even with retrospective effect without the knowledge of the borrower and/or the guarantor and that such change shall be binding both upon the borrower and the guarantor and consent for such variation shall be deemed to be obtained from the borrower and the guarantor. Clearly, the Clause gave arbitrary powers to the bank which was detrimental to the interest of the guarantor (Government).

<sup>38</sup> This is already mentioned in **paragraph 1.7.3.1** of the State Finance Report of Government of Maharashtra for the year 2011-12

**(h) Loss in respect of liquidated CSFs.**

Information provided by the Commissioner of Sugar (April 2013) revealed that 34 CSFs sold on liquidation that owed ₹ 477.80 crore<sup>39</sup> to the Government (**Appendix 1.24**).

The Sugar Commissioner, Pune stated (April 2013) that MSCB disposed of the assets of the liquidated CSFs and adjusted them against their dues. Therefore, no amounts could be recovered by the Government.

**1.9.4.3 Off-budget borrowings**

The borrowings of a State are governed under Article 293 of the Constitution of India. In addition to the contingent liabilities shown in **Table 1.36**, the State also guaranteed loans availed of by the Government companies and corporations. These companies and corporations borrowed funds from the market and financial institutions for implementation of various State Plan programmes projected outside the State budget. Although the State Government projects that funds for these programmes would be met out of the resources mobilized by these companies and corporations outside the State budget, in reality, the borrowings of many of these concerns ultimately turn out to be the liabilities of the State Government termed as 'off-budget borrowings'. Off-budget borrowings are not permissible under Article 293 (3) of the Constitution of India. As per the MTFPS Statement 2008-09, the State Government had completely stopped off-budget borrowings from the year 2005-06. There were no off-budget borrowings during the years 2006-07 to 2012-13. However, at the close of 2012-13, ₹ 1,402 crore was outstanding on account of off-budget borrowings made prior to 2005-06.

**1.9.4.4 Adverse Balances appearing in the Finance Accounts**

Adverse balances (Minus balances) appearing in the statements of the Finance Accounts show the distorted position of account balances. Adverse balance under the Loan head shows that the repayment was more than the loans advanced by the Government. The adverse balances appearing under the Loan account were mainly due to misclassification of the transactions while compiling the accounts.

During 2012-13, adverse balances that appeared in the Finance Accounts pertains to Loans from General Insurance Corporation of India (₹ 0.40 crore) and Indian Dairy Development Corporation (₹ 5.05 crore).

The administrative Departments concerned have to take initiative to clear the above-mentioned adverse balances.

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<sup>39</sup> Non-repayment of Government dues (₹ 269.91 crore), State Share Capital (₹ 189.13 crore) and Guarantee fee (₹ 18.76 crore)

## 1.10 Debt Management

### 1.10.1 Debt Profile and Debt Sustainability

(i) **Debt Profile:** Per Capita Debt is as given in Table 1.39

Table 1.39: Time series analysis showing the per Capita Debt

(₹ in crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
Internal Debt	125271	142685	158314	176622	191637
Loans and Advances from GoI	8424	8749	9086	8772	8830
<b>Total</b>	<b>133695</b>	<b>151434</b>	<b>167400</b>	<b>185394</b>	<b>200467</b>
Population (as per Census 2001/2011)	9.69 crore	9.69 crore	9.69 crore	11.24 crore	11.24 crore
Per Capita Debt (in ₹)	13797.21	15627.86	17275.54	16494.13	17835.14

Source: Finance Accounts and Economic Survey of Maharashtra of the respective years

The per capita debt increased from ₹ 13,797.21 in 2008-09 to ₹ 17,835.14 in 2012-13.

### (ii) Debt Sustainability

Apart from the magnitude of debt of the State Government, it is important to analyse various indicators that determine the debt sustainability<sup>40</sup> of the State. This section assesses the sustainability of debt of the State Government in terms of debt stabilization<sup>40</sup>, sufficiency of non-debt receipts<sup>40</sup>, net availability of borrowed funds<sup>40</sup>, burden of interest payments (measured by interest payments to revenue receipts ratio) and maturity profile of State Government securities. Table 1.40 analyses the debt sustainability of the State according to these indicators for the period of three years beginning from 2010-11.

Table 1.40: Debt sustainability: indicators and trends

Indicators of debt sustainability	2010-11	2011-12	2012-13
Debt Stabilization (₹ in crore) (Quantum Spread + Primary Deficit/Surplus) <sup>40</sup>	11013	19689	24083
Sufficiency of non-debt receipts (Resource Gap) (₹ in crore)	7299	(-)1112	6229
Net Availability of Borrowed Funds (₹ in crore)	10756 <sup>41</sup>	8682	6603
Burden of Interest Payments(IP/RR Ratio) (in per cent)	15	14	13

A necessary condition for stability states that if the rate of growth of the economy exceeds the interest rate or cost of public borrowings, the debt GSDP ratio is likely to be stable provided the primary balances are either zero or positive or are moderately negative. Given the rate spread (GSDP growth rate – interest rate) and quantum spread (Debt multiplied by rate spread), the debt sustainability condition states that if the quantum spread together with primary deficit is zero, the debt-GSDP ratio would be constant or debt would stabilize eventually. On the other hand, if primary deficit together with quantum spread turns out to be negative, debt-GSDP ratio would be rising and in case it is positive, debt-GSDP ratio would be falling.

Table 1.40 reveals that the sum of quantum spread and primary deficit since 2010-11 turning positive indicates the tendency towards debt stabilization which would eventually improve the debt sustainability position of the State in ensuing years.

<sup>40</sup> see Glossary at page 166

<sup>41</sup> Figure differs from last year due to corrections

### *Sufficiency of Non-Debt Receipts*

For debt stability and its sustainability, the incremental non-debt receipts of the State should be adequate to cover the incremental interest liabilities and incremental primary expenditure. Debt sustainability could be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure.

The negative resource gap indicates the non-sustainability of debt while the positive resource gap strengthens the capacity of the State to sustain the debt. **Table 1.40** reveals that during the year 2010-11 the resource gap was positive which turned into negative during 2011-12, indicating the beginning of risk of non-sustainability of debt. However, during the current year, the resource gap turned into positive, indicating increasing capacity of the State to sustain the debt in the medium to long run.

The positive resource gap (₹ 6,229 crore) was a result of sufficiency of the incremental non-debt receipt (₹ 21,509 crore) to meet the incremental primary expenditure (₹ 13,709 crore) and incremental interest payments (₹ 1,571 crore). Thus, for debt stability the State needs to maintain its resource mobilisation as well as prune unproductive expenditure.

### *Net availability of borrowed funds*

Net availability of borrowed funds is defined as the ratio of debt redemption (Principal + Interest Payments) to total debt receipts and indicates the extent to which the debt receipts are used in debt redemption.

**Table 1.40** reveals that the net availability of borrowed funds decreased from ₹ 10,756 crore in 2010-11 to ₹ 8,682 crore in 2011-12 and further to ₹ 6,603 crore during 2012-13. The decrease was mainly due to increase in Interest Payments (₹ 1,571 crore).

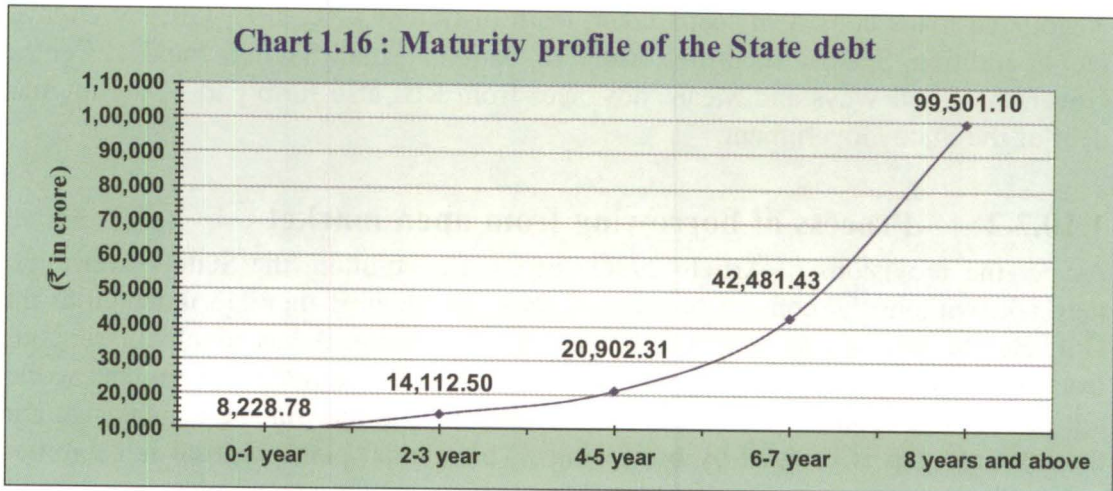
During 2012-13, Government raised internal debt of ₹ 20,974 crore, GoI loans of ₹ 751 crore and other obligations of ₹ 36,378 crore. Government repaid internal debt of ₹ 5,960 crore, GoI loans of ₹ 693 crore and discharged other obligations of ₹ 25,359 crore and paid interest of ₹ 19,076 crore resulting in net increase in debt receipts by ₹ 6,603 crore during the year.

**Table 1.41: Maturity profile of State debt**

(₹ in crore)

Maturity Profile (in years)	Amount	Per cent
0 – 1	8228.78	4.29
2 – 3	14112.50	7.36
4 – 5	20902.31	10.91
6 – 7	42481.43	22.17
8 and above	99501.10	51.92
Information not furnished by the State Government	6410.62	3.35
<b>Total</b>	<b>191636.74</b>	<b>100</b>

Source: Finance Accounts



(Source: Finance Accounts)

The maturity of the State debt as per **Table 1.41** and **Chart 1.16** indicates that nearly 22.56 per cent of the total State debt is repayable within the next five years while the remaining 77.44 per cent is payable in more than five years. It further indicates that the liability of the State to repay the debt would be ₹ 20,902.31 crore during the period 2016-18 and ₹ 42,481.43 crore during 2018-20 which would put a strain on the Government budget during that period.

A well thought out debt repayment strategy will have to be worked out by the Government to ensure that no additional borrowings, which mature in these critical years, are made.

## 1.10.2 Market Borrowings

### Introduction

Open Market borrowings (OMB) refer to loans raised in the open market having a currency of more than 12 months. The State Government raises loans from the market for financing capital expenditure in connection with the development programme of the Government. The OMBs are dated securities issued through an auction conducted by the Reserve Bank of India (RBI) on the electronic platform. Commercial banks, Scheduled Urban Co-operative banks, Primary dealers, Insurance companies are some of the members of this electronic platform. Interest is serviced at half-yearly intervals and the principal is repaid on the maturity date.

Audit examined the process of borrowing, norms prescribed by the Twelfth and Thirteenth Finance Commission, profile of OMB and the related issues like surplus cash balances, non-investment of earmarked funds, maturity profile, debt sustainability, utilisation of borrowings etc. for the period 2008-09 to 2012-13. Records relating to open market borrowing of the State Government as maintained in the FD were examined during May to June 2013.

### 1.10.2.1 Classification of market loans in Government accounts

The internal debt of the State Government is divided into market loans and negotiated loans. Market loans are classified in Government accounts as under:

E – Public debt; 6003 – Internal debt of the State Government; 101 – Market Loans; (i) – Market loans bearing interest; (ii) – Market loans not bearing interest<sup>42</sup>

<sup>42</sup> The unclaimed amount on maturity features in subsequent year Finance Account under Market loans not bearing interest

Negotiated loans consist of loans taken from institutions like LIC, GIC, NABARD *etc.* In addition, Special Securities issued to National Small Savings Fund of Central Government and Ways and Means advances from RBI also form part of the internal debt of the State Government.

### 1.10.2.2 Process of borrowing from open market

As per the provisions of Article 293(3) of the Constitution, the State Government may not, without the consent of the GoI, raise any loan if they are indebted to the GoI. Before raising any borrowing, the State Government has to obtain sanction from the Ministry of Finance, GoI for raising the loan. The State Government works out its resource requirement and the anticipated expenditure for the annual plan and the resource gap is bridged by borrowings. This annual plan proposal is submitted to the Planning Commission of India. After the size of the annual plan is approved, the Ministry of Finance intimates the borrowing ceiling of the State Government. This ceiling covers all sources of borrowings including OMB, negotiated loans from financial institutions, National Small Savings Fund (NSSF) loans *etc.* Actual borrowing take place in a phased manner based on the mutually agreed schedule by the State Government and the RBI through an auction based system<sup>43</sup>. GoI accords its permission to raise market borrowings in phases and the funds are arranged by the RBI. A uniform period of 10 year is followed for all the market loans taken by State Government. Interest liability for the State Government on OMB ceases on the date of maturity.

### 1.10.2.3 Open market borrowing of the State at a glance

The details of OMB during the period from 2008-09 to 2012-13 is shown in **Table 1.42**.

**Table 1.42: Details of OMB for the period from 2008-13**

	(₹ in crore)				
Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
Amount of GoI permission to raise OMB	17761.93	15500	11500	21000	17500
OMB raised by FD	17761.93	15500	11500	21000	17500
Repayment of OMB made during the year	896.22	990.96	1015.75	1580.50	1175.76
Net OMB	16865.71	14509.04	10484.25	19419.50	16324.24
Interest Paid on market loans	2115.24	3718.89	4746.89	5709.54	7356.03
Net availability of OMB	14750.47	10790.15	5737.36	13709.96	8968.21
Percentage of net availability of funds to OMB raised	83.05	69.61	49.89	65.29	51.25

*Source: Finance Accounts of the respective years*

**Table 1.42** shows that:

- The net availability of borrowed funds for development activities reduced from 83.05 *per cent* in 2008-09 to 51.25 *per cent* in 2012-13. FD stated (December 2013) that the net availability emerges automatically once the fiscal deficit, debt to GSDP are normatively prescribed. If the net fiscal deficit norm was three *per cent* of GSDP and debt was to be 24 *per cent* of GSDP then the normative net availability would be only in the region of 33 *per cent* or so. Thus, the net availability of OMB was above this norm throughout the five years.

<sup>43</sup> Auction based system is a method of issuance of Government securities. An auction may either be yield based or price based. The rate of interest gets fixed through a market based price discovery process



- b) The reduction in the net availability of borrowed funds was due to increase in interest payments and repayments of OMB. Interest paid on market loans increased from ₹ 2,115.24 crore in 2008-09 to ₹ 7,356.03 crore in 2012-13 while repayments of OMB increased from ₹ 896.22 crore in 2008-09 to ₹ 1,580.50 crore in 2011-12 but decreased to ₹ 1,175.76 crore in 2012-13.
- c) The borrowings decreased from ₹ 17,761.93 crore during 2008-09 to ₹ 11,500 crore during 2010-11. It reached a peak at ₹ 21,000 crore in 2011-12 and decreased to ₹ 17,500 crore in 2012-13.

#### 1.10.2.4 Profile of market loans

All borrowings raised during 2008-09 to 2012-13 have been raised through auction based system conducted by the RBI. The profile of market loans raised, interest profile and maturity profile are given in Table 1.43.

Table 1.43: Profile of market loans

(₹ in crore)

Details	Amount of loan raised					
	2008-09	2009-10	2010-11	2011-12	2012-13	Total
< one year	0	0	0	0	0	0
1-3 years	0	0	0	0	0	0
5-7 years	0	0	0	0	0	0
> 7 years	17761.93	15500	11500	21000	17500	83261.93
<b>Total loan during the year</b>	<b>17761.93</b>	<b>15500</b>	<b>11500</b>	<b>21000</b>	<b>17500</b>	<b>83261.93</b>
Outstanding market loans as on 31 March (₹ in crore) *	45413.25	59922.3	70406.36	89825.86	106149.95	
Percentage of loan raised during the year to total outstanding	39.11	25.87	16.33	23.38	16.49	

\* includes market loans not bearing interest  
 Source: Finance Accounts of the respective years

Audit observed that all borrowings have a uniform maturity period of 10 years. Total outstanding borrowings increased from ₹ 45,413.25 crore in 2008-09 to ₹ 1,06,149.95 crore in 2012-13.

Table 1.44: Interest rate profile

(₹ in crore)

Rate of interest (per cent)	Market loans raised during the year						Outstanding interest bearing market loans as on 31 March 2013
	2008-09	2009-10	2010-11	2011-12	2012-13	Total	
Below 5	0	0	0	0	0	0	
5 - 5.99	0	0	0	0	0	0	3657.37
6 - 6.99	3294.78	0	0	0	0	3294.78	8243.30
7 - 7.99	7000	5000	0	0	0	12000	15047.72
8 - 8.99	7467.15	10500	11500	19000	17500	65967.15	77129.06
9 - 9.99				2000	0	2000	2050.93
10 - 10.99	0	0	0	0	0	0	0
<b>Total</b>	<b>17761.93</b>	<b>15500</b>	<b>11500</b>	<b>21000</b>	<b>17500</b>	<b>83261.93</b>	<b>106128.38#</b>
Weighted average interest rate	7.78	8.18	8.42	8.76	8.76		

# excludes market loans not bearing interest  
 Source: Finance Accounts of the respective years

From **Table 1.44** it can be seen that 79 per cent of OMB during the five year period had an interest rate of 8 to 8.99 per cent.

### Maturity profile of open market borrowing

All borrowings raised will mature after 10 years. The redemption profile for the next seven year is shown in **Table 1.45**.

**Table 1.45: Maturity Profile**

(₹ in crore)

Maturity Year	Maturity Amount	As a percentage of outstanding market loan as on 31 March 2013
2014-15	2769.58	2.61
2015-16	3552.58	3.35
2016-17	3527.86	3.32
2017-18	8519.66	8.03
2018-19	17761.93	16.73
2019-20	15500.00	14.60
2020-21	11500.00	10.83

Source: Finance Accounts of the respective years

It can be seen from the **Table 1.45** that average percentage of outstanding market loans that needs to be rolled over every year is increasing from 2017-18 onwards and there could be a redemption pressure from the year 2018-19 onwards.

### 1.10.2.5 Public Accounts

#### a) Impact of Public Accounts on cash balance

General cash balance comprises of cash in treasuries deposits with Reserve Bank remittances in transit and investments held in the cash balance investment account. One of the important factors that contribute to the increase in cash balances is due to the accumulated balances in the public accounts and borrowing in excess of actual requirement to finance the fiscal deficit. Surplus cash balance of the State is determined on the basis of the opening cash balance reduced by the committed expenditure *i.e.* cheques issued but not encashed. The data for five years is shown in **Table 1.46**.

**Table 1.46: Position of surplus cash balance**

(₹ in crore)

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
Closing cash balance* including cash balance Investment as on 31 March	16479.53	19082.56	22757.71	25549.84	36481.98
Less closing balance under Major Head 8670 and 8782 as on 31 March	8288.59	14595.63	13135.12	11407.08	12520.93
<b>Surplus cash balance</b>	<b>8190.94</b>	<b>4486.93</b>	<b>9622.59</b>	<b>14142.76</b>	<b>23961.05</b>

\* Indicates the General Cash Balance

Source: Finance Accounts of the respective years

FD stated (September 2013) that the closing balance at the end of the year in the Public Accounts under the Major Head 8443–Civil Deposits and 8342–Other Deposits – 117 Defined Contribution Pension Scheme for Government Employees is considered as an encumbered cash and State Government works out the requirement of OMB after excluding these balances from the cash balance. As regards balances under 8342 - Other Deposits – 117 Defined Contribution Pension Scheme, the FD stated that though Maharashtra had implemented the New Pension

Scheme (NPS) the accruals therein were held in the Public Account. These would be transferred to the NPS Trust/Fund Managers once the modalities of joining the same are finally decided. If these encumbered balances are reduced from the cash balance, the unencumbered balances would either be negative or marginal.

After excluding the encumbered balances the position of surplus cash balances (unencumbered) during the last five years was as indicated in **Table 1.47**.

**Table 1.47: Position of unencumbered cash balance**

(₹ in crore)

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
Closing cash balance* including cash balance Investment as on 31 March of the year	16479.53	19082.56	22757.71	25549.84	36481.98
Less closing balance under Major Head 8670 and 8782 as on 31 March	8288.59	14595.63	13135.12	11407.08	12520.93
<b>Surplus cash balance</b>	<b>8190.94</b>	<b>4486.93</b>	<b>9622.59</b>	<b>14142.76</b>	<b>23961.05</b>
Encumbered balance					
1 closing balance under 8443 as on 31 March	6619.45	8219.78	10536.51	11331.72	13509.64
2 closing balance under 8342-117 as on 31 March	83.78	362.23	934.03	1682.32	2755.31
<b>Total encumbered balance</b>	<b>6703.23</b>	<b>8582.01</b>	<b>11470.54</b>	<b>13014.04</b>	<b>16264.95</b>
<b>Surplus cash balance after excluding encumbered balance (unencumbered cash balance)</b>	<b>1487.71</b>	<b>(-) 4095.08</b>	<b>(-) 1847.95</b>	<b>1128.72</b>	<b>7696.10</b>
Per cent of encumbered cash balance to surplus cash balance	81.84	191.27	119.20	92.02	67.88
* Indicates the General Cash Balance					
Source: Finance Accounts of the respective years					

As could be seen even after excluding the encumbered cash balance the State Government had a surplus cash balance of ₹ 7,696 crore during 2012-13.

The FD stated (December 2013) that in 2013, the receipts, especially of the Value Added Tax, were significantly higher than anticipated and there were large releases (upwards of ₹ 4,000 crore) from the GoI in the month of March 2013 which did not allow for expenditure to fructify. The FD added that though the State Government had requested both the Ministry of Finance and the RBI to allow roll over of borrowing limits by taking a multi-year view of borrowing programme, this was not accepted by them.

**b) Increasing trend of balance under 8443-Civil Deposits**

During 2008-09 to 2012-13 the closing balance at the end of the financial year under the Major Head 8443-Civil Deposits showed an increasing trend as indicated in **Table 1.48**.

Table 1.48: Balance under 8443-Civil Deposits

(₹ in crore)

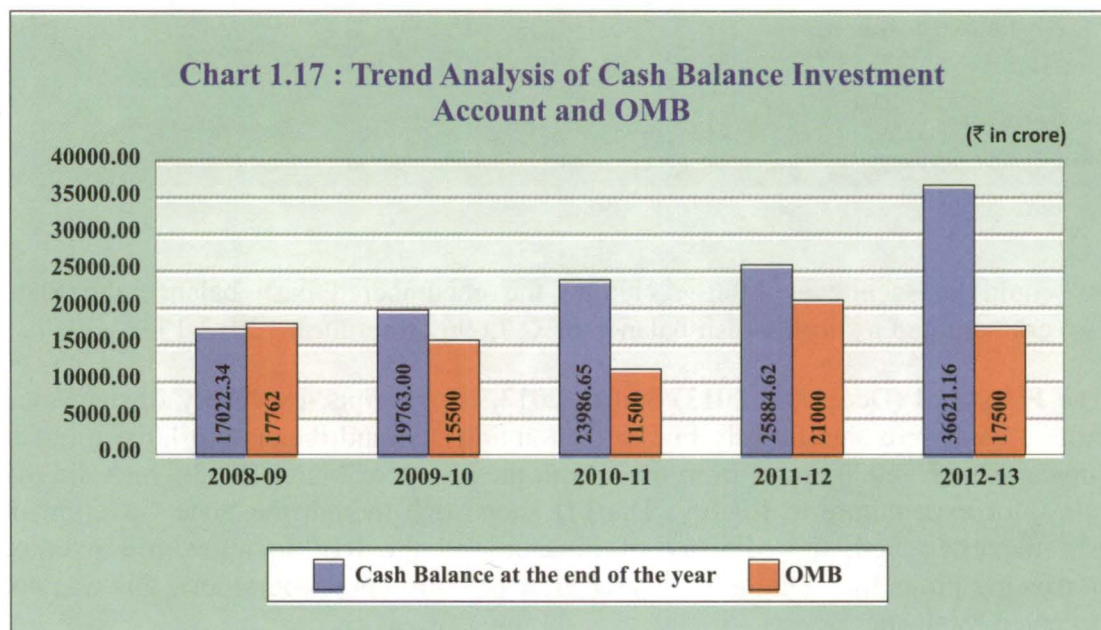
Year	OB as on 1 April	Receipts	Disbursements	CB as on 31 March	Net increase during the year	CB as on 31 March in 8443-106 Personal Deposits/ (percentage)
2008-09	6132.63	8726.67	8239.85	6619.45	486.82	3406.42 (51)
2009-10	6619.45	10413.01	8812.68	8219.78	1600.33	4583.58 (56)
2010-11	8219.78	15806.01	13489.28	10536.51	2316.73	6626.45 (63)
2011-12	10536.51	19517.15	18721.93	11331.72	795.22	6533.47 (58)
2012-13	11331.72	19509.83	17331.91	13509.64	2177.92	7952.89 (59)

Source: Finance Accounts of the respective years

It could be seen that the balance in 106 – Personal Deposits constituted more than 50 per cent of the balances under the Major Head 8443–Civil Deposits. Further, where funds are transferred to the Personal Deposit Accounts from the Consolidated Fund, the balances at the close of the financial year should be transferred back to the Consolidated Fund. From the notes to accounts to the Finance Accounts it is seen that funds which need to be transferred back to the Consolidated Fund at the end of the financial year was not ascertainable. As a result, the actual encumbered balances under the Major Head 8443–Civil Deposits was not ascertainable.

c) Trend analysis of cash balance investment account

The cash balance investment account (CBIA) showed an increasing trend. There was a steady increase in the closing balance of CBIA from ₹ 17,022.34 crore as on 31 March 2009 to ₹ 36,621.16 crore as on 31 March 2013. The increase in the closing balance of CBIA and the OMB raised during this period is shown in Chart 1.17.



(Source: Finance Accounts of the respective years)

1.10.2.6 Non-investment of earmarked funds

Statement No. 19 of Finance Accounts shows the details of investments of earmarked funds. Details of investments for the period from 2008-09 to 2012-13 are shown in Table 1.49.

Table 1.49: Details of investment of earmarked funds

(₹ in crore)				
Year	Cash	Investment	Total	Percentage of investment
2008-09	11350.74	5113.53	16464.27	31.06
2009-10	10999.75	6339.56	17339.31	36.56
2010-11	10873.83	8618.69	19492.53	44.22
2011-12	10474.35	10417.67	20892.02	49.86
2012-13	10511.89	12356.56	22868.45	54.03

Source: Finance Accounts of the respective years

It could be seen that during the period from 2008-09 to 2012-13 investments ranged between 31.06 per cent to 54.03 per cent and the balance, which is part of CBIA, gets invested in 14 days Treasury Bills and earns only five per cent interest.

### 1.10.2.7 Debt sustainability vis-à-vis market borrowing

The debt sustainability indicators of the State for the period from 2008-09 to 2012-13 is given in Table 1.50.

Table 1.50: Debt sustainability indicators

(₹ in crore)					
Description	2008-09	2009-10	2010-11	2011-12	2012-13
Market loans raised during the year	17761.93	15500	11500	21000	17500
Outstanding market loans	45413.25	59922.3	70406.36	89825.86	106149.95
Total liabilities	186603.22	216439.16	242098.87	266031.6	292793.07
Fiscal liabilities	179262	203165	229569	255756	281434
Total public debt	133694.63	151433.66	167399.83	185394.04	200466.64
Percentage of market loans to total liabilities	24.34	27.69	29.08	33.77	36.25
Percentage of market loans to total public debt	33.97	39.57	42.06	48.45	52.95
Weighted average interest rate on market loans-financial year wise	7.78	8.18	8.42	8.76	8.76
Interest paid on market loans	2115.24	3718.9	4746.89	5709.54	7356.03
GSDP growth rate and interest rate ratio	2.21	3.68	2.20	1.92	1.65
Gross Interest payments to Revenue Receipts ratio	15.13	16.24	14.78	14.43	13.34
Primary surplus/deficit	(-) 1699.51	(-) 12045.01	(-) 3208.67	(-) 2634.9	5335.82
Revenue surplus/deficit	5576.76	(-) 8005.68	(-) 591.56	(-) 2438.28	4211.25
Fiscal deficit	13998.82	26155.51	18856.64	20139.5	13739.82
Percentage of total liabilities to GSDP	26.94	24.01	22.66	24.90	27.41
Outstanding guarantees	51470.55	42683.1	15040.87	13977.44	9245.72
GSDP	692749	901330	1068327	1199548	1372644

Source: Finance Accounts and Economic Survey of the State of the respective years

It can be seen from Table 1.50 that:

- The percentage of market loans to total liabilities and public debt showed a steady increase from 2008-09 to 2012-13.
- There was an increase in the weighted average interest on market loans. As already discussed in Paragraph 1.10.2.4, 79 per cent of the OMBs had an interest rate ranging between 8 and 8.99 per cent.

## Finances of the State Government

Market borrowing is one of the components of fiscal liability. A comparison of the share of market borrowing in the fiscal liability during the period 2008-09 to 2012-13 is given in **Table 1.51**.

**Table 1.51: Share of market borrowing in the fiscal liability**

(₹ in crore)							
Year	Fiscal liability	Percentage of fiscal liability to GSDP	Debt-GSDP ratio fixed by ThFC	Outstanding market loans	Percentage of market loans to fiscal liability	Rate of growth of fiscal liability	Rate of growth of outstanding OMB
2008-09	179262	25.90	Not applicable	45413.25	25.33	13.38	59.08
2009-10	203165	22.50	26.4	59922.3	29.49	13.33	31.95
2010-11	229569	21.50	26.3	70406.36	30.67	13.00	17.50
2011-12	255756	21.30	26.1	89825.86	35.12	11.41	27.58
2012-13	281434	20.50	25.8	106149.95	37.71	10.04	18.17

*Source: Finance Accounts and MTFPS of the respective years*

It can be seen from **Table 1.51** that the share of market borrowing in fiscal liability increased from 25.33 per cent in 2008-09 to 37.71 per cent in 2012-13 and, the rate of growth of outstanding OMB was more than the rate of growth of fiscal liability during 2008-09 to 2012-13.

The FD stated (September 2013) that decrease in the NSSF loans and disintermediation<sup>44</sup> by GoI in respect of plan loans were the reasons for the rising proportion of OMB. Increase in proportion of OMB is a uniform trend across the States. Further, OMB is one of the cheapest sources of funds for the State Government.

Audit further observed that the Government resorted to borrowing more than the fiscal deficit. A comparison of fiscal deficit, public debt and OMB is made in **Table 1.52**.

**Table 1.52: Comparison of fiscal deficit, public debt and OMB**

Year	Fiscal deficit	Net public debt during the year	Net OMB during the year	GSDP	Percentage of fiscal deficit to GSDP	Percentage of net public debt to GSDP	Percentage of net OMB to GSDP
	(₹ in crore)						
2008-09	13998.82	17488.25	16865.71	692749	2.02	2.52	2.43
2009-10	26155.51	17739.02	14509.04	901330	2.90	1.97	1.61
2010-11	18856.64	15966.17	10484.25	1068327	1.77	1.49	0.98
2011-12	20139.50	17994.21	19419.50	1199548	1.68	1.50	1.62
2012-13	13739.82	15072.60	16324.24	1372644	1.00	1.10	1.19
				Norm	3.00		

*Source: Finance Accounts and Economic Survey of the State of the respective years*

It is seen from **Table 1.52** that:

- The percentage of fiscal deficit to GSDP was well within the norm of three fixed by ThFC.
- Net public debt and net market borrowing was more than the fiscal deficit during 2008-09 and 2012-13.

<sup>44</sup> As per Twelfth Finance Commission recommendations, Central lending to States was discontinued and the States were allowed to raise their own resources through market borrowing

- Net OMB was more than net public debt during 2011-12 and 2012-13. This was due to the increase in repayments under negotiated loans and loans and advances from the Central Government, as shown in **Table 1.53**.

**Table 1.53: Public debt raised during 2011-12 and 2012-13**

(₹ in crore)

Year	Major Head	Public debt raised		Public debt discharged	
		OMB	Debt other than OMB	OMB	Debt other than OMB
2011-12	6003	21000	3146.19	1580.50	4257.42
	6004	---	306.37	---	620.43
	<b>Total</b>	<b>21000</b>	<b>3452.56</b>	<b>1580.50</b>	<b>4877.85</b>
2012-13	6003	17500	3865.83	1175.76	5175.33
	6004	---	750.80	---	692.93
	<b>Total</b>	<b>17500</b>	<b>4616.63</b>	<b>1175.76</b>	<b>5868.26</b>

Source: Finance Accounts of the respective years

It is evident from the **Table 1.53** that during these two years State Government's borrowings through open market was utilised for repayment of debt raised (other than through OMB).

### 1.10.2.8 Repayment of loans and advances given by the State Government

The details of loans and advances given by the State Government *vis-à-vis* OMB raised during 2008-13 are indicated in **Table 1.54**.

**Table 1.54: Position of loans and advances given by the State Government *vis-à-vis* OMB**

(₹ in crore)

Year	Balance of loans and advance as on 1 April	Disbursements by the Government during the year	Recoveries during the year	Balance as on 31 March (2+3-4)	OMB raised	Percentage of recoveries made with respect to opening balance (4/2*100)
1	2	3	4	5	6	7
2008-09	18126.00	1280.59	560.21	18846.38	17761.93	3.09
2009-10	18843.86	1261.07	514.84	19590.09	15500	2.73
2010-11	19590.09	959.08	640.09	19909.08	11500	3.27
2011-12	19909.08	836.29	558.74	20186.63	21000	2.81
2012-13	20186.63	1415.94	862.85	20739.72	17500	4.27

Source: Finance Accounts of the respective years

As per notes to accounts of the Finance Accounts, complete information regarding recoveries in arrears was to be confirmed by the State Government Departments to the Accountants General. This was however, not done. In absence of data on recoveries in arrears, audit was not able to analyse the quantum of OMB that could have been avoided.

### 1.10.2.9 Utilisation of borrowing

The notification and the press communiques of the State Government mention the objective of the OMB as "loans to finance capital expenditure in connection with the development programmes of the State" without indicating any specific objective. Since the objectives of OMBs were not specified, it was not possible to link OMB with any particular expenditure. The ratio of revenue deficit to fiscal deficit which

indicates the extent to which borrowings were used to meet the current expenditure, was at its peak during 2009-10 as can be seen from **Table 1.55**.

**Table 1.55: Ratio of revenue to fiscal deficit**

Year	Fiscal deficit	Revenue surplus/deficit	Ratio of revenue deficit to fiscal deficit (per cent)
2008-09	13998.82	5576.76	Not applicable
2009-10	26155.51	(-) 8005.68	30.61
2010-11	18856.64	(-) 591.56	3.14
2011-12	20139.50	(-) 2438.28	12.11
2012-13	13739.82	4211.25	Not applicable

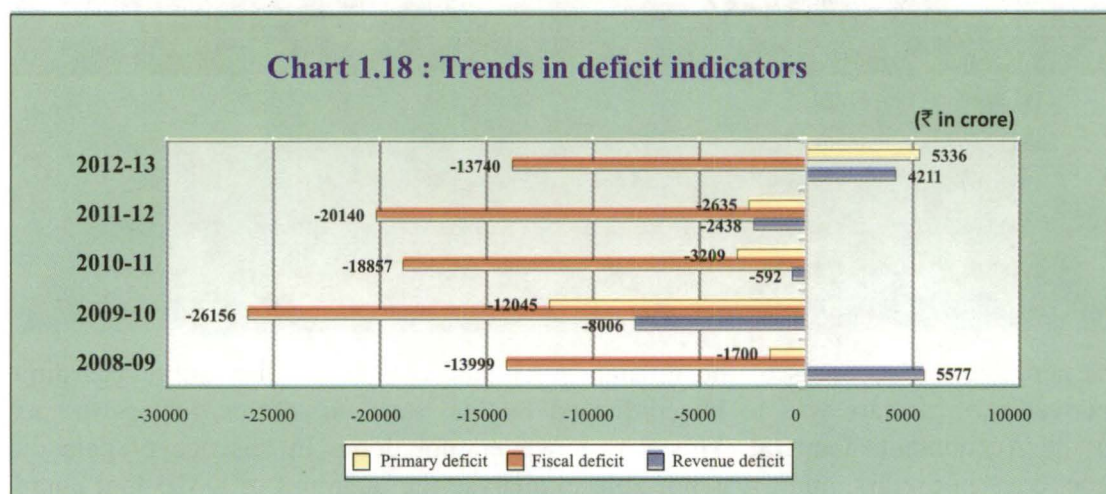
Source: Finance Accounts of the respective years

### 1.11 Fiscal imbalances

Three key fiscal parameters – revenue, fiscal and primary deficits - indicate the extent of overall fiscal imbalances in the Finances of the State Government during a specified period. The deficit in the Government accounts represents the gap between its receipts and expenditure. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further the ways in which the deficit is financed and the resources raised are applied are important pointers to its fiscal health. This section presents trends nature magnitude and the manner of financing these deficits and also the assessment of actual levels of revenue and fiscal deficits vis-à-vis targets set under MFRBM Act/ Rules for the financial year 2012-13.

#### 1.11.1 Trends in deficits

Charts 1.18 and 1.19 present the trends in deficit indicators over the period 2008-13.



(Source: Finance Accounts of the respective years)

The revenue surplus of ₹ 5,577 crore during 2008-09 was mainly due to increase in Tax revenue and grant in aid from GoI. Gradually the revenue surplus turned into revenue deficit of ₹ 8,006 crore in 2009-10 mainly due to a sharp increase in revenue expenditure by 25 per cent as against an increase in revenue receipts of only seven per cent. However during 2010-11 the revenue deficit reduced to ₹ 592 crore mainly due to a sharp increase in revenue receipts by 22 per cent as against increase in revenue expenditure by 12 per cent. During the year 2011-12 the revenue deficit

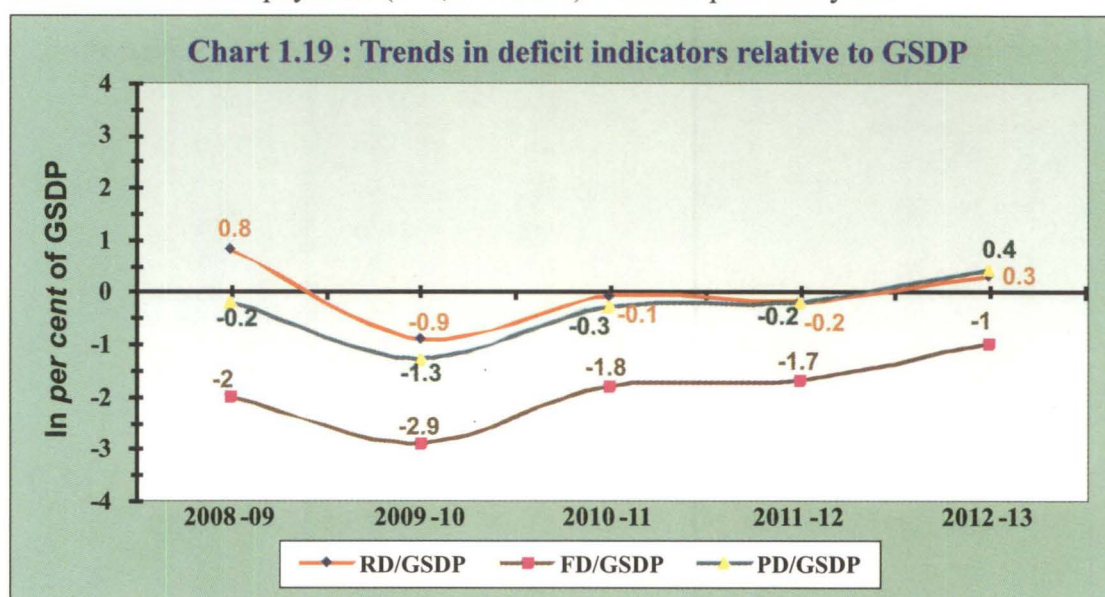


increased to ₹ 2,438 crore mainly due to an increase in revenue receipts by 15 per cent as against increase in revenue expenditure by 16 per cent.

The revenue deficit was to be brought down to zero by 2011-12 and revenue surplus was to be generated thereafter as per the MFRBM Rules (Second Amendment) 2011. The target of generating revenue surplus could not be achieved in 2011-12 but was achieved in 2012-13.

The fiscal deficit of ₹ 20,140 crore during 2011-12 decreased to ₹ 13,740 crore as a result of decrease in revenue deficit (₹ 6,649 crore) and net capital expenditure (₹ 26 crore) and increase in net loans and advances disbursed (₹ 276 crore) over the previous year.

The primary surplus during 2008-09 turned to primary deficit<sup>45</sup> during 2008-12. During 2012-13 the State again achieved a primary surplus of ₹ 5,336 crore. Compared to last year (primary deficit ₹ 2,635 crore in 2011-12) the primary deficit reduction was ₹ 7,971 crore due to decrease in fiscal deficit (₹ 6,400 crore) and increase in interest payment (₹ 1,571 crore) over the previous year.



(Source: Finance Accounts of the respective years)

**Table 1.56: Trends in major fiscal parameters/ variables vis-à-vis projections for 2012-13**

Fiscal variables	2012-13			
	ThFC	MTFPS	FCP	Actuals
Revenue surplus as percentage of GSDP	0.00	0.01	0.00	0.31
Fiscal Deficit as percentage of GSDP	3.00	1.72	2.00	1.00

Source: Finance Accounts/MTFPS/Budget/FCP

**Table 1.56** reveals that the State achieved the above set of fiscal targets in respect of revenue surplus as well as fiscal deficit as percentage of GSDP with the current year ending in a revenue surplus of ₹ 4,211 crore which was 0.31 per cent of GSDP and fiscal deficit of ₹ 13,740 crore which was one per cent of the GSDP.

It was noticed that during 2012-13 out of a total of 14 cases (as per Finance Accounts – Volume I) ‘Grants-in-aid’ of ₹ 744.02 crore in 13 cases and ‘Subsidies’ of ₹ 13 crore in one case released by the State Government had been classified and booked under capital expenditure heads. These should have been booked under revenue expenditure heads of accounts thus resulting in overstatement of the revenue surplus to that extent.

<sup>45</sup> see the Glossary at page 166

### 1.11.2 Composition of fiscal deficit and its financing pattern

The financing pattern of the fiscal deficit has undergone a compositional shift as reflected in the **Table 1.57**.

**Table 1.57: Components of fiscal deficit and its financing pattern**

(₹ in crore)

Particulars		2008-09	2009-10	2010-11	2011-12	2012-13
<b>Composition of Fiscal Deficit(-) / Surplus (+) (1+2+3) (a)</b>		<b>13999</b>	<b>26156</b>	<b>18857</b>	<b>20140</b>	<b>13740</b>
		<b>(2.01)</b>	<b>(2.90)</b>	<b>(1.83)</b>	<b>(1.68)</b>	<b>(1.00)</b>
1	Revenue Deficit(-)/ Surplus (+)	5577	(-) 8006	(-) 592	(-) 2438	4211
		(-0.8)	(-0.89)	(-0.06)	(-0.20)	(0.31)
2	Net Capital Expenditure	(-) 18855	(-) 17404	(-) 17946	(-) 17424	(-) 17398
		(-2.7)	(-1.93)	(-1.74)	(-1.4)	(-1.27)
3	Net Loans and Advances	(-) 721	(-) 746	(-) 319	(-) 278	(-) 553
		(-0.1)	(-0.08)	(-0.03)	(-0.02)	(0.04)
<b>Financing Pattern of Fiscal Deficit*</b>						
1	Market Borrowings	16866	14509	10484	19420	16324
		(2.42)	(1.61)	(1.02)	(1.56)	(1.19)
2	Loans from GoI	(-)35	325	337	(-)144	58
		(-0.01)	0.04	0.03	(-0.01)	(0)
3	Special Securities Issued to NSSF*	428	2751	5155	(-) 1172	(-)936
		(0.06)	0.31	0.5	(-0.09)	(-0.07)
4	Loans from Financial Institutions and other Loans	229	154	(-) 9	60	-373
		(0.03)	(0.02)	(0)	(0)	(-0.03)
5	Small Savings, PF etc.	803	1790	2022	2260	2188
		(0.12)	(0.2)	(0.2)	(0.18)	(0.16)
6	Deposits and Advances	1240	3502	6259	4532	6442
		(0.18)	(0.39)	(0.61)	(0.36)	(0.47)
7	Suspense and Miscellaneous	3148	4020	(-)1104	(-)1509	100
		(0.45)	(0.45)	(-0.11)	(-0.12)	(0.01)
8	Remittances	42	2163	(-)482	(-)256	843
		(0.01)	(0.24)	(-0.05)	(-0.02)	(0.06)
9	Reserve Funds	1617	875	2153	1400	1976
		(0.23)	(0.1)	(0.21)	(0.11)	(0.14)
10	Contingency Fund	307	(-) 251	842	(-) 489	140
		(0.04)	(-0.03)	(0.08)	(-0.04)	(0.01)
11	Appropriation to/ from Contingency fund	(-)250	250	(-)850	500	(-) 150
		(-0.04)	(0.03)	(-0.08)	(0.04)	(-0.01)
<b>12</b>	<b>Total (1 to 11) (b)</b>	<b>24395</b>	<b>30088</b>	<b>24807</b>	<b>24602</b>	<b>26612</b>
13	Increase(-)/ Decrease (+) in Cash Balance (a) – (b)	(-) 10396	(-) 3932	(-) 5950	(-) 4463	(-) 12872
		(-1.49)	(-0.44)	(-0.58)	(-0.36)	(-0.94)
14	Overall deficit (12+13)	13999	26156	18857	20140	13740
		(2.01)	(2.90)	(1.83)	(1.68)	(1.00)

Figures in parentheses indicate the per cent to GSDP

\* All figures are net of disbursements/outflows during the year

\* National Small Savings Fund

Source: Finance Accounts of the respective years

The fiscal deficit decreased by ₹ 6,399 crore during 2012-13 due to the revenue surplus. The net capital expenditure as a percentage of the fiscal deficit increased from 87 *per cent* during 2011-12 to 127 *per cent* in 2012-13.

As can be seen from **Table 1.58** during the period 2012-13 there was an overall surplus (increase in cash balance) after financing the fiscal deficit.

**Table 1.58: Receipts and disbursements under components financing the fiscal deficit during 2012-13**

(₹ in crore)

Particulars		Receipts	Disbursements	Net
1	Market Borrowings	17500	1176	16324
2	Loans from GoI	751	693	58
3	Special Securities Issued to NSSF	2665	3601	(-) 936
4	Loans from Financial Institutions and other Loans	1201	1574	(-) 373
5	Small Savings PF <i>etc.</i>	4760	2572	2188
6	Deposits and Advances	26658	20216	6442
7	Suspense and Miscellaneous	(-) 11308	(-) 11408	100
8	Remittances	21990	21147	843
9	Reserve Funds	4960	2984	1976
10	Contingency Fund	875	735	140
11	Appropriation to/ from Contingency Fund	725	875	(-) 150
12	Total (1 to 11) (b)	70777	44165	26612
13	Increase(-)/ Decrease (+) in Cash Balance (a) – (b)			(-) 12872
14	Overall deficit (12+13) (a)			13740
<i>Source : Finance Accounts</i>				

### *Cost of borrowings*

During the year 2012-13 the State Government raised market loans of ₹ 17,500 crore under internal debt. The cost of raising of this internal debt being ₹ 19.81 crore was 0.11 *per cent* of the market loan taken by the State Government.

### **1.11.3 Quality of deficit/surplus**

The ratio of revenue deficit to fiscal deficit and the bifurcation of primary deficit into primary revenue deficit and capital expenditure (including loans and advances) would indicate the quality of deficit in the States' finances. The ratio of revenue deficit to fiscal deficit indicates the extent to which borrowed funds were used for current consumption. During the current year the revenue account turned into surplus.

Non-debt receipts of the State were enough to meet the primary expenditure requirements in the revenue account. But the non-debt receipts were not enough to meet the expenditure requirements under capital account resulting in primary deficit during 2008-12. However, during 2012-13 non-debt receipts were sufficient to meet the expenditure requirements both under revenue and capital account resulting in primary surplus. This indicates the extent to which the primary deficit in the past has been on account of enhancement in capital expenditure which may be desirable to improve the productive capacity of the State's economy.

Table 1.59: Primary deficit/surplus – bifurcation of factors

(₹ in crore)

Year	Non-debt receipts	Primary Revenue Expenditure	Capital Expenditure	Loans and Advances	Primary Expenditure	Primary revenue deficit(-)/ surplus(+)	Primary deficit (-) / surplus (+)
1	2	3	4	5	6 (3+4+5)	7 (2-3)	8 (2-6)
2008-09	81849	63395	18873	1281	83549	18454	(-) 1700
2009-10	87450	80806	17429	1261	99496	6644	(-) 12046
2010-11	106525	90812	17963	959	109734	15713	(-) 3209
2011-12	122131	106050	17880	836	124766	16081	(-) 2635
2012-13	143810	119660	17398	1416	138474	24150	5336

Source: Finance Accounts of the respective years

During the period 2008-13 non-debt receipts of the State were enough to meet the primary revenue expenditure requirements in the revenue account. Except for the current year (2012-13), non-debt receipts were not enough to meet the primary expenditure resulting in primary deficit.

The capital expenditure as a percentage to primary expenditure<sup>46</sup> continuously decreased from 22.59 per cent during 2008-09 to 12.56 per cent during 2012-13.

## 1.12 Follow up

State Finance Report is being presented to the State Legislature from 2008-09 onwards. A discussion in Public Accounts Committee on this report is yet to commence.

## 1.13 Conclusion and recommendation

### 1.13.1 Conclusion

#### Pattern of revenue and expenditure

The revenue receipts increased during the year by 18 per cent over the previous year due to increase in tax revenue (18 per cent), Central tax transfers (14 per cent) and grants from GoI (18 per cent). The revenue receipts were 106 per cent of the assessment made by the State Government in its FCP and 105 per cent of MTFPS for the year 2012-13. However, the non-tax revenue of the Government was lower than the projections made in the FCP, MTFPS/Budget and the ThFC by three per cent, eight per cent and 22 per cent respectively. The growth rate of the State's own taxes was more than that of the GSDP of the State (Paragraph 1.1.1 and 1.3).

The revenue expenditure increased by 12 per cent over the previous year and constituted 88 per cent of the total expenditure during 2012-13. Non-Plan revenue expenditure (NPRE) constituted 82 per cent of the revenue expenditure. The NPRE (₹ 1,14,206 crore) remained higher than the normative assessment made by the ThFC (₹ 85,884 crore) and the State Government's projections in FCP (₹ 1,09,832 crore) and MTFPS/Budget (₹ 1,07,755 crore). The Plan revenue expenditure and NPRE increased by 11 per cent and 12 per cent respectively over the previous year (Paragraph 1.6.1).

<sup>46</sup> Primary expenditure of the State defined as the total expenditure net of the interest payments indicates the expenditure incurred on the transactions undertaken during the year

Expenditure under subsidies decreased by six *per cent* over the previous year and constituted seven *per cent* of the revenue expenditure (**Paragraph 1.6.1**).

The expenditure of ₹ 53,703 crore on salaries and wages (including the grants-in-aid component) was lower than the State's own FCP and the projections made in the MTFPS of the Government (₹ 55,805 crore) (**Paragraph 1.6.2**).

Financial assistance to local bodies and other institutions (₹ 63,768 crore) which constituted 46 *per cent* of the revenue expenditure during 2012-13 increased by 15 *per cent* over 2011-12 (**Paragraph 1.6.3.3**).

### Capital expenditure

Capital expenditure, which constituted 11 *per cent* of the total expenditure, decreased during 2012-13 by three *per cent* (₹ 482 crore) over the previous year (**Paragraph 1.6.1**). The percentage of Capital expenditure to total expenditure showed a declining trend from 20 *per cent* in 2008-09 to 11 *per cent* in 2012-13. The ratio of capital expenditure to aggregate expenditure in 2012-13 was lower than the ratio of General Category States (**Paragraph 1.7.1**).

### Deficits

The significant gap between the growth rates of the revenue receipts (18 *per cent*) and revenue expenditure (12 *per cent*) over the previous year resulted in revenue surplus of ₹ 4,211 crore during 2012-13 from a revenue deficit of ₹ 2,438 crore during 2011-12. The targets set for the revenue deficit as a percentage of GSDP under the MTFPS and FCP were achieved during 2012-13. The fiscal deficit (₹ 13,740 crore) decreased as compared to the previous year and constituted one *per cent* of GSDP which was within the limit of three *per cent*. The primary deficit also turned into primary surplus during 2012-13 (**Paragraphs 1.10.2.7 and 1.11.1**).

### Debt management

The State Government's borrowings were within the prescribed norms (**Paragraph 1.10.2.7**). During 2012-13, the fiscal liabilities (₹ 2,81,434 crore) increased over the previous year. The fiscal liabilities to GSDP ratio at 20.5 *per cent* was lower than the norm of 25.8 *per cent* recommended by the ThFC and the MFRBM Rules of 2011. These liabilities were around twice the revenue receipts (**Paragraph 1.1.2**).

The emergence of a positive sum of quantum spread and primary deficit since 2010-11 indicates the tendency towards debt stabilization however, the negative resource gap in the State during 2011-12 was a matter of concern. This was a result of insufficiency of the incremental non-debt receipt to meet the incremental primary expenditure and incremental interest payments. During the year 2012-13, the resource gap turned into positive indicating increasing capacity of the State to sustain the debt in the medium to long run. (**Paragraph 1.10.1 (ii)**).

### Open market borrowing

The state had a surplus cash balance of ₹ 7,696 crore during 2012-13. The market borrowings could have been avoided to that extent during the year. Cash balance investment account showed an increasing trend. During 2012-13, only 54 *per cent* of the earmarked funds were invested. As on March 2013 ₹ 10,511.89 crore was lying in cash balance that earned only five *per cent* interest. (**Paragraph 1.10.2**).

### **New Pension Scheme 2005**

Under the new Pension Scheme 2005, the State Government has not transferred any amount to the Trust/Fund Managers since the inception of the Scheme. The total amount available in the fund as on 31 March 2013 was ₹ 2,755.55 crore. **(Paragraph 1.6.2)**

### **Guarantees**

The Government has not framed any policy regarding grant of guarantees to the Co-operative Sugar Factories and State Corporations. Of the 130 cases approved by the Cooperation Marketing and Textile Department between 1992 and 2012, guarantee deeds were not executed in 100 cases. The committed liabilities of the State Government on account of invocation of guarantees as on 31 March 2013 was ₹ 2,583.45 crore. The guarantee Clauses in the deeds were unfavourable to the Government. The data on guarantees given by the State Government were not updated/corrected and thus, unreliable. Recovery of loans given by six State Corporations to the beneficiaries under the Social Justice and Special Assistance Department was poor as a result, the Government had to waive off ₹ 134.41 crore due from beneficiaries. There was lack of control and effective monitoring on recovery of guarantee fee from the beneficiary institutions **(Paragraph 1.9.4.2)**.

### **Prudent cash management**

The State Government was having a high cash balance (an increase by 36 *per cent* over the previous year), significant part of which pertained to balances in public accounts. Cash balances of the State at the close of 2012-13 was ₹ 48,844 crore of which, ₹ 36,621 crore was in cash balance investment account. The cost of holding surplus cash balances was high. In 2012-13, the interest received on investment of cash balances in GoI Treasury Bills was only 4.69 *per cent* while the Government borrowed on an average at 7.10 *per cent* **(Paragraph 1.8.4)**.

### **Review of Government investments**

The average return on the State Government's investment in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives varied between 0.04 and 0.06 *per cent* in the past three years while the Government paid an average interest of 7.10 to 7.23 *per cent* on its borrowings. **(Paragraph 1.8.2)**

### **Ongoing Projects**

Of the 601 ongoing irrigation projects, 225 projects were under execution for more than 15 years of which, 77 projects were under execution for more than 30 years. The balance estimated cost of 601 ongoing projects was ₹ 82,609.64 crore of which, there was cost overrun of ₹ 47,427.10 crore in 363 ongoing projects. In respect of 181 ongoing projects relating to Public Works and Roads and Bridges, time overrun up to six years was noticed as of 31 March 2013 **(Paragraph 1.8.1)**.

### **Oversight of funds transferred directly from the GoI to the State implementing agencies**

GoI directly transferred ₹ 7,489 crore to the State implementing agencies during 2012-13. Funds transferred directly from the GoI to the State implementing agencies result in non-monitoring of the expenditure incurred by them on various Schemes as these funds are not reflected in the State budget **(Paragraph 1.2.2)**.

### 1.13.2 Recommendation

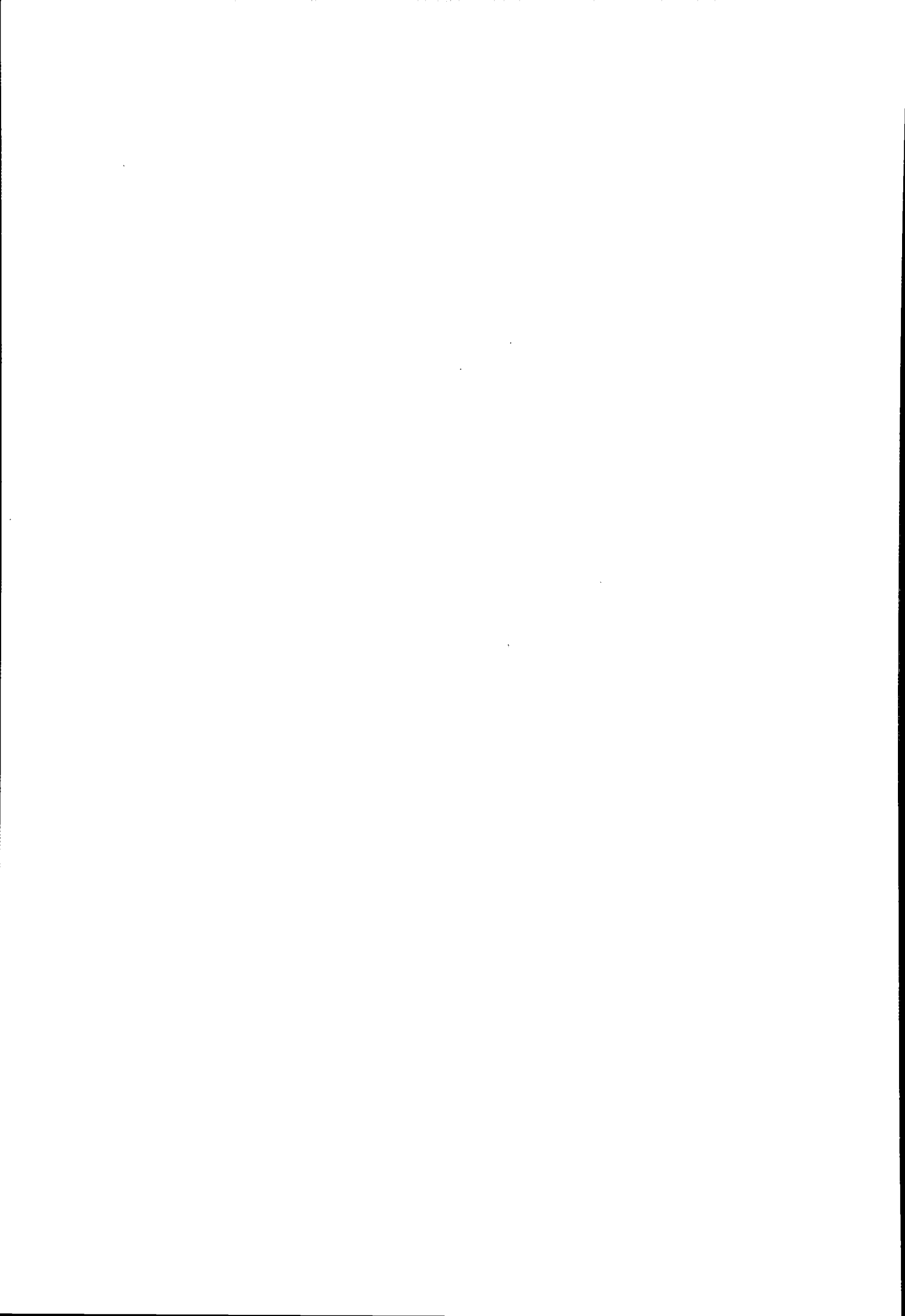
- The Government could consider giving greater priority for creation of capital and ensure greater transparency and accountability in projects undertaken through the PPP mode.
- The Government should execute guarantee deeds for all guarantees given and consider framing a suitable policy for effective administration of guarantees. The clauses in the deeds should be framed to ensure that Government's interest are protected.
- Efforts need to be made to reduce heavy balances in public accounts. The Government should identify unencumbered cash balances in public accounts for more efficient cash management.
- The Government should utilise its surplus cash balance before resorting to open market borrowings.
- The Government should take steps to ensure better value for money and prioritise implementation of projects through judicious and timely release of funds.
- There is a need for uniform accounting practices to be followed by all the implementing agencies receiving funds directly from GoI for proper monitoring.





**CHAPTER - II**

**FINANCIAL MANAGEMENT AND  
BUDGETARY CONTROL**



# Financial Management and Budgetary Control

## 2.1 Introduction

**2.1.1** Appropriation Accounts are accounts of the expenditure, voted and charged, of the Government for each financial year compared with the amounts of the voted grants and appropriations charged for different purposes as specified in the schedules appended to the Appropriation Act. These Accounts list the original budget estimates, supplementary grants, surrenders and re-appropriations distinctly and indicate actual capital and revenue expenditure on various specified services *vis-à-vis* those authorised by the Appropriation Act in respect of both charged and voted items of the budget. Appropriation Accounts thus facilitate management of finances and monitoring of budgetary provisions and are complementary to the Finance Accounts.

**2.1.2** Audit of appropriations by the Comptroller and Auditor General of India seeks to ascertain whether the expenditure actually incurred under various grants is within the authorisation given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution is so charged. It also ascertains whether the expenditure so incurred is in conformity with the law, relevant rules, regulations and instructions.

**2.1.3** As per the Maharashtra Budget Manual (Budget Manual), (chapter IX), the Finance Department (FD) is responsible for preparation of the annual budget by obtaining estimates from various Departments. The departmental estimates of receipts and expenditure are prepared by the Controlling Officers on the advice of the heads of Departments and submitted to the FD by prescribed dates. The FD scrutinises the estimates and prepares the Detailed Estimates called 'Demand for Grants'. In the preparation of the budget, the aim should be to achieve as close an approximation to the actuals as possible. This demands the exercise of the utmost foresight both in estimating revenue and anticipating expenditure. An avoidable extra provision in an estimate is as much a budgetary irregularity as an excess in the sanctioned expenditure. The budget procedure envisages that the sum provided in an estimate of expenditure on a particular item must be that sum which can be expended in the year and neither larger nor smaller. A saving in an estimate constitutes as much of a financial irregularity as an excess in it. The budget estimates of receipts should be based on the existing rates of taxes, duties, fees *etc.*

Deficiencies in preparation of the budget, management of expenditure and violation of the provisions of the Budget Manual noticed in audit have been discussed in the subsequent paragraphs.

## 2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2012-13 against 247 grants/appropriations is as given in **Table 2.1**.

**Table 2.1: Summarised position of actual expenditure vis-à-vis original/supplementary provisions**

(₹ in crore)

	Nature of expenditure	Original grant/ appropriation	Supplementary grants/ appropriation	Total	Actual expenditure	Saving (-)/ Excess (+)
Voted	I Revenue	119338.14	14891.87	134230.01	121536.84	(-)12693.17
	II Capital	26562.61	1156.80	27719.41	20777.68	(-) 6941.73
	III Loans and Advances	1508.87	195.40	1704.27	1415.94	(-) 288.33
<b>Total Voted</b>		<b>147409.62</b>	<b>16244.07</b>	<b>163653.69</b>	<b>143730.46</b>	<b>(-) 19923.23</b>
Charged	IV Revenue	21007.09	890.07	21897.16	21621.48	(-) 275.68
	V Capital	2.09	3.28	5.37	4.85	(-) 0.52
	VI Public Debt- Repayment	9597.92	0.54	9598.46	7044.02	(-) 2554.44
<b>Total Charged</b>		<b>30607.10</b>	<b>893.89</b>	<b>31500.99</b>	<b>28670.35</b>	<b>(-) 2830.64</b>
Appropriation to Contingency Fund		875.00	...	875.00	875.00	...
<b>Grand Total</b>		<b>178891.72</b>	<b>17137.96</b>	<b>196029.68</b>	<b>173275.81</b>	<b>(-)22753.87</b>

Source: Appropriation Accounts

Note: The expenditure excludes the recoveries adjusted as reduction of expenditure under revenue expenditure ₹ 4,422.35 crore and capital expenditure ₹ 3,384.55 crore as detailed in Appendix II of Appropriation Accounts

Supplementary provisions of ₹ 17,137.96 crore obtained during the year constituted 9.58 per cent of the original provision as against 8.84 per cent in the previous year.

The overall savings of ₹ 22,753.87 crore was the result of savings of ₹ 23,758.04 crore in 129 grants and 58 appropriations under the revenue section, 86 grants and 12 appropriations under the capital section, offset by excess of ₹ 1,004.16 crore in 33 grants and five appropriations.

As may be seen from **Table 2.1**, against the original provision of ₹ 1,78,891.72 crore, expenditure of only ₹ 1,73,275.81 crore was incurred, thereby requiring no supplementary funds. The actual savings of ₹ 22,753.87 crore includes 100 per cent of the supplementary budget of ₹ 17,137.96 crore and three per cent of the original provision, which clearly indicates inaccurate estimation of funds and lack of control mechanism. Cases where supplementary provisions proved unnecessary as the expenditure did not come up to the level of the original provisions are discussed in **Paragraph 2.3.6**.

The savings and excesses were intimated by the offices of the Accountants General (Accounts and Entitlements)<sup>47</sup> regularly to the Controlling Officers through monthly reports on expenditure. They also took up the matter after closure of the preliminary and final accounts in May and June 2013, requesting the Controlling Officers to explain the reasons for the significant variations, but no explanation was received (November 2013).

<sup>47</sup> Pr Accountant General (Accounts and Entitlements), Mumbai and Accountant General (Accounts and Entitlements), Nagpur

## 2.3 Financial Accountability and Budget Management

### 2.3.1 Appropriation *vis-à-vis* allocative priorities

Appropriation Accounts revealed that savings in 42 cases exceeded ₹ 10 crore in each case and were more than 20 *per cent* of the respective budget provisions (**Appendix 2.1**). Out of the total savings of ₹ 22,753.87 crore, savings of ₹ 19,057.98 crore (84 *per cent*) occurred in 32 cases relating to 30 grants and two appropriations. The savings in these cases exceeded ₹ 100 crore in each case as detailed in **Appendix 2.2**.

Grants having saving of more than ₹ 1,000 crore are detailed below:

#### 2.3.1.1 Grant Number “E-2 General Education”

Against the total provision of ₹ 29,089.99 crore, expenditure (₹ 27,997.85 crore) under the grant was well within the original provision of ₹ 28,332.21 crore. Thus, the supplementary provision (₹ 757.78 crore) proved unnecessary since the expenditure did not even come up to the original provision.

#### 2.3.1.2 Grant Number “F-2 Urban Development Other Advance Services”

The grant closed with a saving of ₹ 1,609.44 crore. The savings mainly occurred due to surrender/ re-appropriation of grants in sub head 191(00)(48), 192(00)(67) and 191(00)(54) under the Major Head 2217. The reasons attributed for the savings were the revised estimates approved by the FD and non receipt of Central share.

#### 2.3.1.3 Grant Number “G-2 Other Fiscal and Miscellaneous Services”

The grant closed with total savings of ₹ 2,200.97 crore. Under the Major Head 2075 Miscellaneous General Services, 103(00)(01) Directorate of Lotteries-Main Lottery, an amount of ₹ 89.28 crore was surrendered. Declaration of award of big prize money to tickets unsold in the conventional lottery Scheme and no demand for bumper draw of lottery, less sale of lottery tickets of conventional lottery and prizes declared in unsold tickets, less expenditure than anticipated and pending renewal for rental contracts were the reasons attributed for the surrender of the amount. The reasons for making budget estimate and surrendering the amounts at the end of the financial year continuously for the last six years from 2007-08 to 2012-13 had not been intimated (November 2013).

Further, the entire budget provision of ₹ 320 crore provided under the Major Head 2075 – Miscellaneous General Services, 800(00)(01) Lump sum provision for grants payable to local bodies as per recommendation of the State Finance Commission was surrendered in March 2013 due to pending decision in respect of grants payable to local bodies by the Government. This was the 15<sup>th</sup> successive year in which the entire budget provision was surrendered in the month of March. Reasons for making such huge budget provision continuously for the last 15 years had not been intimated (November 2013). The same has been commented upon in the Report on State Finances since 2008-09, but the irregularity still persists.

### 2.3.1.4 Grant Number “O-10 Capital Outlay on Other Rural Development Programmes”

The grant closed with a saving of ₹ 2,156.94 crore. The savings mainly occurred due to surrender of grants under the Major Head 4515-Capital Outlay on Other Rural Development Programmes, 102(00)(01)-MLA/MLC's Local Development Programme due to non-availability of land, non-completion of construction of auditorium and other works on account of water scarcity and non-receipt of proposals within stipulated time from MLA's of Chandgad, Chandrapur, Latur, Nashik, Solapur and Thane districts. Similarly, in sub head 102(00)(02) funds were withdrawn by surrender/re-appropriation in March 2013 as the FD did not release funds for proposals received from district agencies as they were incomplete.

Further, the entire provision kept as lump provision under 800 (01)(01) under the Major Head 4515 were surrendered as funds were distributed to the respective administrative Departments through supplementary grants.

### 2.3.2 Persistent savings

In seven cases, during the last five years, there were persistent savings of more than ₹ 100 crore in each case, as shown in **Appendix 2.3**.

The persistent savings indicated that the budgetary controls in the Departments were not effective and previous years' trends were not taken into account while allocating the funds for the year. A detailed analysis of this aspect in the selected grants is included in **Paragraph 2.4.3**.

### 2.3.3 Excess expenditure

During 2012-13, excess expenditure was incurred in 39 grants/appropriations aggregating ₹ 1,004.16 crore over the grants/appropriations authorized by the State Legislature. The excess expenditure requires regularisation under Article 205 of the Constitution. The details are given in **Appendix 2.4**.

### 2.3.4 Excess over provisions relating to previous years requiring regularisation

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/appropriation regularised by the State Legislature. Although, no time limit for regularisation of expenditure has been prescribed under the Article, the regularisation of excess expenditure is done after the completion of discussions on the Appropriation Accounts by the Public Accounts Committee. However, the excess expenditure amounting to ₹ 7,389.85 crore in respect of 170 grants and 49 appropriations for the period from 2006-07 to 2011-12 was yet to be regularised as detailed in **Appendix 2.5**.

### 2.3.5 Expenditure without provisions

As per the Budget Manual, no expenditure is to be incurred on a Scheme/ service without provision of funds. It was, however, noticed that expenditure of ₹ 72.66 crore was incurred in 23 cases as detailed in **Appendix 2.6** without any provision in the original estimates/supplementary demand and without any re-appropriation orders to this effect. The reasons for incurring expenditure without budget provision had not been intimated by the various administrative Departments (November 2013).

In 13 cases<sup>48</sup> out of the 23 cases, it was observed that the entire provision of ₹ 717.22 crore was reduced to 'Nil' through re-appropriation. The decision proved injudicious in view of excess expenditure of ₹ 64.69 crore under various heads. A detailed analysis of this aspect in the selected grant is included in **Paragraph 2.4.4**.

### 2.3.6 Unnecessary/excessive/inadequate supplementary provisions

A supplementary grant or appropriation is an addition to the original authorized grant or appropriation. Para 170 of the Budget Manual specifies that great care should be taken in submitting proposals for supplementary appropriations, as the procedure for obtaining them involves considerable labour. After the close of the financial year, the supplementary appropriations found to be unnecessary or excessive will be commented as an irregularity in the Appropriation Accounts. Supplementary provisions aggregating ₹ 3,797.61 crore obtained in 70 cases involving ₹ 10 lakh or more in each case during the year proved unnecessary as the expenditure did not come up to the level of the original provision as detailed in **Appendix 2.7**. A detailed analysis of this aspect in the selected grant is included in **Paragraph 2.4.5**.

In 14 cases, supplementary provision totalling ₹ 4,091.82 crore proved insufficient by more than ₹ one crore in each case, leaving an aggregate uncovered excess expenditure of ₹ 944.10 crore (**Appendix 2.8**).

### 2.3.7 Excessive/unnecessary re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. Re-appropriation proved injudicious in view of excessive surrenders or insufficient augmentation and resulted in savings/excesses of ₹ one crore and above in 75 sub-heads as detailed in **Appendix 2.9**. In 11<sup>49</sup> cases, reduction of provisions through re-appropriation proved injudicious as the excess expenditure was more than the provisions reduced through re-appropriation. Similarly, in nine<sup>50</sup> cases, the re-appropriation of funds proved excessive as the savings were more than the funds provided through re-appropriation. A detailed analysis of this aspect in the selected grant is included in **Paragraph 2.4.6**.

### 2.3.8 Unexplained re-appropriations

According to Para 165 of the Budget Manual, the orders sanctioning re-appropriation of funds of ₹ 500 and above and those which involve some novel or special feature should briefly specify reasons for the additions to and deductions from the sub-heads affected by them. However, during scrutiny of re-appropriation orders issued by the administrative Departments, it was revealed that the reasons given for additional provision/withdrawal of provision in re-appropriation in respect of 192 (6.31 per cent) out of 3,041 items commented in the Appropriation Accounts were of general nature such as 'actual requirement', 'revised estimates, release of 90 per cent grants by the FD' etc. Besides, in 407 items (13.38 per cent), no specific reasons for

<sup>48</sup> Sr.Nos. 2,4,5,6, 14,16 to 23 of **Appendix 2.6**

<sup>49</sup> Sr.Nos. 11,27,36,37,48,50,51,52,70,72 and 74 of **Appendix 2.9**

<sup>50</sup> Sr.Nos. 3,13,25,54,61,64,69,73 and 75 of **Appendix 2.9**

additional provision/withdrawal of provision were furnished. This also goes against the principle of transparency stipulated in Section 6 of the Maharashtra Fiscal Responsibility and Budgetary Management Act.

### 2.3.9 Surrender in excess of actual savings/unnecessary surrenders

In 32 cases, the amounts surrendered (₹ 50 lakh or more in each case) were in excess of the actual savings, indicating lack of or inadequate budgetary control in these Departments. As against savings of ₹ 8,168.15 crore, the amount surrendered was ₹ 9,283.36 crore, resulting in excess surrender of ₹ 1,115.21 crore. Details are given in **Appendix 2.10**.

In 29 cases, it was noticed that a total amount of ₹ 79.00 crore was surrendered though excess expenditure of ₹ 979.12 crore was incurred under these grants. Instead of surrendering, the amounts should have been re-appropriated to the heads where excess expenditure was incurred. This indicated lack of proper budgetary control. Details are given in **Table 2.2**.

**Table 2.2: Surrender of grants in cases of excess expenditure**

(₹ in crore)

Grant number	Name of the grant/appropriation	Total grant	Excess	Amount surrendered
C-6	Relief on account of Natural Calamities	4284.25	812.36	62.51
G-3	Other Fiscal and Miscellaneous Services	18248.59	65.27	8.33
H-3	Housing	465.27	3.54	0.47
O-14	District Plan-Mumbai City (Revenue Section)	44.03	3.88	0.52
O-18	District Plan-Ratnagiri (Revenue Section)	89.82	1.76	0.14
O-20	District Plan-Pune (Revenue Section)	203.41	8.07	0.20
O-21	District Plan-Satara (Revenue Section)	131.80	3.70	0.0001
O-22	District Plan-Sangli (Capital Section)	40.08	5.46	0.0002
O-23	District Plan-Solapur (Capital Section)	52.61	4.62	0.0006
O-24	District Plan-Kolhapur (Capital Section)	57.65	5.47	0.0012
O-25	District Plan-Nashik (Capital Section)	63.32	9.93	0.0003
O-26	District Plan-Dhule (Revenue Section)	78.85	0.57	0.0009
O-27	District Plan-Jalgaon (Capital Section)	63.18	0.80	0.04
O-28	District Plan-Ahmednagar (Capital Section)	50.55	4.98	0.0001
O-30	District Plan-Aurangabad (Revenue Section)	131.31	1.11	0.01
O-30	District Plan-Aurangabad (Capital Section)	33.69	1.10	1.11
O-32	District Plan-Parbhani (Revenue Section)	66.92	0.0069	0.0010
O-34	District Plan-Beed (Revenue Section)	110.22	3.91	1.23
O-35	District Plan-Latur (Revenue Section)	102.80	0.91	0.0013
O-36	District Plan-Osmanabad (Revenue Section)	85.43	1.33	0.0009
O-37	District Plan-Hingoli (Capital Section)	19.74	0.68	0.01
O-38	District Plan-Nagpur (Revenue Section)	119.26	2.03	0.18
O-40	District Plan-Bhandara (Revenue Section)	59.48	0.73	0.0010
O-41	District Plan-Chandrapur (Revenue Section)	80.10	4.28	0.06
O-43	District Plan-Gondiya (Capital Section)	15.33	0.76	0.30
O-46	District Plan-Yavatmal (Revenue Section)	1.30	5.34	0.24
O-47	District Plan-Buldhana (Revenue Section)	104.02	1.20	1.15
W-1	Interest Payments	109.42	25.27	2.38
X-2	Secretariat-Social Services	2.62	0.05	0.11
	<b>TOTAL</b>	<b>24914.78</b>	<b>979.1169</b> <i>i.e. 979.12</i>	<b>78.9976</b> <i>i.e. 79.00</i>

Source: Appropriation Accounts



### 2.3.10 Anticipated savings not surrendered

As per Para 173 of the Budget Manual, spending Departments are required to surrender grants/appropriations or portions thereof to the FD as and when savings are anticipated. Further, surrender of funds should be done as soon as these are foreseen without waiting for the end of the financial year, to enable the FD to utilise the funds on other Schemes.

At the close of the year 2012-13 no part of the savings, which occurred in 23 cases (₹ 442.11 crore), had been surrendered by the Departments concerned (**Appendix 2.11**). Similarly, out of total savings of ₹ 7,722.41 crore under 36 other grants/appropriations, with savings of ₹ one crore and above in each grant/appropriation, ₹ 7,275.91 crore only were surrendered, leaving a balance of ₹ 446.50 crore (six per cent of total savings) which were not surrendered at all (**Appendix 2.12**).

Besides, in 87 cases, savings in excess of ₹ 10 crore, aggregating ₹ 17,712.85 crore (**Appendix 2.13**) were surrendered on the last two working days of March 2013, indicating inadequate financial control as well as non-utilisation of these funds for other development purposes.

### 2.3.11 Rush of expenditure

According to the Bombay Financial Rules, 1959, rush of expenditure in the closing month of the financial year should be avoided. Contrary to this, in respect of 107 sub-heads, expenditure exceeding ₹ 10 crore and also more than 50 per cent of the total expenditure for the year was incurred in March 2013. **Table 2.3** presents 27 major heads where 53 to 100 per cent expenditure was incurred during the last quarter. In all these major heads, expenditure incurred in March 2013 was also to the extent of 51 to 100 per cent.

Table 2.3: Rush of expenditure during the last quarter and last month of 2012-13

(₹ in crore)

Sr. No.	Major Head	Total expenditure during the year	Expenditure during the last quarter of the year		Expenditure during March 2013	
			Amount	Percentage of total expenditure	Amount	Percentage of total expenditure
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	2059 Public Works	14.37	14.37	100.00	14.28	99.37
2	2070 Other Administrative Services	0.15	0.15	100.00	0.15	100.00
3	2075 Miscellaneous General Services	177.14	99.34	56.08	98.87	55.81
4	2202 General Education	0.28	0.19	67.86	0.15	53.57
5	2203 Technical Education	1.46	1.26	86.30	0.97	66.44
6	2204 Sports and Youth Services	258.75	158.16	61.12	131.27	50.73
7	2210 Medical and Public Health	3.22	2.90	90.06	2.19	68.01
8	2216 Housing	468.81	295.45	63.02	278.40	59.38
9	2230 Labour and Employment	1.99	1.95	97.99	1.63	81.91
10	2235 Social Security and Welfare	0.96	0.63	65.63	0.52	54.17
11	2245 Relief on account of Natural Calamities	5096.77	3483.54	68.35	3199.27	62.77
12	2403 Animal Husbandry	2.20	2.19	99.55	1.90	86.36
13	2405 Fisheries	1.20	1.18	98.33	0.96	80.00
14	3051 Ports and Light Houses	1.05	0.99	94.29	0.99	94.29

(1)	(2)	(3)	(4)	(5)	(6)	(7)
15	4217 Capital Outlay on Urban Development	170.63	162.97	95.51	157.97	92.58
16	4236 Capital Outlay on Nutrition	60.00	60.00	100.00	60.00	100.00
17	4250 Capital Outlay on Other Social Services	6.41	5.05	78.78	4.51	70.36
18	4402 Capital Outlay on Soil and Water Conservation	748.87	470.02	62.76	382.09	51.02
19	4425 Capital Outlay on Co-operation	159.62	84.97	53.23	84.96	53.23
20	4701 Capital Outlay on Major and Medium Irrigation	81.27	81.18	99.89	80.82	99.45
21	4711 Capital Outlay on Flood Control Projects	23.39	22.11	94.53	21.56	92.18
22	5452 Capital Outlay on Tourism	0.40	0.40	100.00	0.40	100.00
23	6003 Internal Debt of the State Government	116.78	76.02	65.10	76.02	65.10
24	6217 Loans for Urban Development	47.03	44.93	95.53	38.59	82.05
25	6401 Loans for Crop Husbandry	4.59	4.59	100.00	4.59	100.00
26	7475 Loans for Other General Economic Services	179.02	179.02	100.00	179.02	100.00
27	7610 Loans to Government Servants etc.	77.58	54.10	69.73	50.25	64.77

Source: Appropriation Accounts, Monthly Civil Accounts for March 2013, Information from Pr. Accountant General (Accounts and Entitlements)-I and Accountant General (Audit)-II, Nagpur

Uniform flow of expenditure is the primary requirement of proper budgetary control which is lacking in the major heads as shown in **Table 2.3**, indicating deficient financial management. A detailed analysis of this aspect in the selected grant is included in **Paragraph 2.4.7**.

### 2.4 Outcome of review of selected grants

Audit conducted (November 2013) a review of budgetary procedure and control over expenditure of two grants *i.e.* D-5 'Dairy Development' and H-6 'Public Works and Administrative and Functional Buildings'. Important points noticed during the audit are detailed in the following paragraphs:

#### 2.4.1 Introduction

Grant No. D-5 consists of Major Head 2404- Dairy Development, which includes the budget provision for the Government Milk Schemes all over Maharashtra. Grant No. H-6 envisage the budget provision for office establishment, repairs and maintenances and minor works which covers nine Major Heads namely Public Works (2059), General Education (2202), Technical Education (2203), Art and Culture (2205), Medical and Public Health (2210), Urban Development (2217), Labour and Employment (2230), Animal Husbandry (2403) and Fisheries (2405). The major expenditure under this grant *i.e.* more than 90 *per cent* was booked under the Major Head '2059- Public Works' during the last three financial years 2010-11 to 2012-13.

The overall position of budget provisions, actual disbursements and savings under the grant for the last three years is shown in **Table 2.4**.

**Table 2.4: Overview of grants D-5 and H-6**

(₹ in crore)

Year	Total grant or Appropriation	Actual Expenditure	Savings	Percentage of saving
<b>Grant No. D-5</b>				
2010-11	721.70	512.88	208.82	28.93
2011-12	708.13	533.93	174.20	24.60
2012-13	662.91	620.10	42.81	6.46
<b>Grant No. H-6</b>				
2010-11	1728.15	1594.53	133.62	7.73
2011-12	1683.45	1566.53	116.92	6.95
2012-13	2154.09	1926.63	227.46	10.56

Source: Appropriation Accounts

### 2.4.2 Substantial savings under sub heads

As per Budget Manual, the budget estimates should be prepared with great care so that the budget estimates may neither be inflated nor under pitched.

Scrutiny of the Appropriation Accounts revealed that under Grant No. D-5 and Grant No. H-6, out of the total 189 and 115 sub-heads respectively commented on regarding savings occurred during the years 2010-11 to 2012-13, there were 12 such sub heads where savings was more than ₹ one crore as detailed in Table 2.5.

**Table 2.5: Scheme wise savings of more than ₹ one crore**

(₹ in crore)

Sr. No	Year	Sub Head	Total grant	Expenditure	Saving
<b>Grant No. D-5</b>					
1.	2010-11	2404-00-201(00)(03) Dairy Development, Greater Mumbai Milk Scheme, Greater Mumbai Milk Scheme-Processing	57.10	56.08	1.02
2.	2011-12	2404-00-201(00)(03) Dairy Development, Greater Mumbai Milk Scheme, Greater Mumbai Milk Scheme-Processing	57.60	55.52	2.08
<b>Grant No. H-6</b>					
3.	2010-11	2059-80-001 (15)(02) Public Works, Direction and Administration, Superintending Engineer, Public Works (PW) Circle, Pune Execution	50.04	47.47	2.57
4.	2010-11	2059-80-001(38)(02) Public Works, General, Direction and Administration, Superintending Engineer, PW Circle, Gadchiroli	18.44	9.25	9.19
5.	2011-12	2210-01-800(00)(02) Medical and Public Health, Urban Health Services-Allopathy, Other Expenditure, Director Of Medical Education And Research	1.70	0.65	1.05
6.	2011-12	2059-80-001 (17)(02) Public Works, General, Direction and Administration, Superintending Engineer, PW Circle, Kolhapur, Execution	38.26	36.99	1.27
7.	2011-12	2059-80-001 (29)(02) Public Works, General, Direction and Administration, Superintending Engineer, PW Circle, Osmanabad, Execution	53.87	51.05	2.82

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Sr. No	Year	Sub Head	Total grant	Expenditure	Saving
8.	2012-13	2059-80-001 (02)(02) Public Works, General, Direction and Administration, Superintending Engineer, PW Circle, Mumbai, Execution	51.58	50.18	1.40
9.	2012-13	2059-80-001(03)(02) Public Works, General, Direction and Administration, Superintending Engineer, PW Circle, Thane, Execution	44.57	43.05	1.52
10.	2012-13	2059-80-001 (22)(02) Public Works, General, Direction and Administration, Superintending Engineer, PW Circle, Nasik Execution	47.66	45.13	2.53
11	2012-13	2059-80-001(21)(02) Public Works, General, Direction and Administration, Superintending Engineer, PW Circle, Ahmednagar, Execution	36.47	35.36	1.11
12.	2012-13	2059-80-001(18)(02) Public Works, General, Direction and Administration, Superintending Engineer, PW Circle, Solapur, Execution	29.98	28.19	1.79

Source: Appropriation Accounts

During test check of records of the Dairy Development Commissioner, it was noticed that in the year 2010-11, the Greater Mumbai Milk Scheme – Processing incurred expenditure of ₹ 56.08 crore as against the total grant of ₹ 57.10 crore thus there was a net saving of ₹ 1.02 crore. Similarly, in the year 2011-12, under the same Scheme expenditure of ₹ 55.52 crore was incurred as against the total grant of ₹ 57.60 crore incurring a net saving of ₹ 2.08 crore.

The Department stated (November 2013) that the saving was due to reporting of expenditure without considering the reduction of expenditure through oversight.

While test check of records of the office of Superintending Engineer (SE), PW Circle, Nasik, revealed that the circle office incurred the expenditure of ₹ 45.13 crore as against the total grant of ₹ 47.66 crore resulting in savings of ₹ 2.53 crore. Similarly during the test check of records of the SE, PW Circle, Solapur, it was noticed that the circle office incurred the expenditure of ₹ 28.19 crore as against the total grant of ₹ 29.98 crore with a savings of ₹ 1.79 crore.

The SE, PW Circle, Nasik stated (August 2013) that due to retirement of large number of officials during the year 2012-13, there was a savings under the head. The SE, PW Circle, Solapur attributed (August 2013) the reason to non-filling of vacant posts, non passing of bills of arrears of sixth pay commission and medical bills by treasuries.

Substantial savings indicated that expenditure could not be incurred as estimated and there was lack of control over budget estimate and expenditure.

2.4.3 Persistent savings

As per Paragraph 158 of the Budget Manual, it is necessary for the controlling officer to examine the reasons underlying the savings and to exercise better control over expenditure in future and thus prevent over budgeting.

During the period from 2010-13 persistent savings were noticed as detailed in Table 2.6.

Table 2.6: Scheme wise persistent savings

(₹ in crore)

Sr. No.	Description	Year	Total grant	Expenditure	Saving	Total Saving
<b>Grant No. D-5</b>						
1.	2404-00-201(00)(02) Dairy Development, Greater Mumbai Milk Scheme, Greater Mumbai Milk Scheme- Procurement	2010-2011	93.01	93.01	--(Saving of only ₹ 1000)	0.72
		2011-2012	71.06	70.86	0.20	
		2012-2013	52.65	52.13	0.52	
2.	2404-00-201(00)(03) Dairy Development, Greater Mumbai Milk Scheme, Greater Mumbai Milk Scheme-Processing	2010-2011	57.10	56.08	1.02	3.90
		2011-2012	57.60	55.52	2.08	
		2012-2013	59.33	58.53	0.80	
3.	2404-00-201(00)(04) Dairy Development, Greater Mumbai Milk Scheme, Greater Mumbai Milk Scheme-Distribution	2010-2011	23.08	22.73	0.35	1.55
		2011-2012	22.25	21.47	0.78	
		2012-2013	22.10	21.68	0.42	
<b>Grant No. H-6</b>						
4.	2059-80-001 (18)(02) Public Works, General, Direction and Administration, Superintending Engineer, Public Works Circle, Solapur- Execution	2010-2011	25.10	24.23	0.87	3.89
		2011-2012	28.05	26.82	1.23	
		2012-2013	29.98	28.19	1.79	
5.	2059-80-001 (17)(02) Public Works, General, Direction and Administration, Superintending Engineer, Public Works Circle, Kolhapur	2010-2011	35.43	35.06	0.37	1.75
		2011-2012	38.26	36.99	1.27	
		2012-2013	41.20	41.19	0.01	
6.	2059-80-001 (13)(02) Public Works, General, Director and Administration, Superintending Engineer, Spl. Pro. Circle, Aurangabad Execution	2010-2011	10.05	9.87	0.18	0.86
		2011-2012	11.18	10.61	0.57	
		2012-2013	10.99	10.88	0.11	
7.	2059-80-001 (55)(01) Public Works, General, Director and Administration, Architecture	2010-2011	3.74	3.64	0.10	0.40
		2011-2012	4.12	3.94	0.18	
		2012-2013	4.29	4.17	0.12	
8.	2210-800 -01(00)(04) Medical and Public Health, Urban Health Services - Allopathy, Other Expenditure, Buildings, Minor Work Financed from Discretionary Grants, Joint Director of Health Service (Medical), Mumbai	2010-2011	0.90	0.77	0.13	0.36
		2011-2012	0.85	0.79	0.06	
		2012-2013	1.60	1.43	0.17	

Source: Appropriation Accounts

The Superintending Engineer, PW Circle, Solapur stated (August 2013) that due to non filling of vacant posts, non-passing of bills of arrears of sixth pay commission and medical bills by treasuries, savings occurred.

Reply is not acceptable as persistent savings indicated that the process of preparation of budget estimates were unrealistic and there was lack of financial control by the Controlling Officers.

### 2.4.4 Expenditure without provision

As per the Paragraph 159 of the Budget Manual, no expenditure was to be incurred on a Scheme/service without provision of funds. It was, however noticed in the Appropriation Account for the year 2012-13, in respect of Grant No. H-6, under the sub head "2059-80-052 - Public Works, General, Machinery and Equipment, State Sector, Purposive Grants to Zilla Parishads under Section 182 of the Maharashtra Zilla Parishads and Panchayat Samitis Act 1961, that an amount of ₹ 2.35 crore was incurred though no provision was made.

### 2.4.5 Unnecessary supplementary provision

Para 170 of the Budget Manual specifies that great care should be taken in submitting proposals for supplementary appropriations, as the procedure for obtaining them involves considerable labour.

In respect of Grant No. D-5, improper estimation of available funds under the grant before proposing for supplementary demand led to saving in the years 2010-11 and 2011-12 as detailed in **Table 2.7**.

**Table 2.7: Overall position of Grant No. D 5 for 2010-11 and 2011-12**

Year	Original provision	Supplementary provision	Expenditure	Saving
2010-11	714.20	7.00	512.51	208.69
2011-12	702.63	5.00	533.43	174.20

*Source: Appropriation Accounts*

(₹ in crore)

The Department stated (June 2013) that under Supplementary I for the year 2010-11, ₹ five crore for construction of security boundary wall at Aarey Milk Colony and in Supplementary II - ₹ two crore for establishment of Dairy Farm Park and under Supplementary I for the year 2011-12, ₹ five crore for repair works of Aarey Milk Colony, Worli and Kurla Dairy was obtained as there was no provision and which was necessary before arriving at the final saving under the grant.

The reply of the Department is not acceptable as the funds could have been made available through re-appropriation with proper estimation of available savings.

### 2.4.6 Unnecessary re-appropriation of funds

Paragraph 177 of the Budget Manual stipulates that savings remaining unsurrendered or unutilised and excess remaining uncovered by re-appropriation of savings or supplementary grants at the end of the year should not as a rule, occur and cannot be justified unless they are due to circumstances beyond the control of the departmental officers concerned.

On scrutiny of Appropriation Accounts it was noticed that unnecessary re-appropriation orders were issued resulting in excess expenditure as shown in Table 2.8.

Table 2.8: Unnecessary re-appropriation where excess expenditure was incurred

(₹ in crore)

Sr. No.	Year	Description of the Head of Account	Original grant	Amount re-appropriated	Total grant (4-5)	Actual Expenditure	Excess Expenditure (6-7)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Grant No. D-5</b>							
1.	2010-11	2404-00-204(00)(03) Dairy Development, Government Milk Scheme, Miraj, Government Milk Scheme-Miraj – Processing	10.50	(-)3.16	7.34	7.39	(+)0.05
2.	2010-11	2404-00-224(00)(02) Dairy Development, Government Milk Scheme, Parbhani, Government Milk Scheme, Parbhani-Procurement	6.87	(-)1.21	5.65	5.85	(+)0.20
3.	2011-12	2404-00-209(00)(02) Dairy Development, Government Milk Scheme, Dhule, Government Milk Scheme, Dhule-Procurement	7.16	(-)3.09	4.07	4.82	(+)0.76
4.	2012-13	2404-00-001(03)(03) Dairy Development, Direction and Administration, District Offices	10.42	(-)1.36	9.05	9.11	(+)0.06
5.	2012-13	2404-00-217(00)(02) Dairy Development, Government Milk Scheme, Khopoli, Raigad, Government Milk Scheme, Khopoli, Raigad-Procurement	10.45	(-)4.56	5.89	5.93	(+)0.05
<b>Grant No. H-6</b>							
6.	2012-13	2059-80-001(29) (02) Public Works, General, Direction and Administration, Superintending Engineer, Public Works Circle, <b>Osmanabad</b> Execution	66.16	(-)12.80	53.36	53.58	(+)0.22
7.	2012-13	2059-80-001 (43) (02) Public Works, General, Direction and Administration, Superintending Engineer, Pune Regional (Elect) Circle, Pune Execution	10.52	(-)1.41	9.11	9.85	(+)0.74
8.	2012-13	2059-80-001 (53) (01) Public Works, General, Direction and Administration, Direction, Public Works Department (Proper)	3.53	(-) 0.86	2.67	5.82	(+)3.15

Source: Appropriation Accounts

Reasons attributed by Department for re-appropriation of funds were (i) less expenditure on salaries, (ii) less procurement of milk and (iii) reduction of grant in revised estimates by FD.

Further, during test-check of records of office of the SE, PW Circle, Osmanabad, it was noticed that in sub head 2059-80-001(29) (02) there was excess expenditure of ₹ 0.22 crore. The SE, PW Circle, Osmanabad replied (August 2013) that the reasons for excess expenditure would be obtained from the division offices and the compliance thereof would be submitted shortly. The reply is awaited.

### 2.4.7 Rush of expenditure

According to the Bombay Financial Rules, 1959, rush of expenditure in the closing month of the financial year should be avoided.

Contrary to the provisions of the rule, it was noticed that under the Grant No. H-6, expenditure ranging from 64 *per cent* to 100 *per cent* was made in the month of March during the financial year 2012-13.

During test check of records in the office of Joint Director of Health Service (Medical), Mumbai it was noticed that under sub head 2210-800- 01(00)(04) the expenditure of ₹ 1.01 crore out of ₹ 1.41 crore (71.63 *per cent*) was incurred in the month of March 2013. The Joint Director of Health Service (Medical), Mumbai stated (August 2013) that Executive Engineers might have incurred more expenditure in the month of March.

Uniform flow of expenditure is the primary requirement of proper budgetary control which is lacking in the above sub heads, indicating deficient financial management by the Department.

### 2.4.8 Analysis of budget speech for the years 2010-11, 2011-12 and 2012-13

The Budget Speech presented for the years 2010-11, 2011-12 and 2012-13 by the Government of Maharashtra for the implementation of various Schemes was scrutinised with the actual budget allocation made. The discrepancies noticed thereof in the various Schemes are detailed as follows.

#### Grant No. D-5

A provision of ₹ 70 crore for fishing jetty and infrastructure facility programme at 30 places in five coastal districts of the state was made in the budget of 2010-11. These construction activities were to be completed by 2011-12. In the first phase, 19 projects were to be taken up. However, out of ₹ 20.61 crore provided for the said purpose during 2010-11, only ₹ 15.47 crore was expended and only two works were completed while 17 works were still in progress.

Thus, the facilities as promised in the budget speech could not be delivered in time, depriving the benefits intended to the beneficiaries.

For the year 2011-12, a provision of ₹ 20 crore for Contract Poultry Farming, was proposed as an ancillary activity for farmers to increase their income but expenditure of ₹ 1.80 crore was made as only two districts availed of this Scheme. The Department stated that response was received only in Kolhapur and Nasik districts.

Thus, though the Scheme was intended for the benefit of the farmers of the State, only two districts could take the benefit of the Scheme.

The Scheme for supply of milch animals and goat units was started from the year 2011-12 with 50 *per cent* subsidy for general category beneficiaries and 75 *per cent* subsidy for the Scheduled Caste and Scheduled Tribe beneficiaries. For this Scheme ₹ 35.65 crore was proposed in the year 2012-13.



Though the Scheme was to be implemented under the 11<sup>th</sup> Five Year Plan, the sanction to implement the Scheme was given by the State Government only in January 2013 under the 12<sup>th</sup> Five Year Plan. The actual expenditure incurred under the Scheme was ₹ 25.68 crore.

The sanction to implement the Scheme issued at the end of the financial year (January 2013) had resulted in non-achievement of the intended benefit to the beneficiaries and also the fund allocated could not be utilised fully.

## 2.5 Other observations

### 2.5.1 Fund lying outside Government account for more than five years.

It was observed from the records of the Commissioner of Police, Mumbai that ₹ 7.50 crore deposited with Maharashtra State Police Housing and Welfare Ltd (MSPHWCL) based on two sanctions ₹ two crore in March 2008 and ₹ 5.50 crore in July 2008 for construction of 140 quarters for police men at Wadibunder was lying unused as of June 2013. Though MSPHWCL accorded administrative approval of ₹ 15.77 crore for this work and awarded it a contractor in June 2010, the work could not be started due to non-settlement of lease renewal pending with Mumbai Port Trust (MbPT) from 1971.

Thus, lack of coordination among Home Department, MbPT and MSPHWCL resulted in blocking of ₹ 7.50 crore released in 2008. The objective of construction of quarters for police men was also not achieved.

### 2.5.2 Misclassification of loan recovery as revenue receipt.

Maharashtra Jeevan Pradhikaran (MJP) undertakes works/projects related to Water Supply on behalf of local bodies. For this purpose, MJP raised loans from Life Insurance Corporation (LIC) on behalf of ULBs. An amount of ₹ 296.50 crore was due (December 2009) to be paid to LIC. UDD in its ThFC guidelines (October 2010) decided to appropriate portion of ThFC grant due to the ULBs against which the loans are outstanding. In November 2011 State Government agreed for a one time settlement (OTS) of ₹ 190 crore for repayment of the loan to LIC. The details of the amount paid and recovered are shown in **Table 2.9**.

Table 2.9: Details of adjustment from ThFC grants against settlement of loans

(₹ in crore)

Sr. No.	Year	Amount paid to LIC (From ThFC grant)	OTS by State Govt	Major Head under which the Expenditure/ Receipt booked	Major Head under which the Expenditure/ Receipt should have booked
1	2010-11	65.47		2217	2217
2	2011-12		190	4215	6215
3	2011-12	55.54		0075	Deduct Debit 6215
4	2012-13	15.87		0075	Deduct Debit 6215
	<b>Total</b>	<b>136.88</b>	<b>190</b>		

Source: Information received from Directorate of Municipal Administration

From the above table it can be seen that:

- ₹ 136.88 crore has been appropriated from ThFC grants due to various ULBs against their outstanding loans for water supply projects.

- the OTS during the 2011-12 was incorrectly classified under the Major Head 4215-Capital Outlay on Water Supply and Sanitation instead of Major Head 6215 Loans to Water Supply and Sanitation contrary to the provisions of the note below Rule 30(1) of Government Accounting Rules 1990.
- the recovery made from ThFC grant during 2011-12 and 2012-13 amounting to ₹ 71.41 crore was also incorrectly classified under the receipt Major Head 0075 – Miscellaneous General Service, though it was not an actual receipt of State Government.
- Thus there was an overstatement of ₹ 190 crore under Capital outlay in 2011-12 and ₹ 71.41 crore under receipt head during 2011-12 and 2012-13.

### 2.6 Advances from Contingency Fund

The Contingency Fund of the State has been established under the Bombay Contingency Fund Act, 1956, in terms of provisions of Article 267 (2) and 283 (2) of the Constitution of India. Advances from the Fund are to be made only for meeting expenditure of an unforeseen and emergent character, postponement of which, till its authorisation by the Legislature, would be undesirable. The Fund is in the nature of an imprest and its corpus is ₹ 150 crore, which was temporarily raised from time to time to ₹ 650 crore. The balance at the beginning of the year (2012-13) was ₹ 500 crore. During the year 2012-13, ₹ 9.62 crore drawn from contingency fund have not been recouped to the fund till the close of the year. The closing balance of the fund as on 31 March 2013 was ₹ 640.38 crore.

During 2012-13, 48 sanctions were issued for ₹ 1,107.08 crore, however, 29 sanctions for ₹ 307.30 crore were withdrawn from the Contingency Fund. A few illustrative cases listed in **Appendix 2.14** show that the character of expenditure for which the Departments obtained advances from Contingency Fund was foreseeable. Therefore, the drawal of funds from the Contingency Fund was irregular. A case scrutinized in detail is given below.

An advance of ₹ 22.15 crore was sanctioned in June 2012 from the Contingency Fund towards sanction for purchase of arms and ammunitions. Though Government of India in Ministry of Home Affairs allocated ₹ 22.15 crore during the year 2011-12 for the said purpose but GRs for drawal were issued only on the last day of the financial year *i.e.* on 31 March 2012 and expenditure could not be incurred and hence, the budget provision lapsed. As a result, Government had to resort to withdrawal from the contingency fund during 2012-13. Though the amount of ₹ 22.15 crore was recouped vide GR (November 2012), the utilisation of contingency fund was contrary to the provisions of the Budget Manual.

### 2.7 Misclassification of expenditure especially from grants in aid

It was noticed that during 2012-13, 'Grants-in-aid' of ₹ 744.02 crore (13 cases) and 'Subsidies' of ₹ 13.05 crore (one case), released by the State Government had been classified and booked under capital expenditure heads. Instead of revenue expenditure heads of accounts, resulting in overstatement of the revenue surplus by ₹ 757.07 crore.

## 2.8 Outcome of inspection of Treasuries

The major irregularities noticed during inspection of 33 district treasuries including 323 sub-treasuries in Maharashtra and the Pay and Accounts Office, Mumbai by the Principal Accountant General (Accounts and Entitlements), I, Maharashtra, Mumbai and the Accountant General (Accounts and Entitlements), II, Maharashtra, Nagpur during 2012-13 are brought out in the following paragraph:

### 2.8.1 Transfer of funds to Personal Deposit Accounts

As per Rule 495(b) of the Maharashtra Treasury Rules, 1968, (MTR) the Government is authorized to open Personal Deposit (PD) Accounts in order to deposit money by transferring funds from the Consolidated Fund for specific purposes. Generally, administrators<sup>51</sup> are required to close such accounts on the last working day of the year and transfer the unspent balances back to the Government accounts (Consolidated Fund). However, as on 31 March 2013, 6,242 PD Accounts showed a total balance of ₹ 6,529.40 crore, which was not transferred back to the Consolidated Fund as can be seen from Table 2.10.

Table 2.10: Status of the PD Accounts as on 31 March 2013

Sr.No	Particulars	Nos.	Amount involved (₹ in crore)
1.	PD Accounts existing at the beginning of the year 2012-13	6650	6533.47
2.	PD Accounts opened during the year 2012-13	59	1.05
3.	PD Accounts closed at the end of the year 2012-13	467	5.12
4.	PD Accounts existing at the close of the year 2012-13	6242	6529.40

Source: Finance Accounts

Apart from the opening and closing of PD Accounts (₹ 1.05 crore and ₹ 5.12 crore respectively), receipts (including receipts from sources other than Consolidated Fund of the State) of ₹ 14,735.01 crore and payments of ₹ 199.51 crore, had also taken place in PD Accounts during 2012-13. Out of ₹ 13,315.58 crore transferred to PD Accounts (Major Head 8443-106- Personal Deposits) during the year, ₹ 199.51 crore (1.50 per cent) were transferred in March 2013 alone.

The aggregate amount of the unspent balances in the accounts of the administrators was not readily ascertainable as such funds also included receipts from sources other than the Consolidated Fund of the State.

Out of 6,242 PD Accounts existing at the close of 2012-13, only 1,873 PD Accounts were reconciled by departmental officers with the Treasury offices/Accounting offices. As 30 per cent of the PD Accounts were reconciled during the year 2012-13 the internal control was weak in management of PD Accounts.

#### 2.8.1.1 Irregular retention of Government revenue and expenditure outside the Consolidated Fund

As per Article 266 and 284 of the Constitution revenue receipts of the Government shall form part of the Consolidated Fund. In terms of Rule 488

<sup>51</sup> Personal Deposit/Personal Ledger Account holders

of MTR, revenue receipts of the Government cannot be credited to deposit head when receipt head of account is known. Rule 50 of Accounting Rules of Treasuries, 1992 is in consonance with the above provisions.

The Government on the ground of making adequate funds available to the Hospitals, authorized (November 1999 and December 2008), the heads of Government Hospitals under their control to open Personal Ledger Accounts (PLAs) in their names for keeping the fees received from the patients and utilisation of the same for repair and maintenance of hospital buildings, vehicle, machinery and equipments, purchase of life saving medicines in emergency and medical equipments essential for patients, office expenses like telephone bills, electricity bills, etc., in violation of above constitutional provisions and Rules. An instance of irregular retention of such Government funds in PLA was mentioned in **Paragraph 3.6.2** of the Report of the C&AG on State Finances for the year 2011-12. But the irregularity continued during current year.

The revenue so collected, spent and unutilised balances in PLAs in the 14 District Treasuries (including Sub Treasuries) in the Western Maharashtra and Pay and Accounts Office, Mumbai during the last two years were as shown in **Table 2.11**.

**Table 2.11: Revenue collected by hospitals and kept in PLA**

(₹ in crore)

Year	Amount credited to PLA	Expenditure incurred from the PLA	Unspent balance in the PLAs
2011-12	59.71	53.81	85.27
2012-13	59.71	49.96	95.02

*Source: Information furnished by District Treasuries*

The FD, while accepting (June 2012) that such arrangements should not be made as a matter of course, further stated that the need for smooth delivery of services required the government to take such decisions as per the exigency of the situation. The reply of the FD is not acceptable as expenditure is to be incurred as per the budget passed by the legislature and above procedure circumvent legislative control over expenditure.

### 2.8.1.2 Inoperative PLA for more than three years

As per provisions of MTR and Maharashtra Treasury Manual, PD/PLA which are inoperative for more than three continuous Accounting years should be closed and balance at the credit of such accounts should either be paid to the PLA holder or credited to the Consolidated Fund of the State.

It was noticed during treasury inspection that in 251 cases PLA's were not operated by the administrators since last three years resulting in unutilised balance of ₹ 5.13 crore lying idle in the PLAs. However, these accounts were not closed and balance credited to Government Accounts.

### 2.8.1.3 Non-reconciliation in PD/PLA accounts balances

As per para 589 of Maharashtra Treasury Manual, Treasury Officer is required to obtain a certificate of balance at the end of each year from the administrator of PLA. After obtaining such balance certificates difference, if any, is required to be reconciled with the treasury figure and balance certificate after

reconciliation with the treasury should be forwarded to Principal Accountant General (Accounts and Entitlements)-I, Maharashtra, Mumbai for confirmation.

It was noticed in treasury inspection that:

- a) In 310 cases, there was a difference between the administrator balance and treasury/PAO balance.
- b) In 306 cases, there was a difference between the treasury balance and sub-treasury balance.
- c) In 224 cases, there was a difference between the Sub-Treasury Officers' balance and administrators' balance.

Besides, 677 administrators out of 3298 have not furnished the certificates of balances as on March 2012 to Treasury Officers/PAO

### 2.8.1.4 Instances of unspent balances retained in PLA

- Permission to open PLAs are given with the conditions that unspent balance at the end of the financial year is to be credited to the Consolidated Fund of the State. This was not done in the following cases:
- Government of Maharashtra, Home Department in July 2011 had permitted RTO/Dy. RTO to open PLA to credit an amount of ₹ 50 for sending driving license by post to licensee. Unspent balance of ₹ 21.37<sup>52</sup> lakhs was not credited to the Consolidated Fund of State.
- PLA in the name of Additional Chief Secretary, Home Department, was opened for one year in April 2011 to credit the amount of grant-in-aid drawn on AC Bills in connection with purchase of arms required by the police. Unspent balance of ₹ 101.86 crore at the end of 31 March 2012 was not credited to the Consolidated Fund.
- PLA in the name of Director, Directorate of Maharashtra Fire Services, was opened in November 2011 for incurring expenditure for strengthening of Fire Protection Services. Unspent balance of ₹ 8.08 crore at the end of 31 March 2012 was not credited to the Consolidated Fund.
- PLA opened in March 2009 in the name of Executive Director, GMIDC, Aurangabad, had an amount of ₹ 198.06 crore as unspent as on March 2013. The amount was deposited by the Department under the head 8443 – Civil Deposit, 800 – Other Expenditure, 106 – Personal Deposit (8443508300) for incurring expenditure on share capital contribution works of NABARD, AIBP, RRR Schemes received at the end of March 2013. However after the lapse of the financial year the unspent balance was neither surrendered nor revalidated. Thus, release of Capital Fund at the end of the financial year resulted in its non-utilisation and its parking in PLA. This also inflated the current year's expenditure as well as liability of Government in Public Accounts to the extent of ₹ 198.06 crore.

<sup>52</sup> Dy RTO/Ahmednagar (₹ 10.86 lakh), Dy RTO/Pen (₹ 5.91 lakh) and RTO/Panvel (₹ 4.60 lakh)

### 2.8.2 Overpayment of pension

Overpayment of pensionary benefits of ₹ 1.95 crore was made during 2012-13 on account of incorrect calculation of dearness relief, non-adjustment of provisional Death-cum-Retirement Gratuity, non-reduction of family pension from the specific dates mentioned in the pension payment orders *etc.* Of this, only ₹ 0.09 crore has been recovered upto July 2013. Thus, a balance of ₹ 1.86 crore was still outstanding.

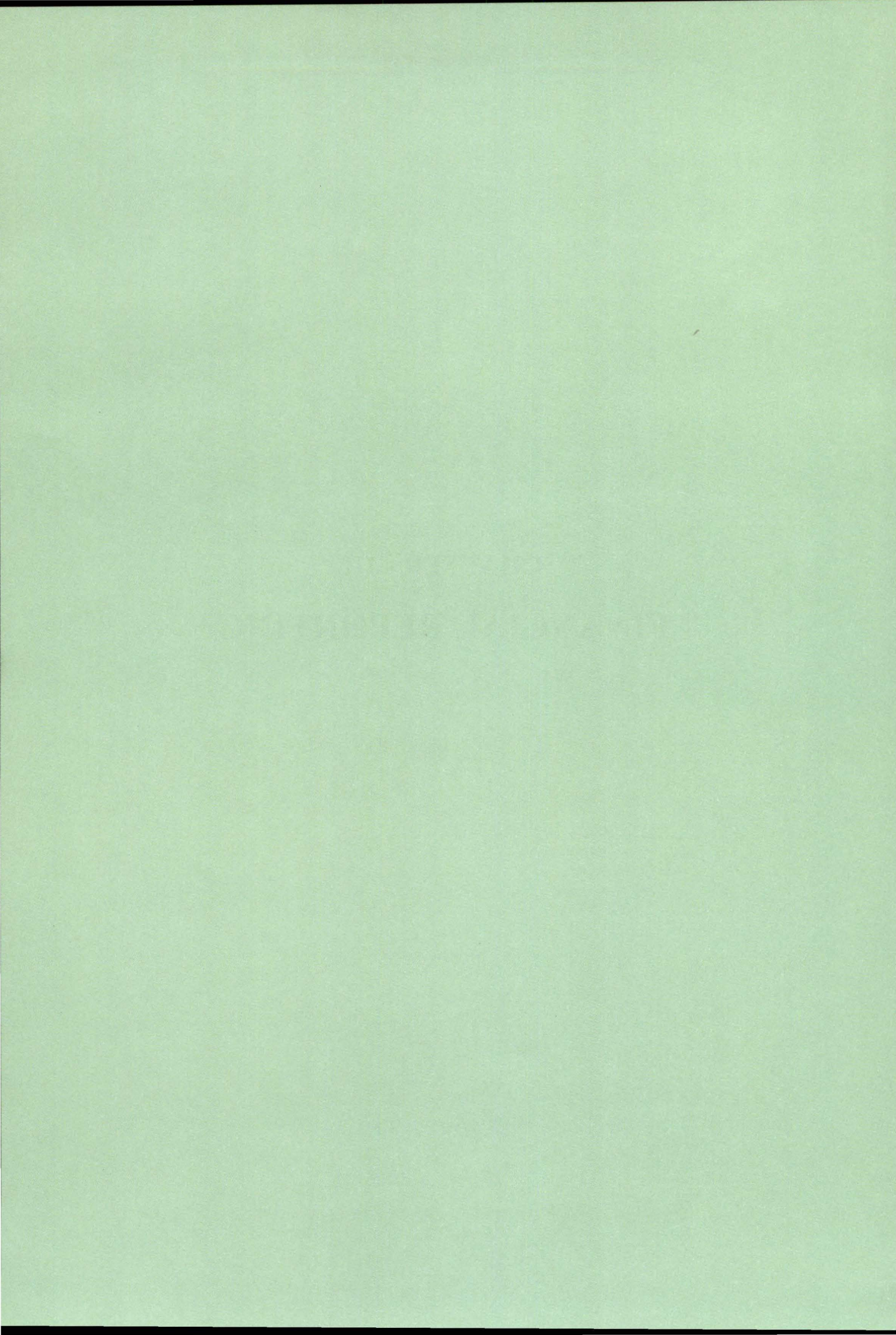
### 2.9 Conclusion

The overall savings of ₹ 22,753.87 crore were the net result of savings of ₹ 23,758.04 crore, set off by excess of ₹ 1,004.16 crore. This excess expenditure requires regularisation by the State Legislature. Anticipated savings of ₹ 17,712.85 crore were surrendered on the last two working days of the financial year. In 32 cases, ₹ 9,283.36 crore was surrendered against the actual savings of ₹ 8,168.15 crore, which resulted in excess surrender of ₹ 1,115.21 crore. There was rush of expenditure (51 to 100 *per cent*) under 27 major heads. Instances of Government receipts being kept in Personal Ledger Account without crediting the same to Consolidated Fund of the State was noticed in two Departments.

### 2.10 Recommendation

- All Departments should closely monitor the expenditure against the allocations and incurring of excess expenditure over the grants should be avoided.
- Surrender of funds should be done well before the close of the year so as to enable the Government to utilize the funds on other Schemes.
- Release of funds at the end of the year should be avoided.
- Due care should be taken in submitting proposals for supplementary appropriations.
- Government should ensure that all Government receipts are credited in Consolidated Fund of the State.

**CHAPTER - III**  
**FINANCIAL REPORTING**





A sound internal financial reporting with relevant and reliable information significantly contributes to efficient and effective governance by the State Government. Compliance with financial rules, procedures and directives as well as the timeliness and quality of reporting on the status of such compliances is thus one of the attributes of good governance. The reports on compliance and controls, if effective and operational, assist the State Government in meeting its basic stewardship responsibilities, including strategic planning and decision-making. This Chapter provides an overview and status of the State Government's compliance/non-compliance with various financial rules, procedures and directives during the current year.

### 3.1 Delay in furnishing Utilisation Certificates

The Bombay Financial Rules, 1959 provide that for the grants provided for specific purposes, utilisation certificates (UCs) should be obtained by the departmental officers from the grantee institutions and after verification, the UCs should be forwarded to the Principal Accountant General (Accounts and Entitlements), Maharashtra, within 12 months from the dates of their sanction. The department-wise position of outstanding UCs is given in **Appendix 3.1**. The year-wise position of total outstanding UCs in the State as on 31 March 2013 is given in **Table 3.1**.

**Table 3.1: Year-wise position of outstanding UCs as of 31 March 2013**

Year	Number of UCs awaited	Amount involved (₹ in crore)
Upto 2010-11	105730	45007.80
2011-12	14284	11737.16
2012-13	29792	26155.77
<b>Total</b>	<b>149806</b>	<b>82900.73</b>

Source : Finance Accounts

The major departments with large pendency were School Education and Sports, Urban Development, Higher and Technical Education, Rural Development and Water Conservation, Planning, Co-operation, Marketing and Textiles and Social Justice and Special Assistance. The large pendency in submission of UCs indicates lack of monitoring of utilisation of grants and loans by the departments.

### 3.2 Non-submission/delay in submission of Accounts by Grantee institutions

In order to identify the institutions which attract audit under Section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, the Government/heads of departments are required to furnish to Audit every year, detailed information about the financial assistance given to various institutions, the purpose of assistance granted and the total expenditure of the institutions. The details of such assistance released to the

institutions during the year were awaited from Government departments (October 2013).

According to the accounts received for the year 2012-13, 710 institutions attracted audit by the Comptroller and Auditor General of India during 2012-13. Of these, 41 institutions were audited during 2012-13.

**Table 3.2** shows age-wise arrears of annual accounts due up to 2012-13 in respect of 4,558 annual accounts as of September 2013.

**Table 3.2: Age-wise arrears of Annual Accounts due from Institutions**

Delay in number of years	Number of accounts
0-1	1249
1-3	1417
3-5	1095
5-7	700
7-9	31
9 and above	66
<b>Total</b>	<b>4,558</b>

Non-submission of information regarding grants and loans paid to various institutions and non-furnishing of accounts by them and the risk of mis-utilisation of the funds is brought to the notice of the Government.

### 3.3 Delay in submission of Accounts/Audit Reports of Autonomous Bodies

Several autonomous bodies have been set up by the State Government in the fields of Environment, Housing, Industries, Irrigation, Urban Development and Water Supply and Sanitation. The audit of accounts of 18 bodies in the State has been entrusted to the Comptroller and Auditor General of India. The status of entrustment of audit, rendering of accounts to audit, issuance of Separate Audit Reports and their placement in the Legislature by the autonomous bodies are indicated in **Appendix 3.2**.

Delays in submission of annual accounts ranging between two and 17 months were noticed in the case of 13 autonomous bodies. The accounts of both the Maharashtra Pollution Control Board (MPCB), Mumbai for the year 2010-11 and Maharashtra Khadi and Village Industries Board (MSKVIB), Mumbai for the year 2010-11 were furnished to audit only in October 2012, with delay ranging from 15 to 16 months. The accounts of Vidarbha Irrigation Development Corporation (VIDC), Nagpur for the year 2010-11 were furnished to audit only in November 2012, with delay of 17 months. Further, the accounts of Maharashtra State Legal Services Authority (MSLSA), Mumbai for the year 2008-09 was still to be presented in the Legislature. The delays were mainly due to delays in approval of the accounts by the respective Governing Bodies. Accounts of nine bodies from 2011-12 onwards are yet to be received.

The inordinate delays in submission of accounts and presentation of the reports to the State Legislature resulted in delayed scrutiny of the functioning of these bodies, where Government investments are made. Further, it also delays the taking of necessary remedial action.

### 3.4 Delay in finalisation of Proforma Accounts by departmentally managed Commercial Undertakings

The departmental undertakings of certain Government departments, performing activities of quasi-commercial nature, are required to prepare *proforma* accounts in the prescribed format annually showing the working results of financial operations so that the Government can assess their performance. The finalised accounts of the departmentally managed commercial and quasi-commercial undertakings reflect their overall financial health and efficiency in conducting their business.

Heads of Government departments have to ensure that the undertakings prepare such accounts and submit the same to the Accountant General (Audit), III, Maharashtra, Mumbai, for audit within a specified time frame. As of March 2013, there were 49 such undertakings, out of which 40 had prepared accounts up to 2011-12. In respect of five undertakings, there was large pendency in finalisation of *proforma* accounts ranging from 13 to 26 years as these were sick units and not operational and had stopped preparing accounts. Milk Transport Scheme, Worli has been closed from 2007-08 onwards. The department-wise position of arrears in preparation of *proforma* accounts and investment made by the Government are given in **Appendix 3.3**.

### 3.5 Misappropriations, losses, defalcations, etc.

The Bombay Financial Rules, 1959 provide that misappropriation, fraudulent drawal/payment or otherwise discovered in a treasury or any other office/department should be reported immediately by the office concerned to the next higher authority as well as to the Principal Accountant General (Audit), I, Maharashtra, Mumbai and Accountant General (Audit), II, Nagpur.

The State Government reported 245 cases of misappropriation, defalcation, etc., involving ₹ 42.38 crore up to March 2013 on which final action was pending. The department-wise break up of pending cases and age-wise analysis is given in **Appendix 3.4**. The nature of these cases is given in **Appendix 3.5**. The age-profile of the pending cases and the number of cases pending in each category as emerged from these appendices are summarised in **Table 3.3**.

**Table 3.3: Profile of misappropriations, losses, defalcations, etc.**

Age-profile of the pending cases			Nature of the pending cases		
Range in Years	Number of cases	Amount involved (₹ in lakh)	Nature/characteristic of the cases	Number of cases	Amount involved (₹ in lakh)
0-5	19	1687.28	Theft	27	38.09
5 - 10	24	1329.28			
10 - 15	26	124.72	Misappropriation/ Loss of material	218	4199.75
15 - 20	35	837.41			
20 - 25	35	207.71	Total	245	4237.84
25 and above	106	51.44	Cases of losses written off during the year	0	0
Total	245	4237.84	Total pending cases	245	4237.84

The reasons for which the cases were outstanding have been broadly categorised in **Table 3.4**.

**Table 3.4: Reasons for the delay/pendency of cases**

Reasons for the delay / pendency of cases	Number of Cases	Amount (₹ in lakh)
Departmental and criminal investigation awaited	44	1414.71
Departmental action initiated but not finalised	68	2290.60
Criminal proceedings finalised but execution of certificate cases for the recovery of the amount was pending	23	33.92
Orders for recovery or write-off awaited	45	37.42
Pending in the courts of law	65	461.19
<b>Total</b>	<b>245</b>	<b>4237.84</b>

It is seen from the above, that out of 245 cases involving ₹ 42.38 crore, 202 cases (82 per cent) involving ₹ 12.21 crore (29 per cent) were pending for more than 10 years. Further, while 68 cases involving ₹ 22.91 crore were pending for final departmental action, 45 cases involving ₹ 0.37 crore were pending for recovery or write-off orders.

### 3.6 Opaqueness in Government Accounts

There is a global trend towards greater openness in Government finances. This is based on a belief that transparent budgetary and accounting practices can ensure that funds raised by the Government for public purposes will be spent as promised by the Government, while maximizing the benefits derived from spending. One crucial component of a transparent system of accounting is that the forms of accounts in which the receipts and expenditure of the Government are reported to the legislature, are constantly reviewed and updated so that they truly reflect receipts and expenditure in respect of all major activities of the Government in a transparent manner.

Minor Heads 800-Other Expenditure/ Other Receipts are intended to be operated only when the appropriate Minor Head has not been provided in the accounts. Routine operation of Minor Heads 800 is to be discouraged, since it renders the accounts opaque. Details of significant transactions (involving more than ₹ 50 crore and constituting more than 50 per cent of the relevant Major Head) of receipts (four items involving ₹ 445.31 crore) and expenditure (23 items involving ₹ 10,902.51 crore) at sub-head level, are given in **Appendix 3.7**.

### 3.7 Reconciliation of Receipts and Expenditure

All Controlling Officers are required to reconcile the receipts and expenditure of the Government with the figures accounted for by the offices of the Principal Accountant General (Accounts and Entitlements)-I, Maharashtra, Mumbai and Accountant General (Accounts and Entitlements), II, Nagpur and the Pay and Accounts Office, Mumbai. Such reconciliation had been completed for a value of ₹ 1,05,485.94 crore (72.12 per cent) of expenditure against the total expenditure of the Government, amounting to ₹ 1,46,266.40 crore and for receipts of ₹ 3,156.39 crore (2.92 per cent) of the total receipts of the Government amounting to ₹ 1,08,147.53 crore.

### 3.8 Pendency in submission of Detailed Contingent bills against Abstract Contingent bills

As per the MTR, Drawing and Disbursing Officers (DDOs) are required to submit Detailed Contingent (DC) bills (vouchers in support of final expenditure) against Abstract Contingent (AC) bills drawn, within 30 days to the offices of the Principal Accountant General (Accounts and Entitlements) I, Maharashtra, Mumbai, the Accountant General (Accounts and Entitlements) II, Maharashtra, Nagpur and the Pay and Accounts Office, Mumbai.

As on 31 March 2013, 11,953 DC bills amounting to ₹ 1000.23 crore were not received in the offices of the Principal Accountant General (Accounts and Entitlements) I, Maharashtra, Mumbai, Accountant General (Accounts and Entitlements) II, Maharashtra, Nagpur and the Pay and Accounts, Mumbai. Year-wise details and the department-wise position are given in **Table 3.5** and **Appendix 3.6** respectively.

**Table 3.5: Pendency in submission of DC bills against AC bills**

(₹ in crore)

Year	AC bills drawn		DC bills received		Outstanding AC bills	
	Number	Amount	Number	Amount	Number	Amount
Upto 2010-11	100253	3392.16	90161	2861.98	10092	530.18
2011-12	3500	256.42	2953	163.76	547	92.66
2012-13	2930	419.36	1616	41.97	1314	377.39
<b>Total</b>	<b>106683</b>	<b>4067.94</b>	<b>94730</b>	<b>3067.71</b>	<b>11953</b>	<b>1000.23</b>

Source : Finance Accounts

#### 3.8.1 Pendency in submission of Detailed Contingent Bills against Abstract Contingent Bills in Revenue and Forest Department

During the audit scrutiny of records relating to Revenue and Forest Department it was observed that as on 31 March 2013, 1,472 Abstract Contingent (AC) Bills involving an amount of ₹ 41.25 crore were outstanding for submission/clearance. Of this 828 DC Bills (₹ 5.08 crore) pertaining to 14 district treasuries of Western Maharashtra were outstanding upto 2000-01. **Table 3.6** below gives details of unadjusted AC bill noticed during the test check in few districts.

**Table 3.6: Outstanding AC bills as of March 2013 (unadjusted advance drawn in anticipation of expenditure)**

Year to which the AC bill pertain	AC bills drawn by	Unadjusted AC bills		Purposes/ exigencies for which the AC bill was drawn	Reasons for non-submission of DC bill	Period of delay
		No of AC bills	Amount (₹ in crore)			
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1992-93 to 2011-12	Collector, Raigad	29	0.84	State Legislative Election	Basic records like cash books, bill register, vouchers, etc., are misplaced	More than 20 years
1987-88 to 2007-08	Collector, Pune	15	0.13	Not Available	Register of AC/DC bills, vouchers, purpose, items on which expenditure was incurred, reason for delay were not furnished to audit	More than 20 years

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(1)	(2)	(3)	(4)	(5)	(6)	(7)
1993-94 onwards	Tahsildar, Alibag	54	0.65	Various purposes	Non-maintenance of AC/DC bill register	More than 20 years
1996-97 and 2012-13	Tahsildar, Chiplun	5	0.10	Not Available	N.A.(One bill of ₹ 0.03 crore has been submitted but clearance certificate is awaited)	More than 15 years
March 2003	Collector Buldhana	2	0.38	Construction of TILR office	Non receipt of utilization certificate from EE, Buldhana and EE, Khamgaon	More than 10 years
January 2011	Collector, Yawatmal	1	0.27 <sup>53</sup>	Disaster preparedness and mitigation plan	Utilisation Certificate is pending from Tahsildar	More than two years
March 2011	Collector, Amravati	1	0.25 <sup>53</sup>	Disaster preparedness and mitigation plan	The activity for which AC bill is drawn is still in progress and require more time and additional grant	More than two years
March 2012	Collector, Sindhudurg	3	0.10	Zilla Parishad elections	The amount sanctioned was less than the amount demanded for payment of overtime allowance to election staff. DC bills would be submitted on receipt of the balance amount.	More than one year
January, February and November 2012	Tahsildar, Sawantwadi	26	0.30	-----	Non maintenance of records	More than one year
October 2012	Tahsildar, Guhagar	2	0.02	Gram Panchayat elections	Not Available	11 months
<b>Total</b>		<b>138</b>	<b>3.04</b>			

### 3.9 Conclusion

Non-submission of utilisation certificates for ₹ 82,900.73 crore indicated lack of proper monitoring by the departments of utilisation of grants and loans. Non-submission of the annual accounts for audit by the grantee institutions was fraught with the risk of mis-utilisation of funds. Due to delays in finalisation of accounts by autonomous bodies/commercial undertakings, the Government's investments in these organisations could not be scrutinised by audit. The large number of the outstanding cases of misappropriations, losses, *etc.* and non-recovery of amounts indicated lack of efforts by the departments to make good the losses and fix responsibility.

Expenditure and receipts to the tune of ₹ 40,780.46 crore and ₹ 1,04,991.14 crore respectively were not reconciled with the figures of Offices of the Principal Accountant General (Accounts and Entitlements) I, Mumbai, Accountant General (Accounts and Entitlements) II, Maharashtra, Nagpur and the Pay and Accounts office, Maharashtra, Mumbai.

The Controlling Officers did not submit Detailed Contingent bills in respect of ₹ 1000.23 crore drawn on Abstract Contingent bills up to 31 March 2013. Significant amounts of expenditure and receipts under Central and State

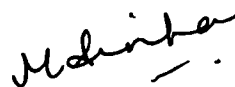
<sup>53</sup> Amount kept in State Bank of India

Schemes, booked under the Minor head '800-Other expenditure' and '800-Other receipts' were not distinctly depicted in the State Finance Accounts of 2012-13, affecting the openness in financial reporting.

### 3.10 Recommendation

- The departments should ensure timely submission of utilisation certificates in respect of the grants released for specific purposes to the grantee institutions.
- The annual accounts in respect of the autonomous bodies should be submitted in time to the Principal Accountant General (Audit) I, Maharashtra, Mumbai and Accountant General (Audit) II, Maharashtra, Nagpur.
- Departmental enquiries in respect of all fraud and misappropriation cases should be expedited to bring the defaulters to book. Internal controls in all the organisations should be strengthened to prevent such cases.
- A monitoring mechanism should be put in place in the departments to adjust the advances drawn on Abstract Contingent bills within the stipulated period, as required under the extant rules.

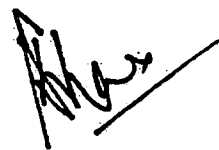
Mumbai,  
The 4 March, 2014



(MALA SINHA)

Principal Accountant General (Audit)-I,  
Maharashtra

Countersigned



(SHASHI KANT SHARMA)

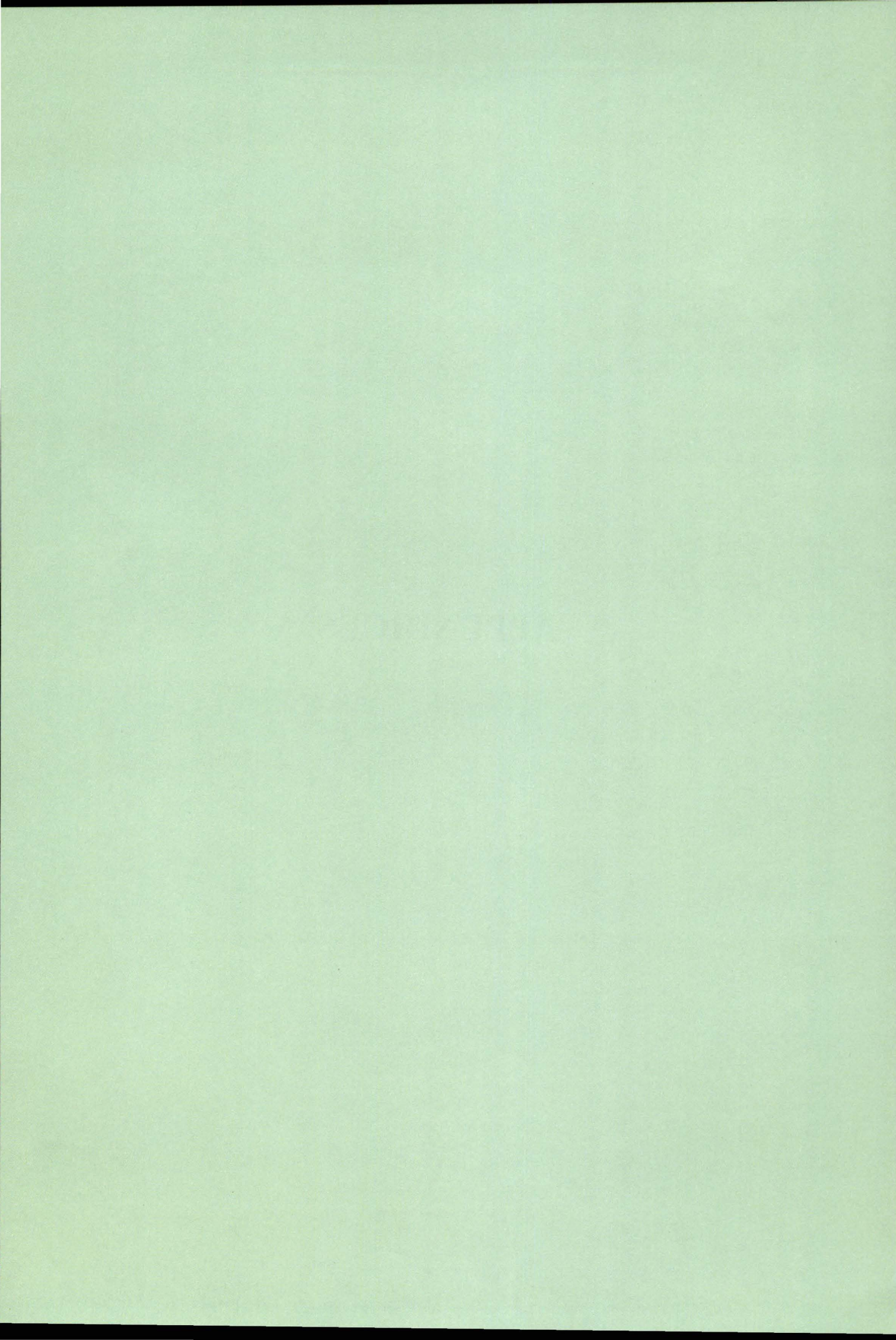
Comptroller and Auditor General of India

New Delhi,  
The 10 March, 2014





# APPENDICES



A		GENERAL DATA*		
Sr.No.	Particulars		Figures	
1	Area		3.08 lakh Sq. km.	
2	Population			
	a.	As per 2001 Census	9.69 crore	
	b.	As per 2011 Census	11.24 crore	
3	a.	Density of Population (as per 2001 census) (All India Density = 325 persons per Sq. Km.)	315 persons per Sq. km.	
	b.	Density of Population (as per 2011 census) (All India Density = 382 persons per Sq. Km.)	365 persons per Sq. km.	
4	*Population Below Poverty Line (BPL) (All India Average = 21.92 per cent)		17.35 per cent	
5	a.	Literacy (2001) (All India Average = 64.8 per cent)	76.88 per cent	
	b.	Literacy (2011) (All India Average = 74.4 per cent)	82.90 per cent	
6	Infant mortality **(per 1000 live births) (All India Average = 50 per 1000 live births)		25	
7	Life Expectancy at birth *** (All India Average = 63.5 years)		67.2 years	
8	Gini Coefficient ****			
	a.	Rural (All India = 0.29)	0.24	
	b.	Urban (All India = 0.38)	0.38	
9	Gross State Domestic Product (GSDP) 2012-13 at current price		1372644 crore	
10	Per capita GSDP CAGR (2003-04 to 2012-13)		Maharashtra	14.83 per cent
			General Category States	14.94 per cent
11	GSDP CAGR (2003-04 to 2012-13)		Maharashtra	16.73 per cent
			General Category States	16.37 per cent
12	Population growth (2003-04 to 2012-13) (as per Census 2001)		Maharashtra	16.00 per cent
			General Category States	13.22 per cent

B		FINANCIAL DATA#		
Particulars		2003-04 to 2011-12		2003-04 to 2012-13
CAGR		General Category States	Maharashtra	Maharashtra
		(In per cent)		
a.	of Revenue Receipts	17.48	17.07	17.16
b.	of Own Tax Revenue	17.44	16.88	17.01
c.	of Non Tax Revenue	12.64	10.98	12.18
d.	of Total Expenditure	14.15	13.20	12.94
e.	of Capital Expenditure	16.83	10.24	8.72
f.	of Revenue Expenditure on Education	16.85	15.50	15.26
g.	of Revenue Expenditure on Health	15.35	13.88	14.40
h.	of Salary and Wages	14.18	13.50	13.33
i.	of Pension	18.36	18.87	17.75

\* Source of General data: BPL (Planning Commission and NSSO data, 61 Round)

\*\* Infant Mortality rate (Economic Survey 2012-13)

\*\*\* Life Expectancy of birth (Office of the Registrar General of India, Ministry of Home Affairs) Economic Review 2011-12

\*\*\*\* Gini Coefficient (Unofficial estimates of Planning Commission and NSSO data, 61 Round 2004-05 MRP), Gini co-efficient is a measure of inequality of income among the population. Value rate is from zero to one, closer to zero inequality is less; closer to one inequality is higher

# Financial data is based on the Finance Accounts of the State Government

## Structure and form of Government Accounts

(Reference: Paragraph 1.1: Page 2)

**Part-A: Structure of Government Accounts :**

The accounts of the State Government are kept in three parts: (i) Consolidated Fund, (ii) Contingency Fund and (iii) Public Account.

**Part I: Consolidated Fund :** All revenues received by the State Government, all loans raised by issue of treasury bills, internal and external loans and all moneys received by the Government in repayment of loans shall form one consolidated fund entitled 'The Consolidated Fund of State' established under Article 266 (1) of the Constitution of India.

**Part II: Contingency Fund:** Contingency Fund of the State established under Article 267 (2) of the Constitution is in the nature of an imprest placed at the disposal of the Governor to enable him to make advances to meet urgent unforeseen expenditure, pending authorisation by the Legislature. Approval of the Legislature for such expenditure and for withdrawal of an equivalent amount from the Consolidated Fund is subsequently obtained, whereupon the advances from the Contingency Fund are recouped to the Fund.

**Part III: Public Account:** Receipts and disbursements in respect of certain transactions such as small savings, provident funds, reserve funds, deposits, suspense, remittances *etc* which do not form part of the Consolidated Fund, are kept in the Public Account set up under Article 266 (2) of the Constitution and are not subject to vote by the State Legislature.

**Part-B: Layout of Finance Accounts**

Statement No.	About
1	Statement of Financial Position
2	Statement of Receipts and Disbursements
3	Statement of Receipts in Consolidated Fund
4	Statement of Expenditure in Consolidated Fund By function and nature
5	Statement of Progressive Capital expenditure
6	Statement of Borrowings and Other Liabilities
7	Statement of Loans and Advances given by the Government
8	Statement of Grants-in-aid given by the Government
9	Statement of Guarantees given by the Government
10	Statement of Voted and Charged Expenditure
11	Detailed Statement of Revenue and Capital Receipts by minor heads
12	Detailed Statement of Revenue Expenditure by minor heads
13	Detailed Statement of Capital Expenditure
14	Detailed Statement of Investments of the Government
15	Detailed Statement of Borrowings and Other Liabilities
16	Detailed Statement on Loans and Advances given by the Government
17	Detailed Statement on Sources and Application of funds for expenditure other than on revenue account
18	Detailed Statement on Contingency Fund and Public Account transactions
19	Detailed Statement on Investments of earmarked funds

## Fiscal Responsibility and Budgetary Management Act and Rules

(Reference: Paragraph 1.1; Page 2)

### MAHARASHTRA FISCAL RESPONSIBILITY AND BUDGETARY MANAGEMENT ACT, 2005

The State Government has enacted the Maharashtra Fiscal Responsibility and Budget Management (MFRBM) Act, 2005 to ensure prudence in fiscal management and to maintain fiscal stability in the State. To improve the fiscal position and to bring fiscal stability, the Act envisages progressive elimination of revenue deficit, reduction in fiscal deficit and prudent debt management consistent with fiscal sustainability. To ensure fiscal prudence the Act also provides for greater fiscal transparency in fiscal operations of the Government and conduct of fiscal policy in a medium term framework and matters connected therewith or thereto. The Maharashtra Fiscal Responsibility and Budgetary Management Rules (MFRBMR) were, however, framed in February 2006. The major fiscal targets for the State are as under:

- Reduce the revenue deficit by one *per cent* or more of the GSDP in the first year, 1.5 *per cent* or more in the first two years, two *per cent* or more in the first three years, beginning from the financial year 2005-06 and the entire deficit by 2008-09.
- Reduce the fiscal deficit by an amount equivalent to 0.3 *per cent* or more of the GSDP at the end of each financial year beginning with the financial year 2005-06 until the fiscal deficit is brought down to not more than three *per cent* of the GSDP. The fiscal deficit in 2008-09 and thereafter should not exceed three *per cent* of GSDP.

The MFRBM Act, 2005, was, however, amended in December 2006 and renamed as Fiscal Responsibility and Budgetary Management (Amendment) Act, 2006.

The MFRBMR were, however, amended in February 2008 and renamed as Maharashtra Fiscal Responsibility and Budgetary Management (Amendment) Rules, 2008, having no major changes with respect to fiscal targets. It was further amended in July 2011 and renamed as MFRBM (Second Amendment) Rules, 2011. The major fiscal targets for the State were amended as under:

- The State Government shall maintain a revenue surplus in 2011-12 and thereafter.
- The fiscal deficit of the State Government shall not exceed 3 *per cent* of GSDP in 2010-11 and thereafter.
- The State Government shall maintain the outstanding debt to GSDP upto 26.3 *per cent* in 2010-11, 26.1 *per cent* in 2011-12, 25.8 *per cent* in 2012-13, 25.5 *per cent* in 2013-14 and 25.3 *per cent* in 2014-15.

The MFRBMR were further amended in March 2012 and was renamed as MFRBMR (Amendment) Rules, 2012. However, there were no changes in the targets fixed earlier.

#### Medium Term Fiscal Policy Statement

- As prescribed in the Act, the State Government laid a Medium Term Fiscal Policy Statement (MTFPS) and a Fiscal Policy Strategy Statement along with the budget before the Legislature in March 2011. MTFPS presents three years rolling targets, assumptions underlying the fiscal indicators and assessment of sustainability relating mainly to (i) balance between revenue receipts and revenue expenditure and (ii) the use of capital receipts for generating productive assets.
- The revenue balance continues to be adverse due to the upward revision of salaries on the basis of the Sixth Pay Commission. Fiscal deficit will be maintained at three *per cent* of GSDP so as to avoid a disruptive squeeze on plan expenditure. The medium term objective would be to consolidate economic growth with consequent high growth in revenues and channellise public expenditure for human resource development and infrastructure development. At the same time, it has been ensured that public investment in Agriculture, Human Development and Infrastructure is not squeezed and the State GSDP would grow around nine *per cent* in real terms over the next three years.
- The State Government has developed its own Fiscal Correction Path indicating the milestones of outcome indicators with target dates of implementation during the period from 2007-08 to 2013-14 keeping in view the fiscal targets laid down in the FRBM Act and/or the rules made thereunder.

Outcome indicators of the State's own  
Fiscal Correction Path

(Reference: Paragraph 1.1 ; Page 2)

		(₹ in crore)					
Item		2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
		Actuals	RE	BE	Projections	Projections	Projections
<b>A</b>	<b>STATE REVENUE ACCOUNT</b>						
1	States Own Tax Revenue	59106.30	73495.65	83686.07	93945.98	105412.63	119554.95
2	States own Non-Tax Revenue	8352.61	8993.45	9730.83	10314.68	10933.56	11589.57
3	SOTR + NONTR (1+2)	67458.91	82489.10	93416.90	104260.66	116346.19	131144.52
4	Share in Central Taxes	8248.16	11419.24	13718.05	15089.86	16598.84	18424.71
5	Plan Grants	7496.25	10573.60	11232.74	12131.36	13101.87	14150.02
6	Non plan Grants	3706.97	2677.29	3136.23	3387.13	3658.10	3950.75
7	Total Central Transfer (4 to 6)	19451.38	24670.13	28087.02	30608.34	33358.81	36525.48
8	<b>Total Revenue Receipts (3+7)</b>	<b>86910.29</b>	<b>107159.23</b>	<b>121503.92</b>	<b>134869.00</b>	<b>149705.00</b>	<b>167670.00</b>
9	Plan Revenue Expenditure	16723.58	21164.60	25904.01	25000.00	27750.00	30802.50
10	Non-Plan Revenue Expenditure	78192.59	91682.27	95541.70	109832.00	121699.00	135130.00
11	Salary Expenditure	35173.00	43391.00	48761.00	55805.00	60665.00	63545.00
12	Pension	6946.12	11384.00	11431.00	12802.72	14339.05	16059.73
13	Interest Payments (Govt Debt)	14110.50	15565.55	17540.13	21117.00	23647.00	26491.00
	Subsidies - Total (14+15)	9346.96	7949.10	7099.63	7667.60	8281.01	8943.49
14	Subsidies - General	5992.67	4817.66	4099.63	4427.60	4781.81	5164.35
15	Subsidies - Power	3354.29	3131.44	3000.00	3240.00	3499.20	3779.14
16	<b>Total Revenue Expdr (9+10)</b>	<b>94916.17</b>	<b>112846.87</b>	<b>121445.71</b>	<b>134832.00</b>	<b>149449.00</b>	<b>165932.50</b>
17	Salaries+Pension+Interest (11+12+13)	56229.62	70340.55	77732.13	89724.72	98651.05	106095.73
18	as % of Revenue Receipts (17/8)	64.70%	65.64%	63.97%	66.53%	65.90%	63.28%
19	Revenue Surplus/ Deficit (8-16)	(-) 8005.88	(-) 5687.64	58.21	37.00	256.00	1737.50
<b>B</b>	<b>CONSOLIDATED REVENUE ACCOUNT</b>						
1	Interest payments(Off-Budget Debt)	727.50	536.45	508.87	500.00	500.00	490.00
2	Consolidated Revenue Deficit (19-B 1)	(-) 8733.38	(-) 6224.09	(-) 450.66	(-) 463.00	(-) 244.00	1247.50
<b>C</b>	<b>CONSOLIDATED DEBT</b>						
1	<b>Outstanding debt and liability incl off budget</b>	<b>181447.00</b>	<b>205689.00</b>	<b>226926.00</b>	<b>253449.48</b>	<b>283154.48</b>	<b>316424.08</b>
2	Total Outstanding guarantees of which guarantee on account of borrowings and SPV borrowings	17319.55	15040.87	14992.00	14678.00	14222.00	13982.00
<b>D</b>	<b>CAPITAL ACCOUNT</b>						
1	Capital Outlay	17428.66	18823.27	22438.91	26099.06	29473.42	34491.99
2	Disbursement of Loans and Adv	1261.06	1108.59	898.72	982.94	1061.58	1148.51
3	Recoveries of Loans and Adv	514.84	577.82	474.58	522.00	574.00	631.40
4	Other Capital Receipts	25.07	0.00	0.00	0.00	0.00	0.00
E1	Fiscal Deficit (19+D1+D2-D3-D4)	26155.69	25041.68	22804.84	26523.00	29705.00	33269.60
E2	Gross Fiscal Deficit (E1+B1)	26883.19	25578.13	23313.71	27023.00	30205.00	33759.60
	<b>GSDP at current prices</b>	<b>901330</b>	<b>1029621</b>	<b>1184064</b>	<b>1326152</b>	<b>1485290</b>	<b>1663525</b>

Source: Information received from Government

# Time series data on State Government Finances

(Reference: Paragraph 1.3; Page 9)

		(₹ in crore)					
		2008-09	2009-10	2010-11	2011-12	2012-13	
(1)		(2)	(3)	(4)	(5)	(6)	
<b>Part A: Receipts</b>							
<b>1. Revenue Receipts</b>		<b>81270.68</b>	<b>86910.29</b>	<b>105867.82</b>	<b>121286.14***</b>	<b>142947.23</b>	
(i) Tax Revenue (own resources)		52029.94(64)	59106.34(68)	75027.10(71)	87608.46 (72)	103448.58 (72)	
Taxes on Agricultural Income		0	0	0	0 (0)	0.00 (0)	
Taxes on Sales, Trade, etc.		30680.53(59)	32676.02(55)	42482.72(57)	50596.36 (58)	60079.72 (58)	
State Excise		4433.76(8)	5056.63(9)	5961.85(8)	8605.47 (10)	9297.11 (9)	
Taxes on Vehicles		2220.22(4)	2682.30(5)	3532.90(5)	4137.42 (5)	5027.42 (5)	
Stamps and Registration fees		8287.63(16)	10773.65(18)	13515.99(18)	14407.49 (16)	17548.25 (17)	
Land Revenue		546.22(1)	714.04(1)	1094.98(1)	963.81 (1)	1074.02 (1)	
Taxes on Goods and Passengers		891.95(2)	976.60(2)	599.88(1)	574.25 (1)	690.74 (1)	
Other Taxes		4969.63(10)	6227.10(10)	7838.78(10)	8323.66 (9)	9731.32 (9)	
(ii) Non-tax Revenue		9789.94(12)	8352.61(10)	8225.04(8)	8167.70 (7)	9984.40 (7)	
(iii) State's share of Union taxes and duties		8018.41(10)	8248.11(9)	11419.78(11)	13343.34 (11)	15191.92 (11)	
(iv) Grants-in-aid from GOI		11432.39(14)	11203.23(13)	11195.90(10)	12166.64 (10)	14322.33 (10)	
<b>2. Miscellaneous Capital Receipts</b>		<b>18.01</b>	<b>25.07</b>	<b>17.28</b>	<b>455.83</b>	<b>0.00</b>	
<b>3. Recoveries of Loans and Advances</b>		<b>560.21</b>	<b>514.84</b>	<b>640.09</b>	<b>558.74</b>	<b>862.85</b>	
<b>4. Total revenue and Non-debt capital receipts (1 + 2 + 3)</b>		<b>81848.90</b>	<b>87450.20</b>	<b>106525.19</b>	<b>122300.71</b>	<b>143810.08</b>	
<b>5. Public Debt Receipts</b>		<b>20709.02</b>	<b>21564.42</b>	<b>20739.78</b>	<b>24452.56</b>	<b>21725.12</b>	
Internal Debt (excluding Ways and Means Advances and Overdrafts)		20323.44	20812.20	19919.86	24146.19	20974.33	
Net transactions under Ways and Means Advances and Overdraft		0.00	0.00	0.00	0.00	0.00	
Loans and Advances from Government of India		385.58	752.22	819.92	306.37	750.79	
<b>6. Appropriation from Contingency Fund</b>		<b>400.00</b>	<b>600.00</b>	<b>0.00</b>	<b>1000.00</b>	<b>725.00</b>	
<b>7. Inter State settlement</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	
<b>8. Total receipts in the Consolidated Fund (4+5+6+7)</b>		<b>102957.92</b>	<b>109614.62</b>	<b>127264.97</b>	<b>147753.27</b>	<b>166260.20</b>	
<b>9. Contingency Fund Receipts</b>		<b>708.94</b>	<b>351.93</b>	<b>853.00</b>	<b>511.20</b>	<b>875.00</b>	
<b>10. Public Accounts receipts</b>		<b>37356.22</b>	<b>44071.51</b>	<b>48406.32</b>	<b>53389.38</b>	<b>47059.63</b>	
<b>11. Total receipts of the State (8+9+10)</b>		<b>141023.08</b>	<b>154038.06</b>	<b>176524.29</b>	<b>201653.85</b>	<b>214194.83</b>	
<b>Part B: Expenditure</b>							
<b>12. Revenue expenditure (Per cent of 15)</b>		<b>75693.92(79)</b>	<b>94915.97(84)</b>	<b>106459.38(85)</b>	<b>123554.19 (87)</b>	<b>138735.98 (88)</b>	
Plan		12408.31(16)	16736.93(18)	16927.59(16)	22035.04 (18)	24530.08 (18)	
Non-Plan		63285.61(84)	78179.04(82)	89531.79(84)	101519.15 (82)	114205.90 (82)	
General Services (incl. Interests payments)		26584.71(35)	32070.96(34)	37704.23(36)	42852.88 (35)	47665.67 (34)	
Social Services		31052.20(41)	41004.66(43)	48282.06(45)	54812.21 (44)	62038.97 (45)	
Economic Services		16813.24(22)	20371.94(21)	19285.36(18)	24868.75 (20)	27550.82 (20)	
Grants-in-aid and Contribution		1243.77(2)	1468.41(2)	1187.73(1)	1020.35 (1)	1480.52 (1)	
<b>13. Capital Expenditure (Per cent of 15)</b>		<b>18873.21(20)</b>	<b>17428.66(15)</b>	<b>17963.37(14)</b>	<b>17879.54 (12)</b>	<b>17397.98 (11)</b>	
Plan		12775.78(68)	14668.30(84)	15654.05(87)	15031.38 (84)	15094.60 (87)	
Non-Plan		6097.43(32)	2760.36(16)	2309.32(13)	2848.16 (16)	2303.38 (13)	
General Services		459.26(2)	712.01(4)	541.49(3)	795.91 (4)	901.69 (5)	
Social Services		2064.67(11)	1478.86(9)	1240.71(7)	2096.95 (12)	1823.98 (11)	
Economic Services		16349.28(87)	15237.79(87)	16181.17(90)	14986.68 (84)	14672.31 (84)	

Figures in parentheses represent percentages (rounded) to total of each sub-heading

\*\*\* Includes ₹ 170.23 crore, the outstanding central loans under Central Plan Schemes and Centrally Sponsored Schemes advanced to State Government by the Ministries of Finance written off as per the recommendation of the ThFC

# Lower rounding

Appendix - 1.5 (contd.)

(1)	(2)	(3)	(4)	(5)	(6)
14. Disbursement of Loans and Advances (Per cent of 15)	1280.59(1)	1261.08(1)	959.08(1)	836.28 (1)	1415.94(1)
15. Total Expenditure (12+13+14)	95847.72	113605.71	125381.83	142270.01	157549.90
16. Repayments of Public Debt	3220.77	3825.39	4773.61	6458.35	6652.52
Internal Debt (excluding Ways and Means Advances and Overdrafts)	2800.24	3398.45	4290.63	5837.92	5959.59
Net transactions under Ways and Means Advances and Overdrafts	0.00	0.00	0	0.00	0.00
Loans and Advances from Government of India <sup>S</sup>	420.53	426.94	482.98	620.43	692.93
17. Appropriation to Contingency Fund	650.00	350.00	850.00	500.00	875.00
18. Total disbursement out of Consolidated Fund (15+16+17)	99718.49	117781.10	131005.44	149228.36	165077.42
19. Contingency Fund disbursements	401.93	603.00	11.20	1000.00	734.62
20. Public Account disbursements	30506.56	31721.02	39557.62	46962.93	35511.03
21. Total disbursement by the State (18+19+20)	130626.98	150105.12	170574.26	197191.29	201323.07
<b>Part C: Deficits</b>					
22. Revenue Deficit(-)/Surplus (+) (1-12)	5576.76	(-) 8005.68	(-) 591.56	(-) 2438.28 <sup>@</sup>	4211.25
23. Fiscal Deficit (-)/Surplus (+) (4-15)	(-) 13998.82	(-) 26155.51	(-) 18856.64	(-) 20139.53 <sup>@</sup>	(-) 13739.82
24. Primary Deficit (-)/Surplus (+) (23-25)	(-) 1699.51	(-) 12045.01	(-) 3208.67	(-) 2634.90 <sup>@</sup>	5335.82
<b>Part D: Other Data</b>					
25. Interest Payments (included in revenue expenditure)	12299.31	14110.50	15647.97	17504.63	19075.64
26. Financial Assistance to local bodies etc.	35668.96	44,589.32	47,646.45	55,363.01	63767.90
27. Ways and Means Advances/Overdraft availed (days)					
Ways and Means availed (days)	21	nil	nil	nil	8
Overdraft availed (days)	nil	nil	nil	nil	nil
28. Interest on WMA/Overdraft	0.67	0.00	0.00	0.00	0.22
29. Gross State Domestic Product (GSDP)	692749 <sup>C</sup>	901330 <sup>C</sup>	1068327 <sup>C</sup>	1199548 <sup>C</sup>	1372644 <sup>P</sup>
30. Outstanding Fiscal liabilities (year-end)	179262	203165	229569	255756	281434
31. Outstanding guarantees (year-end) (including interest)	51470.55	42683.10	15040.87	13,977.44 <sup>#</sup>	9245.72
32. Maximum amount guaranteed (year-end)	88371.06	73958.00	44413.93	28139.20	41352.75
33. Number of incomplete projects	144	209	233	614 <sup>&amp;</sup>	782 <sup>&amp;</sup>
34. Capital blocked in incomplete projects	5341.74	5632.95	5699.76	43681.43 <sup>&amp;</sup>	62,152.25 <sup>&amp;</sup>

Source: Finance accounts of the respective years

S Includes Ways and Means Advances from GoI

D Advance estimates as furnished by Directorate of Economics and Statistics, Government of Maharashtra

C Based on Economic Survey of Maharashtra

@ Excludes write of central loans (₹ 170.23 crore) from the Revenue Receipts

& Includes incomplete projects of Maharashtra Krishna Vikas Development Corporation, Konkan Irrigation Development Corporation, Vidarbha Irrigation Development Corporation, Tapi Irrigation Development Corporation and Godavari Marathwada Irrigation Development Corporation

# differs from closing balance of last year (2011-12) owing to updated information furnished by State Government



Appendix - 1.5 (concl.)

	(1)	(2)	(3)	(4)	(5)	(6)
<b>Part E: Fiscal Health Indicators</b>						
<b>I Resource Mobilization</b>						
Own Tax revenue/GSDP	7.51	6.56	7.29	7.02	7.54	
Own Non-Tax Revenue/GSDP	1.41	0.93	0.80	0.65	0.73	
Central Transfers/GSDP	1.16	0.92	1.11	1.11	1.11	
<b>II Expenditure Management</b>						
Total Expenditure/GSDP	13.8	12.6	12.2	11.40	11.5	
Total Expenditure/Revenue Receipts	117.9	130.7	118.4	117.30	110.2	
Revenue Expenditure/Total Expenditure	79.0	83.5	84.9	86.84	88.1	
Expenditure on Social Services/Total Expenditure	34.6	37.4	39.5	40.00	40.5	
Expenditure on Economic Services/Total Expenditure	34.6	31.3	28.3	28.01	26.8	
Capital Expenditure/Total Expenditure	19.7	15.3	14.3	12.57	11.0	
Capital Expenditure on Social and Economic Services/Total Expenditure.	19.2	14.7	13.9	12.01	10.5	
<b>III Management of Fiscal Imbalances</b>						
Revenue deficit (surplus)/GSDP	0.8	(-) 0.9	(-) 0.1	(-) 0.2	0.3	
Fiscal deficit/GSDP	(-) 2	(-) 2.9	(-) 1.8	(-) 1.6	(-) 1.0	
Primary Deficit (surplus) /GSDP	(-) 0.2	(-) 1.3	(-) 0.3	(-) 0.2	0.4	
Revenue Deficit(surplus) /Fiscal Deficit	0	30.6	3.1	(-) 11.4	(-) 30.6	
Primary Revenue Deficit (surplus)/GSDP	2.7	0.7	1.5	1.3	1.7	
<b>IV Management of Fiscal Liabilities</b>						
Fiscal Liabilities/GSDP	25.9	22.5	22.3	20.5	20.50	
Fiscal Liabilities/RR	220.6	233.8	216.8	210.9	196.9	
Primary deficit (surplus) vis-à-vis quantum spread (%)#	(-) 10.82	(-) 29.56	(-) 13.98	(-) 11.13	28.46	
Debt Redemption (Principal +Interest)/ Total Debt Receipts	75.8	74.08#	87.71	87.19	103.47	
<b>V Other Fiscal Health Indicators</b>						
Return on Investment	0.13	0.13	0.06	0.04	0.05	
Balance from Current Revenue (₹ in crore)	9984	9562	8345	10331	20339	
Financial Assets/Liabilities	0.8	0.8	0.8	0.8	0.8	

# Figures differs from previous year due to correction

# Abstract of Receipts and Disbursements for the year 2012-13

(Reference: Paragraph 1.1.1 Page 2)

(₹ in crore)											
Receipts					Disbursements						
2011-12			2012-13	2011-12			Non-Plan	Plan	Total	2012-13	
(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
<b>SECTION-A : REVENUE</b>											
121286.14	I	Revenue receipts		142947.23	123554.19	I	Revenue expenditure	114205.90	24530.08	138735.98	138735.98
87608.46		Tax revenue	103448.58		42852.88		General services	47058.81	606.86	47665.67	
					54812.21		Social services	46869.64	15169.33	62038.97	
8167.70		Non-tax revenue	9984.40		29878.81		Education, Sports, Art and Culture	31991.71	1864.88	33856.59	
					5001.63		Health and Family Welfare	4036.13	1899.64	5935.77	
13343.34		State's share of Union Taxes	15191.92		7437.80*		Water Supply, Sanitation, Housing and Urban Development	2679.05	4434.87	7113.92	
					47.50		Information and Broadcasting	50.78	6.23	57.01	
1723.10		Non-Plan grants	4675.86		5116.63		Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	2419.56	3997.08	6416.64	
					720.67		Labour and Labour Welfare	537.13	193.05	730.18	
6380.06		Grants for State Plan Scheme	5630.13		6541.07		Social Welfare and Nutrition	5090.42	2764.09	7854.51	
					68.10		Others	64.86	9.49	74.35	
4063.48		Grants for Central and Centrally sponsored Plan Schemes	4016.34		24868.75		Economic Services	18944.11	8606.71	27550.82	
					6145.21		Agriculture and Allied Activities	4338.81	2879.12	7217.93	
					2524.49		Rural Development	1755.33	2643.92	4399.25	
					43.86		Special Areas Programmes	0.45	47.68	48.13	
					2700.52		Irrigation and Flood Control	1923.91	649.84	2573.75	
					5526.72		Energy	5183.25	287.55	5470.80	
					2545.82		Industry and Minerals	2520.97	79.13	2600.10	
					4199.24		Transport	3125.47	1090.87	4216.34	
					67.31		Science, Technology and Environment	0.06	72.00	72.06	
					1115.58		General Economic Services	95.88	856.61	952.49	
					1020.35		Grants-in-aid and Contributions	1333.34	147.18	1480.52	
2268.05	II	Revenue deficit carried over to Section B			0.00	II	Revenue Surplus carried over to Section B				4211.25

\* Higher rounding

# Lower rounding

Note: Revenue Receipts of 2011-12 include ₹ 170.23 crore, the outstanding central loans under Central Plan Schemes and Centrally Sponsored Schemes advanced to State Government by the Ministries of Finance written off as per the recommendation of the ThFC

Appendix - 1.6 (contd.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<b>SECTION B</b>									
31509.39	III. Opening Cash balance including Permanent Advances and Cash Balance Investment		35971.95	0	III. Opening Overdraft from RBI				0
455.83	IV. Miscellaneous Capital receipts		0.00	17879.54	IV. Capital Outlay	2303.38	15094.60	17397.98	17397.98
			795.91		General Services	88.91	812.78	901.69	
			2096.95		Social Services	148.30	1675.68	1823.98	
			154.82		Education, Sports, Art and Culture	0.00	166.01	166.01	
			405.06		Health and Family Welfare	0.00	460.47	460.47	
			449.19		Water Supply, Sanitation, Housing and Urban Development	152.12	226.99	379.11	
			877.75		Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	0.00	580.35	580.35	
			81.02		Social Welfare and Nutrition	(-)3.82	96.85	93.03	
			129.11		Others	0.00	145.01	145.01	
			14986.68		Economic Services	2066.16	12606.15	14672.31	
			1235.56		Agriculture and Allied Activities	317.41	1115.56	1432.97	
			870.62		Rural Development	0.00	804.37	804.37	
			72.96		Special Area Programme	0.00	66.76	66.76	
			8031.14		Irrigation and Flood Control	1403.62	5821.94	7225.56	
			1861.98		Energy	0.00	1933.91	1933.91	
			4.85		Industry and Minerals	(-)0.01	2.25	2.24	
			2812.88		Transport	262.02	2857.06	3119.08	
			96.69		General Economic Services	83.12	4.30	87.42	
			0		Science	0.00	0.00	0	
			862.85	836.28	Technology and Environment				
558.74	V Recoveries of Loans and Advances				V Loans and Advances disbursed				1415.94
183.20	From Power Projects	208.84		187.62	For Power Projects			426.67	
213.26	From Government Servants	220.07		212.17	To Government Servants			318.45	
162.28	From others	433.94		436.49	To Others			670.82	
0	VI Revenue surplus brought down		4211.25	2268.05	VI Revenue deficit brought down				0.00

\* Higher rounding

Appendix - 1.6 (concl.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
24452.56	VII. Public Debt receipts		21725.12	6458.35	VII. Repayment of Public Debt				6652.52
	External debt	0			External debt			0	
24146.19	Internal debt other than Ways and Means Advances and Overdraft	20974.33		5837.92	Internal debt other than Ways and Means Advances and Overdraft			5959.59	
0	Net transactions under Ways and Means Advances including Overdraft	0		0	Net transactions under Ways and Means Advances including Overdraft			0	
306.37	Loans and Advances from Central Government	750.79		620.43	Repayment of Loans and Advances to Central Government			692.93	
1000	VIII. Appropriation from Contingency Fund		725	500	VIII. Appropriation to Contingency Fund				875
511.20	IX. Contingency Fund		875.00	1000	IX. Contingency Fund				734.62
53389.38	X. Public Account receipts		47059.63	46962.93	X. Public Account disbursements				35511.02
4449.03	Small Savings and Provident Funds	4759.89		2188.66	Small Savings and Provident Funds			2572.25	
3052.51	Reserve Funds	4960.13		1653.02	Reserve Funds			2983.70	
(-) 1491.27	Suspense and Miscellaneous	(-) 11307.73		17.97	Suspense and Miscellaneous			(-) 11407.70	
21834.84	Remittances	21989.52		22090.59	Remittances			21147.11	
25544.27	Deposits and Advances	26657.82		21012.69	Deposits and Advances			20215.66	
	XI. Closing Overdraft from Reserve Bank of India			35971.95	XI. Cash Balance at end				48843.72
				0.14	- Cash in Treasuries			0.14	
	XII. Inter State Settlement		0	(-)368.47	- Deposits with Reserve Bank			(-) 194.42	
				33.55	- Local Remittances			55.10	
				3.89	- Departmental Cash Balance			4.61	
				0.47	- Permanent Advances			0.49	
				25884.62	- Cash Balance Investment			36621.16	
				10417.75	- Investment of earmarked balances			12356.64	
111877.10	Total		111430.80	111877.10	Total				111430.80

Source: Finance Accounts of the respective years

## Summarised financial position of the Government of Maharashtra as on 31 March 2013

(Reference: Paragraphs 1.9.1; Page 42)

As on 31.03.2012		LIABILITIES		(₹ in crore)	
As on 31.03.2012		As on 31.03.2013		As on 31.03.2013	
176622.00	<b>Internal Debt</b>				<b>191636.74</b>
89804.12	Market Loans bearing interest	106128.39			
21.74	Market Loans not bearing interest	21.56			
1386.52	Loans from LIC	1136.52			
85409.62	Loans from other institutions	84350.27			
	Ways and Means Advances/Overdrafts from Reserve Bank of India				
8772.04	<b>Loans and Advances from Central Government</b>				<b>8829.91</b>
6.73	Pre 1984-85 Loans	6.73			
82.18	Non-Plan Loans	76.04			
8682.93	Loans for State Plan Schemes	8747.14			
0.17*	Loans for Central Plan Schemes	0.00			
0.03	Loans for Centrally Sponsored Plan Schemes	0.00			
0	Ways and Means Advances	0.00			
500.00	<b>Contingency Fund</b>				<b>640.38</b>
16971.84	<b>Small Savings, Provident funds etc.</b>				<b>19159.48</b>
32497.71	<b>Deposits</b>				<b>38939.73</b>
20892.02	<b>Reserve Funds</b>				<b>22868.45</b>
8334.80	<b>Suspense and Miscellaneous Balances</b>				<b>8434.76</b>
1441.20	<b>Remittances</b>				<b>2283.61</b>
266031.61	<b>TOTAL</b>				<b>292793.06</b>
As on 31.03.2012		ASSETS		As on 31.03.2013	
155936.62	<b>Gross Capital Outlay on Fixed Assets</b>				<b>173334.29</b>
83016.00	Investments in shares of Companies, Corporations etc.	90677.84			
72920.62	Other Capital Outlay	82656.45			
20186.63	<b>Loans and Advances</b>				<b>20739.72</b>
5384.43	Loans for Power Projects	5602.26			
13753.09	Other Development Loans	13989.97			
1049.11	Loans to Government servants	1147.49			
12.32	<b>Advances</b>				<b>12.18</b>
35971.95	<b>Cash</b>				<b>48843.72</b>
0.14	Cash in Treasuries	0.14			
(-) 368.47	Deposits with Reserve Bank	(-) 194.42			
33.55	Local remittances	55.10			
3.89	Departmental Cash Balance	4.61			
0.47	Permanent Advances	0.49			
25884.62	Cash Balance Investments	36621.16			
10417.75	Investment of earmarked balances	12356.64			
54440.66	<b>Deficit on Government Accounts</b>				<b>50379.72</b>
2268.05	(i) Revenue Surplus of the Current Year	(-) 4211.25			
0.00	(ii) Pro forma correction	0.31			
(-) 500.01	(iii) Amount closed to Government Accounts	150.00			
52672.62	Accumulated deficit upto 31 March 2008	54440.66			
(-) 516.57	<b>Capital Receipts</b>				<b>(-) 516.57</b>
(-) 60.74 <sup>s</sup>	Upto previous year	(-) 516.57			
(-) 455.83	During the year	0.00			
266031.61	<b>TOTAL</b>				<b>292793.06</b>

Source: Finance Accounts of the respective years

## Explanatory Notes for Appendices 1.5, 1.6 and 1.7.

The abridged accounts in the foregoing statements have to be read with comments and explanations in the Finance Accounts. Government accounts being mainly on cash basis, the deficit on Government account, as shown in Appendix 1.7, indicates the position on cash basis, as opposed to accrual basis in commercial accounting. Consequently, items payable or receivable or items like depreciation or variation in stock figures, etc., do not figure in the accounts. Suspense and Miscellaneous balances include cheques issued but not paid, payments made on behalf of the State and other pending settlements, etc. There was a difference of ₹ 13.24 crore (credit) between the figures reflected in the Accounts and that intimated by the Reserve Bank of India under "Deposits with Reserve Bank". The difference is mainly due to "Treasury/Bank of ₹ 13.24 crore

\* Higher rounding

\$ differs by ₹ 0.28 crore due to proforma correction

Statement of funds transferred by Government of India directly to State implementing agencies  
(Reference: Paragraph 1.2.2; Page 8)

		(₹ in crore)		
GoI Scheme	Implementing Agency	Funds released by Government of India		
		2011-12	2012-13	Increase(+)/ Decrease (-)
(1)	(2)	(3)	(4)	(5)
DRDA- Administration (75:25)		32.93	14.34	(-) 18.59
Indira Awas Yojana (75:25)		533.71	508.71	(-)25.00
Swaranajayanti Gram Swarojgar Yojana (75:25)		315.38	267.18	(-) 48.20
National Rural Employment Guarantee Scheme (100:00)	District Rural Development Agency	1040.44	1573.24	532.80
Integrated Watershed Management Programme (92:08)		418.78	522.91	104.13
Sarva Shiksha Abhiyan(60:40)	Maharashtra Prathamik Shikshan Parishad	1179.63	1068.81	(-) 110.82
Micro Irrigation (80:20)	Vasanttrao Naik State Agriculture Extension	....	41.01	41.01
Swaranajayanti Shahari Rojgar Yojana(75:25)	State Urban Development Agency	54.06	102.72	48.66
Pradhan Mantri Gram Sadak Yojana (100:00)	Maharashtra Rural Roads Development Agency	796.01	0	(-) 796.01
Accelerated Rural Water Supply Scheme(100:00)		718.36	1061.71	343.35
Central Rural Sanitation Scheme(100:00)	State Water and Sanitation Mission	58.00	124.09	66.09
National Rural Health Mission (85:15)		1152.65	833.85	(-) 318.80
National Rural Health Mission( NRHM ) Central Sector(100:00)	State Health Society Maharashtra	1.19	1.00	(-) 0.19
National Rural Health Mission( NRHM ) Central Sector (100:00)	International Institute for Population Sciences	28.5	14.72	(-) 13.78
Hospitals and Dispensaries (Under NRHM) (100:00)		8.8	11.93	3.13
National Programme for Prevention and Control of Fluorosis (100:00)	State Health Society Maharashtra	5.86	4.80	(-) 1.06
Development and Upgradation of Ayush Institutes/Colleges (100:00)		1	0.00	(-) 1.00
National AIDS Control Programme including STD Control (100:00)	Maharashtra State AIDS Control Society	47.22	44.10	(-) 3.12
	Mumbai Districts AIDS Control Society	15.81	12.63	(-) 3.18
Tobacco Control (100:00)	International Institute for Population Sciences	....	....	....
MPs Local Area Development Scheme (100:00)	District Collector, Maharashtra.	191.5	359.50	168.00
Medicinal Plants (100:00)	Maharashtra State Horticulture and Medicinal Plants Board	3.27	0.00	(-) 3.27
Poultry Venture Capital Fund(100:00)	National Bank for Agriculture and Rural Development	8.56	19.65	11.09
Crime and Criminal Tracking Network and System (100:00)	Maharashtra State Police Housing Welfare Corporation Ltd.	13.18	0.00	(-) 13.18
National Project for Cattle and Buffalo Breeding (100:00)	Maharashtra Livestock Development Board	10	7.06	(-) 2.94
Special Package for 31 Suicide Prone Districts (100:00)	Maharashtra Livestock Development Board	....	0.00	....
Adult Education and Skill Development Scheme (100:00)	State Literacy Mission Authority, Maharashtra	0.09	5.00	4.91
Assistance to State for Developing Export Infrastructure and Allied Activities (ASIDE) (100:00)	Maharashtra Industrial Development Corporation Ltd	....	....	....
National Afforestation and Eco Development Board (100:00)	Agriculture Finance Corporation Ltd.	4.76	0.72	(-) 4.04
Grid Interactive Renewable Power MNRE (100.00)	The Maharashtra State Co-operative Bank Limited	26.13	25.71	(-) 0.42

Appendix - 1.8 (concl.)

		(₹ in crore)		
GoI Scheme	Implementing Agency	Funds released by Government of India		
		2011-12	2012-13	Increase(+)/ Decrease (-)
(1)	(2)	(3)	(4)	(5)
Handlooms (100:00)	Maharashtra State Handloom Corporation Ltd.	....	....	....
	Maharashtra State Horticulture and Medicinal Plants Board	93.99	128.20	34.21
National Horticulture Mission (85:15)	National Horticulture Research and Development Foundation	9.76	7.77	(-) 1.99
	National Research Centre for Citrus	4.20	0.00	(-) 4.20
Development of Market Infrastructure Grading and Standardisation (100:00)	National Bank for Agriculture and Rural Development	219.64	151.00	(-) 68.64
Development of Market Infrastructure Grading and Standardisation (100:00)	Maharashtra State Agricultural Marketing Board	0.00	6.32	6.32
Gramin Bhandar Yojana/ Rural Godowns (100:00)	National Bank for Agriculture and Rural Development	....	237.00	237.00
Dairy Venture Capital Fund (100:00)	National Bank for Agriculture and Rural Development	....	....	....
Integrated Development of Small Ruminant and Rabbits (100:00)	National Bank for Agriculture and Rural Development	4	8.46	4.46
Establishment of Poultry Estates (100:00)	National Bank for Agriculture and Rural Development	0.08	0.00	(-) 0.08
National Bamboo Mission (100:00)	Director of Social Forestry Maharashtra State	....	....	....
Pollution Abatement (100:00)	Maharashtra Pollution Control Board	1.91	0.00	(-) 1.91
Development and Strengthening of infrastructure facilities for production and distribution of quality Seeds (100:00)	Maharashtra State Seeds Corporation Ltd.	2.5	1.22	(-) 1.28
	Maharashtra State Seeds Certification Agency	0.00	1.20	1.20
	Maharashtra State Seeds Corporation Ltd.	4.88	0.00	(-) 4.88
National Food Security Mission (100:00)	Maharashtra Small Farmers Agri. Business Consortium	136.85	241.82	104.97
	Maharashtra Energy Development Agency	0.00	2.41	2.41
Off Grid DRPS	National Bank for Agriculture and Rural Development	0.00	50.10	50.10
Piggery Development	National Bank for Agriculture and Rural Development	0.00	10.00	10.00
Priyadarshini Scheme	National Bank for Agriculture and Rural Development	0.00	11.48	11.48
Product/Infrastructure Development for Destinations and Circuits	Maharashtra Tourism Development Corporation Ltd.	0.00	6.52	6.52
<b>Total</b>		<b>7143.63</b>	<b>7488.89</b>	<b>345.26</b>

Source: Finance Accounts of the respective years and CPSMS portal of the Ministry of Finance

## Department-wise profile of ongoing projects

(Reference: Paragraph 1.8.1.2; Page 38)

(₹ in crore)						
Department	No. of ongoing projects	Initial Budgeted cost	Revised total Cost	Cost overrun	Cumulative actual expenditure as on 31.3.2013	
PWD	Buildings	11	20.44	NA-I(B)/NA-II(C)	0.00	38.20
		29	118.03	0	0	121.47
		17	95.65	0	0	51.81
	Housing	1	2.18	0	NA	4.89
	Roads	51	680.91	NA-I(B)/NA-II(C)	0.00	105.16
		15	6.66			54.03
		11	29.32			68.21
	Bridges	24	70.37	NA-I(B)/NA-II(C)	0.00	36.30
		13	6.95			14.18
		9	12.48			19.57
	<b>Total</b>	<b>181</b>	<b>1042.99</b>	<b>0</b>	<b>0</b>	<b>513.82</b>

Source : Appendix X of Finance Accounts 2012-13

NA-I(B) -- Revised cost not applicable as they are within estimation

NA-II(C) -- Revised cost not applicable as difference between actual cost and estimated cost is less than 10 per cent

NA -- Information awaited from department



# Summarised Financial Statement of Departmentally managed Commercial/Quasi-commercial Undertakings

(Reference: Paragraph 1.8.2.1; Page 39)

Sr. No.	Name of the Undertaking	Year of commencement	Period of accounts	Mean Government Capital	Block Assets at depreciated cost	Depreciation provided during the year	Turnover	Net Profit (+)/Loss (-)	Interest on Capital	Total Return (9+10)	%age return on capital
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Amount (₹ in lakh)											(in per cent)
<b>AGRICULTURE, ANIMAL HUSBANDRY, DAIRY DEVELOPMENT AND FISHERIES DEPARTMENT</b>											
<b>Mumbai Region</b>											
1	Greater Mumbai Milk Scheme, Worli	1947	2011-12	2850.51	1897.72	67.89	4169.38	(-3394.59)	299.30	(-3095.29)	(-108.59)
2	Milk Transport Scheme, Worli	1951	2006-07	261.62	65.00	6.27	872.07	0.00	27.47	27.47	10.50
3	Mother Dairy, Kurla	1975	2011-12	2664.51	1522.37	47.48	2785.85	(-2380.59)	279.77	(-2100.82)	(-78.84)
4	Central Dairy, Goregaon	1951	2011-12	7002.80	783.69	34.11	2718.10	(-7805.14)	735.29	(-7069.85)	(-100.96)
5	Unit Scheme, Mumbai	1950	2011-12	2672.43	1757.98	55.23	0.00	62.31	280.61	342.92	12.83
6	Agricultural Scheme, Mumbai	1950	2011-12	1070.48	753.58	15.45	0.00	(-298.99)	112.40	(-186.59)	(-17.43)
7	Electrical Scheme, Mumbai	1950	2011-12	657.76	12.34	0.62	0.00	(-482.00)	69.06	(-412.94)	(-62.78)
8	Water Supply Scheme, Mumbai	1950	2011-12	1538.88	742.97	15.98	0.00	(-435.84)	161.58	(-274.26)	(-17.82)
9	Cattle Feed Scheme, Mumbai	1950	2011-12	127.49	19.65	0.61	0.00	(-123.65)	13.39	(-110.26)	(-86.49)
10	Cattle Breeding and Rearing Farm, Palghar	1979	2011-12	146.96	55.99	1.21	28.31	(-85.58)	15.43	(-70.15)	(-47.73)
11	Dairy Project, Dapchhari	1960	2011-12	1051.79	450.04	21.42	42.87	(-835.52)	110.44	(-725.08)	(-68.94)
12	Government Milk Scheme., Govt. Bhiwandi	1987	2011-12	122.92	27.62	1.99	65.00	(-109.27)	12.91	(-96.36)	(-78.39)
13	Government Milk Chilling Centre, Saralgaon (Dist.: Thane)	1978	2011-12	59.35	12.13	1.05	0.00	(-38.41)	6.23	(-32.18)	(-54.22)
14	Government Milk Scheme., Khopoli	1966	2011-12	186.56	141.80	10.02	904.66	(-82.12)	19.59	(-62.53)	(-33.52)
15	Government Milk Scheme., Mahad	1966	2010-11	113.75	82.75	1.84	0.00	(-54.80)	11.94	(-42.86)	(-37.68)
16	Government Milk Scheme., Chiplun	1966	2011-12	209.51	70.73	6.10	34.54	(-173.52)	22.00	(-151.52)	(-72.32)
17	Government Milk Scheme., Ratnagiri	1965	2011-12	168.95	111.92	3.84	266.35	(-1464.60)	17.74	(-1446.86)	(-856.38)
18	Government Milk Scheme., Kankavali	1966	2011-12	275.60	159.80	10.27	248.48	(-157.66)	28.94	(-128.72)	(-46.71)
<b>TOTAL</b>				<b>21181.87</b>	<b>8668.08</b>	<b>301.38</b>	<b>12135.61</b>	<b>(-17859.97)</b>	<b>2224.09</b>	<b>(-15635.88)</b>	<b>(-73.82)</b>
<b>Pune Region</b>											
19	Government Milk Scheme., Pune	1950	2011-12	1055.19	414.45	38.58	1035.93	(-1158.81)	110.79	(-1048.02)	(-99.32)
20	Government Milk Scheme., Mahabaleshwar	1966	2011-12	176.69	43.51	2.46	204.42	(-84.47)	18.55	(-65.92)	(-37.31)
21	Government Milk Scheme., Satara	1979	2011-12	1378.64	297.96	9.37	352.97	(-551.13)	144.76	(-406.37)	(-29.48)
22	Government Milk Scheme., Miraj	1961	2011-12	3248.67	462.56	0.32	395.68	(-2232.71)	341.11	(-1891.60)	(-58.23)
23	Government Milk Scheme., Solapur	1960	2011-12	198.77	29.82	1.89	66.83	(-263.41)	20.87	(-242.54)	(-122.02)
<b>TOTAL</b>				<b>6057.96</b>	<b>1248.30</b>	<b>58.62</b>	<b>2055.83</b>	<b>(-4290.53)</b>	<b>636.08</b>	<b>(-3654.45)</b>	<b>(-60.32)</b>
<b>Nashik Region</b>											
24	Government Milk Scheme., Nashik	1960	2011-12	247.91	87.27	4.35	174.59	(-332.94)	26.03	(-306.91)	(-123.80)
25	Government Milk Scheme, Wani (Dist.: Nashik)	1978	2011-12	44.16	13.35	0.02	0.36	(-64.90)	4.64	(-60.26)	(-136.46)
26	Government Milk Scheme., Ahmednagar	1969	2011-12	606.24	140.94	9.69	377.46	(-645.22)	63.66	(-581.56)	(-95.93)
27	Government Milk Scheme., Chalisgaon	1969	2011-12	181.16	19.22	0.40	0.00	(-94.78)	19.02	(-75.76)	(-41.82)
28	Government Milk Scheme., Dhule	1961	2011-12	864.25	238.03	11.35	481.67	(-457.34)	90.75	(-366.59)	(-42.42)
<b>TOTAL</b>				<b>1943.72</b>	<b>498.81</b>	<b>25.81</b>	<b>1034.08</b>	<b>(-1595.18)</b>	<b>204.10</b>	<b>(-1391.08)</b>	<b>(-71.57)</b>

Appendix - 1.10 (concl'd.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
<b>Aurangabad Region</b>											
29	Government Milk Scheme, Aurangabad	1962	2011-12	611.30	255.11	7.90	415.49	(-)906.88	64.19	(-)842.69	(-)137.85
30	Government Milk Scheme, Udgir	1971	2011-12	1414.04	586.32	2131.01	972.06	(-)1345.86	148.47	(-)1197.39	(-)84.68
31	Government Milk Scheme, Beed	1976	2011-12	1879.60	548.91	11.43	1935.72	(-)879.59	197.36	(-)682.23	(-)36.30
32	Government Milk Scheme, Nanded	1977	2011-12	334.32	106.38	5.25	205.53	(-)511.76	35.10	(-)476.66	(-)142.58
33	Government Milk Scheme, Bhoom	1978	2011-12	585.40	144.70	6.37	1253.95	(-)355.13	61.47	(-)293.66	(-)50.16
34	Government Milk Scheme, Parbhani	1979	2011-12	392.93	68.63	3.37	669.06	(-)393.63	41.26	(-)352.37	(-)89.68
<b>TOTAL</b>				<b>5217.59</b>	<b>1710.05</b>	<b>2165.33</b>	<b>5451.81</b>	<b>(-)4392.85</b>	<b>547.85</b>	<b>(-)3845.00</b>	<b>(-)73.69</b>
<b>Amravati Region</b>											
35	Government Milk Scheme, Amravati	1962	2011-12	947.84	898.47	6.38	518.90	(-)337.91	99.52	(-)238.39	(-)25.15
36	Government Milk Scheme, Akola	1962	2011-12	1383.08	462.48	0.00	165.87	(-)691.27	145.22	(-)546.05	(-)39.48
37	Government Milk Scheme, Yavatmal	2000	2011-12	356.62	193.64	6.09	204.36	(-)172.89	37.45	(-)135.44	(-)37.98
38	Government Milk Scheme, Nandura	1979	2011-12	201.49	63.14	2.40	188.62	(-)180.65	21.16	(-)159.49	(-)79.16
<b>TOTAL</b>				<b>2889.03</b>	<b>1617.73</b>	<b>14.87</b>	<b>1077.75</b>	<b>(-)1382.72</b>	<b>303.35</b>	<b>(-)1079.37</b>	<b>(-)181.77</b>
<b>Nagpur Region</b>											
39	Government Milk Scheme, Nagpur	1958	2011-12	719.01	101.43	3.20	1710.67	(-)743.60	75.50	(-)668.10	(-)92.92
40	Government Milk Scheme, Wardha	1976	2011-12	785.23	32.00	1.18	356.89	(-)249.78	77.10	(-)172.68	(-)21.99
41	Government Milk Scheme, Chandrapur	1979	2011-12	0.00	92.69	4.02	1364.28	(-)107.83	0.00	(-)107.83	0.00
42	Government Milk Scheme, Gondia	1979	2011-12	925.39	113.60	2.39	929.52	(-)380.20	97.17	(-)283.03	(-)30.58
<b>TOTAL</b>				<b>2429.63</b>	<b>339.72</b>	<b>10.79</b>	<b>4361.36</b>	<b>(-)1481.41</b>	<b>249.77</b>	<b>(-)1231.64</b>	<b>(-)50.69</b>
<b>Land Development/Bulldozer Scheme</b>											
43	Land Development by Bulldozer Scheme, Pune	1944	1994-95	144.26	77.47	4.52	46.75	(-)72.83	18.75	(-)54.08	(-)37.49
44	Land Development by Bulldozer Scheme, Aurangabad	1960	1998-99	32.99	1.05	0.00	2.02	(-)23.42	4.78	(-)18.64	(-)56.50
45	Land Development by Bulldozer Scheme, Amravati	1965	1995-96	2.82	0.41	0.00	1.80	(-)4.46	0.40	(-)4.06	(-)143.97
46	Land Development by Bulldozer Scheme, Nagpur	1996	1996-97	2.17	0.23	0.00	1.81	0.21	0.32	0.53	24.42
<b>TOTAL</b>				<b>182.24</b>	<b>79.16</b>	<b>4.52</b>	<b>52.38</b>	<b>(-)100.50</b>	<b>24.25</b>	<b>(-)76.25</b>	<b>(-)41.84</b>
<b>Revenue and Forest Department</b>											
47	Allapalli and Pendigundam Forest Ranges of Forest Divisions including Saw mills and Timber Depot	1926	1985-86	1857.85	15.27	9.27	826.24	383.32	170.74	554.06	29.82
<b>TOTAL</b>				<b>1857.85</b>	<b>15.27</b>	<b>9.27</b>	<b>826.24</b>	<b>383.32</b>	<b>170.74</b>	<b>554.06</b>	<b>29.82</b>
<b>Food/Civil Supplies and Consumer Protection Department</b>											
48	Procurement and Distribution and Price Control Scheme in Mumbai and Thane Rationing Area	1959	2010-11	63789.49	142.96	15.70	54886.17	1036.29	3181.78	4218.07	6.61
49	Procurement and Distribution and Price Control Scheme in Mofussil Area	1957	2010-11	82846.29	390.30	35.41	198330.56	(-) 13071.45	8285.79	4785.66	(-)5.78
<b>TOTAL</b>				<b>146635.78</b>	<b>533.26</b>	<b>51.11</b>	<b>253216.73</b>	<b>(-) 12035.16</b>	<b>11467.57</b>	<b>9003.73</b>	<b>0.83</b>

Source: Proforma Accounts

## Active and Inoperative Reserve Funds

(Reference: Paragraph 1.9.3; Page 44)

(₹ in crore)				
Classification	Opening balance	Receipt	Payment	Closing Balance
<b>Inoperative Reserve Funds</b>				
8115-103 - Depreciation Reserve Fund Road Transport Department Betterment Fund	0.08	0	0	0.08
8121-101 - General and Other Reserve Funds of Government Commercial Departments/ Undertakings	0.06	0	0	0.06
8229-102 - Development Funds for Medical and Public Health	0.08	0	0	0.08
8229-104 - Development Funds for Animal Husbandry Purposes	0.12	0	0	0.12
8229-107 - Funds for Development of Milk Supply	1.10	0	0	1.10
8229-200 - Other Development and Welfare Fund - Guarantee reserve Fund	23.36	0	0	23.36
8229-200 - Other Development and Welfare Fund - State Transport Road Development Fund	0.24	0	0	0.24
8235-101-Calamity Relief Fund	0.33	0	0	0.33
8235-200 - Other funds - Foodgrains Reserve Funds	3.64	0	0	3.64
<b>TOTAL</b>	<b>29.01</b>	<b>0</b>	<b>0</b>	<b>29.01</b>
<b>Active Reserve Funds</b>				
8115-103 - Depreciation Reserve Fund - Road Transport Department Depreciation Fund	0.67	(-0.48)	(-0.07)	0.26
8121-109 - General Insurance Fund	403.43	172.14	312.68	262.89
8222 - Sinking Funds	10392.43	1938.83	0.00	12331.26
8229-101-Dev. Fund for Edu.- Liabrary fund	43.27	78.41	78.38	43.30
8229-119 - Employment Guarantee Fund	9681.33	357.00	117.40	9920.93
Fund for Development schemes-Cotton price Fluctuation Fund	8.94	0.00	0.00	8.94
Consumer Protection Fund	9.95	0.39	0.04	10.30
Maharashtra Mining Development Fund	288.96	105.66	171.40	223.22
8235-200 - Other funds - Special fund for compensatory Afforestation	38.34	0.00	0.00	38.34
<b>TOTAL</b>	<b>20867.32</b>	<b>2651.95</b>	<b>679.83</b>	<b>22839.44</b>

Source: Notes to Accounts, Finance Accounts (Vol-I)

# Statement showing details of Government investments and accumulated losses in Government Companies as of September 2013

(Reference: Paragraph 1.8.2; Page 38)

(₹ in crore)						
Sr. No	Sector and name of the company	Period of accounts	State Government		Net profit/ loss	Loss making companies having accumulated losses.
			Equity	Loans outstanding		
<b>A. Working Government Companies</b>						
<b>AGRICULTURE and ALLIED</b>						
1	Maharashtra State Farming Corporation Limited	2010-11	2.75	128.85	(-)13.88	(-)173.20
2	The Maharashtra Fisheries Development Corporation Limited	2006-07	4.04	1.10	(-)0.31	(-)5.70
<b>Sector wise total</b>			<b>6.79</b>	<b>129.95</b>	<b>(-)14.19</b>	<b>(-)178.90</b>
<b>FINANCE</b>						
3	Maharashtra State Handlooms Corporation Limited	2012-13	84.45	20.08	(-)1.39	(-)114.16
4	Shamrao Peje Kokan Itar Magasvarg Aarthik Vikas Mahamandal Limited	2011-12	10.00	-	(-)0.58	(-)0.84
<b>Sector wise total</b>			<b>94.45</b>	<b>20.08</b>	<b>(-)1.97</b>	<b>(-)115.00</b>
<b>INFRASTRUCTURE</b>						
5	Development Corporation of Konkan Limited	2005-06	8.81	5.92	(-)0.41	(-)12.57
6	Maharashtra State Road Development Corporation Limited	2010-11	773.56	-	(-)257.49	(-)3097.00
<b>Sector wise total</b>			<b>782.37</b>	<b>5.92</b>	<b>(-)257.90</b>	<b>(-)3109.57</b>
<b>POWER</b>						
7	MSEB Holding Company Limited	2011-12	15101.44	6578.01	(-)192.83	(-)3653.34
8	Maharashtra Power Development Corporation Limited	2011-12	-	-	(-)0.12	(-)1012.31
9	Maharashtra State Electricity Distribution Company Limited	2011-12	0.05	445.42	(-)1.75	(-)4649.14
<b>Sector wise total</b>			<b>15101.49</b>	<b>7023.43</b>	<b>(-)194.70</b>	<b>(-)9314.79</b>
<b>SERVICES</b>						
10	Mumbai Metro Rail Corporation Limited	2011-12	-	-	(-)0.18	(-)0.19
<b>Sector wise total</b>			<b>0.00</b>	<b>0.00</b>	<b>(-)0.18</b>	<b>(-)0.19</b>
<b>Total A (All sector wise working Government companies)</b>			<b>15985.10</b>	<b>7179.38</b>	<b>(-)468.94</b>	<b>(-)12718.45</b>

Appendix - 1.12 (concl'd.)

(₹ in crore)						
Sr. No	Sector and name of the company	Period of accounts	State Government		Net profit/ loss	Loss making companies having accumulated losses
			Equity	Loans outstanding		
<b>B. Non-working companies</b>						
<b>AGRICULTURE and ALLIED</b>						
11	Dairy Development Corporation of Marathwada Limited	2011-12	0.20	–	(-0.0006)	(-3.08)
12	Ellora Milk Products Limited	2011-12	–	–	(-0.0007)	(-1.52)
13	Vidarbha Quality Seeds Limited	2012-13	–	–	(-0.0006)	(-0.39)
<b>Sector wise total</b>			<b>0.20</b>	<b>0.00</b>	<b>(-0.0019)</b>	<b>(-4.99)</b>
<b>FINANCE</b>						
14	Kolhapur Chitranagri Mahamandal Limited	1997-98	3.24	0.13	(-0.17)	(-1.47)
<b>Sector wise total</b>			<b>3.24</b>	<b>0.13</b>	<b>(-0.17)</b>	<b>(-1.47)</b>
<b>INFRASTRUCTURE</b>						
15	Development Corporation of Vidarbha Limited	2011-12	7.17	8.37	(-0.39)	(-14.43)
16	The Maharashtra Land Development Corporation Limited	2011-12	3.00	46.90	(-0.0001)	(-20.01)
17	Maharashtra Rural Development Corporation Limited	2011-12	0.05	–	(-0.0003)	(-0.05)
<b>Sector wise total</b>			<b>10.22</b>	<b>55.27</b>	<b>(-0.39)</b>	<b>(-34.49)</b>
<b>MANUFACTURING</b>						
18	Maharashtra Electronics Corporation Limited	2012-13	9.69	57.72	(-18.99)	(-281.84)
19	Maharashtra State Textile Corporation Limited	2012-13	236.16	173.91	(-37.53)	(-885.41)
20	Sahyadri Glass Works Limited	1993-94	–	–	(-0.41)	(-9.22)
21	The Gondwana Paints and Minerals Limited	2012-13	–	–	(-0.0005)	(-1.34)
22	The Pratap Spinning, Weaving and Manufacturing Company Limited	2012-13	–	–	(-0.0006)	(-63.86)
<b>Sector wise total</b>			<b>245.85</b>	<b>231.63</b>	<b>(-56.94)</b>	<b>(-1241.67)</b>
<b>MISCELLANEOUS</b>						
23	Vidarbha Tanneries Limited	2012-13	–	–	(-0.0005)	(-1.17)
<b>Sector wise total</b>			<b>0.00</b>	<b>0.00</b>	<b>(-0.0005)</b>	<b>(-1.17)</b>
<b>Total B (All sector wise non-working Government companies)</b>			<b>259.51</b>	<b>287.03</b>	<b>(-57.50)</b>	<b>(-1283.79)</b>
<b>Grand Total (A + B)</b>			<b>16244.61</b>	<b>7466.41</b>	<b>(-526.44)</b>	<b>(-14002.24)</b>

Information received from Principal Accountant General (Audit)-III, Mumbai

## Statement showing the outcome of analysis of budgetary assumptions 2012-13

(Reference: Paragraph 1.1.3; Page 5)

(₹ in crore)				
	Budget estimates	Actuals	Increase(+)/ Decrease (-)	Increase (+)/ Decrease(-) (In per cent)
1	2	3	4 (3-2)	5
<b>Revenue Receipts</b>	<b>136712</b>	<b>142947</b>	<b>6235</b>	<b>4.56</b>
<i>of which</i>				
<b>Tax Revenue</b>	<b>93295</b>	<b>103449</b>	<b>10154</b>	<b>10.88</b>
<i>Taxes on Sales, Trade-etc.</i>	53362	60080	6718	12.59
<i>State excise</i>	9450	9297	(-)153	(-)1.62
<i>Taxes on vehicles</i>	4200	5027	827	19.69
<i>Stamps and Registration fees</i>	15730	17548	1818	11.56
<i>Taxes on Goods and Passenger</i>	894	691	(-)203	(-)22.71
<i>Land Revenue</i>	1601	1074	(-)527	(-)32.92
<i>Taxes and duties on electricity</i>	4810	5896	1086	22.58
<i>Other taxes</i>	3248	3836	588	18.1
<b>Non Tax Revenue</b>	<b>10886</b>	<b>9984</b>	<b>(-)902</b>	<b>(-)8.29</b>
<i>Interest Receipts</i>	1326	2464	1138	85.82
<i>Miscellaneous General Services</i>	396	318	(-)78	(-)19.7
<i>Non-ferrous Mining and Metallurgical Industries</i>	2406	2038	(-)368	(-)15.3
<i>Other Non-Tax Revenue</i>	6758	5164	(-)1594	(-)23.59
<b>Share of Union Taxes and Duties</b>	<b>15729</b>	<b>15192</b>	<b>(-)537</b>	<b>(-)3.41</b>
<b>Grants-in-aid from GoI</b>	<b>16802</b>	<b>14322</b>	<b>(-)2480</b>	<b>(-)14.76</b>
<b>Revenue Expenditure</b>	<b>136559</b>	<b>138736</b>	<b>2177</b>	<b>1.59</b>
<i>of which</i>				
<b>General Services</b>	<b>49557</b>	<b>47666</b>	<b>(-)1891</b>	<b>(-)3.82</b>
<i>Administrative services</i>	14698	12472	(-)2226	(-)15.14
<i>Pension and Miscellaneous General Services</i>	11435	11649	214	1.87
<i>Appropriation for reduction or avoidance of debt/ transfer to RF</i>	1244	1244	0	0
<i>Interest Payments</i>	18523	19076	553	2.99
<i>Fiscal Services</i>	2181	1959	(-)222	(-)10.18
<i>Organs of State</i>	1476	1266	(-)210	(-)14.23
<b>Social Services</b>	<b>62007</b>	<b>62039</b>	<b>32</b>	<b>0.05</b>
<i>Education, Sports, Art and Culture</i>	33403	33857	454	1.36
<i>Social Welfare and Nutrition</i>	5668	7855	2187	38.59
<i>Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes</i>	6414	6417	3	0.05
<i>Health and Family Welfare</i>	6169	5936	(-)233	(-)3.78
<i>Water Supply, Sanitation, Housing and Urban Development</i>	9409	7114	(-)2295	(-)24.39
<i>Information and Broadcasting</i>	52	57	5	9.62
<i>Labour and Labour Welfare</i>	804	730	(-)74	(-)9.2
<i>Others</i>	88	73	(-)15	(-)17.05

Appendix - 1.13 (concl.)

1	2	3	4 (3-2)	5
<b>Economic Services</b>	<b>23928</b>	<b>27551</b>	<b>3623</b>	<b>15.14</b>
<i>Agriculture and Allied Services</i>	6940	7218	278	4.01
<i>Rural Development</i>	2968	4399	1431	48.21
<i>Special Area Programme</i>	44	48	4	9.09
<i>Irrigation and Flood Control</i>	2861	2574	(-287)	(-10.03)
<i>Energy</i>	3709	5471	(-1762)	(-47.51)
<i>Industry and Minerals</i>	1851	2600	749	40.46
<i>Transport and Communication</i>	4238	4216	(-22)	(-0.52)
<i>Science, Technology and Environment</i>	79	72	(-7)	(-8.86)
<i>General Economic Services</i>	1238	953	(-285)	(-23.02)
<b>Grants-in-aid and Contributions</b>	<b>1067</b>	<b>1480</b>	<b>413</b>	<b>38.71</b>
<b>Capital expenditure</b>	<b>22444</b>	<b>17398</b>	<b>(-5046)</b>	<b>(-22.48)</b>
<i>Irrigation and Flood Control</i>	8159	7226	(-933)	(-11.44)
<i>Transport and Communication</i>	3091	3119	28	0.91
<i>Energy</i>	2148	1934	(-214)	(-9.96)
<i>Health and Family Welfare</i>	504	460	(-44)	(-8.73)
<i>Education, Sports, Art and Culture</i>	163	166	3	1.84
<i>Water Supply, Sanitation, Housing and Urban Development</i>	264	379	115	43.56
<i>Rural Development</i>	2935	804	(-2131)	(-72.61)
<i>Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes</i>	1853	580	(-1273)	(-68.7)
<i>Others</i>	3327	2730	(-597)	(-17.94)
<b>Revenue surplus (+)/ deficits (-)</b>	<b>152</b>	<b>4211</b>	<b>4059</b>	<b>2670.39</b>
<b>Fiscal Deficits (-)</b>	<b>(-23066)</b>	<b>(-13740)</b>	<b>9326</b>	<b>(-40.43)</b>
<b>Primary surplus (+)/ deficits (-)</b>	<b>4543</b>	<b>5336</b>	<b>793</b>	<b>17.46</b>

Source: Finance Accounts and Budget documents

## Details of grant released, disbursed and utilized

(Reference: Paragraph 1.3.5; Page 15)

		(₹ in crore)		
Sr.No.	Name of the grant/Purpose	(2010-13)		
		Amount to be released as per recommendation of the XIII FC	Actual Release	Amount for which UC is submitted
<b>1</b>	<b>Local Bodies</b>			
a)	Basic Grants to PRIs	1799.56	1882.74	913.95
b)	General Performance Grant to PRIs	679.18	720.70	107.48
c)	Forfeited grants to PRIs	0	76.66	29.23
d)	Special Area Basic Grants to PRIs	23.70	23.70	5.92
e)	Special Area Performance Grant to PRIs	11.80	7.90	0
	<b>Total</b>	<b>2514.24</b>	<b>2711.70</b>	<b>1056.58</b>
f)	Basic Grants to ULBs	1040.03	1087.97	593.08
g)	General Performance and Forfeited Grant to ULBs	392.50	272.11	97.97
		0	162.38	
	<b>Total</b>	<b>1432.53</b>	<b>1522.46</b>	<b>691.05</b>
<b>2</b>	<b>Disaster Relief</b>			
a)	State Disaster Response Fund	1046.68	863.66	863.66
b)	Capacity Building	15.00	10.00	10.00
	<b>Total</b>	<b>1061.68</b>	<b>873.66</b>	<b>873.66</b>
<b>3</b>	<b>Improving outcome grants</b>			
a)	Improvement in Justice Delivery	325.59	162.80	38.70
b)	Incentive for issuing UIDs	190.44	31.74	0
c)	Improvement of Statistical Systems at State and District Level	21.00	7.00	0.02
d)	Employee and Pension Database	10.00	2.50	2.50
e)	District Innovation Fund	17.50	17.50	0
f)	Infant Mortality	0	133.08	0
	<b>Total</b>	<b>564.53</b>	<b>354.62</b>	<b>41.22</b>
<b>4</b>	<b>Environment Related Grants</b>			
a)	Forest	154.80	154.80	152.74
b)	Water Sector Management	184.00	184.00	184.00
c)	Renewable Energy <sup>1</sup>	0	0	0
	<b>Total</b>	<b>338.80</b>	<b>338.80</b>	<b>336.74</b>
<b>5</b>	<b>Elementary Education</b>	<b>420.00</b>	<b>420.00</b>	<b>420.00</b>
<b>6</b>	<b>Roads and Bridges</b>	<b>974.00</b>	<b>974.00</b>	<b>311.07</b>
<b>7</b>	<b>State Specific Grants</b>			
i)	Construction of Anganwadi Centres	150.00	150.00	60.59
ii)	Anti-Sea Erosion Measures	102.50	102.50	51.25
iii)	Development of roads in hilly areas	100.00	100.00	36.26
iv)	Police Training	111.50	111.50	48.66
v)	Heritage Conservation	50.00	0	0
vi)	Upgradation and Improvement of Prison	30.00	15.22	2.83
vii)	Food Testing Labs	16.00	8.00	0
viii)	Strengthening of ITIs	57.50	28.75	0
	<b>Total</b>	<b>617.50</b>	<b>515.97</b>	<b>199.59</b>
	<b>GRAND TOTAL</b>	<b>7923.28</b>	<b>7711.21</b>	<b>3929.91</b>

<sup>1</sup> No allocation was finalised until March 2013



# Details of grant received less than that recommended till 2013

(Reference: Paragraph 1.3.5; Page 15)

(₹ in crore)					
Sr. No	Name of the grant/ Purpose	Condition for release of subsequent instalment	Details of grant received less than that recommended till 2013		Reasons/Remarks
			Year from which the grant was recommended	Amount	
<b>Local Bodies (PRIs)</b>					
1	Special Area Performance Grant to PRIs	No conditions were stipulated. The grant was to be released by GoI from 2011-12 as per guidelines.	2010-11	3.90	Compliance to conditions was sent only in May 2011 though it was to be given by March 2011.
<b>Local Bodies (ULBs)</b>					
2	General Performance Grant to UDD	Submission of UCs of the earlier releases.	2012-13 (2 <sup>nd</sup> instalment)	130.84	Non submission of UCs.
<b>Disaster Relief</b>					
3	State Disaster Response Fund	On confirmation of accounting procedure.	2012-13 (2 <sup>nd</sup> instalment)	183.02	The GoI did not release the grant till March 2013. It was released only in May 2013.
4	Grant for Capacity Building under RFD	Submission of Perspective Plan approved by SEC and submission of UCs for the grants released.	2012-13	5.00	Delay in submission of UCs.
<b>Total</b>				<b>188.02</b>	
<b>Improving Grants</b>					
5	Grant for Improvement of Law and Justice	Utilisation of 50 per cent of 1 <sup>st</sup> instalment and formation of State Litigation Policy.	2011-12 (2 <sup>nd</sup> instalment)	54.26	Total grant due for release was ₹ 325.59 crore of which, only ₹ 162.80 crore was released during 2010-12 due to non-formulation of the State Litigation Policy.
6	Incentive for issuing UID	To be released on a reimbursement basis based on various criteria i.e. mainly by identifying the BPL population.	2012-13 2 <sup>nd</sup> instalment for 2010-11 onwards	108.53 158.70	₹ 31.74 crore already released could not be utilized as the GoI did not give clear guidelines regarding utilisation of the amount released.
7	Improvement of Statistical System	Achievement of milestones and utilization of at least 2/3 <sup>rd</sup> of the first instalment.	2011-12 and 2012-13	14.00	Total grant due for release was ₹ 21 crore of which, ₹ seven crore was released. The amount utilized was only ₹ 0.02 crore and the desired milestone was not achieved.
8	Employee and Pension database	Completion of work in three years and submission of UC.	Balance grant	7.50	Total grant due for release was ₹ 10 crore. The UC for ₹ 2.50 crore was submitted only in June 2013.
<b>Total</b>				<b>342.99</b>	
<b>State Specific Grants</b>					
9a)	Heritage Conservation	To be released from 2011-12 on submission of action plan duly approved by HLMC and subsequent releases on utilization of at least 2/3 <sup>rd</sup> of 1 <sup>st</sup> instalment released.	2012-13	50.00	The GoI did not release the grant (₹ 50 crore) till March 2013 due to delay in submission of action plan. The GoI released the grant for ₹ 25 crore in August 2013.
b)	Upgradation and improvement of prisons			14.78	Of the total ₹ 30 crore, only ₹ 15.22 crore was released of which, ₹ 2.83 crore was utilized.
c)	Food Testing Labs			8.00	No UCs were submitted.
d)	Strengthening of ITIs			28.75	No UCs were submitted.
<b>Total</b>				<b>101.53</b>	
<b>Grand Total</b>				<b>767.28</b>	

Source: Information furnished by Departments

## Details of releases made by DMA from the retained amount

(Reference: Paragraph 1.3.5.2; Page 15)

(₹ in crore)			
Sr. No.	Particulars	Amount of release	Purpose of release
01	Latur Corporation	0.49	Deposit in High Court towards compensation for acquiring land for road development schemes. (Newly formed Municipal Corporation)
02	Udgir Municipal Council	0.30	Solid Waste management
03	Pune/DMA	7.00	Computerization of the office of the DMA
04	Ichalkaranji Municipal Council	2.00	Treatment of jaundice, construction of Intensive Care Unit, purchase of machinery (automatic chlorinator for water purification)
05	Arni Corporation	0.48	No specific reasons recorded. (Newly formed Municipal Corporation)
	<b>TOTAL</b>	<b>10.27</b>	

## Rate of guarantee fees applicable to Co-operative institution

(Reference: Paragraph 1.9.4.2; Page 45)

Co-operative institutions	Rate	With effect from
Institutions dealing with cotton procurement scheme and consumer co-operative institutions dealing with scheme of distribution of essential commodities	₹ 0.50 per ₹ 100 <i>per annum</i>	1 November 1988
Institutions dealing with agricultural credit to weaker section co-operatives of handloom weavers and marketing co-operatives dealing with foodgrains procurements programme	Exempted	--
Institutions serving small and marginal farmers, landless labourers, economically weaker sections of society and scheduled castes and scheduled tribes	₹ 0.50 per ₹ 100 <i>per annum</i>	1 April 1997
Institutions defaulting in the repayment of loans and interest	₹ four per ₹ 100 <i>per annum</i> for guarantees given	1 April 1997
Co-operatives entitled to the concessional rate	₹ one per ₹ 100 <i>per annum</i>	1 April 1997

## Difference in the balances of Government guarantees given to Cooperative Sugar Factories carried forward to the next year

(Reference: Paragraph 1.9.4.2; Page 48)

(₹ in crore)								
Year	Opening balance	Additions during the year	Reduction in guarantees due to repayment of loan	Invoked during the year		Closing balance	Guarantee fee	
				Discharged	Not Discharged		Receivable	Received/ Percentage received
1	2	3	4	5	6	7	8	9
2009-10	2236.61	100.51	237.98	—	—	2067.61 (161)	282.66	13.01 (4.6%)
2010-11	3433.99	375.65	631.75	—	—	3177.89 (162)	251.31	13.91 (5.53%)
2011-12	1663.38	209.42	276.60	12.83	—	1596.20 (109)	390.09	14.86 (3.8%)
2012-13	Figures not furnished by the Department							

1. Figures as reported by Sugar Commissioner, Pune
2. Figures include both Principal and interest
3. Figures in parentheses in column no. 7 indicate total number of sugar factories at the end of the year
4. Figures are reproduced from the reports furnished by the Sugar Commissioner to GoM. Audit could not vouch for its arithmetic accuracy

## Details of difference in the amount of guarantee

(Reference: Paragraph 1.9.4.2; Page 48)

(₹ in crore)										
Sr. No.	Name of CSF	Amount guaranteed as per guarantee deed			Amount guaranteed as intimated by the office of Sugar Commissioner			Difference in the amount		
		Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
1	Rajgad, Bhor	4.50	0.53	5.03	4.10	0	4.10	0.40	0.53	0.93
2	Sant Damji, Mangalveda	9.20	1.18	10.38	9.20	0	9.20	0	1.18	1.18
3	Swami Samarth, Akalkot	8.70	1.05	9.75	24.30	7.70	32.00	(-) 15.6	(-) 6.65	(-) 22.25
4	Appasaheb Nalavde, Gadinglaj	6.90	0.89	7.79	6.90	0.47	7.37	0	0.42	0.42
5	Mohanrao Shinde, Miraj	8.00	0.84	8.84	28.80	23.99	52.79	(-) 20.80	(-) 23.15	(-) 43.95
6	V. K. Patil, Shreerampur	8.50	1.09	9.59	40.85	3.46	44.31	(-) 32.35	(-) 2.37	(-) 34.72
7	Agusti, Akola	9.00	1.12	10.12	16.02	1.08	17.10	(-) 7.02	0.04	(-) 6.98
8	Niphad, Niphad	11.38	0.96	12.34	45.46	2.95	48.41	(-) 34.08	(-) 1.99	(-) 36.07
9	Ganesh, Nashik	8.80	1.08	9.88	12.53	0.93	13.46	(-) 3.73	0.15	(-) 3.58
10	Nashik, Nashik	5.13	0.39	5.52	14.88	1.51	16.39	(-) 9.75	(-) 1.12	(-) 10.87
11	Ambejogai, Ambejogai	8.00	0.98	8.98	9.51	0	9.51	(-) 1.51	(-) 0.98	(-) 2.49
12	Vasant, Pusad	7.00	0.88	7.88	0.23	0.69	0.92	6.77	0.19	6.96

## Details of guarantees given by Social Justice and Special Assistance Department

(Reference: Paragraph 1.9.4.2; Page 48)

(₹ in crore)

Sr No	Name of the State Corporation	National Corporation which provided loan	Amount of Government guarantee	Loans taken by the State Corporations	Loans disbursed by the State Corporations	Percentage of recovery to loans advanced	Additional guarantee sought by State Corporations	Additional guarantee agreed upon
1	Mahatma Phule Backward Class Development Corporation	NSFDC NSKFDC	42.92 5.00	87.32	60.48	18.66	70.00 95.00	35.00 47.5
2	Loksahir Annabau Sate corporation	NSFDC	50.00	42.29	36.20	4.46	50.00	25.00
3	Sant Rohitdas Leather Udyog and Development Corporation	NSFDC	15.00	54.85	39.52	13.04	40.00	20.00
4	Vasantrao Naik corporation	NBFDC	20.00	23.00	23.00	4.00	60.00	30.00
5	Maharashtra State Other Backward Class	NBFDC	50.00	63.90	59.22	22.00	150.00	75.00
6	Maharashtra State Handicapped Development Corporation	NHFDC	55.00	21.28	19.03	86.00	90.00	90.00
<b>Total</b>			<b>237.92</b>	<b>292.64</b>	<b>237.45</b>		<b>555.00</b>	<b>322.50</b>

Source: Information furnished by Social Justice Department

# Guarantee fees and penal interest recoverable from institutions

(Reference: Paragraph 1.9.4.2; Page 46, 49)

(₹ in crore)								
Sr. No.	Name of the Institution	Principal <sup>2</sup>	Interest	Period	Guarantee fee received	Guarantee fee receivable <sup>3</sup> (including interest component)	Penal interest <sup>4</sup>	Total
1	2	3	4	5	6	7	8	9
<b>(A) Co-operation, Marketing and Textile Department</b>								
1	Cooperative Sugar Factories (SSKs)	4267.02	1465.38	2008-09	0.38	28.28	31.68	59.96
		4267.02	1465.38	2009-10		28.66	25.22	53.88
		4298.96	1468.10	2010-11		28.84	18.45	47.29
		2168.41	1009.48	2011-12	2.27	13.62	5.45	19.07
		2168.41	1009.48	2012-13		15.89	2.54	18.43
<b>Sub total</b>					<b>2.65</b>	<b>115.29</b>	<b>83.34</b>	<b>198.63</b>
2	Maharashtra State Co-operative Cotton Growers Marketing Federation Limited	7639.79	591.27	2008-09		41.16	46.09	87.25
		7639.79	591.27	2009-10		41.16	36.22	77.38
		335.00	44.66	2010-11		1.90	1.21	3.11
		335.00	201.34	2011-12	1.57	1.11	0.44	1.55
		335.00	201.34	2012-13		2.68	0.43	3.11
<b>Sub total</b>					<b>1.57</b>	<b>88.01</b>	<b>84.39</b>	<b>172.40</b>
3	Maharashtra State Co-operative Marketing Federation	25.00	8.67	2008-09		0.17	0.19	0.36
		25.00	8.67	2009-10		0.17	0.15	0.32
		318.00		2010-11		1.59	1.02	2.61
		212.79		2011-12	8.58	(-) 7.52	(-) 3.01	(-) 10.53
		212.79		2012-13		1.06	0.17	1.23
<b>Sub total</b>					<b>8.58</b>	<b>(-) 4.53</b>	<b>(-) 1.48</b>	<b>(-) 6.01</b>
4	Maharashtra State Oilseeds Growers Marketing Federation Ltd	14.15	24.97	2008-09		0.20	0.22	0.42
		14.15	24.97	2009-10		0.20	0.17	0.37
		14.15	24.97	2010-11		0.20	0.13	0.33
		14.15	24.97	2011-12		0.20	0.08	0.28
		14.15	24.97	2012-13		0.20	0.03	0.23
<b>Sub total</b>					<b>0.00</b>	<b>1.00</b>	<b>-0.63</b>	<b>1.63</b>
<b>TOTAL</b>					<b>12.80</b>	<b>199.77</b>	<b>166.88</b>	<b>366.65</b>

<sup>2</sup> Loan, interest and details of recovery of guarantee fee were taken from Finance Accounts for computation of guarantee fee receivable

<sup>3</sup> Guarantee fee is calculated on the loan and interest amount outstanding at the beginning of the year as no repayment details were available

<sup>4</sup> Penal interest is calculated @16 per cent on the outstanding guarantee fee for the first three months from the date of due (i.e., 1 April and 1 October of every year) and @24 per cent for the remaining period

Appendix - 1.21 (contd.)

1	2	3	4	5	6	7	8	9
<b>(B) Water Resources Department</b>								
5	Maharashtra Krishna Valley Development Corporation	5648.80	3253.31	2008-09	1968.67	0.00	0.00	0.00
		1121.78	398.53	2009-10		30.41	26.76	57.17
		1094.78	267.19	2010-11		27.24	17.43	44.67
		1094.73	136.03	2011-12		24.62	9.85	34.47
		1094.73	136.03	2012-13		24.62	3.94	28.56
				<b>Sub total</b>	<b>1968.67</b>	<b>106.89</b>	<b>57.98</b>	<b>164.87</b>
<b>(C) Agriculture, Animal Husbandry, Dairy Development and Fisheries Department</b>								
6	Maharashtra Agricultural Industries Development Corporation			2008-09		0.00	0.00	0.00
		450.00	7.50	2009-10		18.30	16.10	34.40
		600.00	7.50	2010-11		24.30	15.55	39.85
		260.00		2011-12		10.40	4.16	14.56
		260.00		2012-13	4.70	5.70	0.91	6.61
				<b>Sub total</b>	<b>4.70</b>	<b>58.70</b>	<b>36.72</b>	<b>95.42</b>
<b>(D) Industries, Energy and Labour Department</b>								
	Maharashtra State Electricity Board (Erstwhile)	11255.35	2663.66	2008-09	47.80	0.00	0.00	0.00
		11255.35	2663.66	2009-10	19.39	9.15	8.05	17.20
		11255.35	2663.66	2010-11		12.15	7.78	19.93
				2011-12		5.20	2.08	7.28
				2012-13		0.50	0.08	0.58
				<b>Sub total</b>	<b>67.19</b>	<b>27.00</b>	<b>17.99</b>	<b>44.99</b>
7	Maharashtra State Electricity Transmission Co			2008-09		230.58	258.25	488.83
				2009-10		258.99	227.91	486.90
				2010-11		278.38	178.16	456.54
		423.44	76.54	2011-12		10.00	4.00	14.00
		423.44	76.54	2012-13		10.00	1.60	11.60
				<b>Sub total</b>	<b>0.00</b>	<b>787.95</b>	<b>669.92</b>	<b>1457.87</b>
8	Maharashtra State Power Generation Co			2008-09		0.00	0.00	0.00
				2009-10	20.85	(-) 20.85	(-) 18.35	(-) 39.20
		872.73	342.73	2010-11	78.92	(-) 54.61	(-) 34.95	(-) 89.56
		678.46	263.79	2011-12	21.71	(-) 2.87	(-) 1.15	(-) 4.02
		678.46	263.79	2012-13		18.85	3.02	21.87
				<b>Sub total</b>	<b>121.48</b>	<b>(-) 59.48</b>	<b>(-) 51.43</b>	<b>(-) 110.91</b>
9	Maharashtra State Electricity Distribution Co			2008-09	11.66	(-) 11.66	(-) 13.06	(-) 24.72
				2009-10		0.00	0.00	0.00
				2010-11		0.00	0.00	0.00
		609.00		2011-12	60.85	(-) 48.67	(-) 19.47	(-) 68.14
		609.00		2012-13		12.18	1.95	14.13
				<b>Sub total</b>	<b>72.51</b>	<b>(-) 48.15</b>	<b>(-) 30.58</b>	<b>(-) 78.73</b>
				<b>TOTAL</b>	<b>261.18</b>	<b>680.32</b>	<b>587.92</b>	<b>1268.24</b>
10	MSEB <sup>5</sup> Ratmagiri Gas and Power Private Ltd			2008-09		0.00	0.00	0.00
		750.00		2009-10		15.00	13.20	28.20
		750.00		2010-11		15.00	9.60	24.60
		210.00		2011-12		4.20	1.68	5.88
		210.00		2012-13		4.20	0.67	4.87
				<b>Sub total</b>	<b>0.00</b>	<b>38.40</b>	<b>25.15</b>	<b>63.55</b>
				<b>TOTAL</b>	<b>261.18</b>	<b>718.72</b>	<b>613.07</b>	<b>1331.79</b>

<sup>5</sup> Erstwhile Maharashtra State Electricity Board had been divided into separate entities viz. Maharashtra State Electricity Transmission Company, Maharashtra State Power Generation Company and Maharashtra State Electricity Distribution Company. Since details of division of loans among different entities are not available, a consolidate figure has been mentioned under MSEB



Appendix - 1.21 (concl'd.)

1	2	3	4	5	6	7	8	9
<b>(E) Planning Department</b>								
11	Maharashtra Irrigation Finance Company Limited	2897.75	833.51	2008-09		74.63	83.58	158.21
		2897.75	833.51	2009-10		74.63	65.67	140.30
		798.25	833.51	2010-11		32.64	20.89	53.52
		690.13	428.69	2011-12	97.64	(-) 75.26	(-) 30.11	(-) 105.37
		690.13	428.69	2012-13		22.38	3.58	25.96
Sub total					97.64	129.00	143.61	272.61
<b>(F) Urban Development Department</b>								
12	Jalgaon Municipal Corporation	121.31		2008-09		2.43	2.72	5.14
		120.77		2009-10		2.42	2.13	4.54
				2010-11		0.00	0.00	0.00
		118.66	76.24	2011-12		3.90	1.56	5.46
		118.66	76.24	2012-13		3.90	0.62	4.52
Sub total					0.00	12.64	7.03	19.66
<b>(G) Water Supply and Sanitation Department</b>								
13	Maharashtra Jeevan Pradhikaran (MJP)	396.96	564.38	2008-09	2.02	17.21	19.27	36.48
		522.40	690.06	2009-10		24.25	21.34	45.59
		328.99	503.50	2010-11	29.48	(-) 12.83	(-) 8.21	(-) 21.04
		1061.03	668.24	2011-12	26.70	7.89	3.15	11.04
		1061.03	668.24	2012-13		34.59	5.53	40.12
Sub total					58.20	71.11	41.08	112.19
<b>(H) Public Works Department</b>								
14	Maharashtra State Road Development Corporation (MSRDC) <sup>6</sup>	1837.92	1388.15	2009-10		64.52	56.78	121.30
		1837.92	1388.15	2010-11	4.54	59.98	38.39	98.37
		2286.76		2011-12	4.98	40.76	16.30	57.06
		2286.76		2012-13		45.74	7.32	53.06
Sub total					9.52	211.00	118.79	329.79
<b>Grand-Total</b>					<b>2412.71</b>	<b>1534.86</b>	<b>1203.13</b>	<b>2738.00</b>

<sup>6</sup> In respect of Maharashtra State Road Development Corporation (MSRDC), non-recovery of guarantee fee up to the year 2008-09 was pointed out in the Audit Report (State Receipts) for the year ended 31 March 2010. Hence, guarantee fee is not computed for the year 2008-09

Statement showing Government guarantee given to Cooperative Sugar Factories as on 31 March 2013 even though the factories defaulted in repayment of loans in preceding years

(Reference: Paragraph 1.9.4.2; Page 51)

Sr. No.	Name of Unit	Details of default in preceding years	Type of loan sanctioned	Sanctioned loan amount (₹ in lakh)	Date of default	Date of GR sanctioning the guarantee	Date on which guarantee deeds executed by the Government
<b>R.O. Nagpur</b>							
1.	ShiramBabdeo	30-06-2001 in W.C.T.	Cane D.	183.58	31-07-2001	02-01-2002	18-06-2002
			M.T. Special	225.06	30-06-2004	30-10-2002	—
			splcc 02-03	110.00	31-03-2003	30-10-2002	—
2.	Wainganga Bhandara	31-07-2001 in Cane Development loan	M.T.	350.00	31-03-2004	20-03-2002	5-07-2002
			W.C.T.L.	113.78	31-12-2003	15-01-2004	30-03-2005
			splcc 03-04	55.00	30-06-2004	25-11-2003	—
			M.T. Spl.	159.63	30-06-2004	29-10-2002	—
3.	S.W.B. DeshmukhWardha	30-06-2007 in splcc 06-07 and ST. 06-07	MT. EX.	151.45	31-12-2010	03-06-2008	—
			splcc 07-08	251.00	30-06-2008	13-09-2007	—
<b>R.O. Aurangabad</b>							
4.	Gangapur, Aurangabad	31-12-2003 in W.C.T.L.	spl.cc 05-06	200.00	31-03-2006	30-09-2005	—
5.	Dr. V.V. Patil SSK, Beed	31-12-2003 in WCTL-RRTL	MT. EX.	406.20	31-12-2010	03-06-2008	—
			splcc 06-07	251.00	30-06-2007	08-09-2006	—
6.	S.P. Nilengekar	30-06-2007 in ST. 06-07	MT. EX.	391.95	31-12-2010	03-06-2008	—
			splcc 07-08	251.00	30-06-2008	13-09-2007	—
7.	Kannad SSK	30-06-2007 in splcc 06-07 and ST 06-07	splcc 07-08	251.00	30-06-2008	13-09-2007	—
<b>R.O. Kolhapur</b>							
8.	Ninaidevi, Sangli	31-03-2005 in WCTL-RRTL	MT. EX.	65.59	31-12-2010	3-06-2008	—
			splcc 06-07	190.00	30-06-2007	8-09-2006	—
			splcc. 07-08	190.00	30-06-2008	13-09-2007	—
			ST 06-07	120.00	30-06-2007	29-11-2006	—
<b>R.O. Nanded</b>							
9.	NrusinhaParbhani	28-04-2005 in L.T.	MT.EX.	185.63	31-12-2010	3-06-2008	—
			splcc 07-08	251.00	30-06-2008	14-11-2007/ 3-01-2008	—
10.	Jai Ambica	30-06-2004 in W.C.T.L. and M.T. Spl.	splcc 06-07	251.00	30-06-2006	08-09-2006	—
			MT. EX.	256.17	30-06-2010	03-06-2008	—
<b>Units in liquidation</b>							
<b>R.O. Nagpur</b>							
11.	Shankar Yeotmal	30-06-1995 in M.T.	M.T. Spl.	188.82	30-06-2004	29-10-2002	—
			splcc 02-03	130.00	31-03-2003	18-10-2002	—
			Cane D.	183.46	31-07-2001	02-01-2002	18-06-2002
12.	Ambadevi	31-07-2001 in Cane Dev.	M.T. Spl.	25.00	30-06-2004	30-10-2002	—
			Splcc 02-03	170.00	30-06-2004	30-10-2002	—
13.	Jai Kisan- Yeotmal	30-06-1995 in M.T.	WCTL	824.16	30-06-2008	22-04-2004	—
			MT. Spl.	221.19	30-06-2004	29-10-2002	—
			Splcc 03-04	85.00	31-03-2004	25-11-2003/ 4-12-2003	—
			Cane D	200.00	31-07-2001	2-01-2002	18-06-2002

Appendix - 1.22 (concl'd.)

Sr. No.	Name of Unit	Details of default in preceding years	Type of loan sanctioned	Sanctioned loan amount (₹ in lakh)	Date of default	Date of GR sanctioning the guarantee	Date on which guarantee deeds executed by the Government
14.	Sudhakarrao Naik	30-06-2001 in Cane Dev.	M.T. Spl.	119.80	30-06-2004	30-10-2002	—
			splcc 03-04	85.00	31-03-2004	25-11-2003/ 04-12-2003	—
			W.C.T.L.	714.11	31-12-2003	15-01-2004	30-03-2005
<b>R.O. Aurangabad</b>							
15.	Jijamata SSK Buldhana	30-06-2000 in WCT.	Cane Dev.	200.00	31-12-2001	02-01-2002	18-06-2002
<b>R.O. Nanded</b>							
16.	Balaghat Latur	31-03-2001 in M.T. Gap.	M.T. Spl.	171.81	30-06-2004	29-10-2002	—
			spl.cc. 02-03	170.00	31-03-2003	18-10-2002	—
17.	Shetkari, Kilari	30-06-2004 in M.T. Spl.	Spl.cc. 05-06	163.00	31-03-2006	30-09-2005	—
			ST 06-07	100.00	30-06-2007	29-11-2006	—
<b>Total</b>				<b>8611.39</b>			

Source: Information furnished by CMTD

Cane D	: Cane Development
M. T. Spl	: Medium Term Special
Splcc	: Special Cash Credit
WCTL	: Working Capital Term Loan
M.T. EX	: Medium term Excise
RRTL	: Re. Restructuring Term Loan
M.T.	: Medium Term Gap

Statement showing details of adjustment of ad-hoc grants against invocation claims

(Reference: Paragraph 1.9.4.2; Page 51)

(₹ in lakh)						
Sr. No.	Name of CSF	Date of release of amount	Ad-hoc grant released	Amount of invocation claim as per MSCB		Amount actually adjusted
				Principal	Interest	
1	Akola Distt. S.S.K. Ltd., Akola	31-03-2011	17000.00	1724.26	952.47	2676.73
2	Ambadevi S.S.K. Ltd., Anjangao Surji			1403.28	383.11	1786.39
3	RamGanesh Gadkari S.S.K. Ltd., Saoner			1846.12	751.32	2597.44
4	Nrusinha S.S.K. Ltd., Parvani				298.21	298.21
5	Balaghat S.S.K. Ltd., Latur				833.03	833.03
	<b>Total</b>		<b>17000.00</b>	<b>4973.66</b>	<b>3218.14</b>	<b>8191.80</b>
6	Shankar S.S.K. Ltd., Yavatmal	31-03-2012	5000.00	149.41	45.74	nil
7	Shankar S.S.K. Ltd., Nanded			215.62	--	nil
8	Ambadevi S.S.K. Ltd., Amravati.			37.17	14.83	nil
9	Ram Ganesh Gadkari S.S.K. Nagpur			5.03	7.02	nil
10	Wainganga S.S.K. Bhandara			235.00	--	nil
11	Nrusinha S.S.K. Ltd., Parvani			1576.37	692.85	nil
12	Jarandeshwar S.S.K. Ltd., Satara				1571.68	nil
13	Balaghat S.S.K. Ltd., Latur			449.25	--	nil
	<b>Total</b>		<b>5000.00</b>	<b>2667.85</b>	<b>2332.12</b>	<b>nil</b>
	<b>Grand total</b>		<b>22000.00</b>			

Source: Information furnished by CMTD

## Statement showing the details of 34 CSFs gone under liquidation up to the end of March 2013

(Reference: Paragraph 1.9.4.2; Page 52)

(₹ in lakh)						
Sr. No.	Name of CSFs	Date of registration	Date of liquidation	Outstanding Govt. dues	Outstanding State Share Capital	Outstanding Govt. guarantee fees
1	Shri Datt, Tal. Panhala, Dist. Kolhapur	25/03/68	16/08/06	1132.38	348.78	285.07
2	Parshuram, Tal. Chiplun, Dist. Ratnagiri	02/10/70	07/06/95	NA	5.74	NA
3	Tasgaon Taluka, Tal. Tasgaon, Dist. Sangli	28/05/90	21/08/10	290.92	635.23	0.48
4	Saswadmal, Dist. Solapur	12/02/87	NA	NA	0.00	NA
5	Jagdamba, Tal. Karjat, Dist. Ahmednagar	17/10/70	19/11/05	1208.54	30.02	0.00
6	Parner Taluka, Dist. Ahmednagar	24/06/82	16/05/05	1208.54	290.55	0.00
7	Nagar taluka, Tal. Walvi, Dist. Ahmednagar	19/06/97	27/02/12	255.79	1440.00	312.20
8	Girna, Tal. Malegaon, Dist. Nasik	08/08/55	06/06/97	341.26	NA	75.00
9	K.K.Wagh, Tal. Niphad, Dist. Nasik	06/10/73	16/08/06	NA	59.00	NA
10	Vinayak, Parsoda, Tal. Vijapur, Dist. Aurangabad	22/07/69	02/02/02	NA	106.38	NA
11	Bhageshwari, Tal. Partur, Dist. Jalna	11/06/90	21/10/05	283.29	1662.50	98.02
12	Panchakan, Tal. Sakri, Dist. Dhule	14/05/66	15/05/02	63.75	25.00	NA
13	Sanjay, Vijaynagar, Dist. Dhule	29/07/81	01/04/98	774.90	286.50	NA
14	Sindhkheda, Dist. Dhule	29/08/89	02/05/02	2184.89	920.92	NA
15	Kalambar division, Tal. Kandhar, Dist. Nanded	23/03/66	19/01/06	1194.06	---	76.88
16	Godhavari Mannar, Tal. Biloli, Dist. Nanded	09/05/76	04/08/07	1681.77	193.00	NA
17	Shankar, Tal. Bekar, Dist. Nanded	10/04/84	22/05/06	501.84	370.00	19.61
18	Shetkari, Tal. Ausa, Dist. Latur	06/06/69	28/09/07	245.96	NA	21.73
19	BalaghatShetkari, Tal. Ahemdpur, Dist. Latur	25/06/90	12/05/06	34.75	1333.00	61.21
20	Marathwada, Tal. Kalamnuri, Dist. Hingoli	11/07/69	14/05/02	NA	160.00	NA
21	Godavari Dudhana, Dist. Parbhani	12/12/75	02/05/02	574.59	180.06	NA
22	Barashiv Hanuman, Tal. Audanagnath, Dist. Parbhani	01/08/96	30/06/06	1486.36	1330.00	321.29
23	Shetkari, Tal. Chandurrailway, Dist. Amravati	15/03/84	02/05/02	1185.67	530.30	22.68
24	Amba, Anjangaon Surji, Dist. Amravati	23/09/88	10/03/06	19.76	1200.00	2.41
25	Kondeshwar, Dist. Amravati	NA	25/05/09	155.80	1200.00	7.60
26	Jijmata, Duserbeed, Tal. Sindhkhedraja, Dist. Buldhana	21/07/69	02/05/02	1836.95	60.00	4.51
27	Shivshakti Adivasi, Dist. Buldhana	16/11/88	23/12/05	283.99	1200.00	NA
28	Balaji, Tal. Risod, Dist. Akola	22/03/85	22/05/02	394.82	498.88	NA
29	Akola Zilla, Sakali, Dist. Akola	26/04/89	15/01/13	307.68	1062.50	8.46
30	Shankar, Dist. Yavatmal.	15/07/89	07/11/06	3043.02	870.00	166.05
31	Sudhakar Rao Naik, Tal. Pusad, Dist. Yavatmal	02/07/90	25/09/06	977.74	1049.75	200.37
32	Jaikisan, Tal. Dharva, Dist. Yavatmal	16/05/89	22/08/06	3365.83	905.32	88.62
33	Vainganga, Tal. Mohadi, Dist. Bandhara	09/11/84	19/01/13	1767.83	510.25	78.77
34	Mahatma, Tal. Selu, Dist. Wardha	05/03/84	19/01/13	188.09	449.36	24.62
<b>Total</b>				<b>26990.77</b>	<b>18913.04</b>	<b>1875.58</b>

Source: Information furnished by the Commissioner of Sugar, Pune

NA : Not Available.

## Conversion of guarantee fee to interest free loan

(Reference: Paragraph 1.9.4.2; Page 50)

(₹ in lakh)					
Sr. No.	Name of Sugar Factory	Year of outstanding guarantee fees	Amount of outstanding guarantee fee	Amount repaid upto 31 March 2013	Amount Outstanding
1	Sahyadri CSF, Satara	1999-2000	58.96	58.96	0.00
2	Loknete Baburao Patil CSF, Solapur	1999-2000	131.50	131.50	0.00
3	Chandrabhaga CSF, Solapur	1999-2000	61.50	30.44	31.06
4	Sharad CSF, Kolapur	1999-2000	375.37	14.70	360.67
5	Sonhira CSF, Sangli	1999-2000	167.32	15.25	152.07
6	Shethkari CSF, Sangli	2000-2001	188.75	72.74	116.01
7	Nira Bhima CSF, Pune	1999-2000	313.68	0.00	313.68
8	Bima Shankar CSF, Pune	1999-2000	385.32	0.00	385.32
9	Pratapgad CSF, Satara	2000-2001	292.88	0.00	292.88
10	Sadashivrao Mandalik CSF, Kolapur	1999-2000	65.16	0.00	65.16
11	Udaysingh Gaikwad CSF, Kolapur	1999-2000	353.66	0.00	353.66
<b>Sub Total</b>			<b>2394.10</b>	<b>323.59</b>	<b>2070.51</b>
12	Vasantdada, Sangli		98.62	0.00	98.62
13	Mohanrao Shinde, Sangli		176.52	0.00	176.52
14	Ganesh, Ahmednagar		22.64	0.00	22.64
15	Mahakali, Sangli		23.28	0.00	23.28
<b>Sub Total</b>			<b>321.06</b>	<b>0.00</b>	<b>321.06</b>
<b>GRAND TOTAL</b>			<b>2715.16</b>	<b>323.59</b>	<b>2391.57</b>

## Statement showing the position of Accounting framework and Auditing arrangements in PPP works agreement

(Reference: Paragraph 1.8.2; Page 39)

Sr. No.	Name of Work	Access to books of accounts	Remarks
1	Development of Plot at CTS No. 825/1 (PT) and 825/2 of village-Ambivali, Andheri West Mumbai	No Provision	Reply from Government regarding non-provision of Accounting framework and Auditing arrangements was awaited
2	Development of Govt Plot at Ghatkopar CTS194/B	No Provision	
3	Development of Plot CTS No.141-A at Mudran Kamgar nagar, Ambivali, Andheri (West) and Plot No. 627 at Chunabhatti	No Provision	
4	Development of Plot at Chembur CTS 469-A	No Provision	
5	Construction of Central Library Building on plot CTS No. 4094/1 at Kalina University Campus, Santacruz (East), Mumbai	No Provision	
6	Four laning and Improvement of Pune Shirur Ahmadnagar Road, SH-60 KM. 10/600 to 64/00	No Provision	

# Statement of various grants/appropriations where savings were more than ₹ 10 crore each and more than 20 per cent of the total provisions

(Reference: Paragraph 2.3.1; Page 75)

(₹ in crore)					
Sr. No.	Grant number	Name of the grant/appropriation	Total grants/appropriations	Savings	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
1	A-2	Elections (Revenue -Voted)	124.51	30.85	24.78
2	A-4	Secretariat and Miscellaneous General Services (Revenue -Voted)	384.13	91.58	23.84
3	A-7	Civil Aviation (Revenue -Voted)	343.54	98.60	28.70
4	A-8	Census, Surveys and Statistics (Revenue- Voted)	92.27	80.66	87.42
5	B-2	State Excise (Revenue -Voted)	201.21	91.25	45.35
6	B-8	Flood Control Projects (Revenue- Voted)	57.68	13.71	23.77
7	B-10	Capital Expenditure on Economic Services (Revenue -Voted)	762.94	160.75	21.07
8	C-4	Secretariat and Other General Services (Revenue -Voted)	139.06	99.34	71.44
9	D-10	Capital Expenditure on Fisheries (Capital -Voted)	54.82	14.69	26.80
10	E-3	Secretariat and Other Social Services (Revenue -Voted)	303.61	77.01	25.36
11	F-2	Urban Development and Other Advance Services (Revenue- Voted)	5847.90	1609.44	27.52
12	F-3	Secretariat and Other Social Services (Revenue- Voted)	52.90	12.33	23.31
13	F-7	Loans for Urban Development (Loans and Advances- Voted)	91.28	62.35	68.31
14	G-2	Other Fiscal and Miscellaneous Services (Revenue- Voted)	2272.09	2200.97	96.87
15	G-8	Public Debt and Inter State Settlement (Loans and Advances- Charged)	8794.69	2534.30	28.82
16	H-8	Capital Expenditure on Public Works Administrative and Functional Buildings (Capital- Voted)	1213.37	367.39	30.28
17	H-9	Capital Outlay on Removal of Regional Imbalance (Capital- Voted)	202.54	58.31	28.79
18	I-7	Loans to Government Servants <i>etc.</i> (Loans and Advances- Voted)	74.83	37.77	50.47
19	J-1	Administration of Justice (Revenue- Voted)	1115.52	260.05	23.31
20	K-2	Interest Payment (Revenue- Charged)	60.00	23.20	38.67
21	K-7	Industries (Revenue- Charged)	171.40	65.74	38.35
22	L-7	Capital Expenditure on Rural Development (Capital- Voted)	855.06	286.00	33.45
23	M-3	Secretariat and Other Economic Services (Revenue- Voted)	53.12	13.77	25.92
24	N-4	Capital Expenditure on Social Services (Capital- Voted)	1023.75	508.86	49.71
25	O-1	District Administration (Revenue- Voted)	361.33	112.03	31.00
26	O-4	Other Rural Development Programmes (Revenue- Voted)	55.95	55.85	99.82
27	O-8	Tourism (Revenue- Voted)	158.50	40.26	25.40
28	O-10	Capital Outlay on Other Rural Development Programmes (Capital- Voted)	2886.27	2156.94	74.73
29	O-11	Capital Outlay on Hill Areas (Capital- Voted)	85.50	18.74	21.92
30	O-17	District Plan- Raigad (Capital- Voted)	41.66	24.50	58.81
31	Q-1	Interest Payments (Revenue- Charged)	39.06	13.03	33.36
32	Q-3	Housing (Revenue- Voted)	1740.16	676.78	38.89
33	S-4	Capital Outlay on Medical and Public Health (Capital- Voted)	66.25	14.84	22.40
34	T-6	Capital Expenditure on Tribal Areas Development Sub-Plan (Capital- Voted)	1523.66	824.93	54.14
35	V-3	Capital Expenditure on Social Services (Capital- Voted)	193.81	42.69	22.03
36	V-5	Capital Expenditure on Economic Services (Capital- Voted)	259.03	180.14	69.54
37	W-6	Secretariat- Social Services (Revenue- Voted)	34.05	13.69	40.21
38	X-3	Capital Expenditure on Social Services (Capital- Voted)	75.10	15.03	20.01
39	ZA-1	Secretariat and Other Social Services (Revenue- Voted)	39.70	10.61	26.73
40	ZC-1	Parliament/ State/Union Territory Legislatures (Revenue- Voted)	127.24	27.79	21.84
41	ZD-2	Art and Culture (Revenue- Voted)	141.93	61.01	42.99
42	ZD-5	Art and Culture (Capital- Voted)	12.00	11.63	96.92
<b>TOTAL</b>			<b>32133.42</b>	<b>13099.41</b>	<b>1743.05</b>

Source: Appropriation Accounts



## List of grants with savings of ₹ 100 crore and above

(Reference: Paragraph 2.3.1; Page 75)

(₹ in crore)						
Sr. No.	Number and name of the grant	Original provision	Supple- mentary provision	Total	Actual expenditure	Savings
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Revenue - Voted</b>						
1	B01 Police Administration	7715.82	331.40	8047.22	7284.49	762.73
2	C01 Revenue and District Administration	1334.54	19.62	1354.16	1171.83	182.33
3	D03 Agriculture Services	3024.26	800.57	3824.83	3206.53	618.30
4	E02 General Education	28332.21	757.78	29089.99	27997.85	1092.14
5	F02 Urban Development And Other Advance Services	5797.04	50.87	5847.91	4238.46	1609.45
6	G02 Other Fiscal And Miscellaneous Services	2271.09	1.00	2272.09	71.12	2200.97
7	G06 Pensions and Other Retirement Benefits	10831.03	817.42	11648.45	11459.94	188.51
8	H05 Roads And Bridges	2839.28	417.05	3256.33	2696.92	559.41
9	H06 Public Works And Administrative and Functional Buildings.	1788.11	362.95	2151.06	1923.80	227.26
10	I03 Irrigation, Power and Other Economic Services	2313.07	88.58	2401.65	2021.23	380.42
11	J01 Administration of Justice	1018.74	96.77	1115.51	855.47	260.04
12	K06 Energy	3567.37	1932.05	5499.42	5335.03	164.39
13	K07 Industries	1792.33	919.89	2712.22	2601.83	110.39
14	L03 Rural Development Programmes	2922.32	930.43	3852.75	3174.39	678.36
15	N03 Welfare of Scheduled Caste, Scheduled Tribes and Other Backward Classes	5661.49	540.57	6202.06	5685.71	516.35
16	O01 District Administration	361.33	0.00	361.33	249.30	112.03
17	O03 Rural Employment	888.37	300.00	1188.37	1077.60	110.77
18	Q03 Housing	1740.16	0.00	1740.16	1063.38	676.78
19	R01 Medical and Public Health	4355.20	187.65	4542.85	4137.42	405.43
20	T05 Revenue Expenditure on Tribal Areas Development Sub-Plan	2796.21	373.18	3169.39	2700.46	468.93
21	V02 Co-operation	626.96	124.97	751.93	625.26	126.67
22	W03 Technical Education	1205.15	273.92	1479.07	1376.25	102.82
23	Y02 Water Supply and Sanitation	734.66	35.79	770.45	621.86	148.59
<b>Capital - Voted</b>						
24	B10 Capital Expenditure on Economic Services	554.30	208.64	762.94	602.19	160.75
25	L07 Capital Expenditure on Rural Development	705.06	150.00	855.06	569.06	286.00
26	M04 Capital Expenditure on Food	4164.31	50.00	4214.31	3638.65	575.66
27	N04 Capital Expenditure on Social Services	928.75	95.00	1023.75	514.89	508.86
28	O-10 Capital Outlay on other Rural Development	2830.28	55.98	2886.26	729.33	2156.93
29	T06 Capital Expenditure on Tribal Areas Development Sub-Plan	1520.91	2.75	1523.66	698.73	824.93
30	V05 Capital Expenditure on Economic Services	109.03	150.00	259.03	78.90	180.13
<b>Capital - Charged</b>						
31	G08 Public Debt and Inter State Settlement	8794.69	0.00	8794.69	6260.39	2534.30
<b>Revenue - Charged</b>						
32	E01 Interest Payments	1003.82	1.48	1005.30	877.95	127.35
	<b>Total</b>	<b>114527.89</b>	<b>10076.31</b>	<b>124604.20</b>	<b>105546.22</b>	<b>19057.98</b>

Source: Appropriation Accounts

## List of grants indicating persistent savings of more than ₹ 100 crore during 2008-13

(Reference: Paragraph 2.3.2; Page 76)

(₹ in crore)

Sr. No.	Number and name of the grant	Amount of savings (Per cent to total grant)				
		2008-09	2009-10	2010-11	2011-12	2012-13
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Revenue - Voted</b>						
1	D03-Agriculture Services	284.77 (17.09)	215.96 (10.03)	388.56 (14.66)	199.42 (7.05)	618.29 (16.17)
2	F02-Urban Development And Other Advance Services	665.63 (19.78)	328.65 (6.58)	613.20 (13.56)	1050.60 (19.40)	1609.44 (27.52)
3	G02-Other Fiscal And Miscellaneous Services	10436.74 (98.34)	4640.25 (98.00)	1624.95 (95.98)	2305.18 (96.93)	2200.97 (96.87)
4	Q03-Housing	1228.61 (66.27)	1564.67 (61.52)	1039.17 (56.49)	882.50 (47.65)	676.78 (38.89)
5	T05-Revenue Expenditure on Tribal Areas Development Sub-Plan	188.26 (13.24)	200.34 (12.50)	860.32 (32.39)	693.72 (24.15)	468.93 (14.80)
<b>Capital - Voted</b>						
6	O-10 Capital Outlay on Other Rural Development Programmes*	987.61 (68.26)	11590.54 (96.13)	1769.54 (71.86)	2643.39 (77.43)	2156.94 (74.73)
7	G-8 Public Debt and Inter State Settlement	2098.77 (38.38)	3004.59 (49.63)	3014.75 (42.92)	2895.60 (33.79)	2534.30 (28.82)

Source: Appropriation Accounts

\* This grant was 0-9 till 2010-11 and renumbered as 0-10 from 2011-12

Statement showing excess over provisions during 2012-13  
requiring regularisation

(Reference: Paragraph 2.3.3; Page 76)

(₹ in crore)				
Sr. No.	Number and title of the Voted grant / Charged appropriations	Total grant	Expenditure	Excess
(1)	(2)	(3)	(4)	(5)
<b>Voted Grants</b>				
1	C-6 Relief on account of Natural Calamities	4284.25	5096.61	812.36
2	H-3 Housing	465.27	468.81	3.54
3	O-5 Hill Areas	47.64	47.67	0.03
4	O-14 District Plan- Mumbai City (Revenue Section)	44.03	47.91	3.88
5	O-18 District Plan- Ratnagiri (Revenue Section)	89.82	91.58	1.76
6	O-19 District Plan- Sindhudurg (Capital Section)	36.93	36.95	0.02
7	O-20 District Plan- Pune (Revenue Section)	203.41	211.48	8.07
8	O-21 District Plan- Satara (Revenue Section)	131.80	135.50	3.70
9	O-22 District Plan- Sangli (Capital Section)	40.08	45.54	5.46
10	O-23 District Plan- Solapur (Capital Section)	52.61	57.23	4.62
11	O-24 District Plan- Kolhapur (Capital Section)	57.65	63.12	5.47
12	O-25 District Plan- Nashik (Capital Section)	63.32	73.25	9.93
13	O-26 District Plan- Dhule (Revenue Section)	78.85	79.42	0.57
14	O-27 District Plan- Jalgaon (Capital Section)	63.18	63.98	0.80
15	O-28 District Plan- Ahmednagar (Capital Section)	50.54	55.52	4.98
16	O-29 District Plan- Nandurbar (Capital Section)	16.81	16.98	0.17
17	O-30 District Plan- Aurangabad (Capital Section)	33.69	34.80	1.11
18	O-30 District Plan- Aurangabad (Revenue Section)	131.31	132.42	1.11
19	O-31 District Plan- Jalna (Revenue Section)	90.15	91.26	1.11
20	O-32 District Plan- Parbhani (Revenue Section)	66.92	66.93	0.01
21	O-33 District Plan- Nanded (Revenue Section)	120.49	129.28	8.79
22	O-34 District Plan- Beed (Revenue Section)	110.22	114.13	3.91
23	O-35 District Plan- Latur (Revenue Section)	102.80	103.71	0.91
24	O-35 District Plan- Latur (Capital Section)	28.93	29.56	0.63
25	O-36 District Plan- Osmanabad (Revenue Section)	85.43	86.76	1.33
26	O-37 District Plan- Hingoli (Capital Section)	19.74	20.42	0.68
27	O-38 District Plan- Nagpur (Revenue Section)	119.26	121.29	2.03
28	O-40 District Plan- Bhandara (Revenue Section)	59.48	60.21	0.73
29	O-41 District Plan- Chandrapur (Revenue Section)	80.10	84.38	4.28
30	O-42 District Plan- Gadchiroli (Capital Section)	24.22	29.66	5.44
31	O-43 District Plan- Gondia (Capital Section)	15.33	16.09	0.76
32	O-45 District Plan- Akola (Revenue Section)	65.92	70.41	4.49
33	O-46 District Plan- Yavatmal (Revenue Section)	130.46	135.80	5.34
34	O-47 District Plan- Buldhana (Revenue Section)	104.02	105.22	1.20
<b>Charged Appropriation</b>				
35	C-7 Forest	0.005	0.01	0.005
36	G-3 Interest Payment and Debt Servicing	18248.58	18313.85	65.27
37	W-1 Interest Payments	109.42	134.69	25.27
38	W-7 Revenue Expenditure on Removal of Regional Imbalances	7.42	11.77	4.35
39	X-2 Secretariat - Social Services	2.62	2.67	0.05
	<b>TOTAL</b>	<b>25482.705</b>	<b>26486.87</b>	<b>1004.165</b>

Source: Appropriation Accounts

## Statement showing excess over provisions of previous years requiring regularization

(Reference: Paragraph 2.3.4; Page 76)

(₹ in crore)			
Years	Number of grants / appropriation	Grant / appropriation Numbers	Amount of excess required to be regularised as commented in the Appropriation Accounts / Audit Reports
(1)	(2)	(3)	(4)
2006-07	16/13	B-5, B-10, C-10, C-3, C-5, C-6, C-7, D-1, D-2A, D-14, F-3, G-7, H-1, H-5, H-6, H-7, K-6, L-1, L-8, M-4, N-3, Q-1, T-1, T-2, T-3, T-8, U-1, Y-7, ZA-2	956.30
2007-08	11/11	C-3, C-5, C-6, C-7, D-2, D-4, F-2, H-3, H-6, H-11, K-Nil, L-1, L-5, M-4, Q-1, Q-4, T-2, U-1, U-3, Y-4, ZC-1	587.41
2008-09	38/9	B-5, B-7, C-1, C-2, D-1, E-2, F-7, G-3, G-6, H-3, H-5, H-6, J-3, K-Nil, L-1, L-5, M-3, M-4, O-13, O-14, O-17, O-18, O-19, O-20, O-21, O-23, O-25, O-26, O-27, O-30, O-31, O-33, O-34, O-35, O-36, O-37, O-39, O-41, O-42, O-44, O-45, O-47, S-1, U-1, V-2, X-2	2389.37
2009-10	42/6	B-1, C-2, C-5, C-6, D-8, H-3, H-6, I-4, K-5, K-6, K-11A, L-1, M-4, O-13, O-14, O-15, O-16, O-17, O-18, O-19, O-21, O-22, O-23, O-24, O-25, O-26, O-28, O-29, O-3, O-30, O-31, O-32, O-33, O-34, O-35, O-36, O-38, O-39, O-40, O-41, O-42, O-43, O-44, O-45, O-46, O-47, U-1, ZC-2	1717.58
2010-11	35/7	A-3, C-1, C-2, C-5, C-11, E-1, F-5, F-6, H-3, K-6, O-13, O-14, O-15, O-18, O-19, O-20, O-21, O-22, O-23, O-24, O-25, O-26, O-28, O-29, O-30, O-31, O-32, O-33, O-34, O-35, O-37, O-38, O-39, O-41, O-44, O-45, O-46, O-47, U-1, W-3, ZA-2	466.91
2011-12	28/3	C-2, C-11, G-3, G-6, H-3, K-5, K-8, L-1, O-14, O-19, O-20, O-21, O-22, O-24, O-26, O-27, O-29, O-30, O-31, O-35, O-36, O-38, O-39, O-41, O-42, O-43, O-45, O-46, O-47, W-7, X-2	1272.28
<b>Total</b>	<b>170/49</b>		<b>7389.85</b>

Source: Appropriation Accounts

## Statement showing expenditure incurred without provisions during 2012-13

(Reference: Paragraph 2.3.5; Page 76)

				(₹ in crore)
Sr.No.	Grant/approp-riation number	Head of Account	Amount of expenditure without budget provision	
<b>Revenue and Forests Department</b>				
1	C-6	2245-01-101 (93) (06)	0.72	
2	C-6	2245-01-101 (91) (04)	0.31	
3	C-6	2245-02-101 (93) (07)	0.16	
4	C-6	2245-02-101 (91) (04)	2.52	
<b>Finance Department</b>				
5	G-2	2075-800 (00) (01)	0.01	
<b>Public Works Department</b>				
6	H-6	2059-80-799 (00) (03)	0.21	
7	H-6	2059-80-052	2.35	
<b>Water Resources Department</b>				
8	I-5	4701-80-001 (03) (01)	3.23	
9	I-5	4701-80-052 (02) (a)	0.99	
10	I-5	4711-03-103 (a) (01)	0.38	
11	I-5	4711-03-103 (a) (02)	0.0053	
12	I-5	4711-03-103 (a) (03)	0.01	
13	I-5	4711-03-103 (a) (04)	0.12	
<b>Industries, Energy and Labour Department</b>				
14	K-7	2853-02-102 (00) (05)	2.09	
<b>Rural Development and Water Conservation Department</b>				
15	L-3	2702-80-799 (00) (03)	0.001	
<b>Social Justice and Special Assistance Department</b>				
16	N-3	2225-03-102 (01) (03)	5.00	
17	N-3	2225-80-800 (01) (01)	0.0038	
<b>Planning Department</b>				
18	O-14	2203-107 (00) (07)	0.87	
19	O-19	4250-211 (36) (02)	0.07	
20	O-25	2205-105(42)(03)	0.0001	
21	O-30	2225-03-800(47)(02)	3.35	
22	O-35	4250-201(52)(03)	0.26	
<b>Co-operation, Marketing and Textiles Department</b>				
23	V-5	6425-108 (01) (03)	50.00	
<b>Total</b>			<b>72.6602</b> <i>i.e. 72.66</i>	

Source: Appropriation Accounts

Statement of cases where supplementary provisions  
(₹ 10 lakh or more in each case) proved unnecessary

(Reference: Paragraph 2.3.6; Page 77)

(₹ in lakh)						
Sr. No.	Appropriation number	Name of the appropriation	Original provision	Actual expenditure	Savings out of original provision	Supplementary provision
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>A - Revenue - Voted</b>						
1	A-2	Elections	10451.22	9366.24	1084.98	2000.00
2	A-4	Secretariat and Miscellaneous General Services	38004.88	29255.34	8749.54	408.28
3	A-5	Social Services	14278.96	12643.46	1635.50	53.00
4	A-8	Census, Surveys and Statistics	7671.38	1160.93	6510.45	1555.23
5	B-1	Police Administration	771582.45	728449.17	43133.28	33139.67
6	B-3	Transport Administration	92909.55	92262.82	646.73	2217.32
7	B-4	Secretariat and Other General Services	3266.40	2583.84	682.56	38.64
8	B-5	Jails	18224.90	17921.59	303.31	1445.00
9	C-1	Revenue and District Administration	133453.89	117183.47	16270.42	1962.35
10	C-4	Secretariat and Other General Services	13760.49	3972.37	9788.12	145.71
11	D-4	Animal Husbandry	73083.60	67026.32	6057.28	1160.53
12	D-6	Fisheries	11187.84	10407.52	780.32	106.35
13	D-7	Secretariat and Other Economic Services	1393.52	1204.40	189.12	20.02
14	E-2	General Educaiton	2833220.78	2799784.55	33436.23	75778.44
15	E-3	Secretariat and Other Social Services	29584.66	22659.84	6924.82	776.02
16	F-2	Urban Development and Other Advance Services	579703.84	423846.09	155857.75	5086.50
17	G-2	Other Fiscal and Miscellaneous Services	227109.05	7112.05	219997.00	100.00
18	G-5	Treasury and Accounts Administration	20225.23	18913.22	1312.01	415.01
19	G-7	Social Security and Welfare	3870.34	3780.08	90.26	160.58
20	H-8	Roads and Bridges	283928.00	269691.88	14236.12	41705.23
21	I-3	Irrigation, Power and Other Economic Services	231307.31	202122.96	29184.35	8857.57
22	I-4	Secretariat- Economic Services	1897.28	1592.53	304.75	100.00
23	J-1	Administration of Justice	101874.46	85547.14	16327.32	9677.27
24	K-4	Labour and Employment	14032.06	12405.20	1626.86	54.93
25	K-8	Secretariat- Economic Services	1116.90	1021.02	95.88	14.00
26	L-2	District Administration	215575.78	213286.12	2289.66	4574.27
27	L-4	Secretariat- Economic Services	1784.14	1652.41	131.73	21.50
28	M-3	Secretariat and Other Economic Services	5004.94	3935.08	1069.86	307.45
29	O-8	Tourism	13850.02	11824.43	2025.59	2000.00
30	O-43	District Plan- Gondiya	5966.88	5799.02	167.86	37.52
31	Q-4	Secretariat- Economic Services	554.47	538.27	16.20	92.77
32	R-1	Medical and Public Health	435520.32	413742.38	21777.94	18764.98
33	R-2	Secretariat- Social Services	938.21	928.02	10.19	236.93
34	S-1	Medical and Public Health	146936.37	146836.18	100.19	9400.26
35	T-2	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	97817.71	97794.43	23.28	1211.49
36	T-5	Revenue Expenditure on Tribal Areas Development Sub-Plan	279621.38	270046.15	9575.23	37318.09
37	V-2	Co-Operation	62696.34	62526.01	170.33	12496.89
38	X-1	Social Security and Nutrition	265962.72	260546.73	5415.99	2706.08
39	W-6	Secretariat- Social Services	2233.67	2035.66	198.01	1171.47

Appendix - 2.7 (concl.d.)

(₹ in lakh)						
Sr. No.	Appropriation number	Name of the appropriation	Original provision	Actual expenditure	Savings out of original provision	Supplementary provision
(1)	(2)	(3)	(4)	(5)	(6)	(7)
40	Y-2	Water Supply and Sanitation	73465.83	62186.49	11279.34	3578.61
41	ZD-1	Secretariat and Other Social Services	520.74	393.62	127.12	21.60
42	ZD-2	Art and Culture	13334.43	8091.92	5242.51	858.89
43	ZE-1	Minorities Development	22193.57	20587.15	1606.42	2557.61
44	ZF-1	Secretariat- General Services	608.35	567.17	41.18	12.00
45	A-1	Governor and Council of Ministers	992.39	903.09	89.30	42.93
46	C-1	Revenue and District Administration	8.31	5.49	2.82	17.56
<b>Revenue - Charged</b>						
47	D-1	Interest Payments	3168.92	2658.54	510.38	28.70
48	E-1	Interest Payments	100382.40	87794.68	12587.72	147.64
49	I-1	Interest Payments	20204.25	20173.22	31.03	50.68
50	J-1	Administration of Justice	15823.38	14848.10	975.28	1686.96
51	N-1	Interest Payments	1406.87	1198.86	208.01	179.66
52	Q-1	Interest Payments	3881.92	2602.95	1278.97	23.63
53	T-1	Interest Payments	1693.02	1514.68	178.34	654.94
54	U-1	Interest Payments	400.74	375.22	25.52	75.59
<b>B - Capital (Voted)</b>						
55	C-10	Capital Expenditure on Economic Services	13792.13	12182.49	1609.64	1023.36
56	D-9	Capital Expenditure on Animal Husbandry Services	1235.00	844.54	390.46	47.51
57	H-7	Capital Expenditure on Social Services and Economic Services	225373.28	197064.59	28308.69	14200.06
58	H-8	Capital Expenditure on Public Works Administrative and Functional Buildings	108724.12	84598.32	24125.80	12613.19
59	H-9	Capital Outlay on Removal of Regional Imbalance	14511.00	14423.29	87.71	5742.99
60	K-11	Capital Expenditure on Energy	201414.79	196428.00	4986.79	3319.64
61	L-7	Capital Expenditure on Rural Development	70506.26	56906.21	13600.05	15000.01
62	M-4	Capital Expenditure on Food	416431.26	363864.61	52566.65	5000.00
63	N-4	Capital Expenditure on Social Services	92875.00	51489.48	41385.52	9500.00
64	O-10	Capital Outlay on Other Rural Development Programmes	283028.34	72933.16	210095.18	5598.42
65	S-4	Capital Outlay on Medical and Public Health	6225.00	5141.08	1083.92	400.00
66	T-6	Capital Expenditure on Tribal Areas Development Sub-plan	152090.63	69872.83	82217.80	275.05
67	V-3	Capital Expenditure on Social Services	15286.37	15111.16	175.21	4094.15
68	V-5	Capital Expenditure on Economic Services	10903.40	7889.85	3013.55	15000.01
69	Y-6	Capital Expenditure on Economic and Social Services	17633.87	17358.31	275.56	638.72
<b>B - Capital - Charged</b>						
70	I-6	Internal Debt of the State Government	39722.04	39722.02	0.02	53.65
<b>TOTAL</b>						<b>379761.11</b> i.e 3797.61 crore

Source: Appropriation Accounts

## Statement of various grants/appropriation where supplementary provisions proved insufficient by more than ₹ one crore each

(Reference: Paragraph 2.3.6; Page 77)

(₹ in crore)							
Sr. No.	Grant number	Name of the grant	Original provision	Supplementary	Total	Expenditure	Excess
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	C-6	Relief on Account of Natural Calamities	1041.12	3243.13	4284.25	5096.61	812.36
2	G-3	Interest payments and Debt servicing	17638.90	609.69	18248.59	18313.85	65.26
3	H-3	Housing	244.63	220.64	465.27	468.81	3.54
4	O-18	District Plan- Ratnagiri (Revenue Section)	89.23	0.59	89.82	91.58	1.76
5	O-24	District Plan- Kolhapur (Capital Section)	57.65	0.0001	57.6501	63.12	5.4699
6	O-31	District Plan- Jalna (Revenue Section)	90.15	0.0001	90.1501	91.26	1.1099
7	O-33	District Plan- Nanded (Revenue Section)	120.19	0.30	120.49	129.28	8.79
8	O-34	District Plan- Beed (Revenue Section)	105.01	5.21	110.22	114.13	3.91
9	O-36	District Plan- Osmanabad (Revenue Section)	81.28	4.15	85.43	86.76	1.33
10	O-41	District Plan- Chandrapur (Revenue Section)	79.10	1.00	80.1	84.38	4.28
11	O-45	District Plan- Akola (Revenue Section)	65.93	0.0001	65.9301	70.41	4.4799
12	O-46	District Plan- Yavatmal (Revenue Section)	130.46	0.0001	130.4601	135.80	5.3399
13	O-47	District Plan- Buldhana (Revenue Section)	98.27	5.75	104.02	105.22	1.20
14	W-1	Interest payments	108.06	1.36	109.42	134.69	25.27
<b>Total</b>			<b>19949.98</b>	<b>4091.8204</b>	<b>24041.8004</b>	<b>24985.90</b>	<b>944.0996</b> <i>i.e. 944.10</i>

Source: Appropriation Accounts



## Statement showing excess/unnecessary/insufficient re-appropriation of funds

(Reference: Paragraph 2.3.7; Page 77)

(₹ in crore)					
Sl. No.	Grant/ Appropriation number	Grant/appropriation description	Head of Account	Re-appropriation	Final Excess (+)/ Saving(-)
(1)	(2)	(3)	(4)	(5)	(6)
1	A-4	Secretariat and Miscellaneous General Services	2052-090 (00) (11)	(-) 9.68	(+) 5.08
2	A-5	Social Services	2235-60-102 (00) (01)	(-) 39.33	(+) 26.98
3	A-8	Census, Surveys and Statistics	3454-01-001 (00) (01)	(+) 15.55	(-) 80.66
4	B-1	Police Administration	2055-001 (00) (01)	(+) 18.09	(-) 9.03
5	C-1	Revenue and District Administration	2053-093 (01) (02)	(-) 15.99	(+) 14.03
6	C-1	Revenue and District Administration	2053-093 (01) (04)	(-) 2.60	(+) 1.53
7	C-1	Revenue and District Administration	2053-093 (01) (06)	(-) 3.81	(+) 2.98
8	C-1	Revenue and District Administration	2053-094 (03) (05)	(-) 11.33	(+) 6.16
9	C-1	Revenue and District Administration	2029-103 (01) (01)	(+) 1.47	(-) 1.07
10	C-5	Other Social Services	2235-02-104 (00) (03)	(-) 0.67	(+) 1.79
11	C-6	Relief on Account of Natural Calamities	2245-01-102 (92) (01)	(-) 0.0001	(+) 100.89
12	C-6	Relief on Account of Natural Calamities	2245-02-101 (91) (04)	(-) 10.00	(+) 2.52
13	C-7	Forest	2406-01-001 (01) (02)	(+) 1.78	(-) 3.87
14	C-7	Forest	2406-01-101 (02) (02)	(-) 2.81	(+) 1.55
15	C-7	Forest	2406-01-105 (01) (03)	(-) 5.32	(+) 1.81
16	C-7	Forest	2406-01-101 (12) (01)	(+) 17.70	(-) 1.95
17	C-7	Forest	2406-01-101 (03) (01)	(+) 7.02	(-) 4.76
18	D-1	Interest Payments	2049-03-104 (00) (01)	(+) 6.94	(-) 5.39
19	D-3	Agriculture Services	2401-001 (00) (01)	(-) 68.31	(+) 11.41
20	D-3	Agriculture Services	2401-001 (00) (02)	(-) 44.57	(+) 17.57
21	D-3	Agriculture Services	2401-001 (00) (07)	(-) 9.80	(+) 6.40
22	D-3	Agriculture Services	2401-103 (00) (01)	(-) 1.90	(+) 2.40
23	E-1	Interest Payments	2049-03-104 (02) (03)	(+) 6.04	(-) 17.74
24	G-3	Interest Payments and Debt Servicing	2049-01-200	(-) 16.44	(+) 8.33
25	G-3	Interest Payments and Debt Servicing	2049-04-101	(+) 8.13	(-) 9.91
26	H-6	Public Works and Administrative and Functional Buildings	2217-80-001 (53) (01)	(-) 0.86	(+) 3.16
27	H-6	Public Works and Administrative and Functional Buildings	2217-80-001 (44) (02)	(-) 1.14	(+) 2.42
28	H-8	Capital Expenditure on Public Works Administrative and Functional Buildings	4225-01-277 (00) (01)	(-) 43.48	(+) 4.27
29	I-5	Capital Expenditure on Irrigation	4701-80-001 (01) (13)	(-) 4.38	(+) 3.17
30	I-5	Capital Expenditure on Irrigation	4701-80-001 (01) (14)	(-) 6.47	(+) 1.55
31	J-1	Administration of Justice	2014-108 (00) (01)	(-) 14.52	(+) 7.29
32	J-1	Administration of Justice	2014-107 (00) (01)	(-) 14.11	(+) 11.17
33	J-1	Administration of Justice	2014-105 (01) (02)	(-) 18.50	(+) 10.21
34	J-1	Administration of Justice	2014-114 (00) (02)	(-) 2.32	(+) 1.71

Appendix - 2.9 (contd.)

(₹ in crore)					
Sl. No.	Grant/ Appropriation number	Grant/appropriation description	Head of Account	Re-appropriation	Final Excess (+)/ Saving(-)
(1)	(2)	(3)	(4)	(5)	(6)
35	J-1	Administration of Justice	2014-105 (02) (01)	(-) 134.47	(+) 45.21
36	J-1	Administration of Justice	2014-106 (00) (01)	(-) 0.74	(+) 2.55
37	J-1	Administration of Justice	2014-114 (00) (03)	(-) 0.48	(+) 2.13
38	J-1	Administration of Justice	2014-102 (09) (01)	(-) 6.66	(+) 1.00
39	J-1	Administration of Justice	2014-102 (02) (01)	(-) 12.60	(+) 3.66
40	J-1	Administration of Justice	2014-102 (03) (01)	(-) 13.74	(+) 6.59
41	L-3	Rural Development Programmes	2702-80-001 (01) (03)	(-) 13.04	(+) 1.32
42	L-3	Rural Development Programmes	3054-04-196 (00) (01)	(+) 198.10	(-) 1.05
43	N-3	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	2225-03-102 (01) (03)	(-) 14.20	(+) 5.00
44	N-3	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	2225-01-227 (01) (13)	(-) 7.44	(+) 1.26
45	N-3	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	2225-03-102 (01) (02)	(+) 0.60	(-) 10.40
46	N-3	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	2235-02-101 (08) (01)	(-) 6.19	(+) 2.63
47	N-3	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	2225-01-227 (08) (01)	(+) 47.33	(-) 2.90
48	N-3	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	2225-03-227 (02) (16)	(-) 0.30	(+) 2.07
49	N-3	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	2235-02-101 (08) (02)	(-) 6.14	(+) 9.52
50	N-3	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	2235-02-101 (08) (04)	(-) 1.98	(+) 3.79
51	N-3	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	2235-104 (08) (07)	(-) 1.25	(+) 2.20
52	N-3	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	2225-800 (06) (02)	(-) 0.0001	(+) 1.05
53	O-20	District Plan- Pune	2505-60-702 (37) (01)	(-) 8.27	(+) 4.92
54	O-23	District Plan- Solapur	4250-201 (40) (04)	(+) 0.05	(-) 1.23
55	R-1	Medical and Public Health	2210-06-001 (01) (04)	(-) 6.07	(+) 4.21
56	R-1	Medical and Public Health	2211-003 (01) (02)	(-) 3.45	(+) 1.10
57	R-1	Medical and Public Health	2211-101 (01) (01)	(-) 46.51	(+) 5.36
58	R-1	Medical and Public Health	2210-01-101 (06) (24)	(+) 16.39	(-) 2.89
59	R-1	Medical and Public Health	2210-06-001 (02) (08)	(-) 2.34	(+) 9.38
60	S-1	Medical and Public Health	2210-01-001 (00) (01) and (00) (04)	(-) 41.23	(+) 1.26
61	S-1	Medical and Public Health	2210-01-110 (02) (15)	(+) 0.19	(-) 1.35
62	S-1	Medical and Public Health	2210-01-110 (01) (03) and (03) (04)	(-) 6.67	(+) 3.83
63	S-1	Medical and Public Health	2210-01-110 (02) (11) and (04) (09)	(-) 2.22	(+) 1.30
64	S-1	Medical and Public Health	2210-05-105 (03) (01) and (04) (01)	(+) 0.73	(-) 2.93

Appendix - 2.9 (concl'd.)

(₹ in crore)					
Sl. No.	Grant/ Appropriation number	Grant/appropriation description	Head of Account	Re-appropriation	Final Excess (+)/ Saving(-)
(1)	(2)	(3)	(4)	(5)	(6)
65	S-1	Medical and Public Health	2210-05-105 (03) (07) and (04) (09)	(-) 10.69	(+) 4.32
66	S-1	Medical and Public Health	2210-01-110 (01) (01) and (03) (01)	(+) 6.77	(-) 1.43
67	T-5	Revenue Expenditure on Tribal Areas Development Sub-Plan	2225-02-796 (01) (15)	(-) 64.45	(+) 31.02
68	T-5	Revenue Expenditure on Tribal Areas Development Sub-Plan	2225-02-796 (01) (53)	(-) 5.45	(+) 1.08
69	T-5	Revenue Expenditure on Tribal Areas Development Sub-Plan	2225-02-796 (01) (50)	(+) 0.22	(-) 1.00
70	T-5	Revenue Expenditure on Tribal Areas Development Sub-Plan	2225-02-796 (02) (09)	(-) 2.91	(+) 3.21
71	V-5	Capital Expenditure on Economic Services	6425-108 (01) (03)	(-) 200.00	(+) 50.00
72	W-1	Interest Payments	2049-03-104 (00) (04)	(-) 0.78	(+) 2.47
73	W-3	Technical Education	2203-104 (01) (01) and (02) (01)	(+) 0.16	(-) 11.47
74	Y-2	Water Supply and Sanitation	2215-01-196 (01) (05)	(-) 3.61	(+) 5.18
75	ZE-1	Minorities Development	2235-02-200 (01) (20)	(+) 2.83	(-) 4.55

Source: Appropriation Accounts

## Statement showing surrender of funds in excess of actual savings (₹ 50 lakh or more)

(Reference: Paragraph 2.3.9; Page 78)

							(₹ in crore)
Sr. No	Grant Number	Name of the grant / appropriation	Total grant	Savings	Amount surrendered	Amount surrendered in excess	
1	A-4	Secretariat and Miscellaneous General Services	384.13	91.58	97.60	6.02	
2	A-5	Social Services	143.32	16.89	43.75	26.86	
3	B-3	Transport Administration	951.27	28.64	29.29	0.65	
4	C-1	Revenue and District Administration	1354.16	182.33	194.50	12.17	
5	C-2	Stamps and Registration	226.55	1.02	79.47	78.45	
6	C-5	Other Social Services	22.18	1.21	2.73	1.52	
7	C-12	Loans to Government Servants etc	80.56	2.99	31.50	28.51	
8	D-3	Agriculture Services	3824.83	618.29	667.47	49.18	
9	G-8	Public Debt and Inter State Settlement	8794.69	2534.30	2608.50	74.20	
10	H-8	Capital Expenditure on Public Works Administrative and Functional Buildings	1213.37	367.39	368.22	0.83	
11	I-3	Irrigation, Power and Other Economic Services	2401.65	380.42	404.62	24.20	
12	J-1	Administration of Justice (Voted)	1115.52	260.05	333.69	73.64	
13	J-1	Administration of Justice (Charged)	175.10	26.62	35.07	8.45	
14	K-7	Industries	2712.22	110.39	112.22	1.83	
15	K-11	Capital Expenditure on Energy	2047.34	83.06	342.49	259.43	
16	M-4	Capital Expenditure on Food	4214.31	575.67	880.91	305.24	
17	N-1	Interest Payments	15.87	3.88	4.80	0.92	
18	N-2	Secretariat and Other Social Services	491.09	91.98	94.38	2.40	
19	N-3	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	6202.06	516.35	543.53	27.18	
20	O-16	District Plan- Thane (Revenue Section)	156.67	3.08	3.67	0.59	
21	O-17	District Plan- Raigad (Revenue Section)	78.73	0.36	4.37	4.01	
22	R-1	Medical and Public Health	4542.85	405.43	416.26	10.83	
23	S-1	Medical and Public Health	1563.37	95.00	103.40	8.40	
24	T-2	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	990.29	12.35	16.57	4.22	
25	T-5	Revenue Expenditure on Tribal Areas Development Sub-Plan	3169.39	468.93	495.72	26.79	
26	T-6	Capital Expenditure on Tribal Areas Development Sub-Plan	1523.66	824.93	825.98	1.05	
27	V-5	Capital Expenditure on Economic Services	259.03	180.14	230.14	50.00	
28	W-4	Art and Culture	726.17	20.09	23.70	3.61	
29	X-1	Social Security and Nutrition	2686.69	81.22	100.28	19.06	
30	Y-2	Water Supply and Sanitation	770.44	148.58	150.71	2.13	
31	Y-6	Capital Expenditure on Economic and Social Services	182.73	9.14	9.67	0.53	
32	ZD-4	Tourism	229.04	25.84	28.15	2.31	
<b>TOTAL</b>			<b>53249.28</b>	<b>8168.15</b>	<b>9283.36</b>	<b>1115.21</b>	

Source: Appropriation Accounts

Statement showing various grants/appropriations in which savings occurred but no part of which had been surrendered

(Reference: : Paragraph 2.3.10; Page 79)

(₹ in crore)

Sr. No.	Grant Number	Name of grant	Savings
1	A-8	Census, Surveys and Statistics	80.66
2	D-1	Interest Payments	5.39
3	E-1	Interest Payments	127.35
4	G-6	Pensions and Other Retirement Benefits (Voted)	188.51
5	G-6	Pensions and Other Retirement Benefits (Charged)	0.81
6	J-2	Secretariat and Other Social and Economic Services (Charged)	0.0026
7	J-4	Capital Outlay on Public Works	0.20
8	O-15	District Plan- Mumbai Suburban (Revenue Section)	3.02
9	O-15	District Plan- Mumbai Suburban (Capital Section)	0.79
10	O-20	District Plan- Pune (Capital Section)	2.79
11	O-21	District Plan- Satara (Capital Section)	3.66
12	O-31	District Plan- Jalna (Capital Section)	2.29
13	O-32	District Plan- Parbhani (Capital Section)	0.05
14	O-33	District Plan- Nanded (Capital Section)	8.23
15	O-39	District Plan- Wardha (Revenue Section)	0.25
16	O-39	District Plan- Wardha (Capital Section)	2.06
17	O-41	District Plan- Chandrapur (Capital Section)	4.32
18	O-42	District Plan- Gadchiroli (Revenue Section)	5.44
19	O-44	District Plan- Amravati (Capital Section)	1.19
20	O-45	District Plan- Akola (Capital Section)	4.51
21	O-48	District Plan- Washim (Capital Section)	0.04
22	T-8	Loans for Tribal Area Development Sub-Plan	0.35
23	ZC-1	Parliament/State/Union Territory Legislatures (Charged)	0.20
	<b>Total</b>		<b>442.1126 i.e. 442.11</b>

Source: Appropriation Accounts

# Appendix 2.12

## Statement showing details of savings of ₹ one crore and above not surrendered

(Reference: Paragraph 2.3.10; Page 79)

					(₹ in crore)
Sr. No.	Grant Number	Name of grant / appropriation	Savings	Surrender	Savings which remained to be surrendered
1	B-1	Police Administration	762.73	692.78	69.95
2	B-2	State Excise	91.25	89.95	1.3
3	B-10	Capital Expenditure and Economic Services	160.75	158.76	1.99
4	C-7	Forest	95.51	83.92	11.59
5	D-5	Dairy Development	42.39	39.66	2.73
6	E-2	General Education	1092.15	1076.62	15.53
7	E-3	Secretariat and Other Social Services	77.01	75.63	1.38
8	G-1	Sales Tax Administration	44.24	42.50	1.74
9	H-5	Roads and Bridges	559.41	482.30	77.11
10	H-6	Public Works and Administrative and Functional Buildings	227.26	220.53	6.73
11	I-5	Capital Expenditure on Irrigation	1237.32	1215.98	21.34
12	J-2	Secretariat and Other Social and Economic Services	8.31	0.74	7.57
13	L-1	Interest Payments	59.77	1.94	57.83
14	L-2	District Administration	68.64	7.98	60.66
15	L-3	Rural Development Programmes	678.36	673.48	4.88
16	O-3	Rural Employment	110.77	90.55	20.22
17	O-10	Capital Outlay on Other Rural Development Programmes	2156.94	2152.32	4.62
18	O-14	District Plan- Mumbai City (Capital Section)	1.62	0.0096	1.6104
19	O-17	District Plan- Raigad (Capital Section)	24.50	20.50	4
20	O-18	District Plan- Ratnagiri (Capital Section)	1.88	0.0001	1.8799
21	O-22	District Plan- Sangli (Revenue Section)	5.70	0.01	5.69
22	O-23	District Plan- Solapur (Revenue Section)	4.84	0.03	4.81
23	O-24	District Plan- Kolhapur (Revenue Section)	6.28	0.0064	6.2736
24	O-25	District Plan- Nashik (Revenue Section)	9.89	0.03	9.86
25	O-27	District Plan- Jalgaon (Revenue Section)	1.63	0.51	1.12
26	O-28	District Plan- Ahmednagar (Revenue Section)	4.79	0.01	4.78
27	O-36	District Plan- Osmanabad (Capital Section)	1.36	0.02	1.34
28	O-37	District Plan- Hingoli (Revenue Section)	1.47	0.0078	1.4622
29	O-38	District Plan- Nagpur (Capital Section)	1.78	0.25	1.53
30	O-43	District Plan- Gondiya (Revenue Section)	2.05	0.94	1.11
31	O-44	District Plan- Amravati (Revenue Section)	1.44	0.0035	1.4365
32	O-46	District Plan- Yavatmal (Capital Section)	5.73	0.0055	5.7245
33	O-47	District Plan- Buldhana (Capital Section)	2.38	0.03	2.35
34	W-3	Technical Education	102.83	91.12	11.71
35	ZC-1	Parliament/State/Union Territory Legislatures	27.79	20.57	7.22
36	ZE-1	Minorities Development	41.64	36.22	5.42
<b>TOTAL</b>			<b>7722.41</b>	<b>7275.9129</b>	<b>446.4971</b> i.e. 446.50

Source: Appropriation Accounts

# Appendix 2.13

## Statement showing cases of surrender of funds in excess of ₹ 10 crore on 30 and 31 March 2013 (Reference: Paragraph 2.3.10; Page 79)

(₹ in crore)

Sr. No.	Grant Number	Major Head	Amount of Surrender
1.	2.	3.	4.
<b>Revenue Head</b>			
1	B01	2055 Police	689.29
2	B02	2039 State Excise	32.23
3	B03	2041 Taxes on Vehicles	24.15
4	B05	2056 Jails	17.44
5	B07	3001 Indian Railways-Policy Formulation, Direction, Research and Other Miscellaneous Organisations	19.99
6	B08	2711 Flood Control and Drainage	13.71
7	C06	2245 Relief on account of Natural Calamities	62.51
8	D03	2401 Crop Husbandry	667.47
9	D04	2403 Animal Husbandry	72.36
10	D05	2404 Dairy Development	40.09
11	F02	2217 Urban Development	1608.13
12	F03	2230 Labour and Employment	10.90
13	F04	3604 Compensation and Assignments to Local Bodies and Panchayati Raj Institutions	15.20
14	G01	2040 Taxes on Sales	41.03
15	G02	2070 Other Administrative Services	1790.08
16	G02	2075 Miscellaneous General Services	409.28
17	G05	2054 Treasury and Accounts Administration	16.89
18	J01	2014 Administration of Justice	368.76
19	K02	2049 Interest Payments	23.20
20	K04	2230 Labour and Employment	17.32
21	K06	2801 Power	106.19
22	K06	2810 Non-Conventional Sources of Energy-	58.20
23	K07	2851 Village and Small Industries	28.59
24	K07	2853 Non-ferrous Mining and Metallurgical Industries	149.33
25	L03	2501 Special Programmes for Rural Development	36.69
26	L03	2505 Rural Employment	59.15
27	L03	2515 Other Rural Development Programmes	97.41
28	L03	2702 Minor Irrigation	172.60
29	L03	3054 Roads and Bridges	198.00
30	M03	3451 Secretariat -Economic Services	13.69
31	N02	2216 Housing	85.27
32	N03	2225 Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	404.42
33	N03	2235 Social Security and Welfare	139.17
34	O03	2505 Rural Employment	90.63
35	O04	2515 Other Rural Development Programmes	55.82
36	O07	3451 Secretariat -Economic Services	24.33
37	O08	3452 Tourism	40.23
38	Q01	2049 Interest Payments	13.03
39	Q03	2216 Housing	676.75
40	R01	2210 Medical and Public Health	129.78
41	T02	2225 Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	16.18
42	T05	2210 Medical and Public Health	25.62
43	T05	2225 Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	296.97
44	T05	2230 Labour and Employment	24.06
45	T05	2236 Nutrition	15.97
46	T05	2401 Crop Husbandry	11.02
47	T05	2406 Forestry and Wild Life	18.69

Appendix - 2.13 (concl.d.)

				(₹ in crore)
Sr. No.	Grant Number	Major Head		Amount of Surrender
1.	2.	3.		4.
48	T05	2425	Co-operation	10.88
49	T05	2505	Rural Employment	13.94
50	T05	2702	Minor Irrigation	25.73
51	T05	2801	Power	13.97
52	T05	3054	Roads and Bridges	18.04
53	V02	2425	Co-operation	23.56
54	V02	2851	Village and Small Industries	27.50
55	W02	2202	General Education	30.18
56	W03	2203	Technical Education	91.12
57	W04	2230	Labour and Employment	18.12
58	W06	2251	Secretariat - Social Services	13.62
59	X01	2235	Social Security and Welfare	20.62
60	X01	2236	Nutrition	79.66
61	Y02	2215	Water Supply and Sanitation	157.06
62	ZA01	2230	Labour and Employment	10.16
63	ZC01	2011	Parliament / State/ Union Territory Legislatures	20.57
64	ZD02	2205	Art and Culture	60.97
65	ZD04	3452	Tourism	28.15
66	ZE01	2235	Social Security and Welfare	35.27
<b>Capital Head</b>				
67	B10	4055	Capital Outlay on Police	88.32
68	B10	4070	Capital Outlay on other Administrative Services	70.45
69	F07	6217	Loans for Urban Development	62.35
70	G08	6003	Internal Debt of the State Government	2608.50
71	K11	4801	Capital Outlay on Power Projects	265.34
72	K11	6801	Loans for Power Projects	77.15
73	L07	4402	Capital Outlay on Soil and Water Conservation	263.14
74	L07	4702	Capital Outlay on Minor Irrigation	15.32
75	M04	4408	Capital Outlay on Food Storage and Warehousing	880.91
76	N04	4225	Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes and other Backward Classes	476.75
77	N04	6225	Loans for Welfare of Scheduled Castes, Scheduled Tribes and other Backward Classes	30.51
78	O10	4515	Capital Outlay on other Rural Development Programmes	2151.84
79	O17	5054	Capital Outlay on Roads and Bridges	18.38
80	T06	4225	Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes and other Backward Classes	734.36
81	T06	4406	Capital Outlay on Forestry and Wild Life	10.39
82	T06	4702	Capital Outlay on Minor Irrigation	22.15
83	T06	5054	Capital Outlay on Roads and Bridges	21.95
84	V03	4425	Capital Outlay on Co-operation	38.05
85	V05	6425	Loans for Co-operation	223.42
86	X03	4236	Capital Outlay on Nutrition	15.00
87	ZD05	4202	Capital Outlay on Education, Sports, Art and Culture	11.63
<b>Total</b>				<b>17712.85</b>

Source: Appropriation Accounts



## Statement showing Cases of drawal from Contingency Fund where the expenditure was foreseeable

(Reference: Paragraph: 2.6., Page 88)

Sr. No.	Sanction No. and Date	Department/Grant No./Major Head	Purpose for which drawn	Amount Sanctioned (₹. in crore)
(1)	(2)	(3)	(4)	(5)
1	CNF 20.12/8/BUD-14/ Dt-04.07.12	General Administration Department A-4/2070	Expenditure for disbursement of funds for repairs/maintenance of Auxiliary power unit (APU) of Citation 560 XLS VT-VDD aircraft	1.20
2	CNF 20.12/26/BUD-8/ Dt-14.12.12	Higher and Technical Education Department W-2/2202	Funds to Indian History Congress Parishad for conference from 28th to 30th December 2012 at Mumbai	2.00
3	CNF 20.13/32/BUD-11/ Dt-29.01.13	Home Department B-1/2055	Expenses on purchase of arms and ammunitions for State Police Force	9.12
4	CNF 20.13/33/BUD-11/ Dt-29.01.13	Home Department B-1/2055	Expenditure on office work, overtime fees, awards, computer expenses and various purposes in respect of office of Director General of Police	4.74
5	CNF 20.13/34/BUD-11/ Dt.30.01.13	Home Department B-1/2055	Expenditure for purchase of arms and ammunitions for the State Police Force	0.65
6	CNF 20.13/35/BUD-11/ Dt.31.01.13	Home Department B-1/2055	Funds required towards travel expenses of the Police commissioner	10.00
7	CNF 20.13/36/BUD-11/ Dt.31.01.13	Home Department B-1/2055	Expenses on awards, telephone, electricity and water charges, computer expenses and police vehicles in respect of office of Director General of Police	0.52
8	CNF 20.13/38/BUD-11/ Dt.01.02.13	Home Department B-1/2055	Grant required for payment of Rent for Helicopter to M/s Pawanhans Helicopter Ltd, Mumbai for Anti-naxalite drive at Gadchiroli	8.08
9	CNF 20.13/44/BUD-17/ Dt.21.02.13	Housing Department Q-4/3451	Additional provision to fulfill the expenditure on special drive of Deemed Conveyance and to make awareness among people across Maharashtra	0.50
Source: Appropriation Accounts				

## Statement showing department-wise breakup of outstanding utilisation certificates

(Reference: Paragraph 3.1; Page 93)

Sr. No.	Department	Number of certificates	Amount (₹ in crore)
1	Agriculture, Animal Husbandry, Dairy Development and Fisheries	21852	3494.88
2	Co-operation, Marketing and Textiles	1643	5800.92
3	Employment and Self-Employment	22	42.44
4	Environment	13	9.11
5	Finance	27	1.05
6	Food, Civil Supplies and Consumer Protection	67	2.77
7	General Administration	314	260.37
8	Higher and Technical Education	2357	9211.86
9	Home	1529	1753.54
10	Housing	126	863.09
11	Industries, Energy and Labour	580	334.15
12	Law and Judiciary	1048	31.69
13	Maharashtra Legislature Secretariat	132	14.23
14	Marathi Language Division	7	1.48
15	Medical Education and Drugs	364	76.21
16	Minority Development	745	289.97
17	Planning	20819	6512.55
18	Public Health	4244	1292.69
19	Public Works	679	376.46
20	Revenue and Forests	17661	2748.54
21	Rural Development and Water Conservation	14256	7279.89
22	School Education and Sports	12206	17179.85
23	Social Justice and Special Assistance	14867	5574.45
24	Tourism and Cultural Affairs	393	334.93
25	Tribal Development	13585	4953.84
26	Urban Development	3598	12660.56
27	Water Resources	499	21.50
28	Water Supply and Sanitation	3510	975.59
29	Women and Child Development	12663	802.12
	<b>Total</b>	<b>149806</b>	<b>82900.73</b>

Source : Information received from PrAG (A&E)-I, Maharashtra, Mumbai, Pay and Accounts Office, Mumbai and AG (A&E)-II, Maharashtra, Nagpur

## Statement showing performance of the autonomous bodies

(Reference: : Paragraph: 3.3, Page 94)

Sr. No.	Name of the Body	Period of entrust-ment	Year up to which accounts were rendered	Delay in submission of accounts (Accounts received on)	Period of delay (in months)	Period up to which SAR is issued	Placement of SAR in the Legislature
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Maharashtra Housing and Area Development Authority (MHADA), Mumbai.	01.04.08 to 31.03.13	2011-12	04/07/12 to 16/08/12	Nil	2010-11	2010-11 20/12/12
2	Mumbai Metropolitan Region Development Authority (MMRDA), Mumbai.	01.04.09 to 31.03.14	2011-12	18/12/12	6 months	2010-11	No provision for presentation in MMRDA's Act.
3	Maharashtra Jeevan Pradhikaran (MJP), Mumbai.	01.04.07 to 31.03.12	2010-11	—	-	2010-11	2007-08 15/01/11
4	Maharashtra Krishna Valley Development Corporation (MKVDC), Pune.	01.04.06 to 31.03.11	2010-11	19/01/12	7 months	2010-11	2009-10 22/12/11
5	Konkan Irrigation Development Corporation (KIDC), Thane.	01.04.08 to 31.03.13	2010-11	06/06/12	11 months	2010-11	2009-10 16/04/12
6	Maharashtra Maritime Board (MMB), Mumbai.	01.04.11 to 31.03.16	2010-11	12/04/12	9 months	2010-11	2004-05 17/12/06
7	Maharashtra State Commission for Women (MSCW), Mumbai.	01.04.08 to 31.03.13	2011-12	26/03/13	9 months	2010-11	2009-10 16/04/13
8	Maharashtra Pollution Control Board (MPCB), Mumbai.	01.04.08 to 31.03.13	2010-11	20/10/12	15 months	2009-10	2004-05 April 2008
9	Slum Rehabilitation Authority (SRA), Mumbai.	01.04.06 to 31.03.11 01.04.11 to 31.03.16	2010-11 2011-12	19/01/12 29/12/12	7 months 6 months	2010-11	2010-11 21/12/12
10	Maharashtra Water Resources Regulatory authority (MWRAA), Mumbai	01.04.10 to 31.03.15	2010-11 2011-12	24/11/11 17/08/12	5 months 2 months	2010-11	2010-11 25-07-12
11	Rajiv Gandhi Science and Technology Commission (RGSTC), Mumbai.	01.04.10 onwards till its existence	2011-12	28/01/13	7 months	2010-11	2005-06 to 2010-11 21-04-12
12	Maharashtra Khadi and Village Industries Board (MSKVIB), Mumbai	01.04.07 to 31.03.12	2010-11 2011-12	19/10/12 26/02/13	16 months 8 months	2009-10	2008-09 15-12-10

Appendix - 3.2 (concl.)

Sr. No.	Name of the Body	Period of entrustment	Year up to which accounts were rendered	Delay in submission of accounts (Accounts received on)	Period of delay (in months)	Period up to which SAR is issued	Placement of SAR in the Legislature
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
13	Maharashtra State Legal Services Authority (MSLSA), Mumbai	Section 19(2) of the CAGs (DPC) Act 1971	2008-09	—	—	2008-09	Yet to be presented to the Legislature
14	Maharashtra State Commission for Protection of Child Rights (MCPCR)	Section 19(2) of the CAGs (DPC) Act 1971 First audit	2011-12	21/12/2012	6 months	—	—
15	Maharashtra Electricity Regulatory Commission (MERC)	Under Section 104 of the Electricity Act, 2003	2009-10	03/10/2013		2009-10	2008-09 08/08/2011
16	Tapi Irrigation Development Corporation (TIDC), Jalgaon	01.04.13 upto 31.03.17	2011-12	01/07/13	12 months	2010-11	2008-09 24-12-10
17	Vidharba Irrigation Development Corporation (VIDC), Nagpur	01.04.12 upto 31.03.17	2010-11	31/11/12	17 months	2009-10	2008-09 01-04-11
18	Godawari Marathwada Irrigation Development Corporation (GMIDC), Aurangabad	01.04.09 to 31.03.14 01.04.14 upto 31.03.17	2010-11	—	—	2010-11	2009-10 12-07-12

*Source: Information obtained from the respective autonomous bodies*

# Statement of finalisation of accounts and Government investments in departmentally managed commercial and quasi-commercial undertakings

(Reference: Paragraph 3.4; Page 95)

Sr. No.	Name of Undertaking	Accounts finalised up to	Investment as per the last accounts (₹ in crore)	Remarks/Reasons for delay in preparation of accounts
(1)	(2)	(3)	(4)	(5)
<b>Agriculture, Animal Husbandry, Dairy Development and Fisheries</b>				
<b>Mumbai Region</b>				
1	Greater Mumbai Milk Scheme., Worli	2011-12	47.65	
2	Milk Transport Scheme, Worli	2006-07	2.34	*
3	Mother Dairy, Kurla	2011-12	3.96	
4	Central Dairy, Goregaon	2011-12	78.61	
5	Unit Scheme, Mumbai	2011-12	29.08	
6	Agricultural Scheme, Mumbai	2011-12	9.93	
7	Electrical Scheme, Mumbai	2011-12	4.32	
8	Water Supply Scheme, Mumbai	2011-12	10.24	
9	Cattle Feed Scheme, Mumbai	2011-12	1.80	
10	Cattle Breeding and Rearing Farm., Palghar	2011-12	1.89	
11	Dairy Project, Dapchari	2011-12	14.27	
12	Government Milk Scheme, Bhiwandi	2011-12	1.18	
13	Government Milk Chilling Centre, Saralgaon, Thane	2011-12	0.43	
14	Government Milk Scheme, Khopoli	2011-12	1.93	
15	Government Milk Scheme, Mahad	2010-11	1.34	
16	Government Milk Scheme, Chiplun	2011-12	44.41	
17	Government Milk Scheme, Ratnagiri	2011-12	15.60	
18	Government Milk Scheme, Kankavali	2011-12	2.99	
<b>Pune Region</b>				
19	Government Milk Scheme., Pune	2011-12	15.67	
20	Government Milk Scheme, Mahabaleshwar	2011-12	1.72	
21	Government Milk Scheme., Satara	2011-12	13.19	
22	Government Milk Scheme., Miraj	2011-12	34.02	
23	Government Milk Scheme, Solapur	2011-12	3.18	
<b>Nagpur Region</b>				
24	Government Milk Scheme, Nagpur	2011-12	11.06	
25	Government Milk Scheme, Wardha	2011-12	9.49	
26	Government Milk Scheme, Chandrapur	2011-12	-3.68	
27	Government Milk Scheme, Gondia	2011-12	13.01	

\* MTS Worli has been closed vide Government order dated 17/07/2008

Appendix - 3.3 (concl.)

Sr. No.	Name of Undertaking	Accounts finalised up to	Investment as per the last accounts (₹ in crore)	Remarks/Reasons for delay in preparation of accounts
(1)	(2)	(3)	(4)	(5)
<b>Aurangabad Region</b>				
28	Government Milk Scheme, Aurangabad	2011-12	12.23	
29	Government Milk Scheme, Udgir	2011-12	28.33	
30	Government Milk Scheme, Beed	2011-12	21.05	
31	Government Milk Scheme, Nanded	2011-12	6.69	
32	Government Milk Scheme, Bhoom	2011-12	8.11	
33	Government Milk Scheme, Parbhani	2011-12	7.86	
<b>Nashik Region</b>				
34	Government Milk Scheme, Nashik	2011-12	4.15	
35	Government Milk Scheme, Dhule	2011-12	0.75	
36	Government Milk Scheme, Chalisgaon	2011-12	7.85	
37	Government Milk Scheme, Ahmednagar	2011-12	2.18	
38	Government Milk Scheme, Wani	2011-12	11.07	
<b>Amravati Region</b>				
39	Government Milk Scheme, Amravati	2011-12	14.94	
40	Government Milk Scheme, Akola	2011-12	16.82	
41	Government Milk Scheme, Yavatmal	2011-12	4.57	
42	Government Milk Scheme, Nandura	2011-12	2.83	
<b>Agriculture Animal Husbandry, Dairy Development and Fisheries Department</b>				
43	Land Development by Bulldozer Scheme, Pune	1994-95	4.00	^
44	Land Development by Bulldozer Scheme, Aurangabad	1998-99	21.93	
45	Land Development by Bulldozer Scheme, Amravati	1995-96	0.01	
46	Land Development by Bulldozer Scheme, Nagpur	1996-97	2.18	
<b>Revenue and Forests Department</b>				
47	Allapalli and Pendigundam Forest Ranges of Forest Divisions including Saw mills and Timber Depot	1985-86	0.00	^
<b>Food, Civil Supplies and Consumer Protection Department</b>				
48	Procurement, Distribution and Price Control Scheme in Mumbai and Thane Rationing Area	2011-12	637.89	
49	Procurement, Distribution and Price Control Scheme in Mofussil Area	2011-12	828.46	
<b>Total</b>			<b>1934.92</b>	

Source: Proforma Accounts

^ These are sick units with no operations. Hence they have stopped preparing Accounts

## Statement showing department wise/duration-wise break-up of cases of misappropriation, defalcation etc.

(Reference: Paragraph 3.5; Page 95)

							(₹ in lakhs)
Name of the Department	Upto 5 years	5-10 yrs.	10-15 yrs.	15-20 yrs.	20-25 yrs.	25 yrs. and more	TOTAL
Agriculture, Animal Husbandry, Dairy Development and Fisheries	0	1	4	3	13	41	62
	(0)	(0.2)	(4.08)	(4.75)	(29.06)	(5.7)	(43.79)
Co-operation and Textile	0	2	1	19	1	3	26
	(0)	(0)	(10.83)	(0)	(0)	(0)	(10.83)
Finance	0	2	1	19	1	3	26
	(0)	(44.19)	(13.89)	(370.64)	(0.7)	(2.29)	(431.71)
Food, Civil Supplies and Consumer Protection	1	0	1	2	4	2	10
	(4.97)	(0)	(3.05)	(14.69)	(11.46)	(2.09)	(36.26)
General Administration	1	0	0	0	1	0	2
	(0.16)	(0)	(0)	(0)	(1.29)	(0)	(1.45)
Higher and Technical Education	0	0	1	2	0	0	3
	(0)	(0)	(29.65)	(290.84)	(0)	(0)	(320.49)
Home	1	2	1	1	4	7	16
	(423.58)	(4.56)	(7.6)	(0.2)	(8.29)	(2.33)	(446.56)
Housing	0	0	0	0	0	2	2
	(0)	(0)	(0)	(0)	(0)	(0.11)	(0.11)
Industries, Energy and Labour	1	0	0	0	0	0	1
	(0.94)	(0)	(0)	(0)	(0)	(0)	(0.94)
Law and Judiciary	2	2	0	0	0	0	4
	(0.63)	(0.25)	(0)	(0)	(0)	(0)	(0.88)
Medical Education and Drugs	0	1	1	0	0	3	5
	(0)	(1.29)	(7.96)	(0)	(0)	(7.17)	(16.42)
Planning Department	2	4	1	0	0	0	7
	(0.29)	(0.2)	(0.13)	(0)	(0)	(0)	(0.62)
Public Health	2	1	6	0	1	7	17
	(1251.45)	(1274.06)	(38.93)	(0)	(4.59)	(5.14)	(2574.17)
Public Works	0	0	0	0	0	3	3
	(0)	(0)	(0)	(0)	(0)	(5.54)	(5.54)
Revenue and Forests	1	0	4	0	6	19	30
	(0)	(0)	(5.34)	(0)	(8.25)	(8.25)	(21.84)
Rural Development and Water Conservation	0	0	4	5	3	13	25
	(0)	(0)	(2.92)	(147.68)	(66.68)	(7.45)	(224.73)
School Education and Sports	0	0	0	0	0	1	1
	(0)	(0)	(0)	(0)	(0)	(2.02)	(2.02)
Social Justice and Special Assistance	0	0	0	2	0	0	2
	(0)	(0)	(0)	(6.27)	(0)	(0)	(6.27)
Tourism and Cultural Affairs Dept.	0	0	0	0	1	5	6
	(0)	(0)	(0)	(0)	(75.02)	(3.35)	(78.37)
Water Resources	5	11	1	1	1	0	19
	(2.13)	(4.53)	(0.34)	(2.34)	(2.37)	(0)	(11.71)
Water Supply and Sanitation Dept.	3	0	0	0	0	0	3
	(3.13)	(0)	(0)	(0)	(0)	(0)	(3.13)
<b>TOTAL</b>	<b>19</b>	<b>24</b>	<b>26</b>	<b>35</b>	<b>35</b>	<b>106</b>	<b>245</b>
	<b>(1687.28)</b>	<b>(1329.28)</b>	<b>(124.72)</b>	<b>(837.41)</b>	<b>(207.71)</b>	<b>(51.44)</b>	<b>(4237.84)</b>

Source: Information from respective Departments, Pay and Accounts Office, Mumbai, Accountant General (Audit)-II, Nagpur

Figures in parantheses indicate amount

Statement showing department/category-wise details  
in respect of losses to Government due to theft,  
misappropriation / loss of Government material  
(Reference: : Paragraph: 3.5, Page 95)

(₹ in lakh)

Name of the Department	Theft cases		Misappropriation/Loss of Government Material		Total	
	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
Agriculture, Animal Husbandry, Dairy Development and Fisheries	3	3.96	59	39.83	62	43.79
Co-operation, Marketing and Textiles	0	0	1	10.83	1	10.83
Finance	1	13.89	25	417.82	26	431.71
Food, Civil Supplies and Consumer Protection	1	4.97	9	31.29	10	36.26
General Administration	0	0	2	1.45	2	1.45
Higher and Technical Education	0	0	3	320.49	3	320.49
Home	1	4.24	15	442.32	16	446.56
Housing	0	0	2	0.11	2	0.11
Industries, Energy and Labour	0	0	1	0.94	1	0.94
Law and Judiciary	2	0.25	2	0.63	4	0.88
Medical Education and Drugs	0	0	5	16.42	5	16.42
Planning	7	0.62	0	0	7	0.62
Public Health	0	0	17	2574.17	17	2574.17
Public Works	0	0	3	5.54	3	5.54
Revenue and Forests	2	3.44	28	18.4	30	21.84
Rural Development and Water Conservation	0	0	25	224.73	25	224.73
School Education and Sports	0	0	1	2.02	1	2.02
Social Welfare and Cultural Affairs	0	0	2	6.27	2	6.27
Tourism and Cultural Affairs	0	0	6	78.37	6	78.37
Water Resource	7	3.59	12	8.12	19	11.71
Water Supply and Sanitation Dept.	3	3.13	0	0	3	3.13
<b>Total</b>	<b>27</b>	<b>38.09</b>	<b>218</b>	<b>4199.75</b>	<b>245</b>	<b>4237.84</b>

Source: Information from respective Departments, Pay and Accounts Office, Mumbai, Accountant General (Audit)-II, Nagpur



## Statement showing pending Detailed Contingent Bills for the years up to 2012-13

(Reference: Paragraph 3.8; Page 97)

Sr. No.	Department	No. of AC Bills	Amount (₹ in crore)
1.	Agriculture, Animal Husbandry, Dairy Development and Fisheries	2041	43.70
2.	Co-operation, Marketing and Textiles	37	0.27
3.	Employment and Self Employment	13	0.51
4.	Environment	3	0.01
5.	Finance	155	7.42
6.	Food, Civil Supplies and Consumer Protection	57	0.46
7.	General Administration	631	70.61
8.	Higher and Technical Education	363	9.44
9.	Home	1066	618.19
10.	Housing	1297	10.35
11.	Industries, Energy and Labour	270	13.05
12.	Law and Judiciary	277	4.93
13.	Maharashtra Legislature Secretariat	11	0.03
14.	Marathi Language Division	6	0.07
15.	Medical Education and Drugs	1317	9.94
16.	Planning	157	5.29
17.	Public Health	221	113.06
18.	Public Works	75	0.49
19.	Revenue and Forests	1472	41.25
20.	Rural Development and Water Conservation	909	11.24
21.	School Education and Sports	196	2.40
22.	Social Justice and Special Assistance	628	19.75
23.	Tourism and Cultural Affairs	281	12.36
24.	Trade, Commerce and Mining	253	3.42
25.	Tribal Development	105	0.88
26.	Urban Development	19	0.39
27.	Water Resources	7	0.01
28.	Water Supply and Sanitation	21	0.08
29.	Women and Child Development	65	0.63
<b>GRAND TOTAL</b>		<b>11953</b>	<b>1000.23</b>

Source : Information received from PrAG (A&E)-I, Maharashtra, Mumbai, Pay and Accounts Office, Mumbai and AG (A&E)-II, Maharashtra, Nagpur

## Details of Sub head (Schemes) booked under 800 for the year 2012-13

(Reference: Paragraph 3.6; Page 96)

Major Head	Sub Major Head	Minor Head	Sub head description	Amount (₹ in crore)
<b>(i) Other Receipts</b>				
0235	01	800	800(020)(01)(11)-Receipts transferred from Government Insurance Fund as surplus balance	151.34
0045	00	800	800(01)(11)-Education Cess	110.45
1475	00	800	800(00)(03)-Compensation for the other land	96.63
0202	01	800	800(01)(02)-Recoveries of overpayment	86.89
			<b>Total</b>	<b>445.31</b>
<b>(ii) Other Expenditure</b>				
2801	05	800	800(00)(01)-Subsidy to the Distribution/Transmission Licencee for reduction in Agriculture and Powerloom Tariff	4929.09
2401	00	800	800(00)(09)-Financial Assistance under Rashtriya Krishi Vikas Yojana (Schemes in Five Year Plan) (100 Percent Centrally Sponsored Scheme)	1058.59
4801	02	800	800(01)(07)-Capital Investment in Koradi TSP Extension	684.00
5054	04	800	800(ii)(1)-Ordinary Major Works	563.89
2701	80	800	800(iii)-(i) Interest	539.97
5054	04	800	800(8)-Work Executed Through Loan Assistance From NABARD Major Works	400.07
2216	03	800	800(01)(03)-Rajiv Gandhi Rural Housing Scheme No.1	345.24
2216	03	800	800(00)(01)-Gharkul Yojana for Scheduled Castes and Nav Boudh People.(Rural)(S.C.P.)	320.00
4801	05	800	800(00)(02)-Gaathan Feeder Separation Scheme and Infrastructure Development	285.09
2701	80	800	800(11)(01)-World Bank Assisted Maharashtra Water Sector Improvement Project	227.39
2801	80	800	800(00)(04)-Grants-in-aid to MSEB Holding Company Limited	223.29
4801	02	800	800(00)(05)-Capital Investment in Bhusaval TPS Expansion	186.02
4801	02	800	800(00)(08)-Capital Investment in Chandrapur Thermal Extension Project	185.73
2801	05	800	800(00)(06)-Grants-in-aid to Maharashtra State Power Distribution Company Limited for Removal of Regional Imbalance of Agriculture Pumpsets/Rural Electrification	150.08

Appendix - 3.7 (concl.)

Major Head	Sub Major Head	Minor Head	Sub head description	Amount (₹ in crore)
2401	00	800	800(00)(03)-Grants to Zilla Parishads under section 123 of the Maharashtra Z.P. and Panchayat Samities Act 1961 (Local Sector) (Adjusted with W and M) (State Share)SPS Spl Component. Plan Assitt to farm families under Scheduled Caste Sub Plan to bring them above poverty line	144.04
4070	00	800	800(00)(05)-Grants-in-aid to Maharashtra State Police Housing and Welfare Corporation	104.31
4070	00	800	800(00)(11)-Office Building for police department, Grant in aid to Maharashtra State Housing and welfare corporation	101.10
2075	00	800	800(00)(06)-Late Yashwantrao Chavan Centenary Celebration	99.65
3001	00	800	800(00)(02)-Participation of State Government in Railway Project	80.00
5054	04	800	800(ii) (2)-Ordinary Establishment Charges	78.38
2216	80	800	800(00)(02)-Payment to Maharashtra Housing and Area Development Authority as Government contribution to Bombay Building Repairs and Reconstruction Fund	69.82
4551	60	800	800(00)(01)-Special Development Programme for Hilly Areas	66.76
4236	80	800	800(00)(01)-Construction of Anganwadi Centres as per recommendation of the 13th Finance Commission	60.00
			<b>Total</b>	<b>10902.51</b>
<i>Source: Finance Accounts</i>				

## Glossary of terms

Terms	Basis of calculation
Buoyancy of a parameter	Rate of Growth of the parameter/GSDP Growth Rate
Buoyancy of a parameter (X) With respect to another parameter (Y)	Rate of Growth of parameter (X)/ Rate of Growth of parameter (Y)
Rate of Growth (ROG)	$[(\text{Current year Amount} / \text{Previous year Amount}) - 1] * 100$
Development Expenditure	Social Services + Economic Services
Average interest paid by the State	$\text{Interest payment} / [(\text{Amount of previous year's Fiscal Liabilities} + \text{Current year's Fiscal Liabilities}) / 2] * 100$
Interest spread	GSDP growth rate – Average Interest Rate
Quantum spread	Debt stock * Interest spread
Interest received as <i>per cent</i> to Loans Outstanding	$\text{Interest Received} / [(\text{Opening balance} + \text{Closing balance of Loans and Advances}) / 2] * 100$
Revenue Deficit	Revenue Receipt – Revenue Expenditure
Fiscal Deficit	Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts – Miscellaneous Capital Receipts
Primary Deficit	Primary deficit defined as the fiscal deficit net of interest payments indicates the extent of deficit which is an outcome of the fiscal transactions of the States during the course of the year  (Fiscal Deficit – Interest payments)
Balance from Current Revenue (BCR)	Revenue Receipts <b>minus</b> all Plan Grants and Non-Plan Revenue Expenditure excluding expenditure recorded under the major head 2048 – Appropriation for reduction of Avoidance of debt
Terms	Description
Debt sustainability	The Debt sustainability is defined as the ability of the State to maintain a constant debt-GSDP ratio over a period of time and also embodies the concern about the ability to service its debt. Sustainability of debt therefore also refers to sufficiency of liquid assets to meet current or committed obligations and the capacity to keep balance between costs of additional borrowings with returns from such borrowings. It means that rise in fiscal deficit should match with the increase in capacity to service the debt
Debt stabilization	A necessary condition for stability states that if the rate of growth of economy exceeds the interest rate or cost of public borrowings, the debt-GSDP ratio is likely to be stable provided primary balances are either zero or positive or are moderately negative. Given the rate spread (GSDP growth rate – interest rate) and quantum spread (Debt*rate spread), debt sustainability condition states that if quantum spread together with primary deficit is zero, debt-GSDP ratio would be constant or debt would stabilize eventually. On the other hand, if primary deficit together with quantum spread turns out to be negative, debt-GSDP ratio would be rising and in case it is positive, debt-GSDP ratio would eventually be falling

## Appendix - 4.1 (contd.)

Terms	Description
Sufficiency of non-debt receipts	Adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. Debt sustainability could be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure
Net availability of borrowed funds	Defined as the ratio of the debt redemption (Principal + Interest Payments) to total debt receipts and indicates the extent to which the debt receipts are used in debt redemption indicating the net availability of borrowed funds
Appropriation Accounts	Appropriation Accounts present the total amount of funds (Original and Supplementary) authorised by the Legislative Assembly in the budget grants under each voted grants and charged appropriation <i>vis-à-vis</i> the actual expenditure incurred against each and the unspent provisions or excess under each grant or appropriation. Any expenditure in excess of the grants requires regularisation by the Legislature
Autonomous bodies	Autonomous Bodies (usually registered Societies or Statutory Corporations) are set up whenever it is felt that certain functions need to be discharged outside the governmental set up with some amount of independence and flexibility without day-to-day interference of the Governmental machinery
Committed expenditure	The committed expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages, pensions and subsidies on which the present executive has limited control
State implementing schemes	State Implementing Agency includes any Organisation/Institution including Non-Governmental Organisation which is authorised by the State Government to receive the funds from the Government of India for implementing specific programmes in the State, e.g. State Implementation Society for Sarva Siksha Abhiyan and State Health Mission for National Rural Health Mission, <i>etc</i>
Contingency Fund	Legislature Assembly has by law established a Contingency Fund in the nature of an imprest into which is paid from time to time such sums as may be determined by such law, and the said fund is placed at the disposal of the Governor to enable advances to be made by him out of it for the purpose of meeting unforeseen expenditure pending authorisation of such expenditure by Legislature Assembly by law under Article 205 or Article 206 of the Constitution
Consolidated fund of the State	The fund constituted under Article 266 (1) of the Constitution of India into which all receipts, revenues and loans flow. All expenditure from the CFS is by appropriation: voted or charged. It consists of two main divisions namely Revenue Account (Revenue Receipts and Revenue Expenditure) and Capital Account (Public Debt and Loans, <i>etc.</i> )
Contingent liability	Contingent liabilities may or may not be incurred by an entity depending on the outcome of a future event such as a court case
Sinking Fund	A Fund into which the government sets aside money over time, in order to retire its debt
Guarantee Redemption Fund	Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee has been extended. As per the terms of the Guarantee Redemption Fund, the State Government was required to contribute an amount equal to atleast 1/5 <sup>th</sup> of the outstanding invoked guarantees plus an amount likely to be invoked as a result of the incremental guarantees during the year

## Appendix - 4.1 (contd.)

Terms	Description
Internal Debt	Internal Debt comprises regular loans from the public in India, also termed 'Debt raised in India'. It is confined to loans credited to the Consolidated Fund
Primary revenue expenditure	Primary revenue expenditure means revenue expenditure excluding interest payments
Re-appropriation	Means the transfer of funds from one Primary unit of appropriation to another such unit
Surrenders of unspent provision	Departments of the State Government are to surrender to the Finance, before the close of the financial year, all the anticipated unspent provisions noticed in the grants or appropriations controlled by them. The Finance is to communicate the acceptance of such surrenders, as are accepted by them to the Audit Officer and/or the Accounts Officer, as the case may be, before the close of the financial year
Supplementary grants	If the amount authorised by any law made in accordance with the provisions of Article 114 of the Constitution to be expended for a particular service for the current financial year is found to be insufficient for the purpose of that year or when a need has arisen during the current financial year for the supplementary or additional expenditure upon some 'new service' not contemplated in the original budget for that year, Government is to obtain supplementary grants or appropriations in accordance with the provision of Article 115 (1) of the Constitution
Suspense and Miscellaneous	Items of receipts and payments which cannot at once be taken to a final head of receipt or charge owing to lack of information as to their nature or for any other reasons, may be held temporarily under the major head "8658-Suspense Account" in the sector "L. Suspense and Miscellaneous" of the Accounts, (Footnotes under the major head in the list of major/minor heads of account may be referred to for further guidance). A service receipt of which full particulars are not given must not be taken to the head "Suspense Account" but should be credited to the minor head "Other Receipt" under the revenue major head to which it appears to belong pending eventual transfer to the credit of the correct head on receipt of detailed particulars
Public Accounts committee	A Committee constituted by the Legislative Assembly for the examination of the reports of the Comptroller and Auditor General of India relating to the appropriation accounts of the State, the annual financial accounts of the State or such other accounts or financial matters as are laid before it or which the Committee deems necessary to scrutinize
Block Grant	A block grant is a lump sum grant provided by the Government of India to the State Government, which are given considerable discretion in how the money is spent (with only general provisions as to the way it is to be spent)
Core public goods	Core public goods are which all citizens enjoy in common in the sense that each individual's consumption of such a good leads to no subtractions from any other individual's consumption of that good, e.g. enforcement of law and order, security and protection of our rights; pollution free air and other environmental goods and road infrastructure <i>etc</i>

Appendix - 4.1 (concl.)

Terms	Description
Merit goods	Merit goods are commodities that the public sector provides free or at subsidized rates because an individual or society should have them on the basis of some concept of need, rather than ability and willingness to pay the government and therefore wishes to encourage their consumption. The examples of such goods include the provision of free or subsidized food for the poor to support nutrition, the delivery of health services to improve quality of life and reduce morbidity, providing basic education to all, drinking water and sanitation <i>etc</i>
Absorptive capacity	Absorptive capacity in this case refers to the ability of a State to implement a developmental scheme in such a way that with given resources, there is maximum benefit to the people. This is usually achieved when the design of schemes are well planned with careful risk mitigation strategy in place, administrative costs are low, operation, maintenance, monitoring and control mechanisms are in place <i>etc</i> so that the state is able to effectively achieve targeted outcomes

Acronyms	Full Form
AC Bill	Abstract Contingency Bill
AE	Aggregate Expenditure
BE	Budget Estimates
CAG	Comptroller and Auditor General of India
CE	Capital Expenditure
DC Bill	Detailed Contingency Bill
DCRF	Debt Consolidation and Relief Facility
DE	Development Expenditure
FCP	Fiscal Correction Path
FRBM	Fiscal Responsibility and Budget Management Act, 2005
GoI	Government of India
GSDP	Gross State Domestic Product
IP	Interest Payment
MTFPS	Medium Term Fiscal Policy Statement
O and M	Operation and Maintenance
PAC	Public Accounts Committee
RE	Revenue Expenditure
RR	Revenue Receipts
S and W	Salaries and Wages
SAR	Separate Audit Report
SSE	Social Sector Expenditure
TE	Total Expenditure
TFC	Twelfth Finance Commission
ThFC	Thirteenth Finance Commission
UC	Utilisation Certificate
VAT	Value Added Tax