

This Report is Presented to  
the State Legislature on.

17 APR 2012

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

**On**

**State Finances**

**for the year ended 31 March 2011**

**Government of Maharashtra**

**Report No.1**

The Report is presented to  
the State Legislature  
by  
the  
Commissioner of the  
State Board of Education

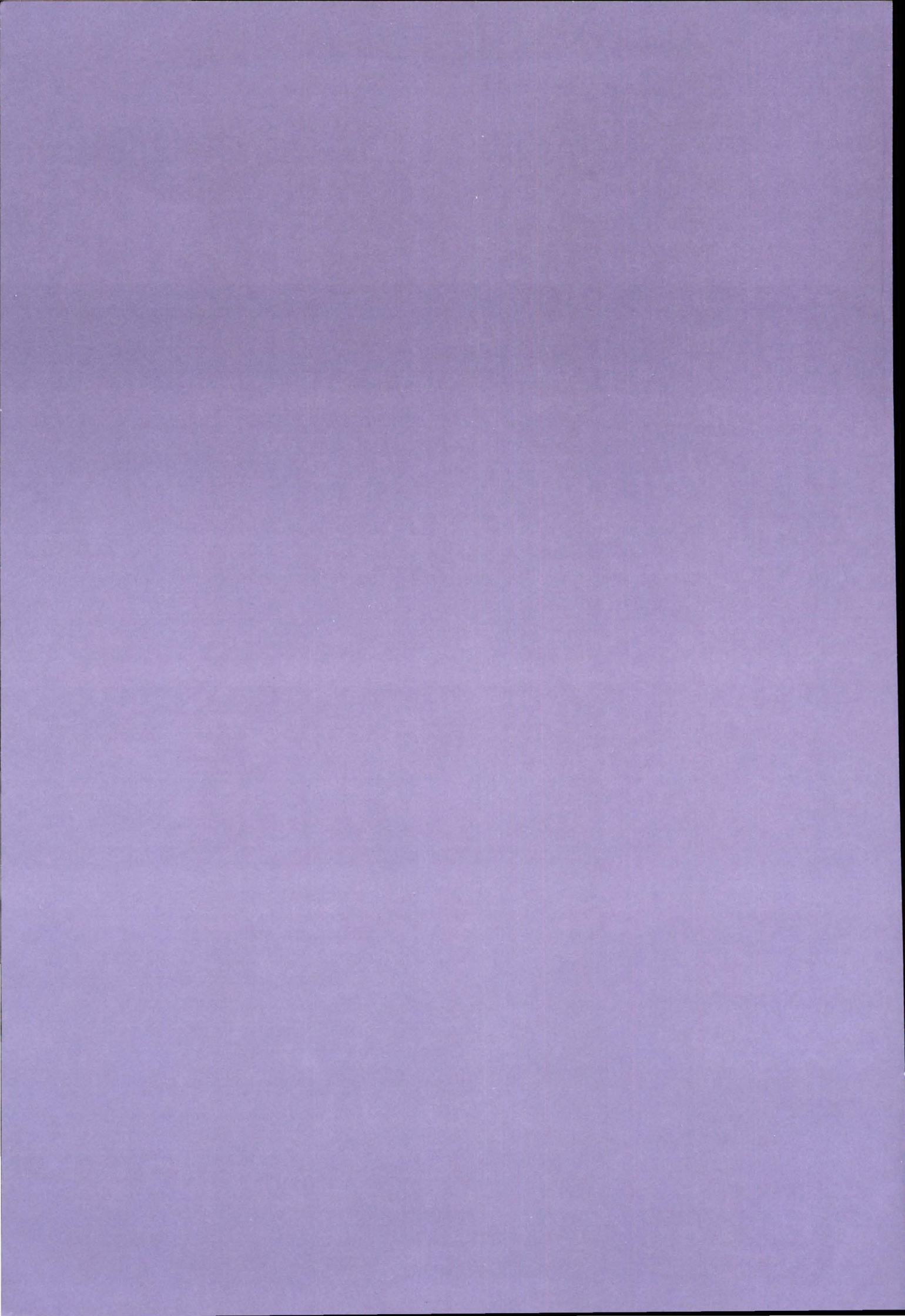
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## Finances of the State Government

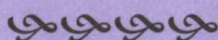
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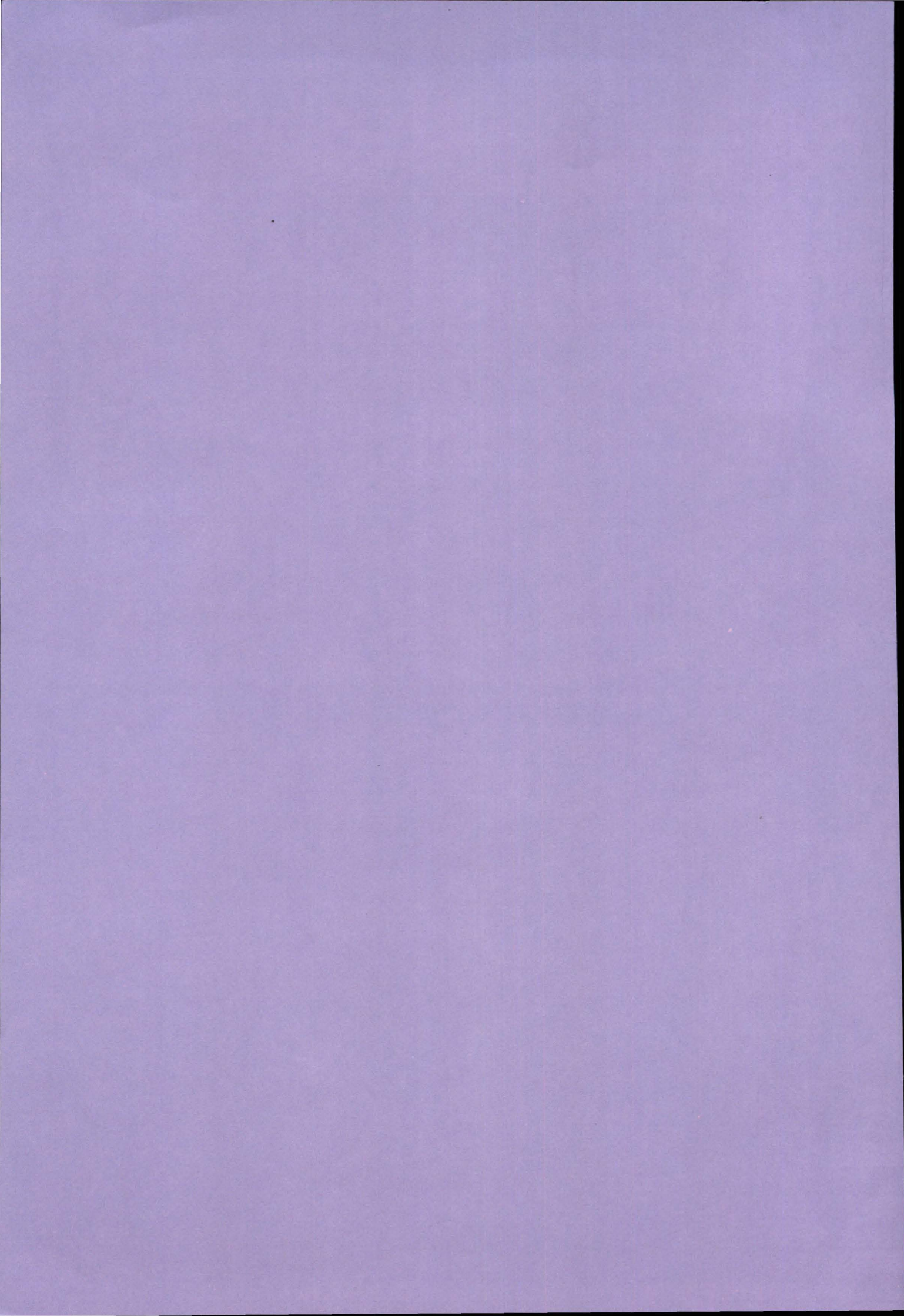
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# Preface

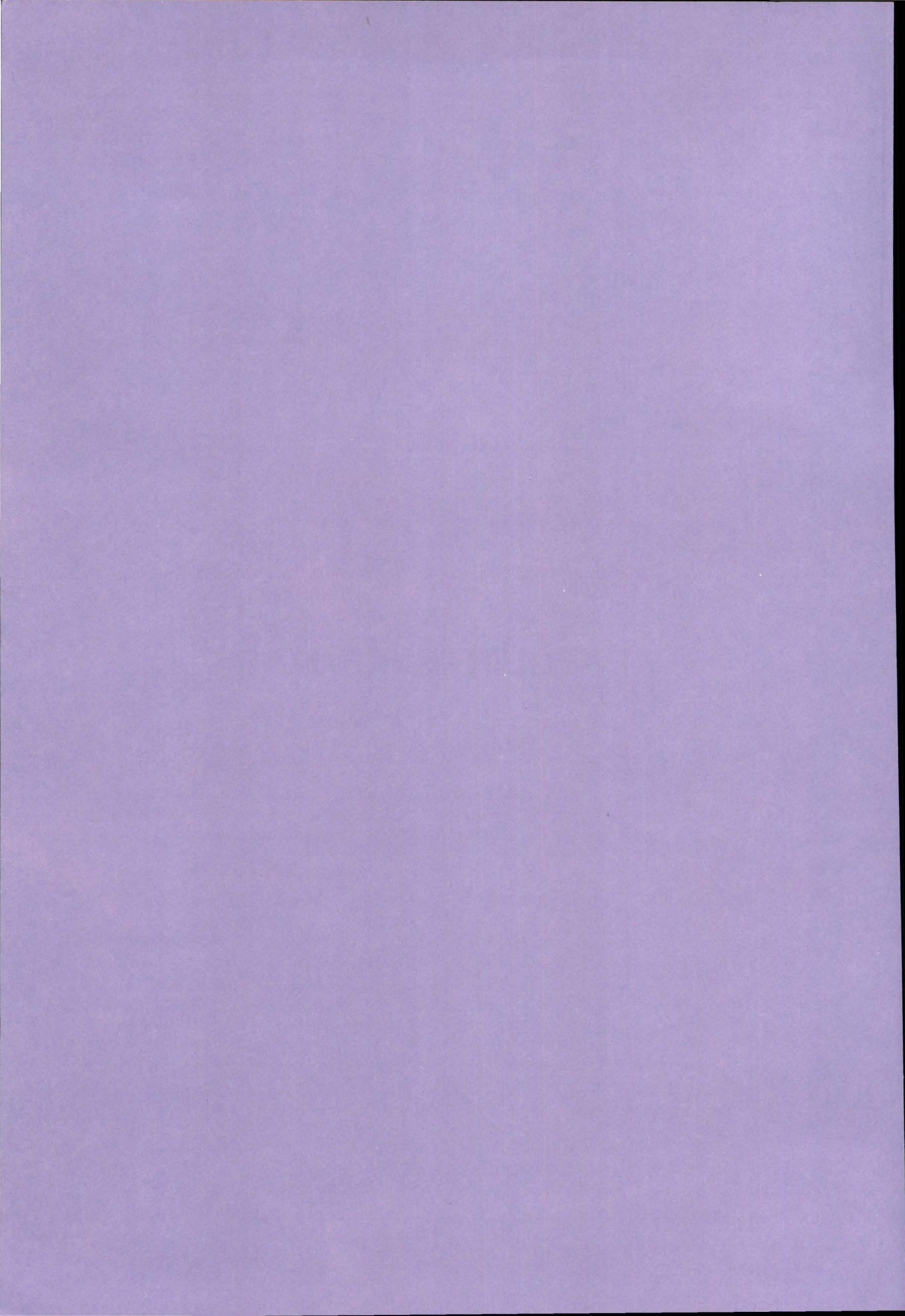
1. This Report has been prepared for submission to the Governor of Maharashtra under Article 151 of the Constitution of India.
2. Chapters I and II of this Report contain audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts respectively, of the State Government for the year ended 31 March 2011. 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.







## **EXECUTIVE SUMMARY**



# Executive Summary

## Background

Maharashtra is the second largest State in India, both in terms of population and 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 (GSDP) for the period 2001-02 to 2010-11 has been 15.87 *per cent* as compared to 14.68 *per cent* in General Category States. Despite this, the population below the poverty line in Maharashtra is much higher than the average of General Category States. During the above mentioned period, its population grew by 15.99 *per cent* against 17.56 *per cent* in General Category States. The per capita income compound annual growth rate in Maharashtra (12.51 *per cent*) has been higher than that of the General Category States (11.32 *per cent*) in the current decade. Per capita GSDP income/ contribution during 2010-11 was second highest as compared to the average of other General Category States. The State has higher urban inequality when compared to the all-India average.

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 2010-11 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 Maharashtra Fiscal Responsibilities and Budgetary Management (MFRBM) Act, 2005 and in the Budget Estimates of 2010-11.

## The Report

Based on the audited accounts of the Government of Maharashtra for the year ended March 2011, 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 2011. It provides an insight into trends of committed expenditure and borrowing pattern, besides giving a brief account of Central funds transferred directly to the State implementing agencies through the off-budget route.

**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 (22 *per cent*) and revenue expenditure (12 *per cent*) over the previous year decreased the revenue deficit during 2010-11 as compared to 2009-10.

As per the recommendations of the Thirteenth Finance Commission (ThFC), the revenue deficit is required to be brought down to zero for 2011-12, for which efforts have to be made to increase tax compliance, reduce administration costs, collect revenue arrears and prune unproductive expenditure.

**Interest payments** : Interest payments (₹ 15,648 crore), which increased by 11 *per cent* during the year over 2009-10, were within the projection made in the ThFC (₹ 16,213 crore) and the Medium Term Fiscal Policy Statement (MTFPS) (₹ 16,294 crore). However, it exceeded the assessments made in the Fiscal Correction Path (FCP) (₹ 15,566 crore).

**Non-Plan revenue expenditure** : The revenue expenditure (RE) (₹ 1,06,459 crore) constituted 85 *per cent* of the total expenditure (₹ 1,25,382 crore), of which, 84 *per cent* was the Non-Plan component (₹ 89,532 crore). The Non-Plan Revenue Expenditure (NPRE) remained higher than the normative assessments made by ThFC (₹ 67,884 crore) and the State Government's projections (MTFPS/Budget) (₹ 82,706 crore) but was lower than that projected in the FCP (₹ 91,682 crore).

**Incomplete Projects** : In respect of 233 incomplete projects pertaining to three departments, time overruns between four to 25 years occurred as of 31 March 2011. In respect of 22 incomplete irrigation projects, significant cost overruns resulted due to increase in the initial budgeted costs.

**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 0.06 to 0.13 *per cent* in the past three years while the Government paid an average interest of 7.23 to 7.38 *per cent* on this investment. This is 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 revival strategy should be worked out for those undertakings which can be made viable. Those which are not likely to be viable may be closed down.

**Debt sustainability :** During 2010-11, the fiscal liabilities (₹ 2,29,569 crore) of the State increased over the previous year by 13 *per cent*. The fiscal liabilities to GSDP ratio at 22.3 *per cent* was lower than the norm of 26.30 *per cent* recommended by the ThFC and MFRBM Rules of 2011. The revenue deficit indicates that some portion of the high-cost borrowings is being used by the Government for meeting its current expenditure.

Borrowed funds should be, as far as possible, utilised only for infrastructure development, whereas revenue expenditure should be met fully from the revenue receipts. Steps should be taken to return to the state of primary surpluses and zero revenue deficit as soon as possible.

**Oversight of funds transferred directly from the Government of India to the State implementing agencies:** The Government of India (GOI) directly transferred ₹ 5,645 crore to State implementing agencies during 2010-11 which was an increase of ₹ 1,276 crore (29 *per cent*) over the previous year. Funds transferred directly from GOI to 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. It also inhibits the MFRBM requirement of transparency in fiscal operations and thus bypasses accountability.

The Government should ensure proper accounting of the funds transferred to the State implementing agencies and the updated information should be validated by State Government as well as the Principal Accountant General (A&E), Maharashtra, for proper monitoring of the expenditure incurred by the implementing agencies.

## 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 saving of ₹ 21,929.61 crore, set off by an excess of ₹ 466.91 crore. This requires regularisation under Article 205 of the Constitution of India. There were instances of inadequate provision of funds and unnecessary/excessive reappropriations. 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 unsurrendered or surrendered on the last two days of March 2011, leaving no scope for utilizing these funds for other developmental purposes.

All the departments should submit realistic budget estimates, keeping in view the trends of expenditure and the actual requirement of funds in order to avoid large savings/excesses. All 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.

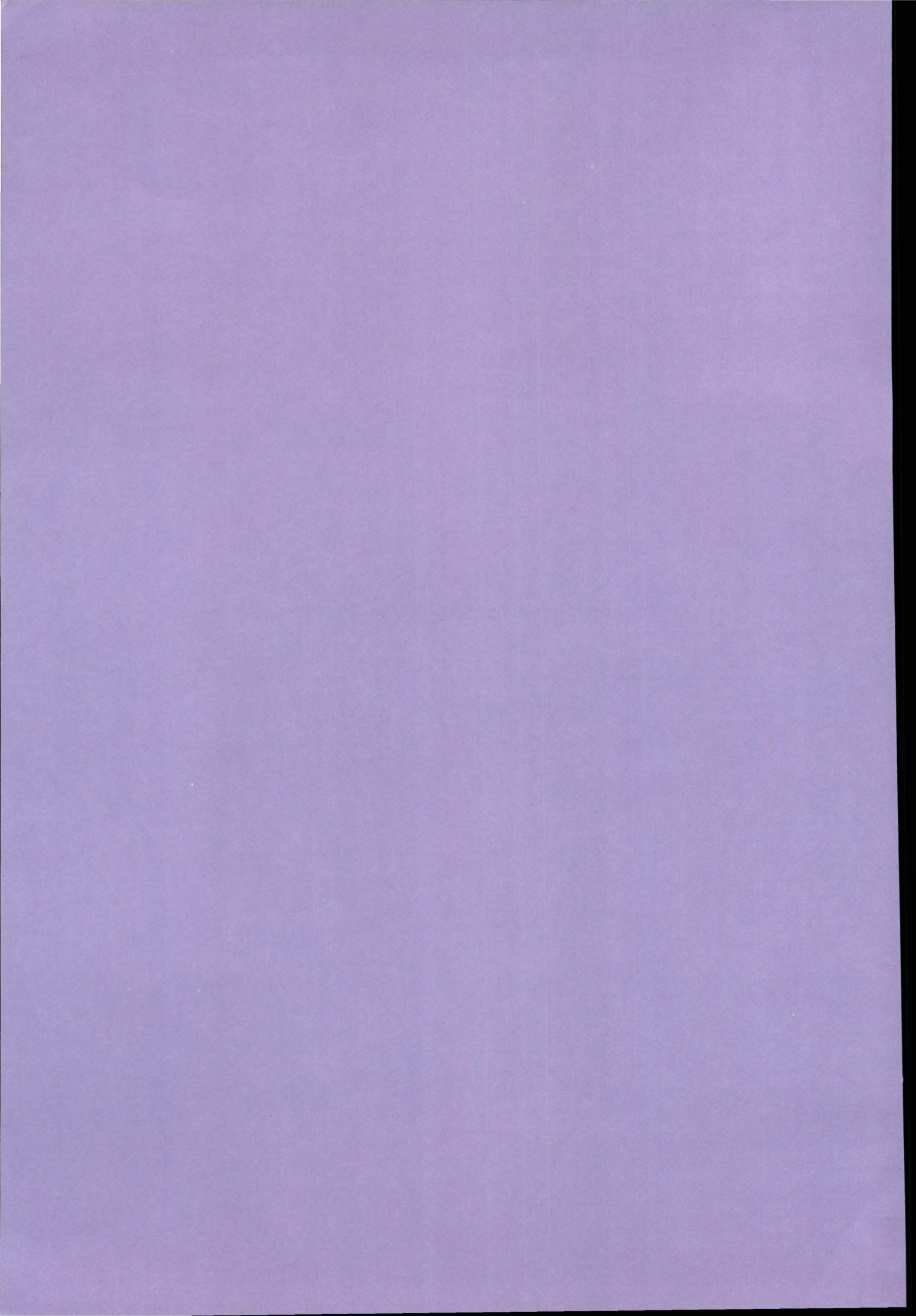
## **Chapter III**

### **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 experienced 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 for long periods. 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 2010-11, affecting the correctness in financial reporting.

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. A rigorous 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. Large amounts received or expended under various schemes should be depicted in the accounts distinctly, instead of clubbing the same under the Minor head '800-Other Expenditure' and '800-Other Receipts' to ensure correctness in financial reporting.

**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 both in terms of population (11.24 crore as per 2011 census) and geographical area (3.08 lakh sq km). As indicated in **Appendix 1.1**, in the last 10 years, the density of population of Maharashtra has increased from 315 persons per sq km to 365 persons per sq km. However, Maharashtra still has a lower density of population as compared to all-India average. However, it has higher poverty levels as compared to the all-India average. The State has shown higher economic growth in the past decade as the compound annual growth rate of its Gross State Domestic Product (GSDP) for the period 2001-02 to 2010-11 has been 15.87 *per cent* as compared to 14.68 *per cent* in General Category States. Despite this, the population below the poverty line in Maharashtra is much higher than the average of General Category States. During the above mentioned period, its population grew by 15.99 *per cent* against 17.56 *per cent* in General Category States. The per capita income compound annual growth rate in Maharashtra (12.51 *per cent*) has been higher than that of the General Category States (11.32 *per cent*) in the current decade. Per capita GSDP income/ contribution during 2010-11 was also second highest as compared to the average of other General Category States. The State has higher urban inequality when compared to the all-India average.

## **1.1 Introduction**

This chapter is based on the audit of Finance Accounts and makes an assessment of the Maharashtra Government's fiscal position as on 31 March 2011. It provides a broad perspective of the finances of the Government of Maharashtra during 2010-11 and analyses critical changes observed in the major fiscal aggregates in relation to the previous year, keeping in view the 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 Rules, 2006, MFRBM (Amendment) Rules, 2008 and MFRBM (Second Amendment) Rules, 2011 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 2010-11 in the State legislature in March 2010.

### **1.1.1 Summary of Current Year's Fiscal Transactions**

A summary of the State Government's fiscal transactions during 2010-11 *vis-à-vis* the previous

## Finances of the State Government

year is presented in **Table 1.1. Appendix 1.6** provides details of receipts and disbursements as well as the overall fiscal position during 2010-11.

**Table 1.1 : Summary of current year's fiscal operations**

(₹ in crore)

2009-10	Receipts	2010-11	2009-10	Disbursements	2010-11		
Section-A: Revenue					Non Plan	Plan	Total
86910.29	Revenue Receipts	105867.82	94915.97	Revenue Expenditure	89531.79	16927.59	106459.38
59106.34	Tax revenue	75027.10	32070.96	General services	37557.18	147.05	37704.23
8352.61	Non-tax revenue	8225.04	41004.66	Social services	37025.58	11256.48	48282.06
8248.11	Share of Union Taxes/ Duties	11419.78	20371.94	Economic services	13773.51	5511.85	19285.36
11203.23	Grants from Government of India	11195.90	1468.41	Grants-in-aid and Contributions	1175.52	12.21	1187.73
Section B : Capital							
25.07	Miscellaneous Capital Receipts	17.28	17428.66	Capital Outlay	2309.32	15654.05	17963.37
514.84	Recoveries of Loans and Advances	640.09	1261.08	Loans and Advances disbursed	—	—	959.08
21564.42	Public debt receipts*	20739.78	3825.39	Repayment of Public Debt*	—	—	4773.61
600.00	Appropriation from Contingency fund	0.00	350.00	Appropriation to Contingency fund	—	—	850.00
351.93	Contingency Fund	853.00	603.00	Contingency Fund	—	—	11.20
44071.51	Public Account Receipts	48406.32	31721.02	Public Account Disbursements	—	—	39557.62
21626.42	Opening Cash Balance	25559.36	25559.36	Closing Cash Balance	—	—	31509.39
175664.48	Total	202083.65	175664.48	Total			202083.65

(Source : State Finance Accounts of the respective years.)

\* Excluding ways and means advances and overdraft (Receipt : nil and Disbursement : nil)

The following are the major changes in fiscal transactions during 2010-11 over the previous year:

- Revenue receipts grew by ₹ 18,958 crore (22 per cent) over the previous year. The increase was the net effect of increase in tax revenue by ₹ 15,921 crore (27 per cent) and State's share of Union Taxes and Duties by ₹ 3,172 crore (38 per cent), set off by a decrease in non-tax revenue by ₹ 128 crore (two per cent). The revenue receipts at ₹ 1,05,868 crore was lower (by 1.2 per cent) than the amount assessed by the Government in its Fiscal Correction Path (FCP) (₹ 1,07,159 crore). However, it was higher (by nine per cent) than the Medium Term Fiscal Policy Statement (MTFPS) (₹ 97,043 crore) for the year 2010-11.
- The decrease in non-tax revenue by ₹ 128 crore (two per cent) over 2009-10 was mainly under 'Miscellaneous General Services' due to less receipts on account of write-off of amounts in terms of the recommendations of the Tenth Finance Commission and unclaimed deposits. The non-tax revenue (₹ 8,225 crore) of the Government was also lower than the projections made in the FCP (₹ 8,993 crore - nine per cent) of the Government, the Thirteenth Finance Commission (ThFC) (₹ 11,560 crore - 29 per cent) and the MTFPS/Budget (₹ 10,216 crore - 19 per cent).
- Revenue expenditure increased by ₹ 11,543 crore (12 per cent) over the previous year, mainly due to increase in expenditure on general services (₹ 5,633 crore) and social services (₹ 7,277 crore), set off by economic services (₹ 1,087 crore) and grants-in-aid and contributions (₹ 280 crore). While one per cent of the increase was under Plan head the remaining 15 per cent was under the Non-Plan head. The major heads that registered

increases include General Education, Pension and other Retirement Benefits, relief on account of Natural Calamities, Interest Payments, Police, Medical and Public Health, Social Security and Welfare, Nutrition, District Administration, Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes and Roads and Bridges. The revenue expenditure (₹ 1,06,459 crore) was, however, lower than the assessment made by the State Government in its FCP by 5.66 *per cent* and MTFPS/Budget by 1.7 *per cent*. The Non-Plan Revenue Expenditure (NPRE) (₹ 89,532 crore) remained higher than the normative assessments made by ThFC (₹ 67,884 crore) and the State Government's projections (MTFPS/Budget) (₹ 82,706 crore) but was lower than that projected in FCP (₹ 91,682 crore) (Table 1.12).

- Capital expenditure (₹ 17,963 crore) increased by 3.06 *per cent* over the previous year. The capital expenditure was lower than the assessment made by the State Government in its FCP by 4.6 *per cent* (₹ 18,823 crore) and was higher than the projections made in MTFPS by 5.7 *per cent* (₹ 16,993 crore) for the year 2010-11. The increase was mainly due to more contribution of Government's share capital to the Irrigation Corporations, as discussed in para 1.4.1.
- Recoveries of loans and advances increased by 24 *per cent* (₹ 125 crore) and its disbursements decreased by 24 *per cent* (₹ 302 crore).
- Public debt receipts decreased by four *per cent* (₹ 824 crore) while public debt disbursement increased by 25 *per cent* (₹ 949 crore) resulting in net decrease of ₹ 1,773 crore in public debt receipts.
- Increase of 10 *per cent* (₹ 4,334 crore) in Public Account receipts over the previous year was on account of increase of receipts under Deposits and Advances by 55 *per cent* (₹ 7,768 crore), Remittances by two *per cent* (₹ 365 crore), Small Savings, Provident Fund *etc.* by 17 *per cent* (₹ 573 crore) and Reserve Funds by 31 *per cent* (₹ 787 crore) set off by decrease under Suspense and Miscellaneous by 124 *per cent* (₹ 5,158 crore).
- Public Account disbursements increased by 25 *per cent* (₹ 7,837 crore) mainly due to increase under Deposit and Advances by 47 *per cent* (₹ 5,009 crore), Small Savings, Provident Fund *etc.* by 22 *per cent* (₹ 341 crore) and Remittances by 17 *per cent* (₹ 3,010 crore) along with decrease under Reserve Funds by 29 *per cent* (₹ 491 crore) and Suspense and Miscellaneous by 23 *per cent* (₹ 34 crore).
- Appropriation from the Contingency Fund decreased by ₹ 600 crore from ₹ 600 crore in 2009-10 to 'nil' in 2010-11 while appropriation to the Contingency Fund increased by ₹ 500 crore from ₹ 350 crore in 2009-10 to ₹ 850 crore in 2010-11.
- Cash balances of the Government at the close of the year 2010-11 (₹ 31,509 crore) increased by ₹ 5,950 crore (23 *per cent*) over the previous year. Of the above, ₹ 23,986 crore was invested in Government of India (GOI) Treasury Bills, as also discussed at para 1.6.6.

## 1.2 Resources of the State

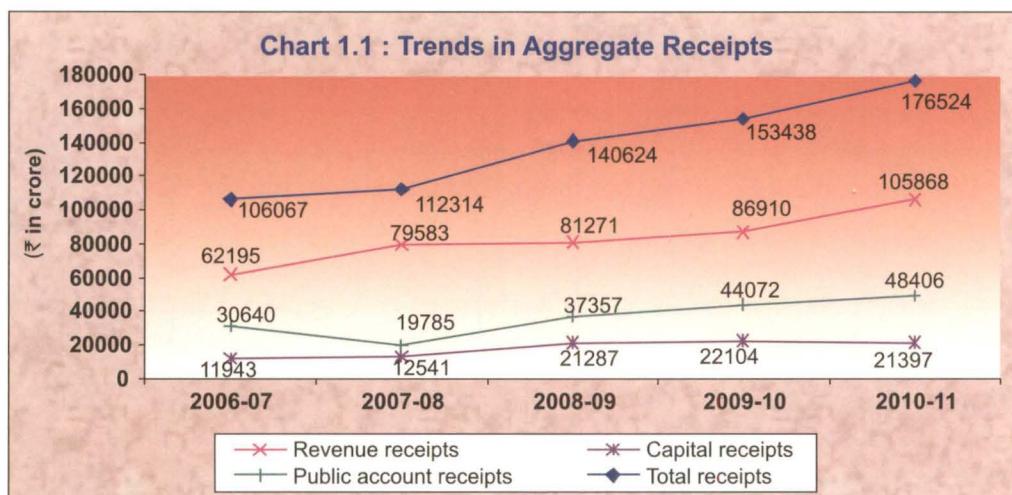
### 1.2.1 Resources of the State as per Finance Accounts

Revenue<sup>1</sup> and capital<sup>2</sup> are the two streams of receipts that constitute the resources of the State Government. Table 1.1 presents the receipts and disbursements of the State during 2010-11,

<sup>1</sup> Revenue receipts consist of tax revenues, non-tax revenues, State's share of Union taxes and duties and grants-in-aid from GOI.

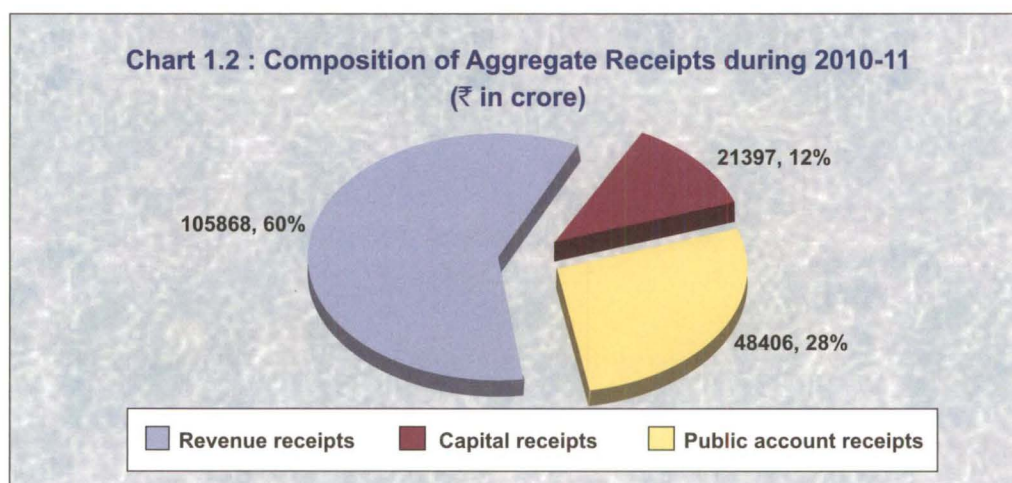
<sup>2</sup> Capital receipts comprise miscellaneous capital receipts such as proceeds from disinvestment, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GOI as well as accruals from the Public Account.

as recorded in its Finance Accounts 2010-11 while **Chart 1.1** and **Table 1.2** depicts the trends in various components of the aggregate receipts of the Government during 2006-11.



Note : Contingency Fund receipts were ₹ 853 crore (0.48 per cent of total receipt) during 2010-11.  
(Source : State Finance Accounts of the respective years)

**Chart 1.2** depicts the composition of resources of the Government during 2010-11.



The total receipts of the State increased by ₹ 70,457 crore (66 per cent) from ₹ 1,06,067 crore in 2006-07 to ₹ 1,76,524 crore in 2010-11. The share of revenue receipts and capital receipts (including public debt receipts) in total receipts of the State increased marginally from 59 per cent in 2006-07 to 60 per cent in 2010-11 and from 11 per cent in 2006-07 to 12 per cent in 2010-11 respectively. The share of public account receipts decreased marginally from 29 per cent to 27 per cent during the same period.

The **Table 1.2** shows that the growth of capital debt receipts reduced from 4.13 per cent in 2009-10 to a negative growth of (-)3.82 per cent in 2010-11, while non-debt capital receipts increased from negative growth of (-)6.57 per cent in 2009-10 to a positive growth of 21.67 per cent in 2010-11.

Table 1.2: Trends in growth and composition of aggregate receipts

(₹ in crore)

Sources of State's Receipts		2006-07	2007-08	2008-09	2009-10	2010-11
I	Revenue Receipts	62,195	79,583	81,271	86,910	1,05,868
II	Capital Receipts	11,943	12,541	21,287	22,104	21,397
	Miscellaneous Capital Receipts	—	—	18	25	17
	Recovery of Loans and Advances	51	733	560	515	640
	Public Debt Receipts	11,892	11,808	20,709	21,564	20,740
	Growth rate of debt capital receipts	-40.46	-0.71	75.38	4.13	-3.82
	Growth rate of non-debt capital receipts	-90.74	1337.25	-21.15	-6.57	21.67
	Growth rate of GSDP	17.79	16.03	17.22	30.11	14.23
	<b>Rate of growth of CR (per cent)</b>	<b>-41.81</b>	<b>5.01</b>	<b>69.74</b>	<b>3.84</b>	<b>-3.20</b>
III	Contingency Fund*	1,289	405	709	352	853
IV	Public Account Receipts	30,640	19,785	37,357	44,072	48,406
	a. Small Savings, Provident Fund etc.	1,895	2,060	2,220	3,309	3,882
	b. Reserve Fund	5,988	-9,196	2,428	2,559	3,346
	c. Deposits and Advances	8,898	10,847	11,438	14,150	21,918
	d. Suspense and Miscellaneous	436	325	3,132	4,166	-993
	e. Remittances	13,423	15,749	18,139	19,888	20,253
V	<b>Total Receipts</b>	<b>1,06,067</b>	<b>1,12,314</b>	<b>1,40,624</b>	<b>1,53,438</b>	<b>1,76,524</b>

\* Under the Contingency Fund, ₹ 11.20 crore was not recouped at the end of the year.

Source : Finance Accounts

Public Account receipts increased by 57.98 per cent over the period 2006-11. As compared to 2009-10, the increase during 2010-11 was 9.83 per cent, which was mainly under Deposits and Advances, Remittances and Small Savings, Provident Fund etc and Reserve Funds.

### 1.2.2 Funds transferred to State Implementing Agencies outside the State Budgets

The Government of India has been transferring a sizeable quantum of funds directly to State implementing agencies<sup>3</sup> for implementation of various schemes/ programmes in social and economic sectors for human and social development of the population. As these funds are not routed through the State Budget/ State Treasury System, the Annual Finance Accounts do not capture their flow and to that extent the State's receipts and expenditure as well as other fiscal variables/ parameters derived from them are understated. To present a holistic picture on the availability of aggregate resources, funds directly transferred to State implementing agencies during 2010-11 are presented in **Appendix 1.8**.

GOI directly transferred ₹ 5,645.35 crore to State implementing agencies during 2010-11. The major transfers were for the Pradhan Mantri Gram Sadak Yojana (₹ 1,242.55 crore i.e 22 per cent), the National Rural Health Mission (₹ 675.29 crore i.e 12 per cent), the Maharashtra Prathamik Shikshan Parishad (₹ 855.37 crore i.e. 15 per cent) for Sarva Shiksha Abhiyan and District Rural Development Agencies (DRDAs) (₹ 1462.72 crore i.e 26 per cent) for Indira Awas Yojana, Swarnajayanti Gram Swarajgar Yojana, the Integrated Watershed Management Programme, DRDA administration and the National Rural Employment Guarantee Scheme. Since the funds are generally not being spent fully by the implementing agencies in the same

<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 Government of India for implementing specific programmes in the State, eg. Sarva Shiksha Abhiyan, National Rural Health Mission etc.

## Finances of the State Government

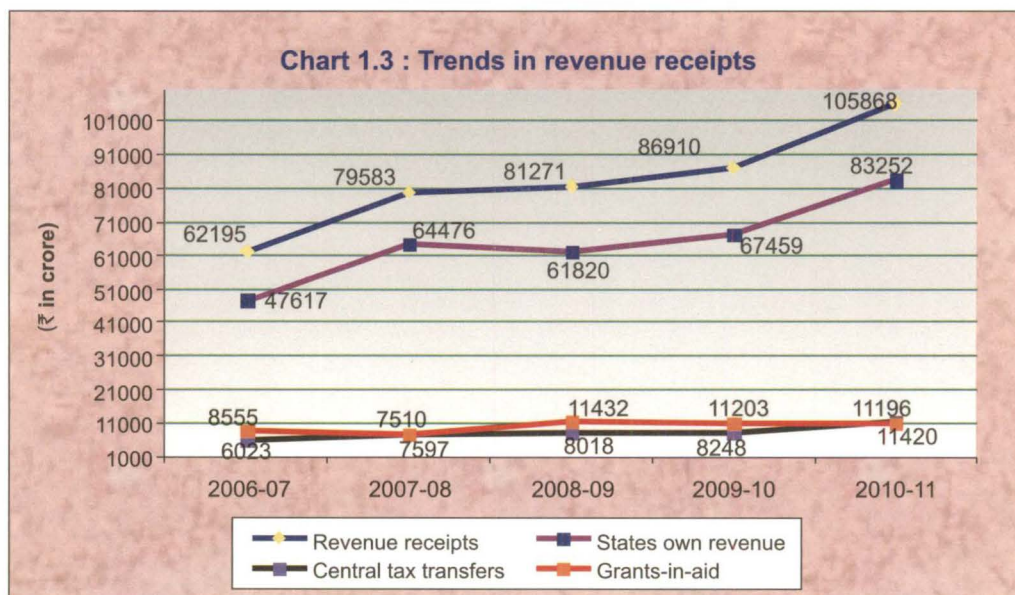
financial year in which they are given, there remain unspent balances in the bank accounts of these implementing agencies. The aggregate amount of the unspent balances in the accounts of the implementing agencies, kept outside Government accounts (in bank accounts), is not readily ascertainable.

As compared to the previous year, the increase in transfer of funds was mainly under the Pradhan Mantri Gram Sadak Yojana (₹ 943.37 crore *i.e* 315 *per cent*), the National Rural Health Mission (₹ 675.29 crore *i.e* 12 *per cent*), the Maharashtra Prathamik Shikshan Parishad (₹ 291.05 crore *i.e* 52 *per cent*) for Sarva Shiksha Abhiyan, DRDAs (₹ 296.21 crore *i.e* 25 *per cent*) for Indira Awas Yojana, Swarnajayanti Gram Swarojgar Yojana, the Integrated Watershed Management Programme, DRDA administration and the National Rural Employment Guarantee Scheme as well as the Agriculture Technology Management Agency (₹ 115.30 crore *i.e* 108 *per cent*) for micro-irrigation. However, the transfer of funds decreased mainly under the State Water and Sanitation Mission (₹ 625.98 crore *i.e* 83 *per cent*) for the Accelerated Rural Water Supply Scheme as well as the Central Rural Sanitation Scheme and the Maharashtra Industrial Development Corporation Ltd. (₹ 93.09 crore *i.e* 92 *per cent*) for assistance to the State for developing export infrastructure and allied activities.

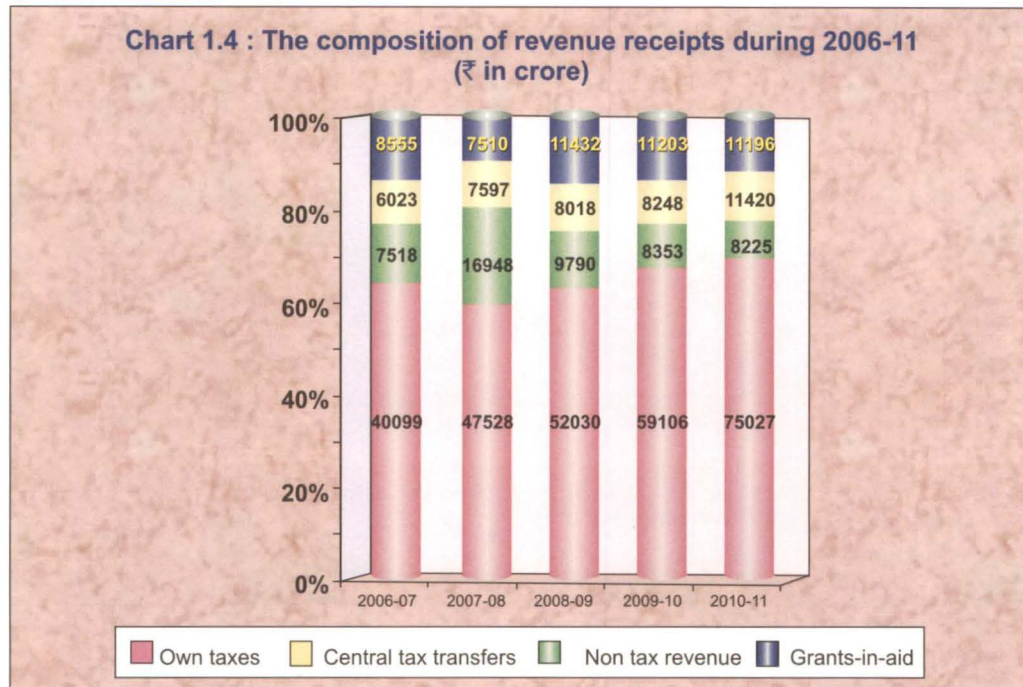
Direct transfer of funds from the GOI to State implementing agencies ran the risk of improper utilisation of funds by these agencies. Unless uniform accounting practices are followed by all these agencies, with proper documentation and timely reporting of expenditure, it would be difficult to monitor 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 2006-11 are presented in **Chart 1.3** and also in **Appendix 1.5**.



The composition of revenue receipts over the period 2006-11 are presented in **Chart 1.4**.



The revenue receipts have shown a progressive increase over the period 2006-11. As shown in **Chart 1.4**, there was a declining trend in the share of the State's own taxes during the period 2006-08, which increased during 2008-11. The share of grants-in-aid decreased in alternative years during 2006-10 and further decreased during 2010-11. The shares of non-tax revenue showed a declining trend during 2006-11 except in 2007-08 and Central transfers were relatively stable during 2006-11.

During 2001-02 to 2009-10, the compound growth rate of revenue receipts (14.18 per cent) was less than the growth rate of other General Category States (15.20 per cent). This growth rate for the period 2001-02 to 2010-11 increased to 14.98 per cent (**Appendix 1.1**).

Revenue receipts at ₹ 1,05,868 crore was lower (1.2 per cent) than the assessments made by the State Government in its FCP but higher (9.09 per cent) than the MTFPS for the year 2010-11.

The trends in revenue receipts relative to GSDP at current prices are presented in **Table 1.3** :

**Table 1.3 : Trends in revenue receipts relative to GSDP**

	2006-07	2007-08	2008-09	2009-10	2010-11
Revenue Receipts (₹ in crore)	62,195	79,583	81,271	86,910	1,05,868
Rate of growth <sup>4</sup> of RR (per cent)	28.4	28	2.1	6.9	21.8
RR/GSDP (per cent)	12.2	13.5	11.7	9.6	10.28
<b>Buoyancy Ratio's<sup>5</sup></b>					
Revenue Buoyancy w.r.t. GSDP	1.596	1.747	0.122	0.229	1.532
State's own taxes Buoyancy w.r.t. GSDP	1.099	1.156	0.550	0.452	1.893
Gross State Domestic Product (₹ in crore)	5,09,356 *	5,90,995 *	6,92,749 *	9,01,330 *	10,29,621 #
Growth rate of GSDP	17.79	16.03	17.22	30.11	14.23

Source: \* Based on Economic Survey of Maharashtra (Preliminary Estimates)

# Advance estimates furnished by Directorate of Economics & Statistics, Government of Maharashtra.

<sup>4</sup> see Glossary at page 112

<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 1.9 implies that revenue receipts tend to increase by 1.9 percentage points, if the GSDP increases by one per cent (also see Glossary at page 112).

## Finances of the State Government

The increase in revenue receipts during 2010-11 (21.8 per cent) as compared to previous year was due to the net effect of increase in tax revenue by 27 per cent (₹ 15,921 crore) and the State's share of Union taxes and duties by 38 per cent (₹ 3,172 crore), set off by a decrease in non-tax revenue by two per cent (₹ 128 crore).

The State's own tax buoyancy with reference to GSDP gradually increased from 1.099 in 2006-07 to 1.156 in 2007-08. However, it decreased to 0.550 in 2008-09 and 0.452 in 2009-10, but increased to 1.893 in 2010-11 mainly because the increase in tax revenue (27 per cent) was more as compared to the increase in GSDP (14 per cent).

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

The grants-in-aid from GOI decreased marginally by 0.06 per cent from ₹ 11,203 crore in 2009-10 to ₹ 11,196 crore in 2010-11. The decrease was mainly under Non-Plan grants (38 per cent), while the grants for State Plan Schemes; Central Schemes and Central and Centrally Sponsored Plan Schemes increased by eight per cent, 182 per cent and 41 per cent respectively in 2010-11 (Table 1.4).

**Table 1.4 : Grants-in-aid from Government of India**

(₹ in crore)

	2006-07	2007-08	2008-09	2009-10	2010-11
Grants for State Plan schemes	3,919	3,780	6,683	5,396	5,805
Non-Plan grants	3,489	2,106	2,832	3,707	2,304
Grants for Central Schemes	89	63	139	87	245
Grants for Central and Centrally Sponsored Schemes	1,058	1,561	1,778	2,013	2,842
<b>Total</b>	<b>8,555</b>	<b>7,510</b>	<b>11,432</b>	<b>11,203</b>	<b>11,196</b>
Percentage of increase/decrease over previous year	114.9	(-12.2)	52.22	(-2.0)	(-0.06)

Source : Finance Accounts

The decrease under Non-Plan grants (₹ 1,403 crore) was due to decrease under grants from National Calamity Contingency Fund (₹ 182 crore), Grants towards contribution to the State Disaster Response Fund (₹ 178 crore) and other grants<sup>6</sup> (₹ 1,227 crore) set off by an increase under grants from the Central Road Fund (₹ 184 crore). The increase under State Plan schemes (₹ 409 crore) was mainly due to increases under (a) the Accelerated Irrigation Benefit Programme and other water related schemes (₹ 640 crore) and (b) grants under proviso to Article 275(1) of the Constitution (₹ 574 crore), set off by a decrease under Submission on Urban Infrastructure and Governance (₹ 455 crore), National Social Assistance Programme Annapurna (₹ 129 crore) and Additional Central assistance for other projects (₹ 246 crore). Increases under grants for Central schemes (₹ 158 crore) were mainly in (a) Village and Small Scale Industries (₹ 83 crore), (b) Technical Education (₹ 43 crore), (c) Sports and Youth Services (₹ 41 crore) and (d) Elections (₹ 40 crore), set off by a decrease, mainly under Welfare of Scheduled Castes and Scheduled Tribes and Other Backward Classes (₹ 28 crore). Increases under Centrally Sponsored schemes (₹ 829 crore) were mainly under (a) General Education (₹ 357 crore), (b) Welfare of Scheduled Castes and Scheduled Tribes and Other Backward Classes (₹ 279 crore) and (c) Social Securities and Welfare (₹ 161 crore).

### Central tax transfers

Central tax transfers increased by 38 per cent from ₹ 8,248 crore in 2009-10 to ₹ 11,420 crore in 2010-11. The increase was mainly under customs duty (₹ 843 crore), Union excise duties

<sup>6</sup> Decrease mainly under Compensation on account of implementation of Value Added Tax (₹ 1,491 crore) and Grants under recommendations of XIIth Finance Commission (₹ 835 crore) set off by increase mainly under Grants under recommendation of XIth Finance Commission (₹ 664 crore), compensation to States for revenue loss due to introduction of Value Added Tax (₹ 277 crore).



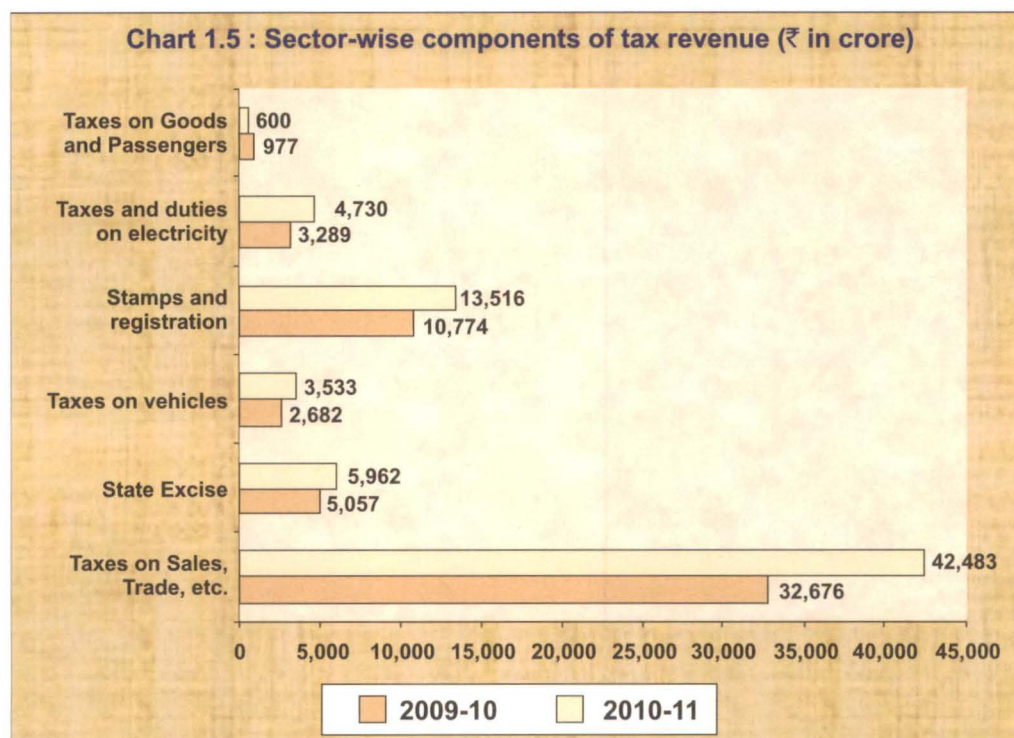
(₹ 523 crore), corporation tax (₹ 1,069 crore), taxes on income other than corporation tax (₹ 468 crore) and service tax (₹ 268 crore).

### 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, collection of Central tax receipts, Central assistance for Plan Schemes, etc., the State's performance in mobilization of additional resources should be assessed in terms of its own resources comprising revenue from its own tax and non-tax sources. The gross collection in respect of major taxes and duties as well as the components of non-tax receipts vis-a-vis the expenditure incurred on their collection and the percentage of such expenditure to the gross collection during the years from 2006-07 to 2010-11 are presented in **Appendix 1.5**.

#### Tax Revenue

The tax revenues exceeded the projections made in the FCP by 2.08 per cent, and in MTFPS by 18 per cent. The sector-wise components of tax revenue during the period 2009-10 to 2010-11 are shown in **Chart 1.5**.



The tax revenue increased by ₹ 15,921 crore (27 per cent) over the previous year. The increase over the previous year was mainly under (a) land revenue by 53 per cent (₹ 381 crore), due to more receipts from sale of Government estates, (b) taxes and duties on electricity by 44 per cent (₹ 1,441 crore) due to more receipts under 'Taxes on Consumption and Sale of Electricity' and 'Fees under the Indian Electricity Rules, 1956' due to increase in rates of inspection fees, (c) taxes on vehicles by 32 per cent (₹ 851 crore) due to more tax collection under 'State Motor Vehicles Taxation Act', (d) taxes on Sales, Trades, etc. by 30 per cent (₹ 9,807 crore) due to more tax collection under 'Value Added Tax', (e) Stamps and Registration fees by 25 per cent (₹ 2,742 crore) due to growth in Stamp duty and registration fees collection and (f) State excise by 18 per cent (₹ 905 crore) due to receipt of more excise duty on wines and spirits.

During 2001-02 to 2009-10, the compound growth rate of tax revenue (13.62 per cent) was less than the growth rate of other General Category States (14.53 per cent). This growth rate for the period 2001-02 to 2010-11 increased to 15.01 per cent (**Appendix 1.1**).

## Finances of the State Government

The tax revenue as a percentage of GSDP (7.29 per cent) was less than the normative assessment of ThFC (8.49 per cent). However, it was marginally higher than that projected in the MTFPS (7.21 per cent) and the FCP (7.14 per cent).

### Non-tax revenue

The non-tax revenue of the State decreased by 1.5 per cent (₹ 128 crore) from ₹ 8,353 crore in 2009-10 to ₹ 8,225 crore in 2010-11, mainly due to a sharp decrease in receipts booked under the Major Head 'Miscellaneous General Services' (₹ 434 crore), due to less receipts on account of write-off of amounts in terms of the recommendations of the Tenth Finance Commission and unclaimed deposits.

During 2001-02 to 2009-10, the compound growth rate of non-tax revenue (7.58 per cent) was less than the growth rate of other General Category States (13.87 per cent). This growth rate for the period 2001-02 to 2010-11 further decreased to 6.52 per cent (Appendix 1.1).

**Table 1.5 : Revenue receipts relative to ThFC and State's projections**

(₹ in crore)

	Assessments made by ThFC	Projections in FCP	Projections in MTFPS / Budget	Actuals
Tax revenue	70,649	73,496	63,838	75,027
Non-tax revenue	11,560	8,993	10,216	8,225
GSDP	8,31,964	10,29,621	8,85,374	10,29,621

**Table 1.5** shows that the actual realisation of tax revenue during 2010-11 was higher than the normative assessment of ThFC as well as the projections made in the MTFPS and FCP. The non-tax revenue of the Government was lower for both the FCP (nine per cent) of the Government as well as the ThFC projection (29 per cent). These were, however, 19 per cent below the MTFPS projection. The components under which the non-tax revenue increased were under other administrative services (₹ 472.91 crore) and non-ferrous mining and metallurgical industries (₹ 374.46 crore).

### 1.3.2 Cost of collection

The gross collection in respect of three major heads of revenue receipts, the expenditure incurred on their collection and the percentage of such expenditure to the gross collection during the years 2008-09, 2009-10 and 2010-11, along with the relevant all-India average percentage of expenditure on gross collection for the year 2009-10 are given in the **Table 1.6** :

**Table 1.6 : The expenditure incurred on collection of taxes**

(₹ in crore)

Sl. No.	Head of revenue	Year	Gross collection <sup>7</sup>	Expenditure on collection	Percentage of expenditure to gross collection	All India average percentage for the year 2009-10
1.	Sales tax / VAT	2008-09	30,680.53	216.38	0.71	0.96
		2009-10	32,676.02	283.65	0.87	
		2010-11	42,482.72	298.08	0.70	
2.	State excise	2008-09	4,433.76	39.25	0.89	3.64
		2009-10	5,056.63	62.68	1.24	
		2010-11	5,961.85	62.68	1.05	
3.	Taxes on vehicles	2008-09	2,220.22	57.93	2.61	3.07
		2009-10	2,682.29	76.96	2.86	
		2010-11	3,532.90	90.62	2.57	

<sup>7</sup> Figures as per the Finance Accounts.

As compared to the previous year, the percentage of expenditure on collection of taxes increased gradually in all heads of revenue for the period 2008-10. However, it decreased during 2010-11. It would be seen that the cost of collection of revenue in the State is less than the all-India average in all the three important heads of revenue. However, it would be prudent to improve the tax administration in order to increase the revenue and thereby, reduce the cost of collection.

### 1.3.3 Revenue arrears

The arrears of revenue as on 31 March 2011 in respect of some principal heads of revenue as furnished by the department (except State excise) amounted to ₹ 37,862.13 crore, of which ₹ 4,197.03 crore had been outstanding for more than five years, as mentioned in **Table 1.7**.

**Table 1.7 : Arrears of revenue**

(₹ in crore)

Sl. No.	Head of revenue	Amount outstanding as on 31 March, 2011	Amount outstanding for more than five years as on 31 March 2011	Remarks
1.	Sales tax, etc.	36,328.09	3,260.69	Stay orders were granted by the appellate authorities for ₹ 22,062.42 crore; recovery proceedings for ₹ 3,214.67 crore were not initiated as the time limit was not over and the remaining amount was in different stages of recovery.
2.	Sale of jail manufactures	7.88	4.75	Suitable instructions regarding recovery of arrears of revenue have already been issued to subordinate offices. Efforts were being made for speedy recovery.
3.	Electricity duty/ Inspection fees	1,526.16	931.57	Demand notices issued by the Department for recovery.
	<b>Total</b>	<b>37,862.13</b>	<b>4,197.03</b>	

## 1.4 Application of resources

Analysis of the allocation of expenditure at the State Government level assumes significance since major expenditure responsibilities are entrusted with them. Within the framework of fiscal responsibility legislations, there are budgetary constraints in raising the 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 sectors.

### 1.4.1 Growth and composition of expenditure

The total expenditure and its compositions during the years 2006-07 to 2010-11 are presented in the **Table 1.8**.

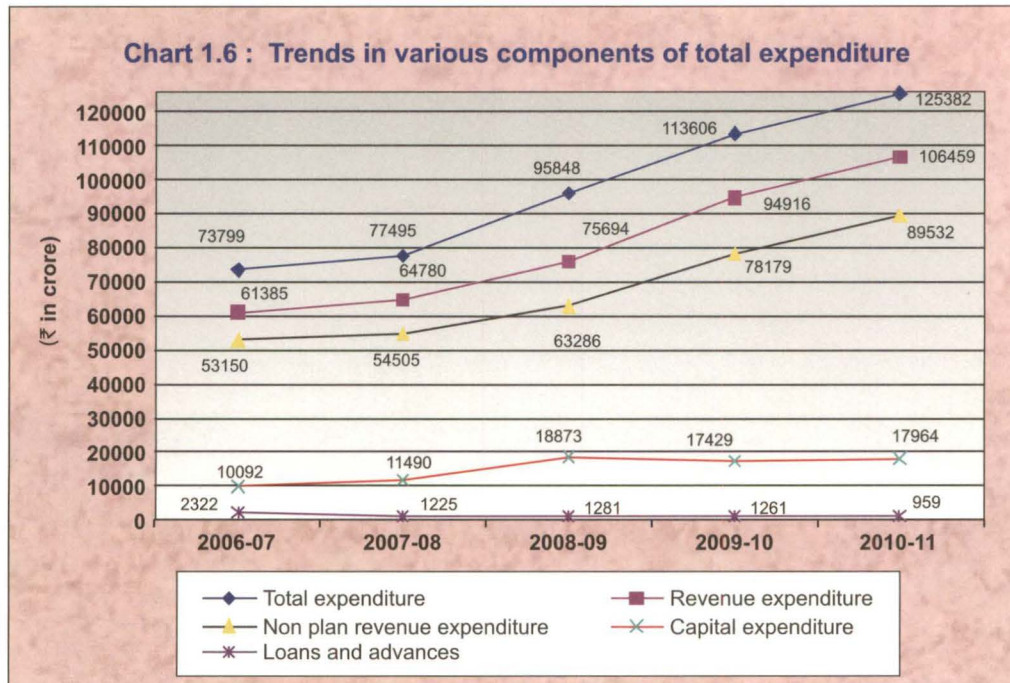
**Table 1.8 : Total expenditure and its composition**

(₹ in crore)

	2006-07	2007-08	2008-09	2009-10	2010-11
<b>Total Expenditure</b>	<b>73,799</b>	<b>77,495</b>	<b>95,848</b>	<b>1,13,606</b>	<b>1,25,382</b>
Revenue Expenditure	61,385	64,780	75,694	94,916	1,06,459
<i>Of which, Non-Plan Revenue Expenditure</i>	<i>53,150</i>	<i>54,505</i>	<i>63,286</i>	<i>78,179</i>	<i>89,532</i>
Capital Expenditure	10,092	11,490	18,873	17,429	17,964
Loans and Advances	2,322	1,225	1,281	1,261	959

Source : Finance Accounts

Chart 1.6 presents the trends in total expenditure over a period of the last five years (2006-11) and its composition both in terms of 'economic classification' and 'expenditure by activities' depicted in Charts 1.7 and 1.8 respectively.



(Source : Finance Accounts of respective years)

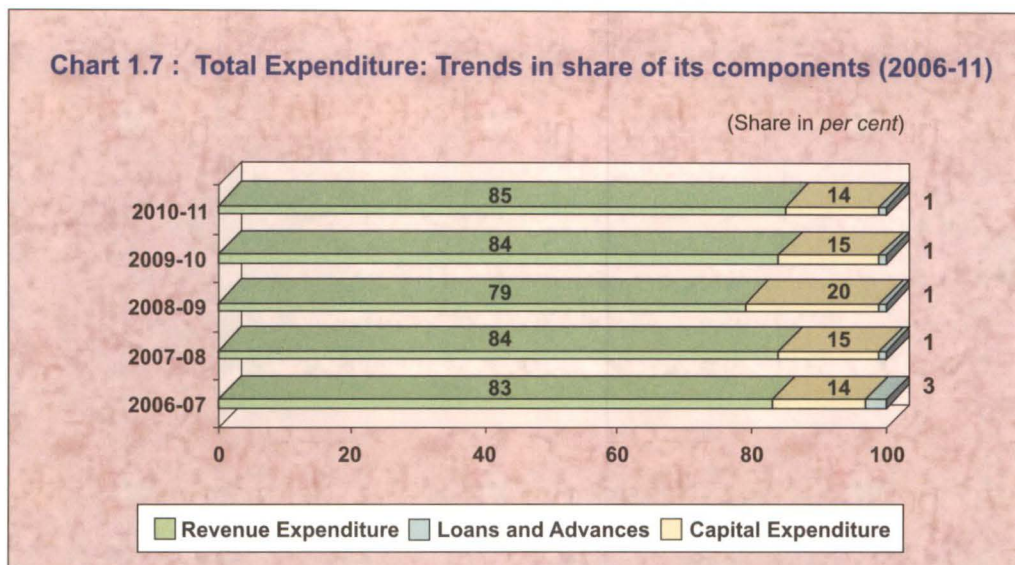
### Total expenditure

The total expenditure of the State increased at an average growth rate of 17 per cent from ₹ 73,799 crore in 2006-07 to ₹ 1,25,382 crore in 2010-11. 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 1.9**. During 2001-02 to 2009-10, the compound growth rate of total expenditure (13.49 per cent) was less than the growth rate of other General Category States (13.53 per cent). This growth rate for the period 2001-02 to 2010-11 further decreased to 13.12 per cent (**Appendix 1.1**).

**Table 1.9 : Total expenditure – basic parameters**

	2006-07	2007-08	2008-09	2009-10	2010-11
Total expenditure (TE) (₹ in crore)	73,799	77,495	95,848	1,13,606	1,25,382
Rate of growth (per cent)	10.8	5	23.7	18.53	10.37
TE / GSDP ratio (per cent)	14.5	13.1	13.8	12.60	12.2
RR / TE ratio (per cent)	84.3	102.7	84.8	76.5	84.4
Buoyancy of Total Expenditure with reference to:					
GSDP (ratio)	0.607	0.312	1.376	0.615	0.729
RR (ratio)	0.380	0.179	11.286	2.681	0.476

The increase of ₹ 11,776 crore (10.37 per cent) in total expenditure in 2010-11 over the previous year was mainly on account of an increase of ₹ 11,543 crore in revenue expenditure, ₹ 535 crore in capital expenditure, set off by a decrease of ₹ 302 crore in disbursement of loans and advances.



**Revenue expenditure**

Revenue expenditure constituted 85 per cent of the total expenditure (**Chart 1.7**). The increase in revenue expenditure was mainly on (a) General Education (₹ 4,523 crore), (b) Pension and other Retirement Benefits (₹ 2,751 crore) (c) Relief on account of Natural Calamities (₹ 1,751 crore), (d) Interest Payments (₹ 1,607 crore), (e) Police (₹ 989 crore), (f) Medical and Public Health (₹ 701 crore), (g) Social Security and Welfare (₹ 676 crore) and (h) Nutrition (₹ 632 crore).

**Capital expenditure**

Capital expenditure constituted 14 per cent of the total expenditure. The increase of ₹ 535 crore in capital expenditure during 2010-11 was mainly on account of increase in the Government's share capital contribution (₹ 1,555 crore) to the Vidarbha Irrigation Development Corporation, the Tapi Irrigation Development Corporation, the Konkan Irrigation Development Corporation, the Godavari Marathwada Irrigation Development Corporation, Welfare of Scheduled Castes/Tribes and Other Backward Classes (₹ 166 crore), Rural Development (₹ 175 crore), Energy (₹ 398 crore), set off by decreases in Transport (₹ 750 crore), Water Supply, Sanitation, Housing and Urban Development (₹ 306 crore), General Services (₹ 171 crore) and Agriculture and Allied Activities (₹ 96 crore).

**Loans and advances**

Loans and advances constituted one per cent of the total expenditure. The decrease of ₹ 302 crore in disbursement of loans and advances during 2010-11 was mainly in power projects (₹ 270 crore).

There was a consistent fall in the buoyancy ratio of total expenditure with reference to revenue receipts during the period 2006-08. The ratio which rose to 11.286 during 2008-09, indicating increase in expenditure at a pace greater than receipts, however, declined to 0.476 during 2010-11. This was due to decrease in the rate of growth of total expenditure as compared to the previous year, whereas the rate of growth of revenue receipts increased as compared to the previous year.

The buoyancy of total expenditure with reference to GSDP was less than one during 2006-07 to 2007-08, due to the combined effect of decrease in the rate of growth in expenditure along with a sharp rise in GSDP during these years. This indicated a relative fall in the State's propensity to spend, with the increase in GSDP. However, this ratio rose to 1.376 during 2008-09 but once again declined to less than one during 2009-10 and 2010-11, due to a decrease in the rate of growth of total expenditure as compared to the rate of growth of GSDP.

## Finances of the State Government

Of the total expenditure during 2010-11, Non-Plan expenditure contributed 74 per cent while Plan expenditure was 26 per cent. Of the increase of ₹ 11,776 crore in total expenditure, Plan expenditure shared 10 per cent, while Non-Plan expenditure contributed 90 per cent.

During 2001-02 to 2009-10, the compound growth rate of capital expenditure (24.87 per cent) was higher than the growth rate of other General Category States (22.61 per cent). This growth rate for the period 2001-02 to 2010-11, however, decreased to 22.21 per cent (Appendix 1.1).

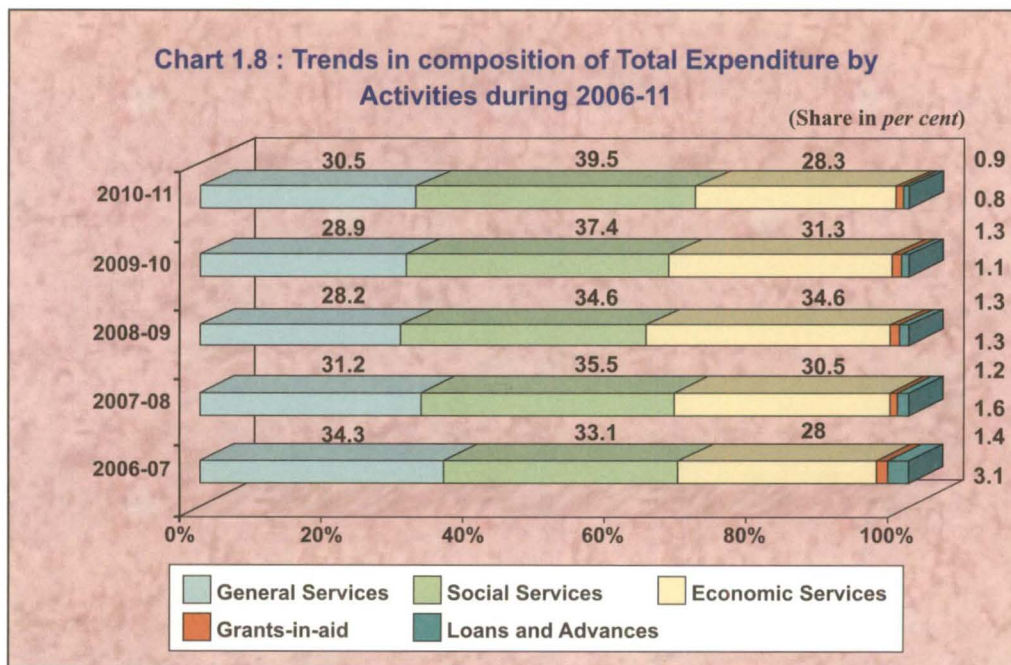
### Trends in total expenditure in terms of activities

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 1.10 and Chart 1.8.

Table 1.10: Components of expenditure – relative shares

	(in per cent)				
	2006-07	2007-08	2008-09	2009-10	2010-11
General Services	34.4	31.2	28.2	28.9	30.5
of which, Interest Payments	15.8	15.7	12.8	12.4	12.5
Social Services	33.1	35.5	34.6	37.4	39.5
Economic Services	28.0	30.5	34.6	31.3	28.3
Grants-in-aid	1.4	1.2	1.3	1.1	0.9
Loans and Advances	3.1	1.6	1.3	1.3	0.8

The movement of the relative shares of the above components of expenditure indicated that the shares of General Services and Social Services in the total expenditure increased during 2010-11 over the previous year. These increases were set off by decrease in the respective shares of Economic Services, grants-in-aid and loans and advances.



The shares of General Services in total expenditure increased mainly on account of increase in Interest Payments (₹ 1,607 crore), Police (₹ 989 crore), Pension and other Retirement Benefits (₹ 2,751 crore), District Administration (₹ 374 crore) and Administration and Justice (₹ 208 crore) whereas the share of Social Services increased mainly due to Education, Art, Sports

and Culture (₹ 4,698 crore), Social Welfare and Nutrition (₹ 1,711 crore), Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes (₹ 539 crore) and Health and Family Welfare (₹ 745 crore).

The decrease in the share of Economic Services was mainly on account of Agriculture and Allied Activities (₹ 920 crore) and Transport (₹ 559 crore).

The decrease in grants-in-aid was mainly on account of compensation and assignments to Local Bodies and Panchayati Raj Institutions (₹ 150 crore) and Aid Material and Equipment (₹ 131 crore).

Though the share of Economic Services in total expenditure decreased, there was increase in expenditure on Economic Services, mainly on account of increase in expenditure on Irrigation and Flood Control (₹ 1,296 crore).

In the major 12<sup>8</sup> schemes (as listed in Annexure-I to Statement No.12 of the Finance Accounts 2010-11), out of ₹ 505 crore released by the Government of India, the State Government released only ₹ 141 crore for the schemes and the balance amount of ₹ 364 crore was lying in the cash balance of the State Government.

### 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. Revenue expenditure had the predominant share of around 85 per cent in the total expenditure during 2010-11. The overall revenue expenditure, its rate of growth, the ratio of revenue expenditure to GSDP and to revenue receipts and its buoyancy are indicated in Table 1.11.

Table 1.11 : Revenue expenditure – basic parameters

	(₹ in crore)				
	2006-07	2007-08	2008-09	2009-10	2010-11
<b>Revenue Expenditure (RE), of which</b>	<b>61,385</b>	<b>64,780</b>	<b>75,694</b>	<b>94,916</b>	<b>1,06,459</b>
Non-Plan Revenue Expenditure (NPRE)	53,150	54,505	63,286	78,179	89,532
Plan Revenue Expenditure (PRE)	8,235	10,275	12,408	16,737	16,927
<b>Rate of Growth of</b>					
RE (per cent)	17.4	5.5	16.8	25.4	12.2
NPRE (per cent)	13.0	2.5	16.1	23.5	14.5
PRE (per cent)	57.4	24.8	20.8	34.9	1.1
Revenue Expenditure as percentage to TE	83.2	83.6	79.0	83.5	84.9
NPRE/GSDP (per cent)	10.4	9.2	9.1	8.7	8.7
NPRE as percentage of TE	72.0	70.3	66.0	68.8	71.4
NPRE as percentage of RR	85.5	68.5	77.9	90	84.6
<b>Buoyancy of Revenue Expenditure with</b>					
GSDP (ratio)	0.978	0.343	0.976	0.844	0.857
Revenue Receipts (ratio)	0.613	0.196	8	3.681	0.560

Source : Finance Accounts

<sup>8</sup> Jawaharlal Nehru National Urban Renewal Mission, Assistance to States for Control of Animal Diseases, National Rural Health Mission – BCG Vaccination and T.B. Control Programme, National Land Records Modernisation Programme, Integrated Child Development Scheme – Integrated Child Development Scheme Urban (Nutrition), Integrated Child Development Scheme - Integrated Child Development Scheme (Urban), Accelerated Irrigation Benefit Programme (MKVDC), Accelerated Irrigation Benefit Programme (VIDC), Accelerated Irrigation Benefit Programme (KIDC), Accelerated Irrigation Benefit Programme (TIDC), Accelerated Irrigation Benefit Programme (GMIDC) and National Social Assistance Programme including Anapurna.

The revenue expenditure increased by ₹ 11,543 crore (12.2 per cent) over the previous year. The buoyancy of revenue expenditure with reference to both GSDP and revenue receipts fluctuated widely. The revenue expenditure was less (5.7 per cent) than the assessment made by the State Government in its FCP. However, it increased (1.7 per cent) with respect to the projections made in the budget for the year 2010-11.

### Plan Revenue Expenditure

The Plan Revenue Expenditure increased by ₹ 190 crore during the year, mainly due to increase in expenditure under Health and Family Welfare (₹ 205 crore), Social Welfare and Nutrition (₹ 475 crore), Education, Sports, Art and Culture (₹ 444 crore), Agriculture and Allied Activities (₹ 378 crore) and General Economic Services (₹ 219 crore) set off by decreases mainly under Water Supply, Sanitation, Housing and Urban Development (₹ 1,072 crore), Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes (₹ 195 crore) and Rural Development (₹ 175 crore).

### Non-Plan Revenue Expenditure

The Non-Plan Revenue Expenditure (NPRE) constituted a dominant share of 84 per cent in the revenue expenditure and increased by ₹ 11,353 crore (15 per cent) over the previous year. The variations in NPRE under the major heads indicate increase in expenditure under General Services (₹ 5,700 crore), Education, Sports, Art and Culture (₹ 4,291 crore), Social Welfare and Nutrition (₹ 1,276 crore), Water Supply, Sanitation, Housing and Urban Development (₹ 643 crore), Health and Family Welfare (₹ 573 crore), Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes (₹ 568 crore) and Transport (₹ 215 crore).

**Table 1.12** provides the comparative position of NPRE with reference to assessments made by TFC/ThFC and the projections of the State Government.

**Table 1.12 : NPRE vis-à-vis assessment made by TFC/ThFC and FCP**

(₹ in crore)

Year	Assessments made by TFC/ThFC	Projection in FCP	Projection in MTFPS / Budget	Actuals
2009-10	51,537	60,189	74,434	78,179
2010-11	67,884	91,682	82,706	89,532

The NPRE during 2009-10 remained significantly higher than the normative assessments of the TFC and the FCP. However, during 2010-11, it was higher than the ThFC projection but lower than the FCP projection. Marginal variations were seen on the higher side with reference to the State Government's projection (MTFPS) during both the years.

### 1.4.2 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. **Table 1.13** and **Chart 1.9** present the trends in the expenditure on these components during 2006-11.



Table 1.13 : Components of committed expenditure

Components of Committed Expenditure	(₹ in crore)					
	2006-07#	2007-08#	2008-09*	2009-10	2010-11 BE*	2010-11 Actuals*
Salaries & Wages, of which	8136 (13)	8851 (11)	24875 (31)	36263 (42)	42851 (44)	42001 <sup>§</sup> (40)
Non-Plan Head	7155 (12)	8015 (10)	23627 (29)	34574 (40)	— —	40917 (39)
Plan Head**	981 (02)	836 (01)	1248 (02)	1689 (02)	— —	1084 (1)
Interest Payments	11656 (19)	12204 (15)	12299 (15)	14110 (16)	15960 (16)	15648 (15)
Pensions	3542 (07)	4191 (05)	5153 (06)	6133 (07)	6665 (7)	8884 (8)
Subsidies	3777 (06)	4935 (06)	4308 (05)	8041 (09)	— —	5485 (5)
<b>Total Committed expenditure</b>	<b>27111 (44)</b>	<b>30181 (38)</b>	<b>46635 (57)</b>	<b>64547 (74)</b>	— —	<b>72018 (68)</b>
Other Components	34274 (55)	34599 (43)	29059 (36)	30369 (35)	— —	34441 (33)
<b>Total Revenue Expenditure</b>	<b>61385</b>	<b>64780</b>	<b>75694</b>	<b>94916</b>	<b>104698</b>	<b>106459</b>
<b>Revenue Receipts</b>	<b>62195</b>	<b>79583</b>	<b>81271</b>	<b>86910</b>	<b>97044</b>	<b>105868</b>

Figures in parentheses indicate percentage to Revenue Receipts

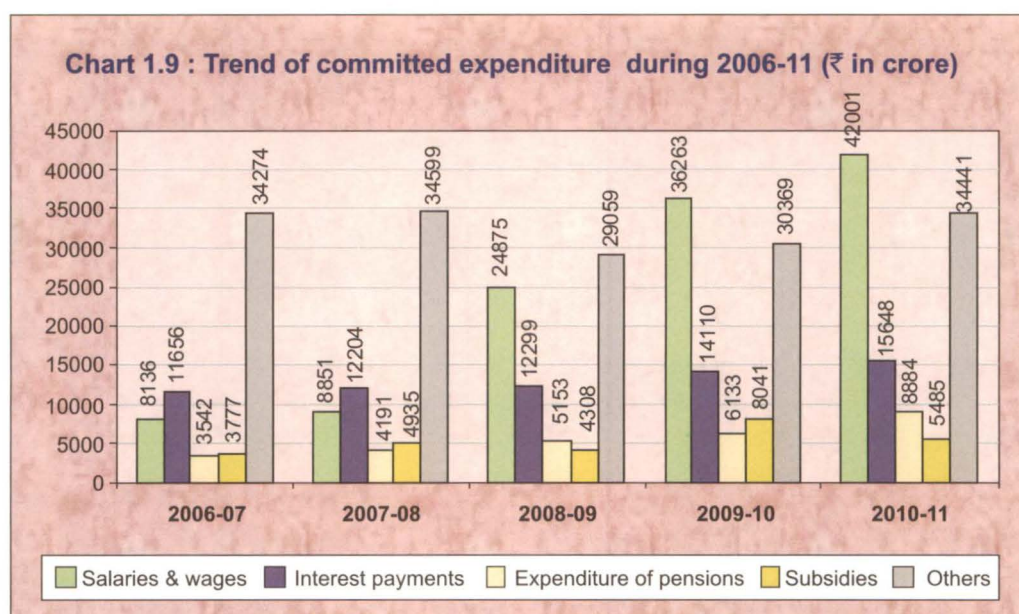
\* includes the salaries paid out of grants-in-aid.

# does not include salaries paid out of grants-in-aid as information is not available for the period 2006-08.

\$ Salaries : ₹ 41,286 crore (Finance Accounts) + Wages : ₹ 715 crore (VLC data of PAG (A&E))

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

Source : Finance Accounts



**Note:** Expenditure on Salaries and Wages included grants-in-aid component during 2008-09 (₹ 14,405 crore), 2009-10 (₹ 22,666 crore) and 2010-11 (₹ 25,937 crore)

### Salaries and Wages

The average annual growth in salaries and wages excluding the grant-in-aid component during 2006-11 was 24.36 per cent. The expenditure on salaries and wages (including grant-in-aid component) increased by ₹ 5,738 crore (46 per cent) from ₹ 36,263 crore in 2009-10 to ₹ 42,001 crore in 2010-11, mainly on account of payment of Sixth Pay Commission arrears. The expenditure of ₹ 41,286 crore on salaries (including grant-in-aid component) was lower than

## Finances of the State Government

the State's own FCP (₹ 43,391 crore) and the projections made in MTFPS of the Government (₹ 42,851 crore).

During 2001-02 to 2009-10, the compound growth rate of salary and wages (11.79 per cent) was higher than the growth rate of other General Category States (11.45 per cent). This growth rate for the period 2001-02 to 2010-11 further increased to 12.97 per cent (**Appendix 1.1**).

### Pension payments

The expenditure on pension payments had increased at an average annual growth of 38 per cent from ₹ 3,542 crore in 2006-07 to ₹ 8,884 crore in 2010-11.

The increase in pension payments of ₹ 2,751 crore (45 per cent) during 2010-11 over the previous year was mainly due to more expenditure on account of payment of arrears of pension, gratuities and commutation of pension as per Sixth Pay Commission report.

During 2001-02 to 2009-10, the compound growth rate of pension (11.38 per cent) was less than the growth rate of other General Category States (14.09 per cent). This growth rate for the period 2001-02 to 2010-11 further increased to 14.67 per cent (**Appendix 1.1**).

The **Table 1.14** below shows actual pension payments with reference to assessment made by TFC/ThFC and projections of the State Government.

**Table 1.14 : Pension payments vis-à-vis TFC/ThFC assessment and State's projections**

(₹ in crore)

Year	Projection in MTFPS	Assessment made by TFC / ThFC	Projection in FCP	Actuals
2009-10	6,831	4,398	5,792	6,133
2010-11	8,889	6,071	11,384	8,884

The pension payments during 2009-10 and 2010-11 were higher than the normative assessments made by TFC/ThFC while they were lower than the projections of the State Government under MTFPS. As compared to the projections made in the FCP, it was higher during 2009-10 and lower during 2010-11. In order to limit future pension liabilities, the Government had, however, introduced the Defined Contribution Pension Scheme for employees recruited after 1 November 2005.

The expenditure on Pension and Other Retirement Benefits to State Government Employees during the year was ₹ 8,884 crore. An amount of ₹ 571.80 crore towards employee's contribution and employer's share was deposited during 2010-11 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 2011 was ₹ 934.03 crore. Out of these deposits, no investments were made by the State Government till 31 March 2011. Therefore, the main objective of introducing the Defined Contribution Pension Scheme to limit future pension liabilities was defeated.

### Interest payments

Interest payments increased by 34 per cent from ₹ 11,656 crore in 2006-07 to ₹ 15,648 crore in 2010-11, primarily due to increase in debt liabilities. However, relative to revenue receipts, interest payments revealed a declining trend. They declined from 19 per cent in 2006-07 to 15 per cent in 2010-11, except during 2009-10, when there was a marginal increase of 16 per cent.

**Table 1.15 : Interest payments vis-à-vis TFC/ThFC assessments and State's projections**

(₹ in crore)

Year	Projection in MTFPS	Assessment made by TFC / ThFC	Projection in FCP	Actuals
2009-10	14,860	12,385	14,473	14,110
2010-11	16,294	16,213	15,566	15,648

The interest payments, with reference to the assessments made by TFC/ThFC and the projection in the FCP of the State Government (**Table 1.15**) indicate that the interest payments during 2009-10 exceeded the assessments made by TFC but was less during 2010-11 as compared to the ThFC's assessment. As compared to the projections made in the FCP, it was lower during 2009-10 and higher during 2010-11. However, as compared to MTFPS, it was less during both the years.

During 2010-11, the State Government raised open market loans of ₹ 11,500 crore at an average interest rate of 8.40 *per cent*. The Government also borrowed ₹ 8,420 crore from the National Small Savings Fund and other institutions and ₹ 820 crore from GOI during the year.

The increase in interest payments was ₹ 1,538 crore over the previous year and was mainly due to more interest on market loan (₹ 1,028 crore), interest on special securities issued to the National Small Savings Fund of the Central Government (₹ 250 crore), interest on State Provident Fund (₹ 199 crore) and interest on deposits (₹ 66 crore).

### Subsidies

**Table 1.16** indicates that expenditure under subsidies decreased by 32 *per cent* from ₹ 8,041 crore in 2009-10 to ₹ 5,485 crore in 2010-11. The subsidies as a percentage of revenue receipts increased from six *per cent* in 2006-07 to nine *per cent* in 2009-10 but reduced to five *per cent* in 2010-11. During the current year, subsidies constituted about four *per cent* of the total expenditure; the major areas which received subsidy include distribution/transmission licences for reduction in Agriculture and powerloom tariff (57 *per cent*), medium and large industries under the graded Package Scheme of Incentives (13 *per cent*), covering the deficit in foodgrain transactions (eight *per cent*) and transport (eight *per cent*).

The subsidies projected by the Government in the FCP and the actual expenditure during 2009-10 and 2010-11 were as under:

**Table 1.16: Subsidies vis-à-vis FCP**

(₹ in crore)

	2009-10		2010-11	
	Projections	Actuals	Projections	Actuals
Power (Subsidy for reduction in Agriculture and Powerloom tariff)	1,611	3,354	3,131	3,131
General / Others	740	4,687	4,818	2,354
<b>Total</b>	<b>2,351</b>	<b>8,041</b>	<b>7,949</b>	<b>5,485</b>

The State Government provided food subsidy of ₹ 351 crore in the State budget 2010-11 but the actual expenditure was ₹ 604.82 crore (against ₹ 908.25 crore in 2009-10). Similarly, for the schemes 'Subsidy to Distribution/ Transmission licencees for reduction in Agriculture and Powerloom Tariff' and 'Subsidy to medium and large industries under graded Package Scheme of Incentives' Government provided ₹ 2,281 crore and ₹ 400 crore respectively in the State Budget 2010-11. However, the actual expenditure incurred was ₹ 3,131 crore as against ₹ 3,354 crore in 2009-10 and ₹ 700 crore as against ₹ 750 crore in 2009-10 respectively.

The subsidies to 'Power' (Subsidy for reduction in Agriculture and Powerloom tariff) and for other schemes with reference to the projections in the FCP of the State Government as shown in **Table 1.16** above indicate that expenditure on subsidies to Power remained the same whereas the expenditure on other schemes decreased significantly during 2010-11.

### 1.4.3 Financial assistance by State Government to local bodies and other institutions

The quantum of assistance provided by way of grants and loans to local bodies and others during 2010-11 relative to the previous years is presented below:

## Finances of the State Government

**Table 1.17 : Financial assistance to local bodies and other institutions**

(₹ in crore)

Institutions	2006-07	2007-08	2008-09	2009-10	2010-11
Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.)	5,234.33	6,859.58	8,214.83	11,638.18	11,482.61
Municipal Corporations and Municipalities	2,652.27	1,351.25	1,651.47	1,708.89	4,350.04 <sup>9</sup>
Zilla Parishads and Other Panchayati Raj Institutions	7,321.27	8,007.34	10,501.98	11,726.62	13,260.93
Development Agencies	761.65	1,148.03	1,914.93	299.45 <sup>8</sup>	187.26
Hospital and Other Charitable Institutions	64.15	80.57	674.43	1,065.48	1,084.74
Other Institutions	10,818.55	10,842.90	12,711.32	18,150.70 <sup>10</sup>	17,280.87 <sup>11</sup>
<b>Total</b>	<b>26,852.22</b>	<b>28,289.67</b>	<b>35,668.96</b>	<b>44,589.32</b>	<b>47,646.45</b>
Assistance as per percentage of RE	44	44	47	47	45

Source : Finance Accounts and vouchers compiled by PAG (A&E)

It would be seen that the financial assistance to local bodies and other institutions by the Government increased from ₹ 26,852 crore in 2006-07 to ₹ 47,646 crore in 2010-11. During 2010-11, more financial assistance was given to (a) municipal corporations and municipalities (₹ 2,641 crore) mainly due to payment of more grant-in-aid consequence to the increase in Levy of Stamp Duty in Municipal Area, Dearness Allowance and cancellation of Octroi Tax and (b) Zilla Parishads and other Panchayati Raj Institutions (₹ 1,534 crore) due to payment of more grant-in-aid to secondary schools and purposive grants to Zilla Parishads under Section 182 of the Maharashtra Zilla Parishads and Panchayat Samities Act, 1961.

The huge pendency in furnishing of utilisation certificates indicated lack of monitoring on utilisation of funds released to the local bodies and other institutions.

## 1.5 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 the expenditure (*i.e.* adequate provisions for providing public services); efficiency of expenditure use and effectiveness (assessment of outlay-outcome relationships for select services).

### 1.5.1 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

<sup>9</sup> Huge variation due to misclassification in the previous year

<sup>10</sup> Includes Agriculture and Allied Activities: ₹ 2,320.47 crore, Education, Sports, Art & Culture: ₹ 2,028.41 crore, General Services: ₹ 804.98 crore, Rural Development: ₹ 1,809.43 crore, Social Welfare and Nutrition: ₹ 1,151.00 crore, Water Supply, Sanitation, Housing and Urban Development: ₹ 5,121.62 crore and Welfare of SC,ST and OBC : ₹ 1,488.85 crore.

<sup>11</sup> Includes Education, Sports, Art and Culture: ₹ 4,616.36 crore; Agriculture and Allied Activities: ₹ 1,943.47 crore, Social Welfare and Nutrition: ₹ 1,822.49 crore, Welfare of SC,ST and OBC: ₹ 1,335.60 crore, Special programme for Rural Development: ₹ 1,301.70 crore and General Services: ₹ 930.92 crore.

fiscal priority of the State Government with regard to development expenditure, social expenditure and capital expenditure during 2007-08 and 2010-11 has been indicated in Table 1.18 below.

**Table 1.18 : Fiscal Priority of the State in 2007-08 and 2010-11**

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) 2007-08	16.85	64.28	32.54	16.14	14.64	3.98
Maharashtra's Average (Ratio) 2007-08	13.11	67.60	35.92	14.83	17.80	3.59
General Category Average (Ratio) 2010-11	16.65	64.42	36.75	13.27	17.42	4.35
Maharashtra Average (Ratio) 2010-11	12.18	68.55	39.75	14.33	21.60	3.71

AE : Aggregate Expenditure; DE : Development Expenditure

SSE : Social Sector Expenditure CE : Capital Expenditure.

# Development expenditure includes Development Revenue Expenditure, Development Capital expenditure and Loans and Advances disbursed.

As shown in **Table 1.18**, the comparison of fiscal priority given to different categories of expenditure of the State in 2005-06 (the first year of award period of TFC) and the current year, 2009-10 (terminal year of the TFC award period) is given below:

- The ratios of AE to GSDP in 2007-08 and 2010-11 (13.11 *per cent* and 12.18 *per cent*) were lower in the State as compared to other General Category States (16.85 *per cent* and 16.65 *per cent*). This means that other General Category States are spending more as a proportion of their GSDP when compared to Maharashtra.
- Government has given adequate fiscal priority to Development Expenditure and Social Sector Expenditure respectively in 2007-08 and 2010-11, as their ratios to AE were higher than the average ratio of other General Category States.
- The ratio of CE to AE in 2007-08 as compared to the ratio (16.14 *per cent*) of other General Category States was lower (14.83 *per cent*) whereas in 2010-11 it was higher (14.33 *per cent*) than the ratio (13.27 *per cent*) of other General Category States. Increased priority to physical capital formation will further 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 17.80 *per cent* in 2007-08 to 21.60 *per cent* in 2010-11. The priority given to these areas in Maharashtra was higher than that in other General Category States.
- The priority given to health and family welfare in Maharashtra was less than in other General Category States in 2007-08 and 2010-11. Greater fiscal priority needs to be given to the area of health by the Government.

Since Maharashtra has a higher population below the poverty line as compared to other General Category States, it would be prudent to utilise the funds in a manner which would raise the population above the poverty line.

### 1.5.2 Efficiency of expenditure use

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 Governments to take appropriate expenditure rationalisation measures and lay emphasis on provision of core public and merit

## Finances of the State Government

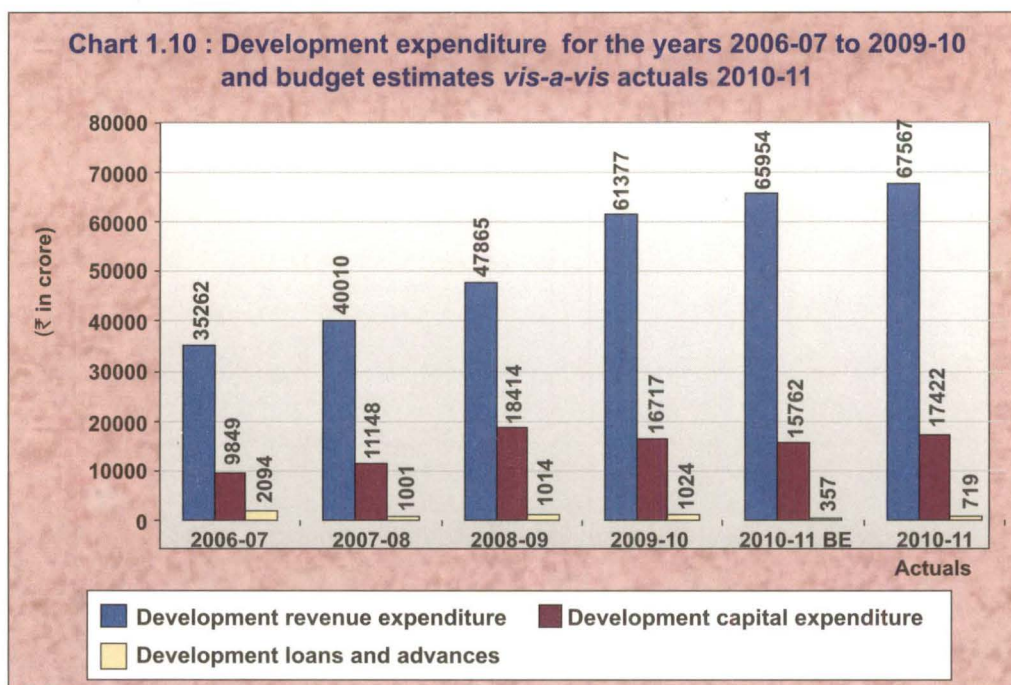
goods<sup>12</sup>. Apart from improving the allocation towards development expenditure<sup>13</sup>, particularly in view of the fiscal space being created on account of decline in debt servicing in recent years, the efficiency of expenditure use is also reflected by the ratio of capital expenditure to total expenditure (and/or GSDP) and 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 1.19** and **Chart 1.10** 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 1.19 : Development expenditure**

Components of Development Expenditure	2006-07	2007-08	2008-09	2009-10	2010-11	
					BE	Actuals
<b>Development Expenditure (a to c)</b>	<b>47,433</b> (64.3)	<b>52,383</b> (67.6)	<b>67,560</b> (70.5)	<b>79,355</b> (69.8)	<b>82,073</b> (67.4)	<b>85,708</b> (68.4)
a. Development Revenue Expenditure	35,262 (47.8)	40,010 (51.6)	47,865 (49.9)	61,377 (54.0)	65,954 (54.2)	67,567 (53.9)
b. Development Capital Expenditure	9,849 (13.3)	11,148 (14.4)	18,414 (19.2)	16,717 (14.7)	15,762 (13.0)	17,422 (13.9)
c. Development Loans and Advances	2,094 <sup>14</sup> (2.8)	1,001 <sup>14</sup> (1.3)	1,014 <sup>14</sup> (1.0)	1,024 <sup>14</sup> (1.0)	357 (0.3)	719 (0.6)

Source : Finance Accounts

Figures in the parentheses indicate as per cent to total expenditure



<sup>12</sup> See the Glossary at page 112.

<sup>13</sup> The analysis of the expenditure data is disaggregated 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.

<sup>14</sup> Figures differ from last year's report due to corrections.

### Development revenue expenditure

The development revenue expenditure increased by ₹ 6,190 crore from ₹ 61,377 crore in 2009-10 to ₹ 67,567 crore in 2010-11. The increase under Social Services (₹ 7,277 crore) was set off by a decrease under Economic Services (₹ 1,087 crore). The actual development revenue expenditure was more than the State's projection in the budget by ₹ 1,613 crore.

### Development capital expenditure

The development capital expenditure increased by ₹ 705 crore from ₹ 16,717 crore in 2009-10 to ₹ 17,422 crore in 2010-11. The increase under Economic Services was ₹ 943 crore (mainly under Irrigation and Flood Control) while the decrease under Social Services was ₹ 238 crore (mainly under Water Supply, Sanitation, Housing and Urban Development and Education, Sports, Art and Culture). The actual development capital expenditure was more than the State's projection in the budget by ₹ 1,660 crore.

### Development loans and advances

Development loans and advances decreased by ₹ 305 crore from ₹ 1,024 crore in 2009-10 to ₹ 719 crore in 2010-11. The actual development loans and advances were more than the State's projections in the budget by ₹ 362 crore.

**Table 1.20** provides the details of capital expenditure and the component of revenue expenditure incurred on the maintenance of the selected social and economic services.

**Table 1.20 : Efficiency of expenditure use in selected Social and Economic Services**

(in per cent)

Social / Economic Infrastructure	2009-10			2010-11		
	Ratio of CE to TE	In RE, the share of		Ratio of CE to TE	In RE, the share of	
		S & W	O & M		S & W	O & M
<b>Social Services (SS)</b>						
Education, Sports, Art & Culture	0.79	84.46	0.06	0.52	83.01	0.06
Health and Family Welfare	5.51	74.37	0.10	3.93	73.36	0.01
Housing & Urban Development and Water Supply, Sanitation	8.4	5.31	4.22	4.83	2.72	4.53
<b>Total (SS)</b>	<b>3.48</b>	<b>57.86</b>	<b>0.94<sup>15</sup></b>	<b>2.51</b>	<b>58.31</b>	<b>0.76</b>
<b>Economic Services (ES)</b>						
Agriculture & Allied Activities	18.88	46.89	0.18	19.98	48.44	0.16
Irrigation and Flood Control	77.41	34.94	0.14	78.36	36.44	20.70
Power & Energy	29.21	0.44	0.00	36.77	0.54	0.00
Transport	50.25	1.69	37.65	42.33	1.69	3.91
<b>Total (ES)</b>	<b>42.79</b>	<b>21.66</b>	<b>7.61<sup>15</sup></b>	<b>45.62</b>	<b>21.53</b>	<b>3.45</b>
<b>Total (SS+ES)</b>	<b>21.41</b>	<b>45.84</b>	<b>3.14<sup>15</sup></b>	<b>20.50</b>	<b>47.81</b>	<b>1.53</b>

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

The trends presented in **Table 1.20** reveal that development capital expenditure as a percentage to total expenditure decreased from 21.41 in 2009-10 to 20.50 in 2010-11. While the share of salary and wages in revenue expenditure increased from 45.84 per cent in 2009-10 to 47.81 per cent in 2010-11, the share of operations and maintenance in revenue expenditure decreased sharply from 3.14 per cent in 2009-10 to 1.53 per cent in 2010-11.

<sup>15</sup> Figures differ from last year's report due to corrections.

The percentage of capital expenditure on Social Services to the total expenditure decreased sharply from 3.48 in 2009-10 to 2.51 in 2010-11. The decrease was mainly seen under Education, Sports, Art and Culture, Health and Family Welfare, Water Supply, Sanitation and Housing and Urban Development. The percentage of capital expenditure on Economic Services to the total expenditure increased from 42.79 in 2009-10 to 45.62 in 2010-11. The increase was mainly seen under Irrigation and Flood Control, Agriculture and Allied Services and Power and Energy.

The share of salary and wages in revenue expenditure on Social Services increased from 57.86 *per cent* in 2009-10 to 58.31 *per cent* in 2010-11. However, there were decreases in Education, Sports, Art and Culture, Health and Family Welfare and Water Supply, Sanitation and Housing and Urban Development.

The share of salary and wages in revenue expenditure on Economic Services decreased marginally from 21.66 *per cent* in 2009-10 to 21.53 *per cent* in 2010-11. However, there were increases under Agriculture and Allied Activities, Irrigation and Flood Control and Power and Energy.

The share of operations and maintenance in revenue expenditure on Social Services decreased from 0.94 *per cent* in 2009-10 to 0.76 *per cent* in 2010-11 and the share of operations and maintenance in revenue expenditure on Economic Services also decreased from 7.61 *per cent* in 2009-10 to 3.45 *per cent* in 2010-11. The decreases were mainly seen under Health and Family Welfare under Social Services while they were seen under Agriculture and Allied Activities and Transport under Economic Services.

### 1.6 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.

#### 1.6.1 Financial results of irrigation works

The financial results of six major irrigation projects<sup>16</sup> of the Government which are considered as commercial projects having a capital outlay of ₹ 700.14 crore at the end of March 2011, showed that revenue realised from these projects during 2010-11 (₹ 121.65 crore) was 17.38 *per cent* of the capital outlay. After considering the working and maintenance expenses (₹ 13.73 crore) and interest charges (₹ 70.88 crore), the schemes gained a net profit of ₹ 37.04 crore during 2010-11.

#### 1.6.2 Incomplete projects

As on 31 March 2011, in respect of 233 incomplete projects (expenditure incurred: ₹ 5,699.79 crore) pertaining to three departments (**Appendix 1.9**), the time overruns up to 25 years occurred in respect of 25 major and medium irrigation projects (expenditure incurred: ₹ 5,305.03 crore), up to nine years in respect of 71 PWD projects (expenditure incurred: ₹ 161.66 crore) and up to four years in respect of 137 projects of roads and bridges (expenditure incurred:

<sup>16</sup> Details are given in Appendix IX (i) of Finance Accounts, Government of Maharashtra for 2010-11.



₹ 233.10 crore). In respect of 22 incomplete irrigation projects, the initial budgeted cost increased from ₹ 483.17 crore to ₹ 3,423.68 crore, resulting in significant cost overruns totalling ₹ 2,940.51 crore.

### 1.6.3 Investment and returns

As of 31 March 2011, Government had invested ₹ 74,391 crore in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives (Table 1.21). The average return on this investment was 0.12 per cent in the last five years while the Government paid average interest rate of 7.48 per cent on its borrowings during 2006-11.

Table 1.21 : Return on investment

Investment / Return / Cost of Borrowings	2006-07	2007-08	2008-09	2009-10	2010-11
Investment at the end of the year (₹ in crore)	37,531.49	44,256.26	56,386.38	64,192.68	74,391.39
Return (₹ in crore)	6.16	122.00	71.16	80.88	44.82
Return (per cent)	0.02	0.28	0.13	0.13	0.06
Average rate <sup>17</sup> of interest on govt borrowing (per cent)	7.78	7.74	7.29	7.38	7.23
Difference between interest rate and return (per cent)	7.76	7.46	7.16	7.25	7.17

Source : Finance Accounts

The increase in investments of ₹ 10,198 crore during 2010-11 was mainly attributable to increased capital contributions to the Godavari Marathwada Irrigation Development Corporation (₹ 1,496 crore), the Konkan Irrigation Development Corporation (₹ 627 crore), the Maharashtra Krishna Valley Development Corporation (₹ 1,465 crore), the Tapi Irrigation Development Corporation (₹ 553 crore), the Vidarbha Irrigation Development Corporation (₹ 4,477 crore), the Maharashtra Irrigation Finance Company (₹ 173 crore), the Maharashtra State Road Development Corporation (₹ 315 crore), the Maharashtra State Road Transport Corporation (₹ 150 crore) and the Maharashtra Water Conservation Development Corporation (₹ 156 crore), as compared to the previous year.

As on 31 March 2011, 26 companies in which Government had invested ₹ 14,052.46 crore (share capital: ₹ 9,735.69 crore, loan: ₹ 4,316.77 crore) were incurring losses and their accumulated losses amounted to ₹ 10,779.51 crore (net).

According to the information furnished (except Nashik district) by the Commissioner for Co-operation and Registrar of Co-operative Societies as on 31 March 2011, 4,180 societies with an aggregate investment of ₹ 165.01 crore (equity: ₹ 113.45 crore and loan : ₹ 51.56 crore) had incurred losses and their accumulated losses (₹ 224.06 crore) were 136 per cent of the initial investments made in these societies.

### 1.6.4 Departmental commercial undertakings

Activities of quasi-commercial nature are also performed by departmental undertakings of certain Government departments. The position of department-wise investments by the Government up to the year for which pro forma 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 ₹ 1,789.35 crore had been invested by the State Government in four<sup>18</sup> undertakings at the end of financial year up to which their accounts were finalised.

<sup>17</sup> see Glossary at page 112 for method of calculation.

<sup>18</sup> Agriculture, Animal Husbandry, Dairy Development and Fisheries; Food, Civil Supplies and Consumer Protection; Land Development Bulldozer Scheme; and Revenue and Forest.

## Finances of the State Government

- Of the four undertakings having 49 units, three<sup>19</sup> units (6.12 per cent) could only earn net profit amounting to ₹ 4.47 crore against capital investment of ₹ 2.19 crore, thereby yielding a rate of return of 32.91 per cent. The major profit-making units were Allappalli and Pendigundam Forest divisions<sup>20</sup> including Saw Mills & Timber Depot (₹ 3.83 crore) and Cattle Feed Scheme, Mumbai (₹ 0.63 crore) as per the last accounts finalised.
- Of the loss-making units, 19<sup>21</sup> units had been incurring losses continuously since last five years.
- As per the accounting system being followed by the departmental commercial undertakings of Government Milk Schemes, Procurement, Distribution and Price Control Scheme in Mumbai/Thane Rationing Area and Mofussil, 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 pro forma accounts of the Departmental Undertakings.

In view of the heavy losses of some of the undertakings, Government should review their working so as to clean their balance sheets in the short run and to make them self-sustaining in the medium to long term.

### 1.6.5 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 to many of these institutions/organizations. **Table 1.22** presents the outstanding loans and advances as on 31 March 2011, interest receipts *vis-à-vis* interest payments during the last three years.

**Table 1.22 : Average interest received on loans advanced by the State Government**

	(₹ in crore)		
Quantum of loans / interest receipts / cost of borrowings	2008-09	2009-10	2010-11
Opening Balance	18,126	18,844 <sup>22</sup>	19,590
Amount advanced during the year	1,281	1,261	959
Amount repaid during the year	560	515	640
<b>Closing Balance</b>	<b>18,847</b>	<b>19,590</b>	<b>19,909</b>
<i>of which</i> Outstanding balance for which terms and conditions have been settled	NA	NA	NA
Net addition	721	746	319
Interest Receipts	99	691	89
Interest receipts as per cent to outstanding Loans and advances	0.54	3.60	0.45
Interest payments as per cent to outstanding fiscal liabilities of the State Government.	7.29	7.38	7.23
Difference between interest payments and interest receipts ( <i>per cent</i> )	(-)6.75	(-)3.78	(-)6.78

<sup>19</sup> Allappalli and Pendigundam Forest divisions including Saw Mills & Timber Depot; Cattle Feed Scheme, Mumbai and Land Development Bulldozer Scheme, Nagpur.

<sup>20</sup> As per accounts of 1985-86.

<sup>21</sup> Greater Mumbai Milk Scheme, Worli; Dairy Project, Dapchari; Government Milk Scheme, Mahad, Ratnagiri, Kankavli, Nashik, Wani, Ahmednagar, Chalisgaon, Dhule, Aurangabad, Nanded, Bhoom, Amravati, Akola, Yavatmal, Nagpur, Wardha and Gondia.

<sup>22</sup> Difference in the closing balance of 2008-09 and opening balance of 2009-10 is due to profoma correction.

The total outstanding loans and advances as on 31 March 2011 was ₹ 19,909 crore (**Table 1.22**). The amount of loans disbursed during the year decreased from ₹ 1,261 crore in 2009-10 to ₹ 959 crore in 2010-11. Out of the total amount of loans and advances paid during the year, ₹ 314 crore went to Social Services and ₹ 405 crore to Economic Services. Under the Economic Services, the major portion of loans went to Co-operatives (33 *per cent*) followed by Other Loans to Industries and Minerals (three *per cent*) and Power (2.5 *per cent*). However, recovery of loans and advances increased from ₹ 515 crore to ₹ 640 crore during the current year, mainly on account of more recoveries from Loans for Co-operatives (₹ 205 crore), Loans to Government Servants (₹ 22 crore) and Loans for Power Projects (₹ 19 crore).

Similarly, interest received against these loans decreased from 3.60 *per cent* during 2009-10 to 0.45 *per cent* in 2010-11, mainly due to less interest receipts from Minor Irrigation (₹ 499 crore), Power Projects (₹ 68 crore) and Loans for Village and Small Industries (₹ 19 crore).

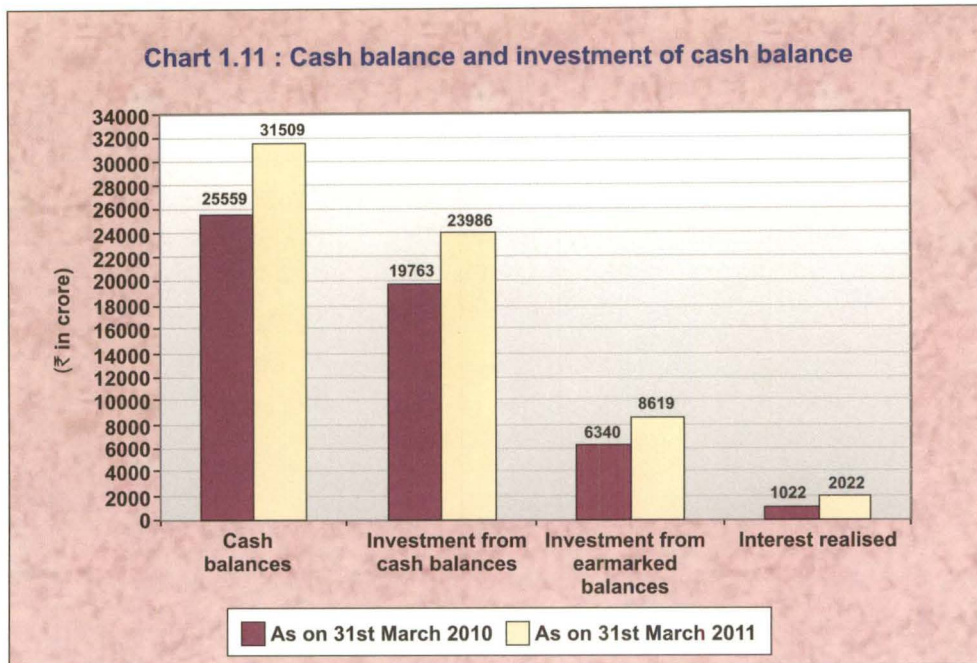
### 1.6.6 Cash balances and investment of cash balances

**Table 1.23** and **Chart 1.11** depict the cash balances and investments made by the State Government out of cash balances during the year.

**Table 1.23 : Cash balances and investment of cash balances**

Particulars	(₹ in crore)		
	As on 31 <sup>st</sup> March 2010	As on 31 <sup>st</sup> March 2011	Increase (+)/ Decrease(-)
Cash in treasuries	0.21	0.17	(-)0.04
Deposits with Reserve Bank	(-) 863.47	(-)1276.75	(-)413.28
Remittances in transit-Local	182.83	47.64	(-)135.19
Cash with the departmental officers	136.70	132.45	(-)4.25
Permanent advance for contingent expenditure with departmental officers	0.46	0.46	—
<b>Investments from cash balances (a to d)</b>	<b>19762.99</b>	<b>23986.65</b>	<b>4223.66</b>
a. GOI Treasury Bills	19762.29	23985.95	4223.66
b. GOI Securities	—	—	—
c. Other Securities, if any specify	—	—	—
d. Other Investments	0.70	0.70	—
<b>Funds-wise break-up of investment from Earmarked balances (a to e)</b>	<b>6,339.64</b>	<b>8618.77</b>	<b>2279.13</b>
a. General and other Reserve Funds	30.74	10.63	(-)20.11
b. Sinking Fund	6294.39	8593.64	2299.25
c. Funds for Development of Milk supply	1.00	1.00	—
d. Other Development and Welfare Funds	13.43	13.42	(-)0.01
e. Miscellaneous Deposits	0.08	0.08	—
<b>Total Cash Balances</b>	<b>25559.36</b>	<b>31509.39</b>	<b>5950.03</b>
<i>Interest Realized</i>	<i>1022.02</i>	<i>2021.73</i>	<i>999.71</i>

Source : Finance Accounts



The interest received on investment of cash balances was 2.60 per cent during 2010-11, while interest paid by Government on its borrowings during the year was 7.23 per cent.

The State Government's cash balances of ₹ 31,509 crore at the end of the current year showed an increase by 23 per cent (₹ 5,950 crore) over the previous year. Of the above, ₹ 23,986 crore was invested in Government of India Treasury Bills which earned an interest of ₹ 623 crore during the year. Further, ₹ 8,619 crore was invested in earmarked funds. However, the balance with the Reserve Bank of India was (-) ₹ 1,277 crore as on 31 March 2011. The State Government maintained a minimum cash balance of ₹ 5.58 crore with the Reserve Bank of India during 2010-11 under an agreement with the Reserve Bank of India. No ways and means advances or overdrafts were taken during the year.

The cash balance as on 31 March 2011 worked out by the Principal Accountant General (A&E), Maharashtra, Mumbai, was ₹ 1,276.75 crore (credit). The cash balance reported by Reserve Bank of India as on 31 March 2011 was ₹ 1,277.74 crore (debit). Thus, there was a difference of ₹ 99 lakh (debit) between the two figures which was mainly due to (1) misclassification by treasury ₹ 2.12 crore (debit) and (2) unadjusted advices of ₹ 1.13 crore (credit).

### 1.6.6.1 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 a 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 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 unencashed cheques.

As on 31 March 2011, there was an outstanding balance (cumulative) of ₹ 11,427.74 crore and to this extent, the Government cash balance of (-) ₹ 1,276.75 crore (Deposits with the Reserve Bank of India) stood overstated.

## 1.7 Assets and Liabilities

### 1.7.1 Growth and composition of assets and liabilities

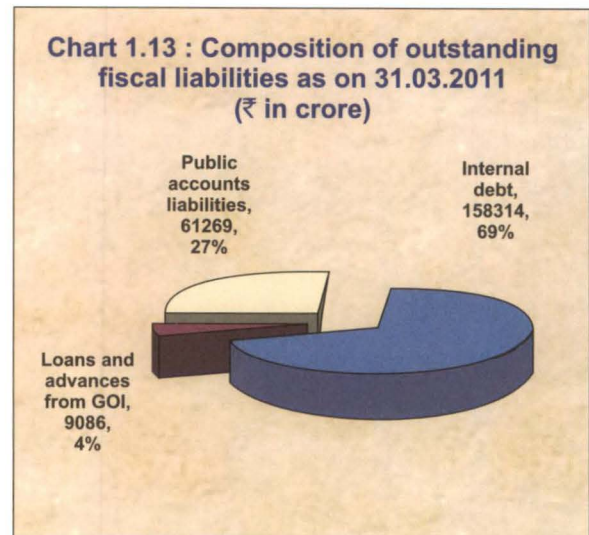
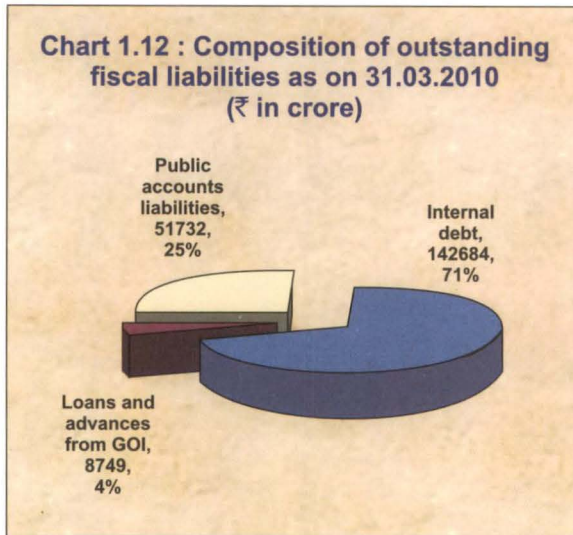
In the existing cash-based Government accounting system, comprehensive accounting of fixed assets like land and buildings owned by the Government is not done. However, the Government

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 2011, compared with the corresponding position on 31 March 2010. While the liabilities in **Appendix 1.7** 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 Maharashtra Fiscal Responsibility and Budgetary Management 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.

### 1.7.2 Fiscal liabilities

The composition of fiscal liabilities during the current year *vis-à-vis* the previous year is presented in **Charts 1.12** and **1.13**.



**Table 1.24** 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 1.24 : Fiscal liabilities – basic parameters**

	2006-07	2007-08	2008-09	2009-10	2010-11
Fiscal Liabilities (₹ in crore)	1,57,039	1,58,114	1,79,262	2,03,165	2,29,569
Rate of Growth (per cent)	10.21	0.68	13.38	13.33	13.00
<b>Ratio of Fiscal Liabilities to</b>					
GSDP (per cent)	30.8	26.8	25.9	22.5	22.3
Revenue Receipts (per cent)	252.5	198.7	220.6	233.8	216.8
Own Resources (per cent)	391.63	332.7	344.5	343.7	306.0
<b>Buoyancy of Fiscal Liabilities with reference to :</b>					
GSDP (ratio)	0.574	0.042	0.777	0.443	0.914
Revenue Receipts (ratio)	0.36	0.024	6.371	1.932	0.596
Own Resources (ratio)	0.521	0.037	1.408	0.980	0.483

The overall fiscal liabilities of the State increased at an average annual rate of 11.55 per cent during the period 2006-11. The growth rate marginally decreased from 13.33 per cent in 2009-10 to 13 per cent in 2010-11. During 2010-11, the debt to GSDP ratio at 22.30 per cent was lower than the projections made in MTFPS (23.71 per cent) and ThFC/MFRBM Rules, 2011 (26.30 per cent), however, it was higher than the projections in the FCP (19.98 per cent). These liabilities were around twice the revenue receipts and thrice the State's own resources at the end of

## Finances of the State Government

2010-11. The buoyancy of these liabilities with respect to GSDP during 2010-11 was 0.914, indicating that for each one *per cent* increase in GSDP, fiscal liabilities grew by 0.91 *per cent*.

Of the total fiscal liabilities, the share of public debt was maximum (73 *per cent*), followed by deposits<sup>23</sup> (12 *per cent*); reserve funds (9 *per cent*) and small savings<sup>24</sup>, provident fund etc (6 *per cent*). Fiscal liabilities increased by ₹ 26,404 crore from ₹ 2,03,165 crore in 2009-10 to ₹ 2,29,569 crore in 2010-11, mainly due to increase in Public Debt (₹ 15,966 crore), Reserve Fund (₹ 2,154 crore), Deposits<sup>23</sup> (₹ 6,262 crore) and Small Savings and Provident Funds (₹ 2,022 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 2011, the outstanding balance in the Sinking Fund was ₹ 8,593.64 crore, including ₹ 2,299.25 crore for 2010-11 and the entire amount was invested.

There were 18 Reserve Funds earmarked for specific purposes, out of which nine funds were active as shown in the **Table 1.25**. The total accumulated balance as on 31 March 2011 in these funds was ₹ 19,492.53 crore (₹ 19,463.52 crore in active funds and ₹ 29.01 crore in inoperative funds). However, the investment out of this balance was only ₹ 8,618.69 crore (44 *per cent*).

**Table 1.25 : Active and Inoperative Reserve Funds**

Classification	Opening balance	Receipt	Payment	Closing Balance (₹ in crore)
<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	1.1	0	0	1.1
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	0.18	0.06	-0.10	0.34
8121-109 - General Insurance Fund	204.02	117.83	32.22	289.63
8222 - Sinking Funds	6294.39	2299.25	0.00	8593.64
8229-101 - Dev. Fund for Edu.- Library fund	43.27	37.44	37.44	43.27
8229-119 - Employment Guarantee Fund	10422.62	357.00	589.26	10190.36
Fund for Development schemes-Cotton price Fluctuation Fund	8.94	0.00	0.04	8.90
Consumer Protection Fund	9.59	0.50	0.00	10.09
Maharashtra Mining Development Fund	288.96	91.74	91.74	288.96
8235-200 - Other funds - Special fund for compensatory Afforestation	38.33	0.00	0.00	38.33
<b>Total</b>	<b>17310.30</b>	<b>2903.82</b>	<b>750.60</b>	<b>19463.52</b>

Source : Notes to Accounts, Finance Accounts

<sup>23</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>24</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.

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

As per the Finance Accounts for the year 2010-11, there was an unreconciled balance of ₹ 8,31,452.04 crore under Civil Deposits and Other Civil Deposits, out of which ₹ 8,31,272.24 crore pertained to the period from 1960-61 to 2010-11 as shown in **Table 1.26**. The balance amount of ₹ 179.80 crore pertained to the period 2008-11.

**Table 1.26 : Unreconciled balances**

Description	Unreconciled Amount (₹ in crore)
<b>Civil Deposits (bearing interest)</b>	
Provident Fund Accounts maintained by departmental officers (Extent of difference)	997.73
<b>Civil Deposits (not bearing interest)</b>	
AIS – Provident Fund	10781.31
Other than Class IV Provident Fund	668186.02
Educational Deposits	215.54
Public Works Deposits <sup>25</sup>	146338.58
Suspense Account	5668.70
Transfer between Public Works Department	(-)915.64
<b>Total</b>	<b>831272.24</b>

Source : Appendix VIII, Finance Accounts

The amounts shown under Public Works Deposits pertained only to the period 1960-61 to 2005-06. Further, the major unreconciled balances related to Other than Class IV Provident Fund and Public Works Deposits.

### 1.7.3 Status of guarantees – contingent liabilities

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 (Vol.II), are at **Table 1.27**.

**Table 1.27 : Guarantees given by the Government of Maharashtra**

Guarantees	(₹ in crore)		
	2008-09	2009-10	2010-11
Maximum amount guaranteed	88,371	73,958	44,414
Outstanding amount of guarantees	51,471	42,683	15,041
Percentage of maximum amount guaranteed to total revenue receipt	109	85	42

During 2010-11, guarantees of ₹ 895.65 crore were sanctioned for repayment of share capital, raising loans, debentures, bonds *etc.* by co-operative sugar factories (₹ 375.65 crore), the Maharashtra State Cotton Co-operatives (₹ 260 crore) and the Maharashtra Agriculture Industries Development Corporation (₹ 260 crore). Outstanding guarantees (₹ 15,041 crore) during 2010-11 accounted for 14 *per cent* of the revenue receipts (₹ 1,05,868 crore). The outstanding guarantees during 2010-11 were 1.46 *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'. As the maximum amount

<sup>25</sup> Public Works Deposits: ₹ 1,46,061.42 crore + C.D.P Deposits: ₹ 277.16 crore

guaranteed and the outstanding amount of guarantee decreased during 2010-11, receipts under guarantee fees also decreased to ₹ 551.18 crore (receivable : ₹ 300.54 crore) during 2010-11, as against ₹ 551.77 crore received during 2009-10.

Sums paid by the Government in the event of invocation of guarantees are charged to the Consolidated Fund of the State under the concerned loan head and irrecoverable sums are adjusted under the concerned revenue expenditure heads, where the Guarantee Reserve Funds do not exist and under the Guarantee Reserve Fund where it exists. A Guarantee Reserve Fund created in 1963-64 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<sup>st</sup> April 1990. In the Medium Term Fiscal Policy Statement 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 Reserve Fund to meet the contingent liabilities arising from the guarantees given by the Government. However, the Government of Maharashtra has since taken a decision not to create Guarantee Reserve Fund.

An amount of ₹ 154.36 crore was recoverable at the end of 2009-10. No amount was recovered from the parties during the year towards the charges on account of invocation of guarantee initially met by the Government and therefore a balance of ₹ 154.36 crore is yet to be recovered as at the end of the year 2010-11. No amount was paid by the Government on account of invocation of guarantee during the year 2010-11.

### 1.7.4 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 1.27**, the State also guaranteed loans availed of by the Government companies/corporations. These companies/corporations borrowed funds from the market/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/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). In Maharashtra, there were no off-budget borrowings during the years 2005-06 to 2010-11. However, at the close of 2010-11, ₹ 3,305 crore was outstanding on account of off-budget borrowings prior to 2005-06.

As per the MTFPS Statement 2008-09, the State Government had completely stopped off-budget borrowings from the year 2005-06.

### 1.7.5 Adverse Balances appearing in the Finance Accounts

Adverse balances appearing in the statements of the Finance Accounts show the distorted position of accounts balances. Adverse balance (Minus balances) 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 2010-11, the following adverse balances as shown in **Table 1.28** appeared in the Finance Accounts due to misclassification.



Table 1.28 : Adverse balances

Head	Head of Accounts	Minus Balances (₹ in lakh)	Present status
6003(104)	Loans from GIC of India	-102.72	It is under reconciliation with the Urban Development Department, Housing Department and the Pay & Accounts office, Mumbai
6202 (02)800	Other Loans for Technical Education	-1738.05	It is under reconciliation with the Education Department and the Pay & Accounts Office, Mumbai
6406(104)	Loans to Forest Development Corporation of Maharashtra	-1987.61	Minus balance is due to misclassification which is under correspondence with Principal Chief Conservator of Forests, Maharashtra State, Nagpur.
6416(190)	Loans to Agricultural Financial Institutions – Loans to Public Sector and other undertakings	-75.90	The adverse balance has been appearing in Finance Accounts from 1978-79 onwards. The matter is under correspondence with the Water Resources Department and the Pay & Accounts Office, Mumbai.
6515(103)	Loans for Other Rural Development Programmes – Rural Works Programme	-81.25	Minus balance is due to misclassification. It is under reconciliation with Executive Engineer, Works Division, Wardha
7610(203)	Loans to Government Servants – Advance for purchase of Other Conveyance	-184.96	Minus balance is due to misclassification. It is under reconciliation with various controlling officers of the Nagpur Accounting Circle.

Source : Notes to Accounts, Finance Accounts

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

## 1.8 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>26</sup> of the State. This section assesses the sustainability of debt of the State Government in terms of debt stabilization<sup>26</sup>, sufficiency of non-debt receipts<sup>26</sup>, net availability of borrowed funds<sup>26</sup>, burden of interest payments (measured by interest payments to revenue receipts ratio) and maturity profile of State Government securities. **Table 1.29** analyses the debt sustainability of the State according to these indicators for the period of three years beginning from 2008-09.

Table 1.29 : Debt sustainability : indicators and trends

Indicators of debt sustainability	2008-09	2009-10	2010-11
Debt Stabilization (₹ in crore) (Quantum Spread + Primary Deficit) <sup>26</sup>	14,001	28,701	11,013
Sufficiency of non-debt receipts (Resource Gap) (₹ in crore)	-16,820	- 12,157	7,299
Net Availability of Borrowed Funds (₹ in crore)	8,848	9,793.92	9,968.81
Burden of Interest Payments (IP / RR Ratio) (in per cent)	15	16	15

### Debt Stabilisation

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 minus 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 eventually be falling.

**Table 1.29** reveals that the emergence of positive sum of quantum spread and primary deficit since 2008-09 indicates the tendency towards the debt stabilisation which would eventually improve the debt sustainability position of the State in ensuing years.

<sup>26</sup> see Glossary at page 112.

## Finances of the State Government

### 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 persistent negative resource gap indicates the non-sustainability of debt while the positive resource gap strengthens the capacity of the State to sustain the debt. During the year 2008-09 and 2009-10 there was a negative resource gap 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.

### 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.

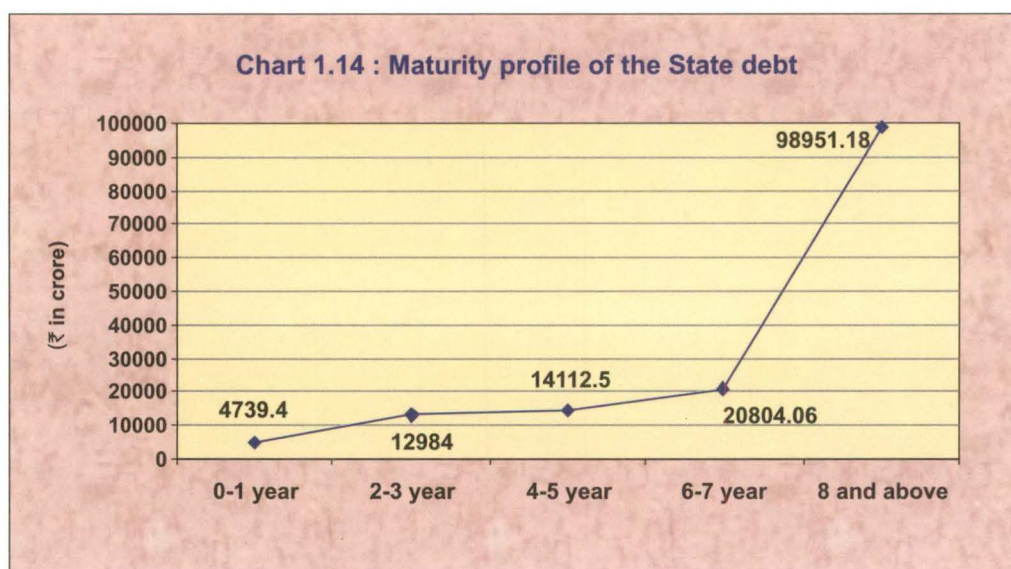
During 2010-11, Government raised internal debt of ₹ 19,920 crore, GOI loans of ₹ 820 crore and other obligations of ₹ 28,867 crore. Government repaid internal debt of ₹ 4,291 crore, GOI loans of ₹ 483 crore and discharged other obligations of ₹ 18,429 crore and paid interest of ₹ 15,648 crore resulting in net increase in debt receipts by ₹ 10,756 crore during the year.

Interest as a percentage of revenue receipts was almost constant during 2008-11 which was as per the target of 15 per cent envisaged in the TFC.

**Table 1.30 : Maturity profile of State debt**

(₹ in crore)		
Maturity Profile	Amount	Per cent
0 – 1	4,739.40	2.99
2 – 3	12,984.00	8.20
4 – 5	14,112.50	8.92
6 – 7	20,804.06	13.14
8 and above	98,951.18	62.50
Information not furnished by the State Government	6,722.59	4.25
<b>Total</b>	<b>1,58,313.73</b>	<b>100.00</b>

Source : Finance Accounts



The maturity of the State Debt as per **Table 1.30** and **Chart 1.14** indicates that nearly 20.11 per cent of the total State debt is repayable within the next five years while the remaining 79.89 per cent is payable in more than five years. It further indicates that the liability of the State to repay the debt would be ₹ 14,112.50 crore during the period 2014-16 and ₹ 20,804.06 crore during 2016-18 which would put a strain on the Government budget during that period. The State may have to borrow further to repay those loans.

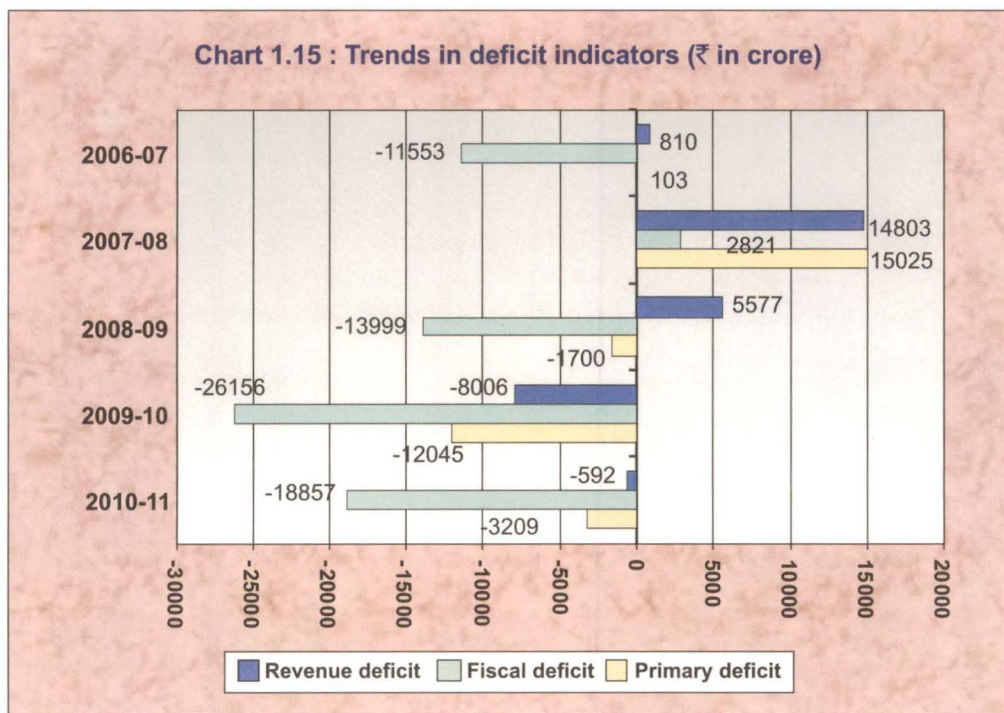
A well thought out debt repayment strategy will have to be worked out by the Government to ensure that no additional borrowings, which mature in these critical years, are made.

## 1.9 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 2010-11.

### 1.9.1 Trends in deficits

**Charts 1.15 and 1.16** present the trends in deficit indicators over the period 2006-11:



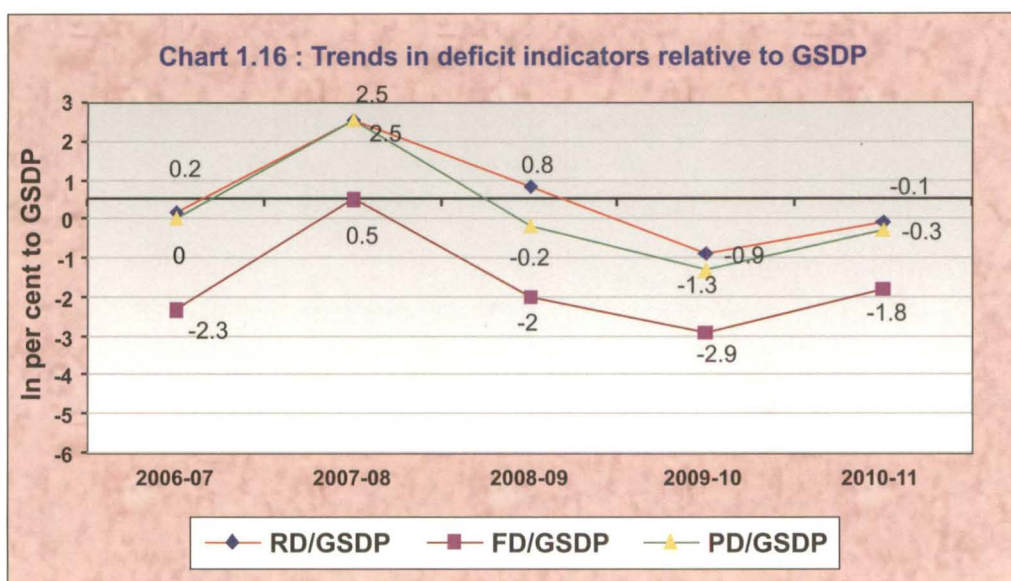
**Chart 1.15** shows that revenue surplus of ₹ 810 crore in 2006-07 which increased to ₹ 14,803 crore during 2007-08 due to augmentation of non-tax receipts by way of transfer of ₹ 10,868 crore lying in various inoperative Reserve Funds in the Public Account by the State Government to its Consolidated Fund. 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. The revenue deficit is to be

## Finances of the State Government

brought down to zero by 2011-12 and revenue surplus is to be generated thereafter, as per the MFRBM Rules (Second Amendment), 2011.

The fiscal deficit of ₹ 26,156 crore during 2009-10 decreased to ₹ 18,857 crore, which was the result of decrease in revenue deficit (₹ 7,414 crore) and net loans and advances disbursed (₹ 427 crore) and increase in net capital expenditure (₹ 542 crore) over the previous year.

The primary deficit<sup>27</sup> took a turnaround and resulted in a primary surplus during 2006-08. However, it again turned to primary deficit during 2008-10. During 2010-11, the primary deficit reduced by ₹ 8,836 crore from ₹ 12,045 crore in 2009-10 to ₹ 3,209 crore during 2010-11 due to a sharp decrease of ₹ 7,299 crore in fiscal deficit along with an increase of ₹ 1,537 crore in interest payments.



**Table 1.31 : Trends in major fiscal parameters / variables vis-à-vis projections for 2010-11**

Fiscal variables	2010-11			
	ThFC (2010-11)	MTFPS	FCP	Actuals
Revenue deficit as percentage of GSDP	0	0.86	0.55	0.06
Fiscal Deficit as percentage of GSDP	3.0	2.74	2.43	1.83

**Table 1.31** reveals that the State has almost achieved fiscal targets as laid down in the MFRBM Act/Rules and ThFC, with the current year ending in a revenue deficit of ₹ 592 crore, which was just 0.06 per cent of GSDP and a fiscal deficit of ₹ 18,857 crore, which was 1.83 per cent of the GSDP.

It was noticed that during 2010-11, out of a total of 16 cases (as per Finance Accounts – Volume I), 'Grants-in-aid' of ₹ 318.62 crore in 15 cases and 'Subsidies' of ₹ four lakh in one case, released by the State Government had been classified/booked under capital expenditure heads. These should have been booked under revenue expenditure heads of accounts, thus resulting in understatement of the revenue deficit to that extent.

<sup>27</sup> see the Glossary at page 112

## 1.9.2 Decomposition and financing pattern of fiscal deficit

The financing pattern of the fiscal deficit has undergone a compositional shift as reflected in the Table 1.32.

Table 1.32 : Components of fiscal deficit and its financing pattern

(₹ in crore)					
Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
<b>Decomposition of Fiscal Deficit / Surplus (1+2+3) (a)</b>	<b>11,553 (2.27)</b>	<b>-2,821 (-0.48)</b>	<b>13,999 (2.01)</b>	<b>26,156 (2.90)</b>	<b>18,857 (1.83)</b>
1. Revenue Deficit (+) / Surplus (-)	-810(-0.16)	-14,803(-2.5)	-5,577(-0.8)	8,006(0.89)	592(0.06)
2. Net Capital Expenditure	10,092(1.98)	11,490(1.94)	18,855(2.7)	17,404(1.93)	17,946(1.74)
3. Net Loans and Advances	2,271(0.45)	492(0.08)	721(0.1)	746(0.08)	319(0.03)
<b>Financing Pattern of Fiscal Deficit<sup>#</sup></b>					
1. Market Borrowings	1,167(0.23)	7,641(1.29)	16,866(2.42)	14,509(1.61)	10,484(1.02)
2. Loans from GOI	95(0.02)	-84(-0.01)	-35(-0.01)	325(0.04)	337(0.03)
3. Special Securities Issued to NSSF*	8,838(1.74)	1,475(0.25)	428(0.06)	2,751(0.31)	5,155(0.50)
4. Loans from Financial Institutions	-250(-0.05)	30(0.01)	229(0.03)	154(0.02)	-9(0)
5. Small Savings, PF etc.	640(0.13)	685(0.12)	803(0.12)	1,790(0.20)	2,022(0.20)
6. Deposits and Advances	1,714(0.34)	1,876(0.32)	1,240(0.18)	3,502(0.39)	6,259(0.61)
7. Suspense and Miscellaneous	283(0.06)	225(0.04)	3,148(0.45)	4,020(0.45)	-1104(-0.11)
8. Remittances	-1,315(-0.26)	-72(-0.01)	42(0.01)	2,163(0.24)	-482(-0.05)
9. Reserve Funds	2,344(0.46)	-10,547(-1.78)	1,617(0.23)	875(0.10)	2,153(0.21)
10. Contingency Fund	-617(-0.12)	-4(0)	307(0.04)	-251(-0.03)	842(0.08)
11. Appropriation to / from Contingency fund	800(0.16)	—	-250(-0.04)	250(0.03)	-850(-0.08)
<b>12. Total (1 to 11) (b)</b>	<b>13,699</b>	<b>1,225</b>	<b>24,395</b>	<b>30,088</b>	<b>24,807</b>
13. Increase (-) / Decrease (+) in Cash Balance (a) – (b)	-2,146 (-0.42)	-4,046 (-0.68)	-10,396 (-1.49)	-3,932 (-0.44)	-5,950 (-0.58)
14. Overall deficit (12 + 13)	11,553(2.27)	-2,821(-0.48)	13,999(2.01)	26,156(2.90)	18,857(1.83)

Figures in brackets indicate the *per cent* to GSDP.

# All these figures are net of disbursements / outflows during the year.

\* National Small Savings Fund.

The large fiscal deficit during 2009-10 was the combined effect of revenue deficit and large net capital expenditure. This reduced by ₹ 7,299 crore during 2010-11 due to the decrease in revenue deficit. The net capital expenditure as a percentage of the fiscal deficit increased from 87 *per cent* during 2006-07 to 95 *per cent* in 2010-11. During 2008-09, capital expenditure was much higher at 135 *per cent* of fiscal deficit, as a part of it was met out of revenue surplus.

During the year 2006-07 the fiscal deficit was financed by special securities issued to NSSF, Reserve Funds and market borrowings whereas during 2010-11, the fiscal deficit was mainly financed by market borrowings, deposits and advances and special securities issued to NSSF.

As can be seen from Table 1.33 during the period 2010-11, there was an overall surplus (increasing the cash balance) after financing the fiscal deficit.

## Finances of the State Government

**Table 1.33 : Receipts and disbursements under components financing the fiscal deficit during 2010-11**  
(₹ in crore)

	Particulars	Receipts	Disbursements	Net
1.	Market Borrowings	11,500	1,016	10,484
2.	Loans from GOI	820	483	337
3.	Special Securities Issued to NSSF	7,505	2,350	5,155
4.	Loans from Financial Institutions	915	924	-9
5.	Small Savings, PF etc.	3,882	1,860	2,022
6.	Deposits and Advances	21,917	15,658	6,259
7.	Suspense and Miscellaneous	-993	111	-1104
8.	Remittances	20,253	20,735	-482
9.	Reserve Funds	3,346	1,193	2,153
10.	Contingency Fund	853	11	842
11.	Appropriation to / from Contingency Fund	0	850	-850
<b>12.</b>	<b>Total (1 to 11)</b>	<b>69,998</b>	<b>45,191</b>	<b>24,807</b>
13.	Increase (-) / Decrease (+) in Cash Balance	—	—	-5,950
14.	Overall deficit (12 +13)	—	—	18,857

Source : Finance Accounts

### Cost of borrowings

During the year 2010-11, the State Government raised market loans of ₹ 11,500 crore under internal debt. The cost of raising of this internal debt being ₹ 13.73 crore was 0.12 per cent of the market loan taken by the State Government. This increased the fiscal deficit to the extent of ₹ 13.73 crore.

### 1.9.3 Quality of deficit/surplus

The ratio of revenue deficit to fiscal deficit and the decomposition 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. Further, the persistently high ratio of revenue deficit to fiscal deficit also indicates that the asset base of the State was continuously shrinking and a part of borrowings (fiscal liabilities) were not having any asset backup. The bifurcation of the primary deficit shown in **Table 1.34** indicates the extent to which the deficit has been on account of enhancement in capital expenditure which may be desirable to improve the productive capacity of the State's economy.

**Table 1.34 : 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)
2006-07	62,246	49,729	10,092	2,322	62,143	12,516	103
2007-08	80,316	52,576	11,490	1,225	65,291	27,740	15,025
2008-09	81,849	63,395	18,873	1,281	83,549	18,454	-1,700
2009-10	87,450	80,806	17,429	1,261	99,496	6,644	-12,046
2010-11	1,06,525	90,812	17,963	959	1,09,734	15,713	-3,209

During the period 2006-11, non-debt receipts of the State were enough to meet the primary revenue expenditure<sup>28</sup> requirements in the revenue account. However, except for the period 2006-08, non-debt receipts were not enough to meet the primary expenditure resulting in primary deficit. This indicates the extent to which the primary deficit in the current year has been on account of enhancement in capital expenditure which may be desirable to improve the productive capacity of the State's economy.

The capital expenditure as a percentage to primary expenditure increased from 16.24 *per cent* during 2006-07 to 22.59 *per cent* during 2008-09. However, it came down to 17.51 *per cent* during 2009-10 and 16.37 *per cent* during 2010-11.

## 1.10 Conclusion

**Pattern of Revenue and Expenditure :** The revenue receipts increased during the year by 22 *per cent* over the previous year due to increase (27 *per cent*) in tax revenue and (38 *per cent*) in Central tax transfers. The revenue receipts were lower by 1.2 *per cent* than the amount assessed by the Government in its Fiscal Correction Path (FCP). However, it was higher by nine *per cent* than the Medium Term Fiscal Policy Statement (MTFPS) for the year 2010-11. The non-tax revenue of the Government was also lower than the projections made in FCP by nine *per cent*, the Thirteenth Finance Commission (ThFC) by 29 *per cent* and MTFPS/Budget by 19 *per cent* (**Para 1.3**). The growth rate of the State's own taxes was much higher than that of the GSDP of the State.

The revenue expenditure increased by 12 *per cent* over the previous year and constituted 85 *per cent* of the total expenditure during 2010-11. Non-Plan revenue expenditure (NPRE) constituted 84 *per cent* of the revenue expenditure. The NPRE (₹ 89,532 crore) remained higher than the normative assessments made by the ThFC (₹ 67,884 crore) and the State Government's projections (MTFPS/Budget) (₹ 82,706 crore) but was lower than that projected in the FCP (₹ 91,682 crore) (**Table 1.12**). The Plan revenue expenditure and NPRE increased by one *per cent* and 15 *per cent* respectively over the previous year (**Para 1.4.1**).

The expenditure of ₹ 41,286 crore on salaries (including the grant-in-aid component) was lower than the State's own FCP (₹ 43,391 crore) and the projections made in the MTFPS of the Government (₹ 42,851 crore). Expenditure under subsidies decreased by 32 *per cent* over the previous year and constituted five *per cent* of revenue expenditure (**Para 1.4.2**).

Capital expenditure, which constituted 14 *per cent* of the total expenditure, increased during 2010-11 by 3.06 *per cent* over the previous year (**Para 1.4.1**).

Financial assistance to local bodies and other institutions (₹ 47,646 crore), which constituted 45 *per cent* of the revenue expenditure during 2010-11 increased by seven *per cent* over 2009-10 (**Para 1.4.3**).

**Deficits:** The significant gap between the growth rates of the revenue receipts (22 *per cent*) and revenue expenditure (12 *per cent*) over the previous year decreased the revenue deficit to ₹ 592 crore during 2010-11 from a revenue deficit of ₹ 8,006 crore during 2009-10. The targets set for the revenue deficit as a percentage of GSDP under the MTFPS and FCP were achieved. The fiscal deficit (₹ 18,857 crore) also decreased as compared to the previous year and constituted 1.83 *per cent* of GSDP, which was within the limit (three *per cent*) (**Para 1.9.1**). The primary deficit also decreased significantly during 2010-11.

### Debt Management

During 2010-11, the fiscal liabilities (₹ 2,29,569 crore) increased over the previous year. The fiscal liabilities to GSDP ratio at 22.3 *per cent* was lower than the norm of 26.30 *per cent*

<sup>28</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

recommended by the ThFC and the MFRBM Rules of 2011. These liabilities were around twice the revenue receipts (**Para 1.7.2**).

The emergence of a positive sum of quantum spread and primary deficit since 2008-09 indicates the tendency towards debt stabilisation which would eventually improve the debt sustainability position in the ensuing years. The positive resource gap in the State during 2010-11 indicated increasing capacity to sustain the debt in the medium to long run (**Para 1.8**).

**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 0.06 to 0.13 *per cent* in the past three years while the Government paid an average interest of 7.23 to 7.38 *per cent* on this investment (**Para 1.6.3**).

**Prudent cash management:** Cash balances of the State at the close of the year 2010-11 (₹ 31,509 crore) increased by 23 *per cent* over 2009-10. The cost of holding surplus cash balances was high. In 2010-11, the interest received on investment of cash balances in RBI Investment in Treasury Bills was only 2.60 *per cent* while the Government borrowed on an average at 7.23 *per cent* (**Para 1.6.6**).

**Incomplete Projects :** In respect of 233 incomplete projects pertaining to three departments (**Appendix 1.9**), the time overruns occurred was between four to 25 years as of 31 March 2011. In respect of 22 incomplete irrigation projects, significant cost overruns resulted due to increase in the initial budgeted costs (**Para 1.6.2**).

**Oversight of funds transferred directly from the GOI to the State implementing agencies:** GOI directly transferred ₹ 5,645.35 crore to the State implementing agencies during 2010-11. Funds transferred directly from the GOI to 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. This also inhibits the MFRBM requirement of transparency in fiscal operations and thus bypasses accountability (**Para 1.2.2**).

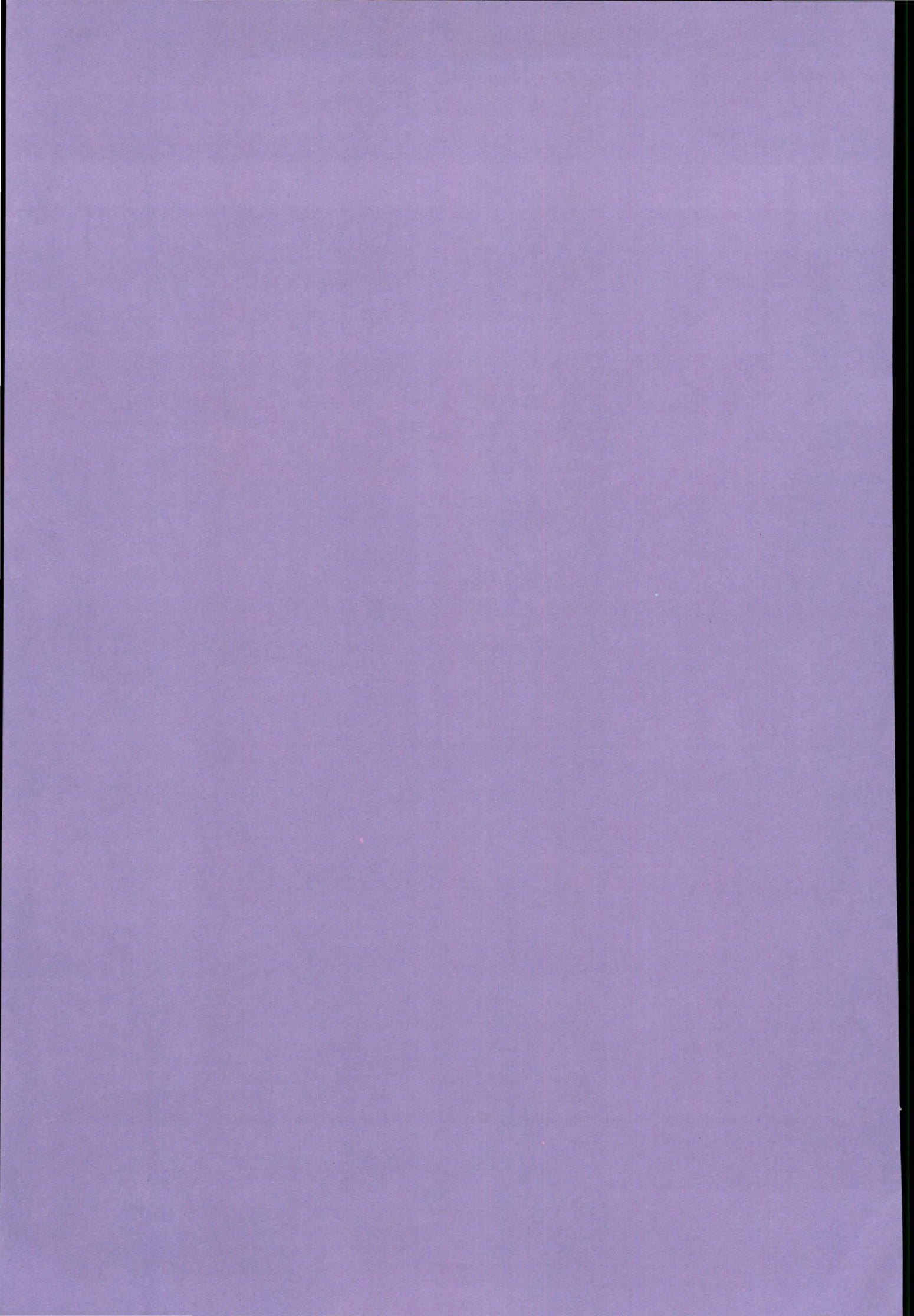
### 1.11 Recommendations

- As per the recommendations of the ThFC, the revenue deficit is required to be brought down to zero for 2011-12, for which efforts have to be made to increase tax compliance, reduce administration costs, collect revenue arrears and prune unproductive expenditure.
- Borrowed funds should be, as far as possible, utilised only for infrastructure development, whereas revenue expenditure should be met fully from the revenue receipts. Steps should be taken to return to the state of primary surpluses and zero revenue deficit as soon as possible.
- 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 revival strategy should be worked out for those undertakings which can be made viable. Undertakings which are not likely to be viable may be closed down.
- The Government should ensure proper accounting of the funds transferred to State implementing agencies and the updated information should be validated by the State Government as well as the Principal Accountant General (A&E), Maharashtra, for proper monitoring of the expenditure incurred by the implementing agencies.



**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 Acts. These Accounts list the original budget estimates, supplementary grants, surrenders and reappropriations 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, the Finance Department is responsible for preparation of the annual budget by obtaining estimates from various departments. The departmental estimates of receipts and expenditure are prepared by Controlling Officers on the advice of the heads of departments and submitted to the Finance Department on prescribed dates. The Finance Department consolidates 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 management of budget and expenditure and violation 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 2010-11 against 242 grants/appropriations is as given in **Table 2.1**:

## Financial Management and Budgetary Control

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 (+)
<b>Voted</b>	I Revenue	89,217.57	16,937.18	1,06,154.75	92,078.65	(-) 14,076.10
	II Capital	19,704.84	5,599.80	25,304.64	21,171.72	(-) 4,132.92
	III Loans and Advances	713.05	525.22	1,238.27	959.12	(-) 279.15
<b>Total Voted</b>		<b>1,09,635.46</b>	<b>23,062.20</b>	<b>1,32,697.66</b>	<b>1,14,209.49</b>	<b>(-) 18,488.17</b>
<b>Charged</b>	IV Revenue	17,812.67	161.04	17,973.71	17,567.18	(-) 406.53
	V Capital	4.20	—	4.20	3.58	(-) 0.62
	VI Public Debt-Repayment	7,807.90	—	7,807.90	4,773.61	(-) 3,034.29
<b>Total Charged</b>		<b>25,624.77</b>	<b>161.04</b>	<b>25,785.81</b>	<b>22,344.37</b>	<b>(-) 3,441.44</b>
<b>Appropriation to Contingency Fund</b>		850.00	—	850.00	850.00	—
<b>Grand Total</b>		<b>1,36,110.23</b>	<b>23,223.24</b>	<b>1,59,333.47</b>	<b>1,37,403.86</b>	<b>(-) 21,929.61</b>

**Note:** The expenditure excludes the recoveries adjusted as reduction of expenditure under revenue expenditure ₹ 3,186.46 crore and capital expenditure ₹ 3,211.98 crore.

Supplementary provisions of ₹ 23,223.24 crore obtained during the year constituted 17 per cent of the original provision as against 35 per cent in the previous year.

The overall savings of ₹ 21,929.61 crore was the result of savings of ₹ 22,396.52 crore in 136 grants and 54 appropriations under the Revenue Section, 74 grants and 11 appropriations under the Capital Section, offset by excess of ₹ 466.91 crore in 35 grants and seven appropriations.

As may be seen from the above table, against the original provision of ₹ 1,36,110.23 crore, expenditure of ₹ 1,37,403.86 crore was incurred, thereby requiring only six per cent of supplementary funds. The actual savings of ₹ 21,929.61 crore constituting 94 per cent of the supplementary budget of ₹ 23,223.24 crore, clearly indicate 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 (Detailed Appropriation Accounts) were intimated regularly to the Controlling Officers (COs) through monthly reports on expenditure. The matter was also taken up after closure of the preliminary and final accounts in May and June 2011, requesting the COs to explain the reasons for the significant variations, but no explanation was received (August 2011). The Planning, School Education, Housing, Finance and Industries, Energy and Labour departments had substantial savings/excess expenditure.

## 2.3 Financial Accountability and Budget Management

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

Appropriation audit revealed that savings in 32 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 ₹ 21,929.61 crore, savings of ₹ 20,499.27 crore (93 per cent) occurred in 33 cases relating to 31 grants and two appropriations. The savings in these cases exceeded ₹ 100 crore in each case as detailed in Table 2.2:

## Financial Management and Budgetary Control

Table 2.2 : List of grants with savings of ₹ 100 crore and above

(₹ in crore)

Sr. No.	Number and name of the grant	Original provision	Supplementary provision	Total	Actual expenditure	Savings
<b>Revenue - Voted</b>						
1.	B-1 Police Administration	6,045.68	255.30	6,300.98	5,882.93	418.05
2.	C-1 Revenue and District Administration	1,039.30	30.08	1,069.38	895.95	173.43
3.	C-6 Natural Calamities	904.73	950.88	1,855.61	1,414.50	441.11
4.	D-3 Agriculture Services	1,898.10	751.64	2,649.74	2,261.18	388.56
5.	D-5 Dairy Development	714.20	7.00	721.20	512.51	208.69
6.	E-2 General Education	23,226.86	1,299.55	24,526.41	22,828.27	1,698.14
7.	F-2 Urban Development and other Advances Services	4,080.05	440.62	4,520.67	3,907.47	613.20
8.	G-2 Other Fiscal and Miscellaneous Services	1,693.06	Negligible	1,693.06	68.11	1,624.95
9.	G-6 Pension and other Retirement Benefits	6,637.34	2,436.10	9,073.44	8,876.57	196.87
10.	H-5 Roads and Bridges	2,073.09	926.09	2,999.18	2,896.21	102.97
11.	H-6 Public Works and Administrative and Functional Buildings	1,462.20	263.59	1,725.79	1,592.23	133.56
12.	I-3 Irrigation, Power and other Economic Services	2,031.12	210.27	2,241.39	2,002.02	239.37
13.	J-1 Administration of Justice	653.24	213.78	867.02	694.13	172.89
14.	K-7 Industries	630.81	302.50	933.31	827.68	105.63
15.	N-3 Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	3,869.14	1,329.87	5,199.01	4,329.51	869.50
16.	O-1 District Administration	501.50	82.50	584.00	12.09	571.91
17.	O-4 Other Rural Development Programmes	2,313.67	---	2,313.67	0.09	2,313.58
18.	O-7 Secretariat - Economic Services	679.97	6.00	685.97	88.28	597.69
19.	Q-3 Housing	1,743.74	95.85	1,839.59	800.42	1,039.17
20.	R-1 Medical and Public Health	2,936.22	226.01	3,162.23	3,019.57	142.66
21.	T-5 Revenue Expenditure on Tribal Areas Development Sub-Plan	2,392.20	264.15	2,656.35	1,796.03	860.32
22.	X-1 Social Security and Nutrition	1,905.37	63.14	1,968.51	1,630.08	338.43
<b>Capital - Voted</b>						
23.	B-9 Capital Expenditure on Economic Services	435.64	67.91	503.55	392.64	110.91
24.	H-8 Capital Expenditure on Public Works, Administrative and Functional Buildings	358.43	320.43	678.86	470.53	208.33
25.	I-5 Capital Expenditure on Irrigation	7,805.98	1,763.54	9,569.52	9,237.61	331.91
26.	K-11 Capital Expenditure on Energy	1,470.58	510.00	1,980.58	1,741.72	238.86
27.	L-7 Capital Expenditure on Rural Development	348.55	271.03	619.58	414.62	204.96
28.	M-4 Capital Expenditure on Food	3,411.00	715.37	4,126.37	3,705.85	420.52
29.	N-4 Capital Expenditure on Social Services	685.31	113.40	798.72	402.91	395.81
30.	O-9 Capital Outlay on Other Rural Development Programmes	2,160.75	301.57	2,462.32	692.78	1,769.54
31.	T-6 Capital Expenditure on Tribal Areas Development Sub-Plan	707.25	208.64	915.89	576.59	339.30
<b>Capital - Charged</b>						
32.	G-8 Public Debt and Inter State Settlement	7,024.52	---	7,024.52	4,009.77	3,014.75
<b>Revenue - Charged</b>						
33.	G-3 Interest Payment and Debt Servicing	15,210.70	---	15,210.70	14,997.00	213.70
<b>Total</b>						<b>20,499.27</b>

Cases where either the entire budget provision was surrendered or remained unutilized and unsurrendered are highlighted below :

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

The grant closed with total savings of ₹1,624.95 crore. The savings mainly occurred due to surrender of ₹ 683.49 crore under the head “2075 – Miscellaneous General Services, 103 State Lotteries”. The amount was surrendered due to closure of Two Digit Lottery with effect from January 2007. Reasons for making budget provision and surrendering the entire amount at the end of financial year continuously for the last four years from 2007-08 to 2010-11 had not been intimated (August 2011).

Further, the entire budget provision of ₹ 449.30 crore provided under the head “2075 – Miscellaneous General Services, 800 Other Expenditure” was surrendered in March 2011 as the decision for grants payable to Local Bodies was not taken by the Government. This was the 13<sup>th</sup> successive year in which the entire budget provision was surrendered. Reasons for making huge budget provisions continuously for the last 13 years had not been intimated (August 2011). Though the same was commented upon in the Report on State Finances for the year 2008-09, the irregularity still persists.

### ii) Grant Number “O-9 Capital outlay on Other Rural Development Programmes”

The grant closed with savings of ₹ 1,769.54 crore which included supplementary grants of ₹ 301.57 crore. Augmentation of funds through supplementary grants (₹ 301.57 crore) proved unnecessary as only 32 *per cent* of the original provision ₹ 2,160.75 crore was expended (₹ 692.78 crore) during the year. Savings of ₹ 275.43 crore occurred mainly under the head “800 – Other Expenditure”.

### iii) Grant Number “T-6 Capital Expenditure on Tribal Areas Development Sub-Plan”

Against the total provision of ₹ 915.89 crore, the expenditure was ₹ 576.59 crore, resulting in savings of ₹ 339.30 crore. Thus augmentation of funds through supplementary grants (₹ 208.64 crore) proved unnecessary as the total expenditure (₹ 576.59) was less than even the original estimates (₹ 707.25 crore). The savings of ₹ 339.30 crore mainly comprised a saving of ₹ 109.80 crore under the head “796 – Tribal Areas Sub-Plan” which was neither utilized nor surrendered. Reasons for the same had not been intimated (August 2011).

### iv) Grant Number “G-8 Loans and Advances from the Central Government”

Against the total provision of ₹ 7024.52 crore, the saving under the grant was ₹ 3,014.75 crore. Savings of ₹ 460 crore under the Major Head “6004 – Loans and Advances from the Central Government” constituted the major portion of the total savings of ₹ 3014.75 crore. Reasons, though sought for, had not been intimated (August 2011).

## 2.3.2 Persistent savings

In 27 cases, during the last five years, there were persistent savings of more than ₹ 10 crore in each case, as shown in **Table 2.3**.

**Table 2.3: List of grants indicating persistent savings during 2006-11**

(₹ in crore)

Sr. No.	Number and name of the grant	Amount of savings (Per cent to total grant)				
		2006-07	2007-08	2008-09	2009-10	2010-11
<b>Revenue-Voted</b>						
1	B-3 Transport Administration	301.17 (77.46)	21.74 (5.64)	10.40 (1.34)	36.03 (3.87)	17.35 (3.13)
2	C-1 Revenue and District Administration	66.24 (12.33)	50.24 (9.13)	48.31 (7.62)	116.16 (12.88)	173.43 (16.22)
3	D-3 Agriculture Services	107.48 (10.68)	126.84 (19.74)	284.77 (17.09)	215.96 (10.03)	388.56 (14.66)
4	D-4 Animal Husbandry	35.02 (8.94)	77.73 (7.22)	10.12 (2.98)	18.82 (4.27)	29.10 (5.49)
5	D-6 Fisheries	74.76 (40.95)	291.45 (32.76)	34.62 (19.41)	60.60 (35.74)	35.40 (25.80)
6	G-1 Sales Tax Administration	45.91 (23.14)	54.83 (24.30)	59.14 (20.50)	29.34 (8.87)	29.91 (8.64)
7	G-2 Other Fiscal and Miscellaneous Services	2,458.37 (74.78)	3,039.87 (99.22)	10,436.74 (98.34)	4,640.25 (98.00)	1,624.95 (95.98)
8	H-6 Public Works and Administrative and Functional Buildings	46.34 (4.61)	56.45 (5.43)	51.16 (4.13)	228.15 (13.95)	133.57 (7.74)
9	I-3 Irrigation, Power and Other Economic Services	410.19 (23.24)	408.12 (22.81)	14.26 (0.83)	180.55 (8.45)	239.37 (10.68)
10	J-1 Administration of Justice	28.51 (9.18)	26.39 (7.83)	10.90 (2.82)	52.78 (9.36)	172.89 (19.94)
11	L-3 Rural Development Programme	178.55 (11.62)	329.95 (18.94)	379.93 (22.03)	457.94 (20.40)	20.05 (1.19)
12	O-3 Rural Employment	67.73 (8.81)	99.67 (9.99)	221.79 (28.00)	180.70 (19.04)	66.99 (10.25)
13	O-4 Other Rural Development Programmes	75.08 (44.78)	1,127.34 (99.99)	1,327.51 (99.99)	14,935.61 (100.00)	2,313.58 (100.00)
14	Q-3 Housing	77.16 (18.75)	162.67 (16.06)	1,228.61 (66.27)	1,564.67 (61.52)	1,039.17 (56.49)
15	W-2 General Education	15.88 (1.14)	71.84 (5.06)	28.05 (1.76)	110.97 (6.14)	59.97 (2.16)
16	W-4 Art and Culture	16.71 (5.23)	19.74 (4.88)	12.48 (3.20)	85.36 (14.87)	17.51 (3.13)
17	X-1 Social Security and Nutrition	131.26 (15.44)	92.75 (9.16)	150.60 (0.14)	410.00 (23.35)	338.43 (17.19)
18	Y-2 Water Supply and Sanitation	48.73 (3.28)	170.30 (9.25)	67.01 (11.47)	151.08 (21.12)	19.75 (3.30)
<b>Capital-Voted</b>						
19	C-12 Loans to Government Servants, etc.	20.07 (43.74)	32.10 (58.65)	12.49 (20.68)	23.32 (34.16)	32.67 (43.20)
20	H-9 Capital outlay on Removal of Regional Imbalance	15.87 (3.48)	64.14 (14.93)	33.82 (16.28)	19.91 (24.25)	28.74 (25.80)
21	I-5 Capital Expenditure on Irrigation	44.02 (0.79)	49.97 (0.70)	16.45 (0.14)	1,032.96 (11.13)	331.91 (3.47)
22	L-7 Capital Expenditure on Rural Development	35.42 (11.13)	29.17 (6.31)	36.42 (10.56)	470.84 (61.91)	204.96 (33.08)
23	O – 9 Capital Outlay on Other Rural Development Programmes	205.05 (30.10)	760.87 (62.45)	987.61 (68.26)	11,590.54 (96.13)	1,769.54 (71.86)
24	T – 6 Capital Expenditure on Tribal Areas Development Sub-Plan	36.25 (7.33)	78.17 (12.41)	156.04 (15.94)	97.35 (10.73)	339.30 (37.05)
25	V-3 Capital Expenditure on Social Services	123.96 (36.00)	160.88 (58.41)	32.42 (12.32)	59.27 (26.35)	49.23 (31.72)
26	V-5 Capital Expenditure on Economic Services	154.07 (9.10)	163.33 (26.04)	36.16 (10.83)	30.60 (7.68)	87.69 (18.16)
<b>Capital Charged</b>						
27	G-8 Public Debt and Inter State Settlement	218.03 (5.05)	1,000.40 (20.13)	2,098.77 (38.38)	3,004.59 (49.63)	3,014.75 (42.92)

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It was observed that there were 100 *per cent* savings under Grant O-4 during the last four years from 2007-08 to 2010-11. During the year 2010-11, the major portion of savings of ₹ 2,313.58 crore consisted of unutilised and unsurrendered amounts of budget provision of ₹ 380.36 crore under the head "800 - Other Expenditure, (01)(02) – Lump sum provision for unbudgeted revenue outlay (District Plan)". Reasons, though sought for, had not been intimated (August 2011).

The persistent savings indicated that the budgetary controls in the departments were not effective.

### 2.3.3 Excess expenditure

During 2010-11, excess expenditure was incurred in 42 grants/appropriations aggregating ₹ 466.91 crore over the grants/appropriations authorized by the legislature. The excess expenditure requires regularisation under Article 205 of the Constitution. The details are given in **Appendix 2.2**.

In one case (Revenue-Voted H-3 Housing), expenditure of ₹ 415.71 crore exceeded the approved provision of ₹ 315.70 crore by ₹ 100.01 crore i.e 32 *per cent* of total provision. Reasons for the excess expenditure were not received from the department (August 2011).

### 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 (PAC). However, the excess expenditure amounting to ₹ 5,650.66 crore for the period from 2006-07 to 2009-10 is yet to be regularised as detailed in **Appendix 2.3**. Though the State PAC discussed the Appropriation Accounts for the years 2002-03 to 2005-06 during May-June 2010, their recommendations for regularisation of the excess expenditure were received during December 2010 and April 2011. The excess expenditure had not been regularised (October 2011). The year-wise excess expenditure pending regularisation is summarised below:

**Table 2.4: Excess over provisions relating to previous years requiring regularization**

(₹ in crore)

Year	Number of		Amount of excess over provision
	Grants	Appropriations	
2002-03	12	17	2,542.87
2003-04	11	15	1,015.24
2004-05	9	17	407.35
2005-06	19	15	1,156.99
2006-07	16	13	956.30
2007-08	11	11	587.41
2008-09	38	9	2,389.37
2009-10	42	6	1717.58
<b>Total</b>	<b>158</b>	<b>103</b>	<b>10,773.11</b>

Source: Appropriation Accounts

Non-regularisation of the excess over provisions under the grants/ appropriations over the years is a breach of legislative controls over grants/appropriations.



### 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 ₹ 329.48 crore was incurred in 42 cases as detailed in **Appendix 2.4** without any provision in the original estimates/ supplementary demand and without any reappropriation orders to this effect. The reasons for incurring expenditure without budget provision had not been intimated by the various administrative departments (August 2011).

In 12<sup>27</sup> out of the 42 cases, it was observed that the entire provision of ₹ 507.64 crore was reduced to 'NIL' through reappropriation. The decision proved injudicious in view of expenditure of ₹ 7.53 crore under various heads.

### 2.3.6 Unnecessary/excessive/inadequate supplementary provisions

Supplementary provisions aggregating ₹ 3,603.46 crore obtained in 43 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 2.5**.

In 30 cases, supplementary provision totalling ₹ 1,464.22 crore proved insufficient by more than ₹ one crore in each case, leaving an aggregate uncovered excess expenditure of ₹ 459.70 crore (**Appendix 2.6**).

### 2.3.7 Excessive/unnecessary reappropriation of funds

Reappropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. Reappropriation proved injudicious in view of excessive surrenders or insufficient augmentation and resulted in savings/excesses of ₹ one crore and above in 139 sub-heads as detailed in **Appendix 2.7**. In seven<sup>28</sup> cases, reduction of provisions through reappropriation proved injudicious as the excess expenditure was more than the provisions reduced through reappropriation. Similarly, in nine<sup>29</sup> cases, the reappropriation of funds proved excessive as the savings were more than the funds provided through reappropriation.

### 2.3.8 Unexplained reappropriations

According to Paragraph 165 of the Maharashtra Budget Manual, the orders sanctioning reappropriation 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, on scrutiny of reappropriation orders issued by the administrative departments revealed that the reasons given for additional provision/withdrawal of provision in reappropriation in respect of 463 (22 *per cent*) out of 2,090 items commented in the Appropriation Accounts, orders were of general nature such as 'actual requirement', 'revised estimates, release of 90 *per cent* grants by the Finance Department' *etc.* Besides, in 801 items (38 *per cent*), no specific reasons for additional provision/withdrawal of provision were furnished. This also goes against the principle of transparency stipulated in Section 6 of the Fiscal Responsibility and Budgetary Management Act.

### 2.3.9 Surrender in excess of actual savings

In 26 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

<sup>27</sup> Sr.Nos. 1 to 5, 7, 10, 32 to 35, 50 of Appendix 2.4.

<sup>28</sup> Sr.Nos. 10, 11, 24, 29, 63, 99, 106 of Appendix 2.7.

<sup>29</sup> Sr.Nos. 3, 20, 26, 50, 71, 75, 91, 119, 126 of Appendix 2.7.

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against savings of ₹ 4,141.71 crore, the amount surrendered was ₹ 4,886.08 crore, resulting in excess surrender of ₹ 744.37 crore. Details are given in **Appendix 2.8**.

In 20 cases, it was noticed that a total amount of ₹ 124.29 crore was surrendered though excess expenditure of ₹ 389.02 crore was incurred under these grants. Instead of surrendering, the amounts, should have been reappropriated to the heads where excess expenditure was incurred. This indicated lack of proper budgetary control. Details are given in **Table 2.5**.

**Table 2.5: Surrender of grants in cases of excess expenditure**

(₹ in crore)

Grant number	Name of the grant / appropriation	Total grant	Excess	Amount surrendered
C-2	Stamps and Registration	135.35	13.04	3.84
C-11	Internal Debt of the State Government	0.05	0.02	0.04
F-5	Capital Expenditure on Social Services	0.05	4.58	0.05
H-3	Housing	315.70	100.01	1.62
K-6	Energy	3,603.70	207.91	104.09
O-13	District Plan – Mumbai City (Revenue Section)	34.99	5.75	0.01
O-14	District Plan – Mumbai Suburban (Capital Section)	22.32	3.30	0.12
O-15	District Plan – Thane (Revenue Section)	123.56	0.98	6.35
O-18	District Plan – Sindhudurg (Revenue Section)	60.50	0.49	0.0051
O-19	District Plan – Pune (Capital Section)	60.47	7.58	0.62
O-22	District Plan – Solapur (Capital Section)	30.76	5.84	0.06
O-24	District Plan – Nasik (Capital Section)	45.64	3.01	0.01
O-26	District Plan – Jalgaon (Capital Section)	22.51	2.76	0.12
O-30	District Plan – Jalna (Capital Section)	20.08	7.92	1.27
O-32	District Plan – Nanded (Revenue Section)	113.34	6.72	0.09
O-37	District Plan – Nagpur (Capital Section)	23.91	6.89	0.91
O-45	District Plan – Yavatmal (Capital Section)	29.93	0.04	0.41
O-46	District Plan – Buldhana (Capital Section)	27.29	1.97	0.12
O-47	District Plan – Washim (Capital Section)	14.63	1.71	0.02
W-3	Technical Education	886.27	8.50	4.53
<b>TOTAL</b>		<b>5,571.05</b>	<b>389.02</b>	<b>124.29</b>

### 2.3.10 Anticipated savings not surrendered

As per the Maharashtra Budget Manual, spending departments are required to surrender grants/appropriations or portions thereof to the Finance Department as and when savings are anticipated. At the close of the year 2010-11, no part of the savings, which occurred in 30 cases (₹ 1,815.90 crore) had been surrendered by the concerned departments (**Appendix 2.9**). Similarly, out of total savings of ₹ 10,985.15 crore under 64 other grants/appropriations, with savings of ₹ one crore and above in each grant/appropriation, ₹ 8,159.19 crore only were surrendered, leaving a balance of ₹ 2,825.96 crore (26 per cent of total savings) which were not surrendered at all (**Appendix 2.10**).

Besides, in 64 cases, savings in excess of ₹ 10 crore, aggregating ₹ 18,227.04 crore (**Appendix 2.11**) were surrendered on the last two working days of March 2011, 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 91 sub-heads, expenditure

exceeding ₹ 10 crore and also more than 50 per cent of the total expenditure for the year was incurred in March 2010. **Table 2.6** presents 12 Major Heads where 62 to 100 per cent expenditure was incurred during the last quarter. Out of these Major Heads, 54 to 100 per cent expenditure was incurred in March 2011.

**Table 2.6 : Rush of expenditure during the last quarter and last month of 2010-11**

(₹ in crore)

Sr. No.	Major Head	Total expenditure during the year	Expenditure during the last quarter of the year		Expenditure during March 2011	
			Amount	Percentage of total expenditure	Amount	Percentage of total expenditure
1	2515 Other Rural Development Programme	1,160.61	718.40	61.90	622.26	53.61
2	3452 Tourism	391.54	372.92	95.24	364.66	93.13
3	3456 Civil Supplies	0.03	0.03	100.00	0.03	100.00
4	4225 Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	477.74	459.61	96.21	427.89	89.57
5	4401 Capital Outlay on Crop Husbandry	0.21	0.16	76.19	0.16	76.19
6	4402 Capital Outlay on Soil and Water Conservation	534.26	403.75	75.57	360.01	67.38
7	4403 Capital Outlay on Animal Husbandry	30.26	28.19	93.16	24.83	82.06
8	4404 Capital Outlay on Dairy Development	0.04	0.04	100.00	0.04	100.00
9	5475 Capital Outlay on Other General Economic Services	3.59	3.59	100.00	3.59	100.00
10	6225 Loans for Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	88.80	88.77	99.97	76.98	86.69
11	6401 Loans for Crop Subsidy	18.50	13.12	70.92	13.12	70.92
12	7475 Loans for Other General Economic Services	0.05	0.05	100.00	0.05	100.00

Uniform flow of expenditure is the primary requirement of proper budgetary control which is lacking during the year 2010-11, indicating deficient financial management.

### 2.3.12 Budget Speech of Finance Minister

The Finance Minister, Government of Maharashtra, delivered a speech while presenting the budget before the Legislature and announced various schemes and programmes to be implemented for the benefit of the public during the ensuing year. Scrutiny of the budget speech for the year 2010-11 revealed that in the following case, the assurance given was not fulfilled :

It was proposed to implement the Rajiv Gandhi New Jeevandai Yojana, with the purpose of reimbursement of expenditure on treatment of various diseases through an Insurance Company, for families below the poverty line and for those who are above the poverty line throughout the State in phases. The first phase was proposed to be implemented in six districts and ₹ 250 crore was proposed in the budget.

Scrutiny of records revealed that no funds were actually provided during the year 2010-11. A budget provision of only ₹ 32 crore was made during the year 2011-12, but no money was released (September 2011). The scheme is yet to be implemented. The tender procedure for finalisation of the Insurance Company is still under process (September 2011).

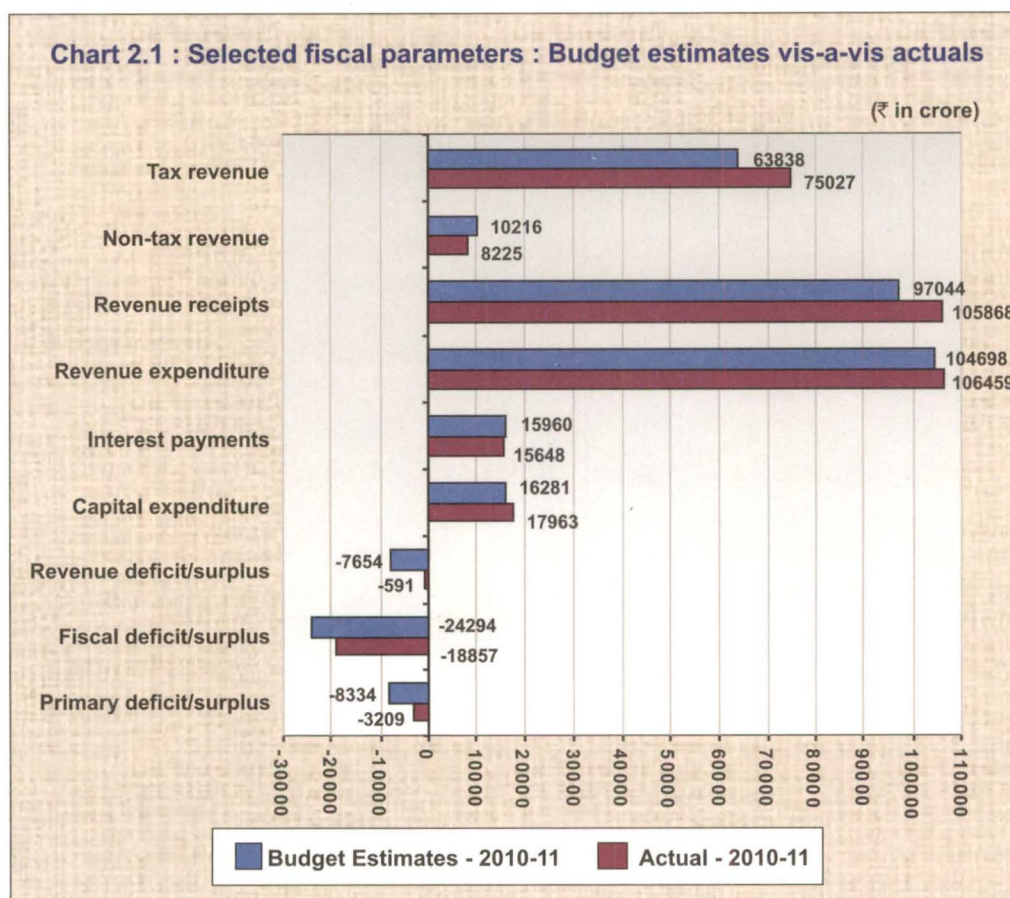
### 2.4 Advances from Contingency Fund

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 to ₹ 1,000 crore with effect from 6 January 2011 vide Ordinance No. 1 of 2011. The balance at the beginning of the year was ₹ 147 crore with an unrecouped balance of ₹ three crore. During the year 2010-11, advances drawn but not recouped to the fund amounted to ₹ 11.20 crore. The closing balance of the fund as on 31 March 2011 was ₹ 988.80 crore.

During 2010-11, 62 sanctions were issued for withdrawal of ₹ 1,052.33 crore from the Contingency Fund. A few illustrative cases listed in **Appendix 2.12** show that the character of expenditure for which the department obtained advances from Contingency Fund was foreseeable. Therefore, the drawal of funds from the Contingency Fund was irregular.

### 2.5 Outcome of Analysis of Budgetary Assumptions

During 2010-11, the actual revenue receipts and expenditure were more than the budget estimates by nine and 1.68 per cent respectively, resulting in significant decrease in revenue deficit. The capital expenditure increased by 10 per cent and interest payments decreased by two per cent over the budget estimates. The budgeted and actual figures under revenue receipts and expenditure are given in **Chart 2.1** and **Appendix 2.13**.



As may be observed from **Chart 2.1** (also see **Appendix 2.13**), there was considerable variation between budget estimates and actuals in the case of several key parameters. Due

to the measures adopted by the State Government in recovering taxes and to mitigate the loopholes in revenue collection; robust growth in the real estate sector both in terms of price realisation and number of transactions and devolution from Government of India as per the recommendations of the Thirteenth Finance Commission, revenue receipts had a positive variation (₹ 8,824 crore: 9.09 *per cent*) over budget estimates and almost all categories of revenue receipts (with the exception of Miscellaneous General Services, Land Revenue, Taxes on Goods and Passenger and Non-ferrous Mining and Metallurgical Industries) were higher than the budget estimates. Revenue expenditure also showed a positive variation of 1.68 *per cent* over the budget estimates, mainly because of more expenditure under Social Welfare and Nutrition, Information and Broadcasting, Agriculture and allied services, Special Area Programme, Power, Industry and Minerals, Transport and Communication and Grants-in-aid and Contributions.

The increase in revenue receipts was the net result of increase in tax revenue by 18 *per cent* and share in Central taxes by five *per cent*, set off by a decrease in non-tax revenue by 19 *per cent* and grants-in-aid from Government of India by eight *per cent*.

The actual capital expenditure was more by ₹ 1,682 crore (10 *per cent*) compared to the original budget estimates during 2010-11. The increase was mainly under Irrigation and Flood Control (₹ 1,704 crore), Transport and Communication (₹ 728 crore), Power (₹ 314 crore), Education, Sports, Art and Culture (₹ 103 crore) and Health and Family Welfare (₹ 38 crore) set off by decrease in Rural development (₹ 1,425 crore).

The actual revenue deficit was less than the budget estimates by 92 *per cent* (₹ 7,062 crore), mainly because of increase under tax revenue by 18 *per cent* over the budget estimates. Tax revenue increased (₹ 11,189 crore) mainly under taxes on sales, trade etc., vehicles, stamps and registration and electricity over the previous year.

Actual fiscal deficit<sup>30</sup> was less than the assessment made in the budget estimates by 22 *per cent* (₹ 5,437 crore), mainly due to decrease in revenue deficit.

## 2.6 Outcome of Review of Selected Grants

A review of budgetary procedure and control over expenditure of two grants (Grant numbers "F-2 Urban Development Department" and "O-18 Planning Department – District Plan – Sindhudurg") was conducted (June 2011) on the basis of the grants selected by the Office of the Principal Accountant General (A & E) I, Maharashtra, Mumbai. Important points noticed during the review are detailed below :

### 2.6.1 Grant number "F 2 – Urban Development Department"

There were persistent savings under the Grant during the last three years viz., 2008-09 (₹ 665.64 crore), 2009-10 (₹ 328.66 crore), 2010-11 (₹ 708.77 crore). These savings were mainly under Major Head "2217 – Urban Development, 80 – General, 191 – Assistance to Municipal Corporations".

As per Para 155(iv) of the Maharashtra Budget Manual, every Controlling Officer should maintain a register of expenditure in Budget Manual Form No. 10 for effective control of expenditure to see that the figures entered in the register are up-to-date. It was noticed that no such register was maintained by the department. Further, the provisions of the Budget Manual *ibid* stipulated that each Controlling Officer has to ensure that the expenditure is regularly reconciled with the Offices of the Principal Accountant General (A&E) I, Maharashtra, Mumbai, Accountant General (A&E) II, Maharashtra, Nagpur and the Pay and Accounts, Maharashtra, Mumbai. However, the reconciliation of expenditure was not carried out by the Controlling

<sup>30</sup> see glossary at page 112

## Financial Management and Budgetary Control

Officer during 2010-11 which indicated weak financial control.

Besides, there was provision of ₹ 106.11 crore under Major Head “2217, 80 General, 191 Assistance to Municipal Corporations, 191(00)(37) Additional Central Assistance to Mumbai Urban Transport Project” pertaining to this grant, out of which ₹ 83.64 crore was surrendered, leaving a net provision of ₹ 22.46 crore. Against this, expenditure of ₹ 70.63 crore was made, resulting in excess expenditure of ₹ 48.17 crore. Thus surrender of funds of ₹ 83.64 crore was injudicious in view of excess expenditure made. Reasons were sought for from the department, which are still awaited (August 2011).

In two cases, it was noticed that entire budget provision was withdrawn through surrender/ reappropriation due to non-release of funds by the Central Government.

(₹ in crore)

Sr. No.	Grant Description	Head of Account	Budget Provision	Funds withdrawn
1	Mumbai Metro Railway Project	2217-80-191(00)(50)	235.50	235.50
2	Grant-in-aid to Brihan Mumbai Storm Water Drainage Project	2217-80-191(00)(51)	200.00	200.00

In one case, it was noticed that under Major Head “2217-80-192(00)(73) – Assistance to Municipal Councils as per recommendations of 13<sup>th</sup> Finance Commission”, interest of ₹ 3.57 crore was paid by the department to the municipal councils due to delay in release of funds received from the Government of India. Though this was interest payment, it was booked as expenditure under the same head as grant-in-aid.

### 2.6.2 Grant number “O 18 Planning Department (District Plan – Sindhudurg)”

During audit scrutiny, it was observed that the administrative department did not ensure timely reconciliation of expenditure by the Controlling Officers.

In 10 cases as detailed below, it was noticed that expenditure of ₹ 1.69 crore was incurred without budget provision.

Sr. No.	Grant Description	Head of Account	Expenditure incurred (₹ in crore)
1	Development of facilities in pre-SSC Technical Education	2203-00-103(36)(03)	0.0092
2	Upgradation of Ayurvedic and Unani Hospitals	2210-02-101(36)(02)	0.04
3	Repairs and Maintenance of Primary Health Centres	2210-06-800(36)(05)	0.15
4	Construction of Primary Health Centres	2210-06-800(36)(06)	0.04
5	Strengthening of Primary Health Centres	2210-06-800(36)(07)	0.10
6	Expansion of Technical and Vocational Training of Craftsmen	2230-03-003(36)(02)	0.0002
7	Supply of medicines to Veterinary Institutions	2403-00-101(36)(09)	0.04
8	Special Repairs to Ex-Malgujari Tank	2702-80-196(36)(03)	0.04
9	Ordinary State Road Fund	3054-03-337(36)(01)	0.27
10	Ordinary State Road Fund	3054-04-800(36)(01)	1.00
<b>TOTAL</b>			<b>1.69</b>

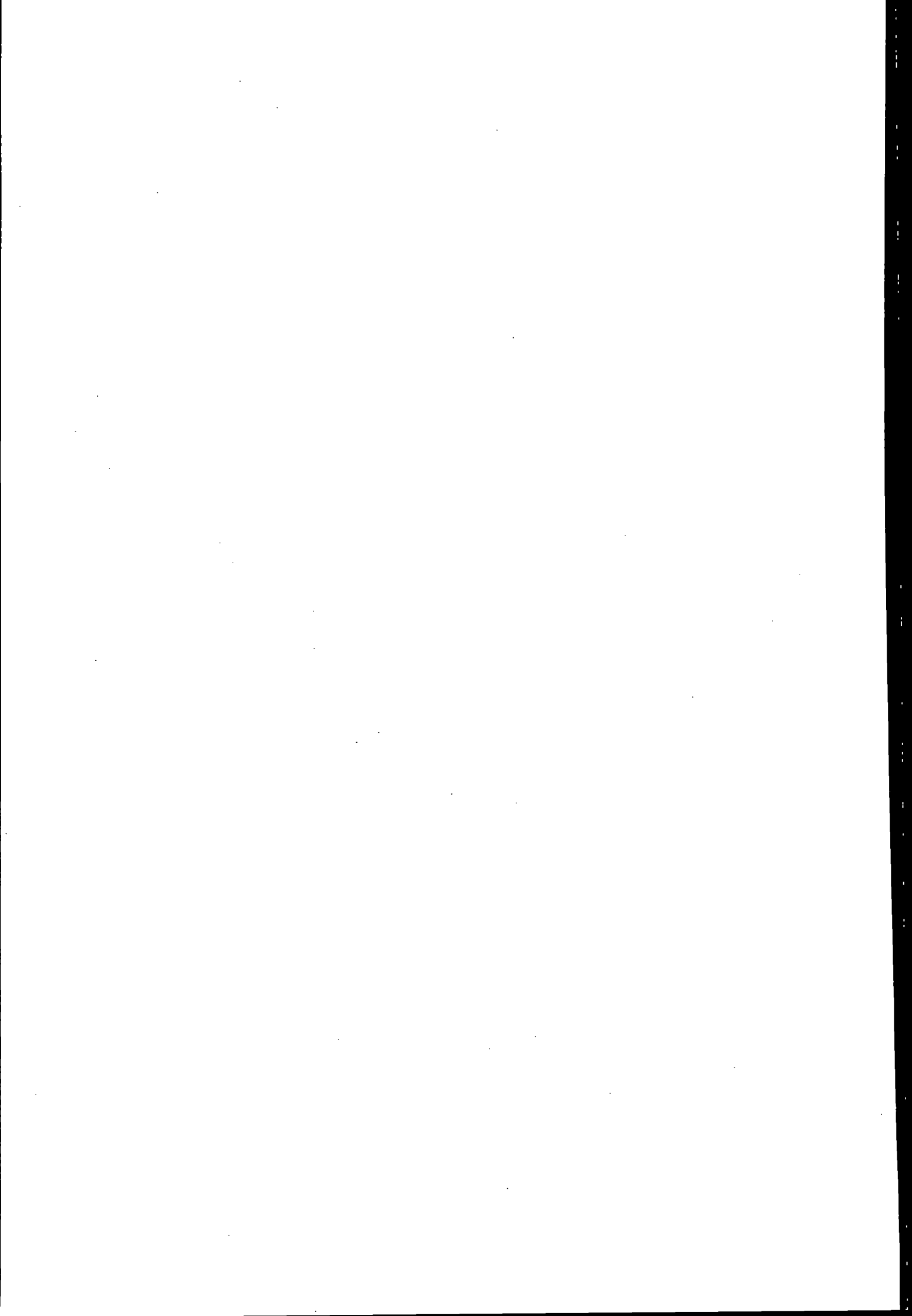
## 2.7 Conclusion

The overall savings of ₹ 21,929.61 crore were the net result of savings of ₹ 22,396.52 crore, set off by excess of ₹ 466.91 crore. The excess expenditure requires regularisation of State Legislature. Anticipated savings of ₹ 18,227.04 crore were surrendered on the last working

day of the financial year. In 26 cases, ₹ 4,886.08 crore was surrendered against the actual savings of ₹ 4,141.71 crore, which resulted in excess surrender of ₹ 744.37 crore. Expenditure to the extent of ₹ 52,076.84 crore was not reconciled with the figures of Offices of the Principal Accountant General (A&E) I, Maharashtra, Mumbai, Accountant General (A&E) II, Maharashtra, Nagpur and the Pay and Accounts, Maharashtra, Mumbai. There was rush of expenditure (54 to 100 *per cent*) under 12 major heads. Persistent excess expenditure, erroneous budgeting, injudicious reappropriations and delay in surrender of savings were noticed in the Planning Department and Revenue & Forests Department.

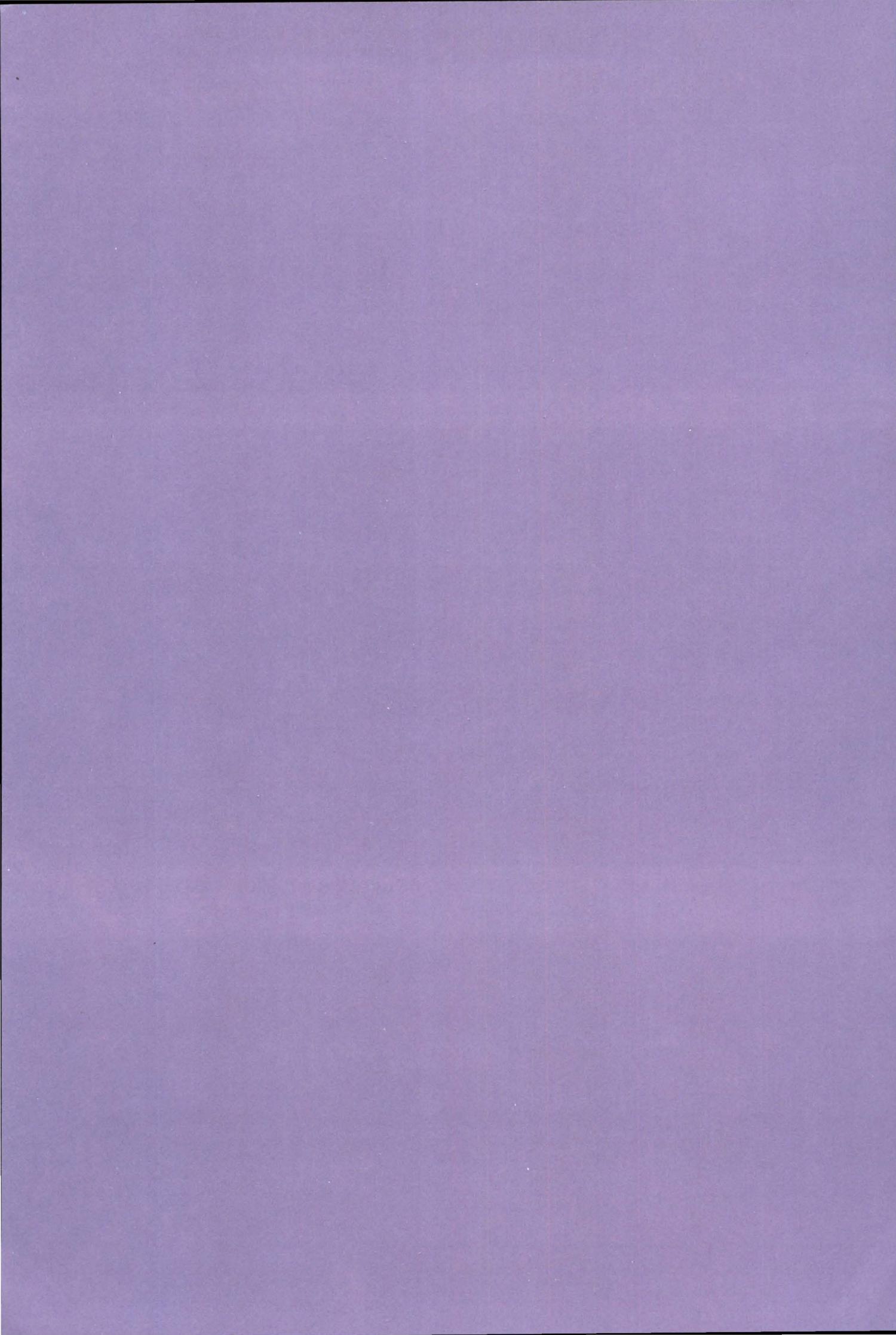
### 2.8 Recommendations

- All the departments should submit realistic budget estimates, keeping in view the trends of expenditure and the actual requirement of funds in order to avoid large savings/excesses.
- All 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.





**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 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 (A&E), 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 2011 is in **Table 3.1**.

**Table 3.1: Year-wise position of outstanding UCs as of 31.03.2011**

Year	Number of UCs awaited	Amount involved (₹ in crore)
Upto 2008-09	1,11,791	29,899.07
2009-10	36,364	20,742.29
2010-11	35,808	22,557.27
<b>Total</b>	<b>1,83,963</b>	<b>73,198.63</b>

During audit (May 2011) of the Collector, Solapur, it was noticed that out of the grants of ₹ 41.42 crore received by the Collector under Twelfth Finance Commission (TFC), disbursed to local bodies for implementation of various development schemes, only ₹ 34.22 crore were utilised, resulting in unspent balance of ₹ 7.20 crore lying with the local bodies.

Non-submission of UCs in time may result in misutilisation of the grants. 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 Sections 14 and 15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971,

## Financial Reporting

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 bodies/authorities during the year were awaited from Government departments (September 2011).

According to the accounts received for the year 2010-11, 158 bodies/ authorities attracted audit by the Comptroller and Auditor General of India during 2010-11. Of these, 64 were audited during 2010-11.

**Table 3.2** shows that 7,940 annual accounts due up to 2009-10 in respect of 801 bodies/ authorities had not been received as of June 2011.

**Table 3.2: Age-wise arrears of Annual Accounts due from bodies/authorities**

Sr.No.	Delay in number of years	Number of accounts
1	0-1	1,418
2	1-3	1,167
3	3-5	988
4	5-7	894
5	7-9	638
6	9 and above	3,825
	<b>Total</b>	<b>7,940</b>

Due to non-submission of information regarding grants and loans paid to various institutions and non-furnishing of accounts by them, there was a risk of misutilisation of the funds.

### 3.3 Delays 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. A large number of these bodies are audited by the Comptroller and Auditor General of India with regard to the verification of their transactions, operational activities and accounts, conducting regulatory compliance audit of all transactions, review of internal management and financial control, review of systems and procedures *etc.* The audit of accounts of 16 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**.

It was noticed that there were delays in submission of annual accounts, which ranged up to 22 months in the case of 16 autonomous bodies. The accounts of the Slum Rehabilitation Authority (SRA), Mumbai for the year 2007-08 were furnished to Audit only in April 2011 and the accounts of Maharashtra State Legal Services Authority (MSLSA) was still to be presented in the Legislature by the respective autonomous bodies. The delays were mainly due to delays in approval of the accounts by the respective Governing Bodies.

The inordinate delays in submission of accounts and presentation of the reports to the State Legislature result 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 Departmentally managed Commercial Undertakings

The departmental undertakings of certain Government departments, performing activities of quasi-commercial nature, are required to prepare *pro forma* 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. In the case of delays in finalisation of accounts, the results of investments of the Government remain unscrutinised by Audit. Consequently, corrective measures required, if any, for ensuring accountability and improving efficiency cannot be taken in time. Besides, the delay in finalisation of *pro forma* accounts may also open the system to risk of fraud and leakage of public money.

Heads of Government departments have to ensure that the undertakings prepare such accounts and submit the same to the Accountant General (Commercial), Maharashtra, Mumbai, for audit within a specified time frame. As of March 2011, there were 49 such undertakings, out of which 41 had prepared accounts up to 2009-10. None of the units had prepared accounts up to 2010-11. The department-wise position of arrears in preparation of *pro forma* 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 Accountants General (Audit), Maharashtra, Mumbai and Nagpur.

The State Government reported 245 cases of misappropriation, defalcation, etc., involving ₹ 15.89 crore up to March 2011 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	18	674.57	Theft	19	231.99
5 - 10	14	66.54			
10 - 15	21	283.79	Misappropriation / Loss of material	226	1,357.20
15 - 20	45	394.89			
20 - 25	52	128.98			
25 & above	95	40.42	Cases of losses written off during the year	0	0
<b>Total</b>	<b>245</b>	<b>1,589.19</b>	<b>Total pending cases</b>	<b>245</b>	<b>1,589.19</b>

## Financial Reporting

The reasons for which the cases were outstanding have been broadly categorised as under:

Reasons for the delay / outstanding pending cases	Number of Cases	Amount (₹ in lakh)
Departmental and criminal investigation awaited	19	33.84
Departmental action initiated but not finalised	63	118.74
Criminal proceedings finalised but execution of certificate cases for the recovery of the amount was pending	42	17.34
Orders for recovery or write-off awaited	41	738.18
Pending in the courts of law	80	681.09
<b>Total</b>	<b>245</b>	<b>1589.19</b>

It is seen from the above, that out of 245 cases involving ₹ 15.89 crore, 213 cases (87 per cent) involving ₹ 8.48 crore (53 per cent) were pending for more than 10 years. Further, while 63 cases involving ₹ 1.19 crore were pending for final departmental action, 41 cases involving ₹ 7.38 crore were pending for recovery or write-off orders.

### 3.6 Transfer of funds to Personal Deposit Accounts

As per Rules 494 and 495 of the Maharashtra Treasury Rules, 1968, 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 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 2011, 6,731 PD accounts showed a total balance of ₹ 6,626.45 crore, which was not transferred back to the Consolidated Fund.

**Table 3.4 Status of the PD Accounts as on 31 March 2011**

Sr.No	Particulars	Nos.	Amount involved (₹ in crore)
1.	PD accounts existing at the beginning of the year 2010-11	6601	4583.58
2.	PD accounts opened during the year 2010-11	155	211.50
3.	PD accounts closed at the end of the year 2010-11	25	0.04
4.	PD accounts existing at the close of the year 2010-11	6731	6626.45

Apart from the above transactions at Sr. No. 2 - Opening of new PD Accounts (credit - ₹ 211.50 crore) and at Sr. No. 3 - Closing of non-operative PD Accounts (debit - ₹ 0.04 crore), other transactions of receipts (which also included receipts from sources other than Consolidated Fund of the State) of ₹ 12,223.19 crore and payments of ₹ 10,391.78 crore, had also taken place during 2010-11.

During 2010-11, ₹ 12,434.69 crore were transferred to PD accounts (Major Head 8443-106- Personal Deposits), out of which ₹ 2,241.30 crore (18 per cent) were transferred in March 2011 alone. The aggregate amount of the unspent balances in the accounts of the administrators, which are not credited back to the Government Account, is not readily ascertainable as such funds also include receipts from sources other than the Consolidated Fund of the State.

Out of 6731 PD accounts existing at the close of 2010-11, 3,901 PD accounts were reconciled by departmental officers with the Treasury offices/ Accounting offices. Only 58 per cent of the PD accounts were reconciled during the year 2010-11 showing that the internal control of the State was weak in respect of management of PD accounts.

#### **Non-reconciliation of Personal Deposits and Personal Ledger Accounts**

As per Para 589 of Maharashtra Treasury Manual (MTM), Treasury Officers are required to obtain certificates of balances at the end of each year from the administrators of Personal

Ledger Accounts (PLAs). After obtaining such certificates, differences, if any, are required to be reconciled with the treasury figures and certificates are to be forwarded to the Offices of the Principal Accountant General (A&E) I, Maharashtra, Mumbai, Accountant General (A&E) II, Maharashtra, Nagpur and the Pay and Accounts Office, Mumbai for confirmation of the balances.

However, differences were noticed between the balances of administrators and those of treasuries in 318 cases, between the balances of treasuries and sub-treasuries in 414 cases and between the balances of sub-treasuries and administrators in 159 cases.

Besides, annual certificates of balances as on 31 March 2011 had not been submitted by 362 administrators.

### 3.7 Functioning of Treasuries

The major irregularities noticed during inspection of 33 district treasuries including all sub-treasuries in Maharashtra and the Pay and Accounts Office, Mumbai by the Accountants General (Accounts and Entitlement), Mumbai and Nagpur during 2010-11 are brought out in the following paragraphs:

#### **Overpayment of pension**

Overpayment of pensionary benefits of ₹ 90.36 lakh was made during 2010-11 on account of incorrect calculation of dearness relief, non-adjustment of provisional Death-cum-Retirement Gratuity, non-reduction of pension due to payment of commuted value of pension, non-reduction of family pension from the specific dates mentioned in the pension payment orders etc.

#### **Non-closure of inoperative Personal Ledger Accounts**

As per Rule 495 of the Maharashtra Treasury Rules (MTR), 1968 and Para 585 (2) of the MTM, PD accounts and PLAs of the various designated administrators which are not operated for more than three continuous accounting years are to be closed and the balances in such PD accounts and PLAs are to be credited to Government accounts. It was, however, noticed that in 77 cases, PLAs which were not operated for more than three years had not been closed and a total balance of ₹ 66 lakh lying in such PLAs, was not credited to the Government account.

### 3.8 Booking under Minor Head 800-‘Other Expenditure’ and ‘800-Other Receipts’

During 2010-11, ₹ 1,124.79 crore under 40 revenue receipt major heads and ₹ 10,619.44 crore under 102 revenue and capital outlay expenditure major heads of accounts (representing functions of the Government) were classified under the Minor Head ‘800- Other Receipts/ Expenditure’ in the accounts, constituting more than 1.06 *per cent* of the total revenue receipts and 8.53 *per cent* of total revenue and capital outlay expenditure recorded during 2010-11. Heads such as ‘Receipts from Maharashtra State Electricity Development Corporation’, ‘Receipts realised by Settlement Commissioner and Director of Land Records’ etc. with substantial revenue receipts and heads such as ‘Subsidy to the Distribution/ Transmission Licences for reduction in Agriculture and Powerloom Tariff’, ‘Sarva Shiksha Abhiyan Scheme’, ‘Financial Assistance to Rashtriya Krishi Vikas Yojana’, ‘World Bank assisted Maharashtra Water Sector Improvement Project’, ‘Purposive Grants to Zilla Parishads under Section 182 of the Maharashtra Zilla Parishads and Panchayat Samities Act, 1961 for repairs to Communications’, ‘Gharkul Yojana for Scheduled Castes and Nav Boudh People (Urban-SCP)’ etc. with substantial revenue and capital outlay expenditure were classified as ‘Other Expenditure’.

The major schemes which had large amounts booked under the minor head '800' were not depicted distinctly in the Finance Accounts, though the details of the expenditure were depicted at the sub-head (scheme) level or below in the Detailed Demands for Grants and corresponding head-wise Appropriation Accounts forming part of the State Government's accounts. Large amounts booked under the minor head '800' affects correctness in financial reporting.

### 3.9 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 Accountants General (A&E), Maharashtra, Mumbai and Nagpur and the Pay & Accounts Office, Mumbai. Such reconciliation had been completed for a value of ₹ 85,231.38 crore (62.07 per cent) of expenditure against the total expenditure of the Government, amounting to ₹ 1,37,308.22 crore and for ₹ 20,266.26 crore (15.89 per cent) of receipts against the total receipts of the Government amounting to ₹ 1,27,539.81 crore (August 2011).

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

As per the Maharashtra Treasury Rules, 1968, Drawing and Disbursing Officers 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 (A&E) I, Maharashtra, Mumbai, the Accountant General (A&E) II, Maharashtra, Nagpur and the Pay and Accounts Office, Mumbai. The Drawing and Disbursing Officers are authorized to draw sums of money by preparing AC bills by debiting Service Heads.

As on 31 March 2011, 24,118 DC bills amounting to ₹ 1,502.01 crore were not received in the offices of the Principal Accountant General (A&E) I, Maharashtra, Mumbai, Accountant General (A&E) II, Maharashtra, Nagpur and the Pay and Accounts, Mumbai. Year-wise details and the department-wise position are given in **Table 3.4** and **Appendix 3.6** respectively.

**Table 3.4 : 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 2008-09	92,003	2,226.61	71,487	1,732.68	20,516	493.93
2009-10	4,842	768.01	3,026	123.49	1,816	644.52
2010-11	3,218	396.55	1,432	32.99	1,786	363.56
<b>Total</b>	<b>1,00,063</b>	<b>3,391.17</b>	<b>75,945</b>	<b>1,889.16</b>	<b>24,118</b>	<b>1,502.01</b>

Source: Finance Accounts

### 3.11 Conclusion

Non-submission of utilisation certificates for ₹ 73,199 crore indicated lack of proper monitoring by the departments in the utilisation of grants and loans. Non-submission of the annual accounts for audit by the grantee institutions was fraught with the risk of misutilisation 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 sincere efforts by the departments to make good the losses and fix responsibility.




The Controlling Officers did not submit Detailed Contingent bills in respect of ₹ 1,502 crore drawn on Abstract Contingent bills up to 31 March 2011. 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 2010-11, affecting the correctness of financial reporting.

### 3.12 Recommendations

- 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 rigorous 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.
- Large amounts received or expended under various schemes should be depicted in the accounts distinctly, instead of clubbing the same under the Minor head '800-Other Expenditure' and '800-Other Receipts' to ensure correctness in financial reporting.

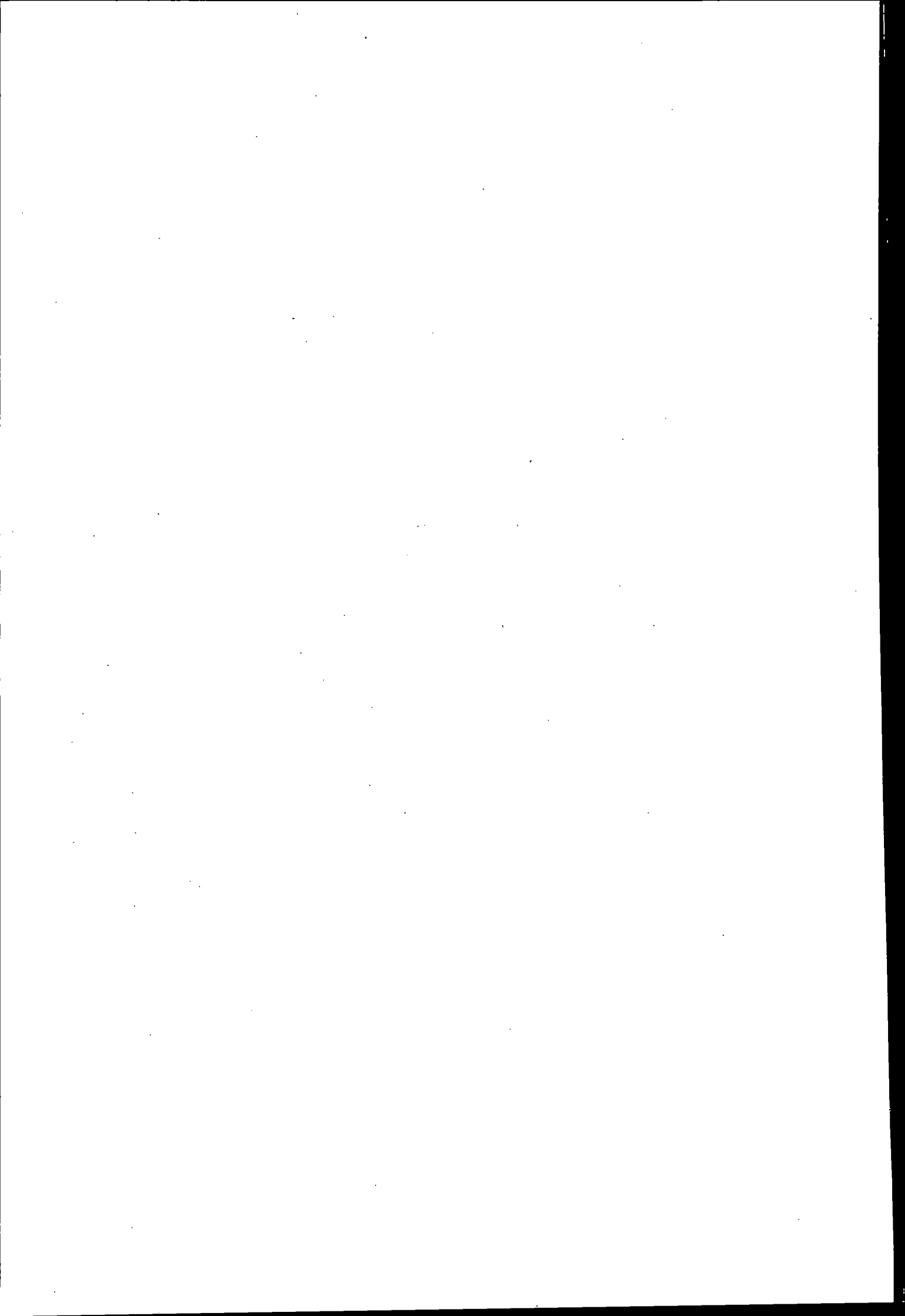
Mumbai,  
The 8 February, 2012

  
(MALA SINHA)  
Principal Accountant General (Audit)-I,  
Maharashtra

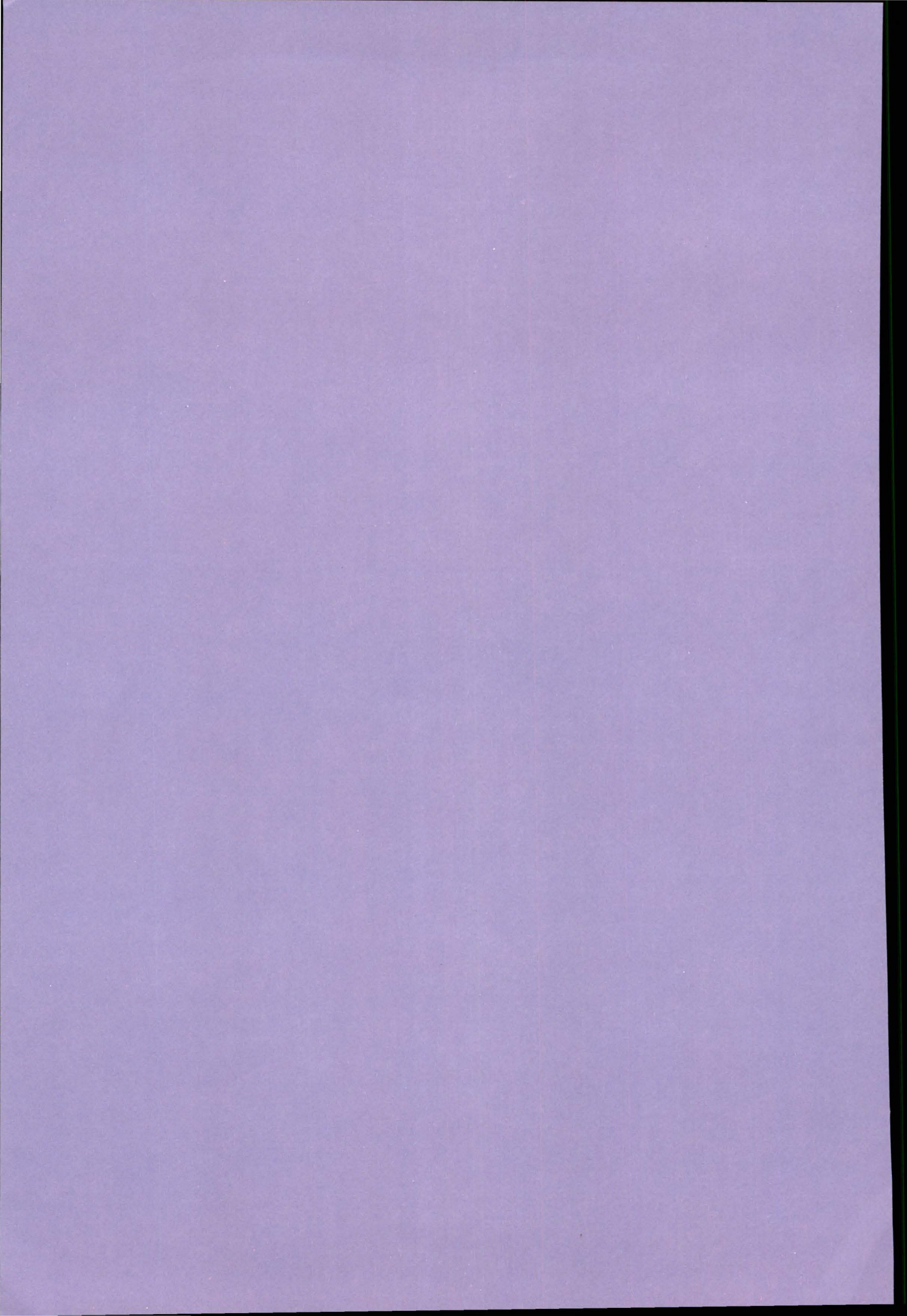
Countersigned

New Delhi,  
The 10 February, 2012

  
(VINOD RAI)  
Comptroller and Auditor General of India



# APPENDICES



A GENERAL DATA*		
Sr.No.	Particulars	Figures
1	Area	3,07,713 Sq. km.
2	Population	
a.	As per 2001 Census	9.69 crore
b.	2010-11	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 = 27.5 per cent)	35.7 per cent
5	a. Literacy (2001) (All India Average = 64.8 per cent)	76.88 per cent
b.	Literacy (2011) (All India Average = 74.0 per cent)	82.91 per cent
6	Infant mortality *** (per 1000 live births) (All India Average = 50 per 1000 live births)	31
7	Life Expectancy at birth ** (All India Average = 63.5 years)	67.2 years
8	Gini Coefficient ****	
a.	Rural (All India = 0.30)	0.31
b.	Urban (All India = 0.37)	0.37
9	Gross State Domestic Product (GSDP) 2010-11 at current price	10,29,621 crore
10	Per capita GSDP CAGR (2001-02 to 2010-11)	
	Maharashtra	12.51 per cent
	General Category States	11.32 per cent
11	GSDP CAGR (2001-02 to 2009-10)	
	Maharashtra	15.87 per cent
	General Category States	14.68 per cent
12	Population growth (2001-02 to 2010-11)	
	Maharashtra	15.99 per cent
	General Category States	17.56 per cent

B FINANCIAL DATA**			
Particulars	2001-02 to 2009-10		2001-02 to 2010-11
	General Category States	Maharashtra	Maharashtra
CAGR	(In per cent)		
a. of Revenue Receipts	15.20	14.18	14.98
b. of Own Tax Revenue	14.53	13.62	15.01
c. of Non Tax Revenue	13.87	7.58	6.52
d. of Total Expenditure	13.53	13.49	13.12
e. of Capital Expenditure	22.61	24.87	22.21
f. of Revenue Expenditure on Education	12.73	11.37	12.42
g. of Revenue Expenditure on Health	11.97	9.53	10.75
h. of Salary and Wages	11.45	11.79	12.97
i. of Pension	14.09	11.38	14.67

\* Source of General data: BPL (Planning Commission and NSSO data, 61 Round), \*\*\*\*Gini Coefficient (Unofficial estimates of Planning Commission and NSSO data, 61 Round 2004-05 MRP), \*\*Life Expectancy of birth (Office of the Registrar General of India, Ministry of Home Affairs) Economic Review 2010-11, \*\*\*Infant Mortality rate (SRS Bulletin January 2011), Financial data is based on the Finance Accounts of the State Government.

\*\*\*\* 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.

**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 (FRBM) Act and Rules

(Reference : Paragraph 1.1; Page 1)

### MAHARASHTRA FISCAL RESPONSIBILITY AND BUDGETARY MANAGEMENT (MFRBM) ACT, 2005

The State Government has enacted the Fiscal Responsibility and Budget Management (FRBM) 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 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 Fiscal Responsibility and Budgetary Management Rules (MFRBMR) were, however, amended in July 2011. The major fiscal targets for the State are 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.

#### 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. 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. Fiscal deficit will be maintained at 3 *per cent* of GSDP so as to avoid a disruptive squeeze on plan expenditure. The attempt is to ensure that the growth momentum in the economy is maintained and even increased, even though this may mean increased public expenditure. The medium term objective would be to revert back to the trajectory of high economic growth with consequent high growth in revenues and low deficits and channelise 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 9 *per cent* in real terms over the next three years.
- The State Government has developed its own Fiscal Correction Path (FCP) 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 1)

(₹ in crore)

Item	2009-10 Actuals	2010-11 RE	2011-12 BE	2012-13 Projections	2013-14 Projections	2014-15 Projections
<b>A. 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
<b>8. 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
<b>16. 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. 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. CONSOLIDATED DEBT</b>						
1. Outstanding debt & liability incl off budget	181447.00	205689.00	226926.00	253449.48	283154.48	316424.08
2. Total Outstanding guarantees of which guarantee on account of borrowings & SPV borrowings	17319.55	15040.87	14992.00	14678.00	14222.00	13982.00
<b>D. CAPITAL ACCOUNT</b>						
1. Capital Outlay	17428.66	18823.27	22438.91	26099.06	29473.42	34491.99
2. Disbursement of Loans & Adv	1261.06	1108.59	898.72	982.94	1061.58	1148.51
3. Recoveries of Loans & 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>



Time series data on  
State Government Finances

(Reference : Paragraph 1.3; Page 6)

	(₹ in crore)				
	2006-07	2007-08	2008-09	2009-10	2010-11
(1)	(2)	(3)	(4)	(5)	(6)
<b>Part A: Receipts</b>					
<b>1. Revenue Receipts</b>	<b>62195.38</b>	<b>79583.15</b>	<b>81270.68</b>	<b>86910.29</b>	<b>105867.82</b>
(i) Tax Revenue	40099.25(64)	47528.45(60)	52029.94(64)	59106.34(68)	75027.10(71)
Taxes on Agricultural Income	--	0.05(0)	0	0	0
Taxes on Sales, Trade, etc.	24130.72(60)	26752.80(54)	30680.53(59)	32676.02(55)	42482.72(57)
State Excise	3300.70(8)	3963.05(8)	4433.76(8)	5056.63(9)	5961.85(8)
Taxes on Vehicles	1841.06(5)	2143.10(4)	2220.22(4)	2682.30(5)	3532.90(5)
Stamps and Registration fees	6415.72(16)	8549.57(17)	8287.63(16)	10773.65(18)	13515.99(18)
Land Revenue	484.17(1)	512.22(0)	546.22(1)	714.04(1)	1094.98(1)
Taxes on Goods and Passengers	224.48(1)	388.27(1)	891.95(2)	976.60(2)	599.88(1)
Other Taxes	3702.40(9)	5219.39(11)	4969.63(10)	6227.10(10)	7838.78(10)
(ii) Non-tax Revenue	7518.24(12)	16947.97(21)	9789.94(12)	8352.61(10)	8225.04(8)
(iii) State's share of Union taxes and duties	6022.76(10)	7597.18(10)	8018.41(10)	8248.11(9)	11419.78(11)
(iv) Grants-in-aid from GOI	8555.13(14)	7509.55(9)	11432.39(14)	11203.23(13)	11195.90(10)
<b>2. Miscellaneous Capital Receipts</b>	<b>0.11</b>	<b>0.00</b>	<b>18.01</b>	<b>25.07</b>	<b>17.28</b>
<b>3. Recoveries of Loans and Advances</b>	<b>50.70</b>	<b>732.59</b>	<b>560.21</b>	<b>514.84</b>	<b>640.09</b>
<b>4. Total revenue and Non-debt capital receipts (1 + 2 + 3))</b>	<b>62246.19</b>	<b>80315.74</b>	<b>81848.90</b>	<b>87450.20</b>	<b>106525.19</b>
<b>5. Public Debt Receipts</b>	<b>11891.69</b>	<b>11807.66</b>	<b>20709.02</b>	<b>21564.42</b>	<b>20739.78</b>
Internal Debt (excluding Ways and Means Advances and Overdrafts)	11393.65	11478.45	20323.44	20812.20	19919.86
Net transactions under Ways and Means Advances and Overdraft	--	0.00	0.00	0.00	0.00
Loans and Advances from Government of India <sup>5</sup>	498.04	329.21	385.58	752.22	819.92
<b>6. Appropriation from Contingency Fund</b>	<b>1850.00</b>	<b>350.00</b>	<b>400.00</b>	<b>600.00</b>	<b>0.00</b>
<b>7. Inter State settlement</b>	<b>--</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>75987.88</b>	<b>92473.40</b>	<b>102957.92</b>	<b>109614.62</b>	<b>127264.97</b>
<b>9. Contingency Fund Receipts</b>	<b>1288.57</b>	<b>405.36</b>	<b>708.94</b>	<b>351.93</b>	<b>853.00</b>
<b>10. Public Accounts receipts</b>	<b>30640.21</b>	<b>19785.69</b>	<b>37356.22</b>	<b>44071.51</b>	<b>48406.32</b>
<b>11. Total receipts of the State (8+9+10)</b>	<b>107916.66</b>	<b>112664.45</b>	<b>141023.08</b>	<b>154038.06</b>	<b>176524.29</b>
<b>Part B: Expenditure</b>					
<b>12. Revenue expenditure (Per cent of 15)</b>	<b>61385.28(83)</b>	<b>64780.05(84)</b>	<b>75693.92(79)</b>	<b>94915.97(84)</b>	<b>106459.38(85)</b>
Plan	8235.08(13)	10275.43(16)	12408.31(16)	16736.93(18)	16927.59(16)
Non-Plan	53150.20(87)	54504.62(84)	63285.61(84)	78179.04(82)	89531.79(84)
General Services (incl. Interests payments)	25106.29(41)	23846.42(37)	26584.71(35)	32070.96(34)	37704.23(36)
Social Services	23558.86(38)	26773.05(41)	31052.20(41)	41004.66(43)	48282.06(45)
Economic Services	11703.04(19)	13236.89(20)	16813.24(22)	20371.94(21)	19285.36(18)
Grants-in-aid and Contribution	1017.09(2)	923.69(2)	1243.77(2)	1468.41(2)	1187.73(1)
<b>13. Capital Expenditure (Per cent of 15)</b>	<b>10092.18(14)</b>	<b>11489.61(15)</b>	<b>18873.21(20)</b>	<b>17428.66(15)</b>	<b>17963.37(14)</b>
Plan	7982.28(79)	9466.93(82)	12775.78(68)	14668.30(84)	15654.05(87)
Non-Plan	2109.90(21)	2022.68(18)	6097.43(32)	2760.36(16)	2309.32(13)
General Services	242.63(2)	341.62(3)	459.26(2)	712.01(4)	541.49(3)
Social Services	872.15(9)	742.54(6)	2064.67(11)	1478.86(9)	1240.71(7)
Economic Services	8977.40(89)	10405.45(91)	16349.28(87)	15237.79(87)	16181.17(90)

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

<sup>5</sup> Includes Ways and Means Advances from GOI.

Appendix - 1.5 (contd.)

(₹ in crore)

	2006-07	2007-08	2008-09	2009-10	2010-11
(1)	(2)	(3)	(4)	(5)	(6)
14. Disbursement of Loans and Advances (Per cent of 15)	2321.62(3)	1225.16(1)	1280.59(1)	1261.08(1)	959.08(1)
15. Total (12+13+14)	73799.08	77494.82	95847.72	113605.71	125381.83
16. Repayments of Public Debt	2041.92	2745.48	3220.77	3825.39	4773.61
Internal Debt (excluding Ways and Means Advances and Overdrafts)	1639.15	2332.80	2800.24	3398.45	4290.63
Net transactions under Ways and Means Advances and Overdrafts	–	0.00	0.00	0.00	0
Loans and Advances from Government of India <sup>§</sup>	402.77	412.68	420.53	426.94	482.98
17. Appropriation to Contingency Fund	1050.00	350.00	650.00	350.00	850.00
18. Total disbursement out of Consolidated Fund (15+16+17)	76891.00	80590.30	99718.49	117781.10	131005.44
19. Contingency Fund disbursements	1905.36	408.94	401.93	603.00	11.20
20. Public Account disbursements	26974.70	27618.79	30506.56	31721.02	39557.62
21. Total disbursement by the State (18+19+20)	105771.06	108618.03	130626.98	150105.12	170574.26
<b>Part C: Deficits</b>					
22. Revenue Deficit(-)/Surplus (+) (1-12)	810.10	14803.10	5576.76	(-)8005.68	-591.56
23. Fiscal Deficit (-)/Surplus (+) (4-15)	(-)11552.89	2820.92	(-)13998.82	(-)26155.51	-18856.64
24. Primary Deficit (-)/Surplus (+) (23-25)	102.78	15024.93	(-)1699.51	(-)12045.01	-3208.67
<b>Part D: Other Data</b>					
25. Interest Payments (included in revenue expenditure)	11655.67	12204.01	12299.31	14110.50	15647.97
26. Arrears of Revenue (percentage of Tax and Non-tax revenue)	30836.47 (65)	24444.32 (38)	34185.26 (55)	38,361.87 (57)	37,862.13 (45)
27. Financial Assistance to local bodies etc.	26852.22	28289.67	35668.96	44,589.32	47,646.45
28. Ways and Means Advances/Overdraft availed (days)					
Ways and Means availed (days)	42	25	21	nil	nil
Overdraft availed (days)	nil	nil	nil	nil	nil
29. Interest on WMA/Overdraft	3.12	3.18	0.67	0.00	0
30. Gross State Domestic Product (GSDP)	509356 <sup>c</sup>	590995 <sup>c</sup>	692749 <sup>c</sup>	901330 <sup>c</sup>	1029621 <sup>d</sup>
31. Outstanding Fiscal liabilities (year end)	157039	158114	179262	203165	229569
32. Outstanding guarantees (year end) <sup>a</sup> (including interest)	63509.49	58275.62	51470.55	42683.10	15040.87
33. Maximum amount guaranteed (year end)	87777.56	84163.83	88371.06	73958.00	44413.93
34. Number of incomplete projects	96	122	144	209	233
35. Capital blocked in incomplete projects	4039.37	5560.27	5341.74	5,632.95	5,699.76

<sup>c</sup> Based on Economic Survey of Maharashtra.

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

<sup>a</sup> As per Finance Accounts of respective year.

<sup>§</sup> Includes Way and Means Advances from GOI.

## Appendix - 1.5 (concl.)

(₹ in crore)

	2006-07	2007-08	2008-09	2009-10	2010-11
(1)	(2)	(3)	(4)	(5)	(6)
<b>Part E: Fiscal Health Indicators</b>					
<b>I. Resource Mobilization</b>					
Own Tax revenue/GSDP	7.87	8.04	7.51	6.56	7.29
Own Non-Tax Revenue/GSDP	1.48	2.87	1.41	0.93	0.80
Central Transfers/GSDP	1.18	1.29	1.16	0.92	1.11
<b>II. Expenditure Management</b>					
Total Expenditure/GSDP	14.5	13.1	13.8	12.6	12.2
Total Expenditure/Revenue Receipts	118.7	97.4	117.9	130.7	118.4
Revenue Expenditure/Total Expenditure	83.2	83.6	79.0	83.5	84.9
Expenditure on Social Services/ Total Expenditure	33.1	35.5	34.6	37.4	39.5
Expenditure on Economic Services/ Total Expenditure	28	30.5	34.6	31.3	28.3
Capital Expenditure/Total Expenditure	13.7	14.8	19.7	15.3	14.3
Capital Expenditure on Social and Economic Services/Total Expenditure.	13.3	14.4	19.2	14.7	13.9
<b>III. Management of Fiscal Imbalances</b>					
Revenue deficit (surplus)/GSDP	0.2	2.5	0.8	-0.9	-0.1
Fiscal deficit/GSDP	-2.3	0.5	-2	-2.9	-1.8
Primary Deficit (surplus) /GSDP	0	2.5	-0.2	-1.3	-0.3
Revenue Deficit/Fiscal Deficit	0 <sup>1</sup>	0 <sup>2</sup>	0	30.6	3.1
Primary Revenue Balance/GSDP	2.5	4.7	2.7	0.7	1.5
<b>IV. Management of Fiscal Liabilities</b>					
Fiscal Liabilities/GSDP	30.8	26.8	25.9	22.5	22.3
Fiscal Liabilities/RR	252.5	198.7	220.6	233.8	216.8
Primary deficit vis-à-vis quantum spread (%)#	0.72	115.41	-10.82	-29.56	-22.56
Debt Redemption (Principal +Interest)/ Total Debt Receipts	89.8	173.0	75.8	74.08 <sup>#</sup>	87.71
<b>V. Other Fiscal Health Indicators</b>					
Return on Investment	0.02	0.28	0.13	0.13	0.06
Balance from Current Revenue (₹ in crore)	4505	20238	9984	9562	8345
Financial Assets/Liabilities	0.6	0.7	0.8	0.8	0.8

@ GSDP figures communicated by the Government adopted.

<sup>1</sup> There was revenue surplus.

<sup>2</sup> There was revenue surplus and fiscal surplus.

# Figures differs from previous year due to correction.

Abstract of Receipts and Disbursements  
for the year 2010-11

(Reference : Paragraph 1.2; Page 2)

(₹ in crore)

Receipts				Disbursements					
2009-10			2010-11	2009-10		Non-Plan	Plan	Total	2010-11
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<b>SECTION-A : REVENUE</b>									
<b>86910.29</b>	<b>I. Revenue receipts</b>		<b>105867.82</b>	<b>94915.97</b>	<b>I. Revenue expenditure</b>	<b>89531.79</b>	<b>16927.59</b>	<b>106459.38</b>	<b>106459.38</b>
59106.34	Tax revenue	75027.10		<b>32070.96</b>	<b>General services</b>	<b>37557.18</b>	<b>147.05</b>	<b>37704.23</b>	
				<b>41004.66</b>	<b>Social services</b>	<b>37025.58</b>	<b>11256.48</b>	<b>48282.06</b>	
8352.61	Non-tax revenue	8225.04		22207.82	Education, Sports, Art and Culture	25483.07	1460.40	26943.47	
				3695.73	Health and Family Welfare	3374.13	1100.28	4474.41	
8248.11	State's share of Union Taxes	11419.78		6938.59	Water Supply, Sanitation, Housing and Urban Development	1969.12	4540.28	6509.40	
				39.73	Information and Broadcasting	42.87	3.87	46.74	
3706.97	Non-Plan grants	2303.78		4145.32	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	2366.73	2151.19	4517.92	
				599.03	Labour and Labour Welfare	456.42*	189.66	646.08*	
5396.09	Grants for State Plan Scheme	5805.14		3325.01	Social Welfare and Nutrition	3277.35	1798.82	5076.17	
				53.43	Others	55.89	11.98	67.87	
2100.17	Grants for Central and Centrally sponsored Plan Schemes	3086.98		<b>20371.94</b>	<b>Economic Services</b>	<b>13773.51</b>	<b>5511.85</b>	<b>19285.36</b>	
				6460.18	Agriculture and Allied Activities	4035.97	1600.47	5636.44	
				2493.16	Rural Development	895.90	1347.14	2243.04	
				28.07	Special Areas Programmes	0.45	58.24	58.69	
				2339.54	Irrigation and Flood Control	1794.82	727.63	2522.45	
				4137.84	Energy	3471.43	147.60	3619.03	
				998.50	Industry and Minerals	824.70	45.79*	870.49*	
				3226.81	Transport	2589.58	828.44	3418.02	
				72.27	Science, Technology and Environment	0.04*	60.91	60.95	
				615.57	General Economic Services	160.62	695.63	856.25	
				<b>1468.41</b>	<b>Grants-in-aid and Contributions</b>	<b>1175.52</b>	<b>12.21</b>	<b>1187.73</b>	
<b>8005.68</b>	<b>II. Revenue deficit carried over to Section B</b>		<b>591.56</b>	<b>0.00</b>	<b>II. Revenue Surplus carried over to Section B</b>				<b>0.00</b>

\* Higher rounding.

Appendix - 1.6 (contd.)

(₹ in crore)

Receipts				Disbursements					
2009-10			2010-11	2009-10		Non-Plan	Plan	Total	2010-11
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<b>SECTION B</b>									
21626.42	III. Opening Cash balance including Permanent Advances and Cash Balance Investment		25559.36	0	III. Opening Overdraft from RBI				0
25.07	IV. Miscellaneous Capital receipts		17.28	17428.66	IV Capital Outlay	2309.32	15654.05	17963.37	17963.37
				712.01	General Services	84.16	457.33	541.49	
				1478.86	Social Services	288.43	952.28	1240.71	
				176.83	Education, Sports, Art and Culture	0	139.90	139.90	
				215.59	Health and Family Welfare	0.04	182.51	182.55	
				636.25	Water Supply, Sanitation, Housing and Urban Development	291.46	38.39	329.85	
				310.82	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	0	477.44	477.44	
				60.97	Social Welfare and Nutrition	(-)3.07	24.29	21.22	
				78.40	Others	0	89.75	89.75	
				15237.79	Economic Services	1936.73	14244.44	16181.17	
				1503.49	Agriculture and Allied Activities	635.93	771.33	1407.26	
				600.76	Rural Development	0	776.25	776.25	
				52.14	Special Area Programme	0	63.13	63.13	
				8016.52	Irrigation and Flood Control	977.73	8153.76	9131.49	
				1707.41	Energy	0	2105.40	2105.40	
				6.08	Industry and Minerals	(-)0.02	2.93	2.91	
				3259.24	Transport	150.00	2358.56	2508.56	
				92.15	General Economic Services	173.09	13.08	186.17*	
				0	Science, Technology and Environment	0	0	0	
514.84	V Recoveries of Loans and Advances		640.09	1261.08	V Loans and Advances disbursed				959.08
80.63	From Power Projects	99.64		294.31	For Power Projects			24.35	
187.65	From Government Servants	209.38		237.37	To Government Servants			239.88	
246.56	From others	331.07		729.40	To Others			694.85	
0.00	VI Revenue surplus brought down		0	8005.68	VI Revenue deficit brought down				591.56

\* Higher rounding.

Appendix - 1.6 (concl.)

(₹ in crore)

Receipts				Disbursements					
2009-10			2010-11	2009-10		Non-Plan	Plan	Total	2010-11
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<b>SECTION-A : REVENUE</b>									
21564.42	<b>VII. Public Debt receipts</b>		20739.78	3825.39	<b>VII. Repayment of Public Debt</b>				4773.61
0	External debt	0		0	External debt			0	
20812.20	Internal debt other than Ways and Means Advances and Overdraft	19919.86		3398.45	Internal debt other than Ways and Means Advances and Overdraft			4290.63	
B	Net transactions under Ways and Means Advances including Overdraft	A		B	Net transactions under Ways and Means Advances including Overdraft			A	
752.22	Loans and Advances from Central Government	819.92		426.94	Repayment of Loans and Advances to Central Government			482.98	
600.00	<b>VIII. Appropriation from Contingency Fund</b>		0	350.00	<b>VIII. Appropriation to Contingency Fund</b>				850.00
351.93	<b>IX. Contingency Fund</b>		853.00	603.00	<b>IX. Contingency Fund</b>				11.20
44071.51	<b>X. Public Account receipts</b>		48406.32	31721.02	<b>X. Public Account disbursements</b>				39557.62
3308.73	Small Savings and Provident Funds	3882.03		1518.54	Small Savings and Provident Funds			1859.95	
2559.11	Reserve Funds	3346.12		1684.07	Reserve Funds			1192.91	
4165.71	Suspense and Miscellaneous	(-)992.59		145.27	Suspense and Miscellaneous			111.38	
19887.80	Remittances	20253.24		17724.63	Remittances			20735.14	
14150.16	Deposits and Advances	21917.52		10648.51	Deposits and Advances			15658.24	
0.00	<b>XI. Closing Overdraft from Reserve Bank of India</b>		0	25559.36	<b>XI. Cash Balance at end</b>				31509.39
				0.21	- Cash in Treasuries			0.17	
0.00-	<b>XII. Inter State Settlement</b>		0	-863.47	- Deposits with Reserve Bank			(-)1276.75	
				182.83	- Local Remittances			47.64	
				136.70	- Departmental Cash Balance			132.45	
				0.46	- Permanent Advances			0.46	
				19762.99	- Cash Balance Investment			23986.65	
				6339.64	- Investment of earmarked balances			8618.77	
88754.19	<b>Total</b>		96215.83	88754.19	<b>Total</b>				96215.83

<sup>B</sup> Represents receipt ₹ 903.74 crore and disbursement ₹ 903.74 crore.

<sup>A</sup> Represents nil receipt and disbursement.

## Summarised financial position of the Government of Maharashtra as on 31 March 2011

(Reference : Paragraph 1.7.1; Page 28)

(₹ in crore)

As on 31.03.2010	LIABILITIES		As on 31.03.2011
<b>142684.50</b>	<b>Internal Debt</b>		<b>158313.73</b>
59900.19	Market Loans bearing interest	70384.71	
22.11	Market Loans not bearing interest	21.65	
1578.06	Loans from LIC	1637.89	
81184.14	Loans from other institutions	86269.48	
--	Ways and Means Advances/Overdrafts from Reserve Bank of India	--	
<b>8749.16</b>	<b>Loans and Advances from Central Government</b>		<b>9086.10</b>
6.73	Pre 1984-85 Loans	6.73	
94.60	Non-Plan Loans	88.34	
8445.99	Loans for State Plan Schemes	8804.65	
5.93	Loans for Central Plan Schemes	5.10	
195.91	Loans for Centrally Sponsored Plan Schemes	181.28	
0	Ways and Means Advances	0	
<b>147.00</b>	<b>Contingency Fund</b>		<b>988.80</b>
<b>12689.39</b>	<b>Small Savings, Provident funds etc.</b>		<b>14711.47</b>
<b>21702.86</b>	<b>Deposits</b>		<b>27965.24</b>
<b>17339.31</b>	<b>Reserve Funds</b>		<b>19492.53</b>
<b>10948.09</b>	<b>Suspense and Miscellaneous Balances</b>		<b>9844.05</b>
<b>2178.85</b>	<b>Remittances</b>		<b>1696.95</b>
<b>216439.16</b>	<b>TOTAL</b>		<b>242098.87</b>
As on 31.03.2010	ASSETS		As on 31.03.2011
<b>120058.58</b>	<b>Gross Capital Outlay on Fixed Assets</b>		<b>138056.81</b>
64192.68	Investments in shares of Companies, Corporations etc.	74391.39	
55865.90	Other Capital Outlay	63665.42	
<b>19590.09</b>	<b>Loans and Advances</b>		<b>19909.08</b>
5455.29	Loans for Power Projects	5380.01	
13115.09	Other Development Loans	13478.87	
1019.71	Loans to Government servants	1050.20	
<b>8.33</b>	<b>Advances</b>		<b>11.43</b>
<b>25559.36</b>	<b>Cash</b>		<b>31509.39</b>
0.21	Cash in Treasuries	0.17	
-863.47	Deposits with Reserve Bank	(-)1276.75	
182.83	Local remittances	47.64	
136.70	Departmental Cash Balance	132.45	
0.46	Permanent Advances	0.46	
19762.99	Cash Balance Investments	23986.65	
6339.64	Investment of earmarked balances	8618.77	
<b>51265.98</b>	<b>Deficit on Government Accounts</b>		<b>52672.62</b>
8005.68	(i) Revenue Deficit of the Current Year	591.56	
0	(ii) Pro forma correction	34.87*	
-250.13	(iii) Other adjustments	849.95	
43510.43	Accumulated deficit upto 31 March 2010	51265.98	
<b>-43.18</b>	<b>Capital Receipts</b>		<b>-60.46</b>
-18.12	Upto previous year	-43.18	
-25.06	During the year	-17.28	
<b>216439.16</b>	<b>TOTAL</b>		<b>242098.87</b>

**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 ₹ 0.99 crore (debit) 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 (1) Misclassification by Treasury ₹ 2.12 crore (debit) and (2) unadjusted advices of ₹ 1.13 crore (credit).

\* Higher rounding.

## Statement of Funds transferred by Government of India directly to State implementing agencies

(Reference : Paragraph 1.2.2; Page 5)

(₹ in crore)

GOI Scheme	Implementing Agency	Funds released by Government of India	
		2009-10	2010-11
(1)	(2)	(3)	(4)
DRDA- Administration (75:25)		22.48	20.88
Indira Awas Yojana (75:25)		470.89	547.33
Swaranajayanti Gram Swarojgar Yojana (75:25)	District Rural Development Agency	236.62	342.86
National Rural Employment Guarantee Scheme (100:00)		242.65	224.31
Integrated Watershed Management Programme (92:08)		193.87	327.34
Sarva Shiksha Abhiyan (60:40)	Maharashtra Prathamik Shikshan Parihad	564.32	855.37
Micro Irrigation (80:20)	Agriculture Technology Management Agency	107.07	222.37
Swaranajayanti Shahari Rojgar Yojana (75:25)	State Urban Development Agency	80.76	105.64
Pradhan Mantri Gram Sadak Yojana (100:00)	Maharashtra Rural Roads Development Agency	299.18	1242.55
Accelerated Rural Water Supply Scheme(100:00)	State Water and Sanitation Mission.	656.16	0.00
Central Rural Sanitation Scheme (100:00)		98.94	129.12
National Rural Health Mision (85:15)		659.31	675.29
National Rural Health Mision (NRHM) Central Sector (100:00)	State Health Society Maharashtra	1.42	3.04
National Rural Health Mision (NRHM) Central Sector (100:00)	International Institute for Population Sciences.	8.8	12.35
Hospitals and Dispensaries (Under NRHM) (100:00)		0.27	0.06
National Programme for Prevention and Control of Fluorosis (100:00)	State Health Society Maharashtra	0.5	1.26
Development and Upgradation of Ayush Institutes/Colleges.(100:00)		10.03	3.68
National AIDS Control Programme including STD Control (100:00)	Maharashtra State AIDS Control Society Mumbai Districts AIDS Control Society	23.68 12.5	69.20 19.70
Tobacco Control (100:00)	International Institute for Population Sciences.	1.5	1.49
MPs Local Area Development Scheme (100:00)	District Collector, Maharashtra.	159	153.00
Medicinal Plants. (100:00)	Maharashtra State Horticulture and Medicinal Plants Board.	1.05	0.97
Poultry Venture Capital Fund(100:00)	National Bank for Agriculture and Rural Development	16	25.69
Crime and Criminal Tracking Network and System.(100:00)	Maharashtra State Police Housing Welfare Corporation Ltd.	5.92	58.26
National Project for Cattle and Buffalo Breeding. (100:00)	Maharashtra Livestock Development Board	6.79	11.40
Special Package for 31 Suicide Prone Districts (100:00)	Maharashtra Livestock Development Board	18.65	....
Adult Education and Skill Development Scheme (100:00)	State Literacy Mission Authority, Maharashtra	17.82	5.42



## Appendix - 1.8 (concl.)

(₹ in crore)

GOI Scheme (1)	Implementing Agency (2)	Funds released by Government of India	
		2009-10 (3)	2010-11 (4)
Assistance to State for Developing Export Infrastructure and Allied Activities (ASIDE). (100:00)	Maharashtra Industrial Development Corporation Ltd	101.02	7.93
National Afforestation and Eco Development Board. (100:00)	Agriculture Finance Corporation Ltd.	1.38	0.66
Grid Interactive Renewable Power MNRE (100.00).	The Maharashtra State Co-operative Bank Limited	15.15	33.36
Handlooms (100:00)	Maharashtra State Handloom Corporation Ltd.	1.37	0.74
National Horticulture Mission (85:15)	Maharashtra State Horticulture and Medicinal Plants Board	91.73	126.14
	National Horticulture Research and Development Foundation	8.19	13.68
	National Research Centre for Citrus	0.5	4.00
Development of Market Infrastructure Grading and Standardisation (100:00)	National Bank for Agriculture and Rural Development	38.56	101.47
Gramin Bhandar Yojana (100:00)		55.9	96.03
Dairy Venture Capital Fund (100:00)		10	32.40
Integrated Development of Small Ruminant and Rabbits.(100:00)		3	2.00
Establishment of Poultry States. (100:00)		2.07	2.70
National Bamboo Mission(100:00)	Director of Social Forestry Maharashtra State.	1.87	3.00
Pollution Abatement(100:00)	Maharashtra Pollution Control Board	2.9	1.80
Development and Strengthening of infrastructure facilities for production and distribution of quality Seeds. (100:00)	Maharashtra State Seeds Corporation Ltd.	11.15	9.10
National Food Security Mission (100:00)	Maharashtra State Seeds Corporation Ltd.	0.57	4.64
	Maharashtra Small Farmers Agri. Business Consortium	107.98	147.12
	<b>Total</b>	<b>4369.52</b>	<b>5645.35</b>

Source: Finance Accounts and CPSMS portal of the Ministry of Finance.

## Department-wise profile of incomplete projects

(Reference : Paragraph 1.6.2; Page 24)

(₹ in crore)

Department		No. of incomplete projects	Initial Budgeted cost	Revised total Cost	Cost overrun	Cumulative actual expenditure as on 31.3.2011	
PWD	Buildings	31	223.75	NA-1(B)/ NA-2C	0	59.39	
		6	25.34	NA	NA	38.6	
		9	NA	NA	NA	24.34	
		20*	86.34	NA	NA	21.57	
	Housing	1	3.23	NA-1(B)	0	1.29	
		1	7.83	NA	NA	13.26	
		3*	5.43	NA	NA	3.21	
Roads and Bridges	Roads	38	141.9	NA-1(B)/NA-2C	0	44.59	
		4	313.14	NA	NA	9.08	
		14	NA	NA	NA	16.15	
		28*	507.84	NA	NA	93.8	
	Bridges	30	148.17	NA-1(B)/NA-2C	0	38.54	
		1	2.27	NA	NA	2.59	
		10	NA	NA	NA	10.24	
		8*	21.29	NA	NA	9.38	
		Buildings	2	NA	NA	NA	6.79
			2*	2.57	NA	NA	1.94
Irrigation		22	483.17	3423.68	2940.51	5251.74	
		2	17.81	NA	NA	20.83	
		1*	6.45	NA	NA	32.46	
<b>Total</b>		<b>233</b>	<b>1996.53</b>	<b>3423.68</b>	<b>2940.51</b>	<b>5699.79</b>	

Source: Appendix X of Finance Accounts 2010-11.

NA-1(B) – Revised cost not applicable as they are within estimation.

NA-2(C) – Revised cost not applicable as difference between actual cost and estimated cost is less than 10 per cent.

NA – Information awaited from department.

\* Target year of completion not provided.

# Summarised Financial Statement of Departmentally Managed Commercial / Quasi-commercial Undertakings

(Reference : Paragraph 1.6.4; Page 25)

Amount (₹ in Lakh)

(in %)

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)
<b>AGRICULTURE, ANIMAL HUSBANDRY, DAIRY DEVELOPMENT AND FISHERIES DEPARTMENT</b>											
<b>Mumbai Region</b>											
1	G. M. M. S., Worli	1947	2009-10	3,252.97	1,925.06	65.15	8,413.81	-2,613.58	341.56	-2,272.01	-69.84
2	Milk Transport Scheme, Worli	1951	2006-07	261.62	65.19	9.27	872.07	0.00	27.47	27.47	10.50
3	Mother Dairy, Kurla	1975	2009-10	1,799.73	1,471.17	57.76	6,506.44	-1,027.99	188.97	-839.02	-46.62
4	Central Dairy, Goregaon	1951	2009-10	4891.11	722.28	36.20	3781.42	-5372.83	513.57	-4,859.27	-99.35
5	Unit Scheme, Mumbai	1950	2009-10	1,717.26	1,389.61	45.85	0.00	-82.93	180.31	97.38	5.67
6	Agricultural Scheme, Mumbai	1950	2009-10	903.15	491.20	9.71	0.00	-75.21	94.83	19.62	2.17
7	Electrical Scheme, Mumbai	1950	2009-10	401.18	13.78	0.83	0.00	-302.61	42.12	-260.48	-64.93
8	Water Supply Scheme, Mumbai	1950	2009-10	1,157.09	616.88	13.14	0.00	-290.64	121.49	-169.14	-14.62
9	Cattle Feed Scheme, Mumbai	1950	2009-10	28.43	20.87	0.61	0.00	63.92	2.99	66.91	235.31
10	C. B. R. F., Palghar	1979	2009-10	229.13	58.49	1.35	18.69	-116.78	24.06	-92.73	-40.47
11	Dairy Project, Dapchari	1960	2009-10	1,052.73	496.49	21.42	79.76	-855.23	110.54	-744.69	-70.74
12	G. M. S., Govt. Bhiwandi	1987	2009-10	51.62	31.61	1.81	225.74	-19.11	5.42	-13.69	-26.51
13	GMCC, Saralgaon (Dist.: Thane)	1978	2009-10	63.29	14.61	1.42	0.47	-33.83	6.65	-27.18	-42.95
14	G. M. S., Khopoli	1966	2008-09	144.57	160.23	9.67	823.31	-14.60	15.18	0.58	0.40
15	G. M. S., Mahad	1966	2009-10	113.80	86.50	1.80	5.06	-51.10	11.95	-39.15	-34.40
16	G. M. S., Chiplun	1966	2009-10	179.53	85.02	5.23	26.74	-150.92	18.85	-132.07	-73.56
17	G. M. S., Ratnagiri	1965	2009-10	127.85	73.52	4.02	203.42	-1,138.50	13.42	-1,125.07	-879.97
18	G. M. S., Kankavali	1966	2008-09	239.52	207.31	18.99	265.24	-129.36	25.15	-104.21	-43.51
<b>TOTAL</b>				<b>16,614.59</b>	<b>7,929.82</b>	<b>304.23</b>	<b>21,222.16</b>	<b>-12,211.27</b>	<b>1,744.53</b>	<b>-10,466.74</b>	<b>-63.00</b>
<b>Pune Region</b>											
19	G. M. S., Pune	1950	2009-10	958.15	386.39	17.13	1,661.80	-922.42	100.61	-821.82	-85.77
20	G. M. S., Mahabaleshwar	1966	2009-10	153.83	47.98	2.66	129.41	-96.79	16.15	-80.64	-52.42
21	G. M. S., Satara	1979	2009-10	1,324.63	310.25	8.74	546.55	-800.01	139.09	-660.93	-49.90
22	G. M. S., Miraj	1961	2009-10	5,132.47	543.98	35.93	5,277.34	-1,482.54	538.91	-943.63	-18.39
23	G. M. S., Solapur	1960	2009-10	220.61	47.45	3.07	17.41	-299.95	23.16	-276.79	-125.46
<b>TOTAL</b>				<b>7,789.69</b>	<b>1,336.04</b>	<b>67.54</b>	<b>7,632.51</b>	<b>-3,601.73</b>	<b>817.92</b>	<b>-2,783.81</b>	<b>-35.74</b>
<b>Nashik Region</b>											
24	G. M. S., Nashik	1960	2009-10	220.51	88.40	4.55	506.10	-188.95	23.15	-165.79	-75.19
25	GMS, Wani (Dist.: Nashik)	1978	2009-10	48.95	13.03	0.29	157.82	-65.02	5.14	-59.88	-122.35
26	G. M. S., Ahmednagar	1969	2009-10	1,371.80	159.85	9.69	12.21	-647.17	144.04	-503.13	-36.68
27	G. M. S., Chalisgaon	1969	2009-10	162.59	3.45	0.29	0.00	-82.61	17.07	-65.53	-40.31
28	G. M. S., Dhule	1961	2009-10	1,327.01	241.86	11.16	706.32	-482.67	139.34	-343.33	-25.87
<b>TOTAL</b>				<b>1,803.85</b>	<b>506.60</b>	<b>25.98</b>	<b>1,382.45</b>	<b>-1,466.42</b>	<b>328.74</b>	<b>-1,137.68</b>	<b>-63.07</b>

Appendix - 1.10 (concl.d.)

Amount (₹ in Lakh)											(in %)
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)
<b>Aurangabad Region</b>											
29	G. M. S., Aurangabad	1962	2009-10	761.01	269.81	8.64	567.76	-719.56	79.91	-639.65	-84.05
30	G. M. S., Udgir	1971	2009-10	0.00	637.94	31.84	1,151.37	-1,018.73	0.00	-1,018.73	0.00
31	G. M. S., Beed	1976	2009-10	7,582.83	583.63	18.32	2,391.17	-6,744.28	796.20	-5,948.08	-78.44
32	G. M. S., Nanded	1977	2009-10	478.07	116.83	5.59	292.26	-146.11	50.20	-95.91	-20.06
33	G. M. S., Bhoom	1978	2009-10	1,885.40	160.21	5.66	0.00	-486.19	197.97	-288.22	-15.29
34	G. M. S., Parbhani	1979	2009-10	488.90	73.22	3.53	118.42	-426.73	51.33	-375.40	-76.78
<b>TOTAL</b>				<b>11,196.20</b>	<b>1,841.64</b>	<b>73.57</b>	<b>4,520.98</b>	<b>-9,541.59</b>	<b>1,175.60</b>	<b>-8,365.99</b>	<b>-74.72</b>
<b>Amravati Region</b>											
35	G. M. S., Amravati	1962	2009-10	367.55	163.76	6.10	359.06	-271.05	38.59	-232.46	-63.25
36	G. M. S., Akola	1962	2009-10	1,935.55	509.61	0.00	1,281.38	-681.10	203.23	-477.87	-24.69
37	G. M. S., Yavatmal	2000	2009-10	310.93	215.36	6.77	168.67	-168.55	32.65	-135.90	-43.71
38	G. M. S., Nandura	1979	2009-10	242.88	64.84	1.83	188.62	-197.24	25.50	-171.74	-70.71
<b>TOTAL</b>				<b>2,856.91</b>	<b>953.58</b>	<b>14.70</b>	<b>1,997.72</b>	<b>-1,317.95</b>	<b>299.98</b>	<b>-1,017.97</b>	<b>-202.35</b>
<b>Nagpur Region</b>											
39	G. M. S., Nagpur	1958	2009-10	725.52	114.58	7.86	2,379.92	-696.94	76.18	-620.76	-85.56
40	G. M. S., Wardha	1976	2009-10	688.12	33.69	1.18	64.66	-217.94	72.25	-145.69	-21.17
41	G. M. S., Chandrapur	1979	2009-10	0.00	101.10	5.09	1,315.73	-7.50	0.00	-7.50	0.00
42	G. M. S., Gondia	1979	2009-10	691.31	107.99	2.27	929.52	-310.49	72.59	-237.90	-34.41
<b>TOTAL</b>				<b>2,104.94</b>	<b>357.36</b>	<b>16.40</b>	<b>4,689.83</b>	<b>-1,232.87</b>	<b>221.02</b>	<b>-1,011.85</b>	<b>-48.07</b>
<b>Land Development Bulldozer Scheme</b>											
43	L.D.B.S, Pune	1944	1994-95	144.26	77.47	4.52	46.75	-72.83	18.75	-54.08	-37.49
44	L.D.B.S, Aurangabad	1960	1998-99	32.99	1.05	0.00	2.02	-23.42	4.78	-18.64	-56.50
45	L.D.B.S, Amravati	1965	1995-96	2.82	0.41	0.00	1.80	-4.46	0.40	-4.06	-143.97
46	L.D.B.S, 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 Pengidundam Forest Ranges of Forest Divisions including Saw mills & Timber Depot	1926	1985-86	1,857.85	15.27	9.27	826.24	383.32	170.74	554.06	29.82
<b>TOTAL</b>				<b>1,857.85</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	2009-10	55,995.62	138.02	13.26	46,365.77	-4,647.21	3,265.98	-1,381.22	-2.47
49	Procurement and Distribution and Price Control Scheme in Mofussil Area	1957	2009-10	71,569.30	414.89	37.01	182,409.71	-11,775.25	7,086.04	-4,689.22	-6.55
<b>TOTAL</b>				<b>127,564.92</b>	<b>552.91</b>	<b>50.27</b>	<b>228,775.48</b>	<b>-16,422.46</b>	<b>10,352.02</b>	<b>-6,070.44</b>	<b>-4.76</b>

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 42)

(₹ in crore)

Sr. No.	Grant No.	Name of the grant/appropriation	Total Grants/ Appropriations	Savings	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
1	A-2	Elections (Revenue – Voted)	159.00	47.73	30
2	B-7	Economic Services (Revenue – Voted)	99.32	51.81	52
3	B-9	Capital Expenditure on Economic Services (Capital – Voted)	503.55	110.91	22
4	C-6	Natural Calamities (Revenue – Voted)	1856.31	441.11	24
5	C-10	Capital Expenditure on Economic Services (Capital – Voted)	100.28	22.21	22
6	C-12	Loans to Government Servant, etc. (Capital – Voted)	75.62	32.67	43
7	D-5	Dairy Development (Revenue–Voted)	721.20	208.69	29
8	D-6	Fisheries (Revenue – Voted)	137.19	35.40	26
9	F-6A	Loans for Urban Development (Capital – Voted)	186.11	47.14	25
10	G-2	Other Fiscal and Miscellaneous Services (Revenue – Voted)	1693.06	1624.95	96
11	G-6	Pension and Other Retirement Benefits (Revenue – Charged)	29.90	18.05	60
12	G-8	Public Debt and Inter State Settlement (Capital – Charged)	7024.52	3014.75	43
13	H-8	Capital Expenditure on Public Works Administrative and Functional Buildings (Capital – Voted)	678.86	208.33	31
14	H-9	Capital Outlay on Removal of Regional Imbalance (Capital – Voted)	111.40	28.74	26
15	I-7	Loans to Government Servants, etc (Capital – Voted)	68.03	31.54	46
16	J-1	Administration of Justice (Revenue – Voted)	867.03	172.89	20
17	J-1	Administration of Justice (Revenue – Charged)	161.20	35.51	22
18	K02	Interest Payments (Revenue – Voted)	86.60	32.17	37
19	L01	Interest Payments (Revenue – Charged)	352.92	96.36	27
20	L07	Capital Expenditure on Rural Development (Capital – Voted)	619.58	204.96	33
21	N04	Capital Expenditure on Social Services (Capital – Voted)	798.72	395.81	50
22	O01	District Administration (Revenue – Voted)	584.00	571.91	98
23	O04	Other Rural Development Programmes (Revenue – Voted)	2313.68	2313.58	100
24	O-7	Secretariat-Economic Services (Revenue – Voted)	685.97	597.69	87
25	O-8	Census, Survey and Statistics (Revenue – Voted)	68.33	42.41	62
26	O-9	Capital Outlay on Other Rural Development Programme (Capital – Voted)	2462.32	1769.54	72
27	O-41	District Plan-Gadchiroli (Revenue – Voted)	80.63	21.89	27
28	Q-3	Housing (Revenue – Voted)	1839.59	1039.17	56
29	T-5	Revenue Expenditure on Tribal Areas Development (Revenue – Voted)	2656.35	860.32	32
30	T-6	Capital Expenditure on Tribal Areas Development Sub-Plan (Capital – Voted)	915.89	339.30	37
31	V-3	Capital Expenditure on Social Services (Revenue – Voted)	155.18	49.23	32
32	ZD-2	Art and Culture (Revenue – Voted)	139.56	35.30	25

## Statement showing excess over provisions during 2010-11 requiring regularisation

(Reference : Paragraph 2.3.3; Page 46)

(₹ 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-2 Stamps and Registration	135.34	148.38	13.04
2	C-5 Other Social Services	25.41	26.09	0.68
3	F-5 Capital Expenditure on Social Services	0.05	4.63	4.58
4	H-3 Housing	315.70	415.71	100.01
5	K-6 Energy	3603.70	3811.62	207.92
6	O-13 District Plan – Mumbai City (Revenue Section)	34.99	40.74	5.75
7	O-14 District Plan – Mumbai Suburban (Capital Section)	22.32	25.62	3.30
8	O-15 District Plan – Thane (Revenue Section)	123.56	124.54	0.98
9	O-18 District Plan – Sindhudurg (Revenue Section)	60.50	60.99	0.49
10	O-19 District Plan – Pune (Capital Section)	60.47	68.05	7.58
11	O-20 District Plan – Satara (Capital Section)	31.78	37.03	5.25
12	O-21 District Plan – Sangli (Capital Section)	27.86	34.73	6.87
13	O-22 District Plan – Solapur (Capital Section)	30.75	36.59	5.84
14	O-23 District Plan – Kolhapur (Capital Section)	37.25	46.27	9.02
15	O-24 District Plan – Nashik (Capital Section)	45.64	48.65	3.01
16	O-25 District Plan – Dhule (Capital Section)	5.28	9.13	3.85
17	O-26 District Plan – Jalgaon (Capital Section)	22.51	25.27	2.76
18	O-28 District Plan – Nandurbar (Capital Section)	7.02	10.35	3.33
19	O-29 District Plan – Aurangabad (Capital Section)	17.07	19.54	2.47
20	O-30 District Plan – Jalna (Capital Section)	20.08	28.00	7.92
21	O-31 District Plan – Parbhani (Capital Section)	19.07	28.39	9.32
22	O-32 District Plan – Nanded (Revenue Section)	113.34	120.06	6.72
23	O-33 District Plan – Beed (Capital Section)	35.84	42.56	6.72
24	O-34 District Plan – Latur (Capital Section)	17.21	23.47	6.26
25	O-35 District Plan – Osmanabad (Capital Section)	17.78	21.67	3.89
26	O-37 District Plan – Nagpur (Capital Section)	23.91	30.80	6.89
27	O-38 District Plan – Wardha (Capital Section)	13.37	15.78	2.41
28	O-39 District Plan – Bhandara (Capital Section)	10.27	11.75	1.48
29	O-41 District Plan – Gadchiroli (Capital Section)	11.19	13.02	1.83
30	O-44 District Plan – Akola (Capital Section)	17.77	19.32	1.55
31	O-45 District Plan – Yavatmal (Capital Section)	29.93	29.97	0.04
32	O-46 District Plan – Buldhana (Capital Section)	27.29	29.26	1.97
33	O-47 District Plan – Washim (Capital Section)	14.63	16.34	1.71
34	W-3 Technical Education	886.26	894.76	8.50
35	ZA-2 Social Security and Welfare	0.02	0.03	0.01
<b>Charged Appropriation</b>				
36	A-3 Public Service Commission	16.93	17.30	0.37
37	C-1 Revenue and District Administration	0.02	0.05	0.03
38	C-5 Other Social Services	0.0010	0.0013	0.0003
39	C-11 Internal Debt	0.05	0.07	0.02
40	E-1 Interest Payments	661.62	674.16	12.54
41	F-6 Internal Debt	0.313	0.315	0.002
42	U-1 Interest Payments	2.493	2.494	0.001
<b>TOTAL</b>		<b>6546.59</b>	<b>7013.50</b>	<b>466.91</b>

Source: Appropriation Accounts.

## Statement showing excess over provisions of previous years requiring regularization

(Reference : Paragraph 2.3.4; Page 46)

Years	Number of grants	Grant number	Amount of Excess (₹ )	Number of appropriations	Appropriation number	Amount of excess (₹ )
(1)	(2)	(3)	(4)	(5)	(6)	(7)
2002-03	12	A-3	6682734	17	A-4	48581
		C-9	49770		A-5	1020824
		H-3	178535752		B-1	2823332
		I-1	10838883494		B-3	12023
		O-1	342165		C-3	1642877
		O-2	390545322		C-5	646720
		S-1	13728921		D-4	10925320
		V-2	35916		E-2	19762
		Y-3	4318587		H-1	329
		Y-5	8828		H-5	26730000
		B-10	58103361		L-1	1824221681
		M-3	2123638939		W-4	239912
					Y-1	21870639
					ZC-1	1496298
					C-10	7436926
					F-5	10388223
					G-8	9904340341
2003-04	11	C-3	267	15	D-1	3881904
		E-2	793903846		D-4	9590610
		H-3	60133295		H-5	8200000
		I-1	167115725		I-1	285000
		M-2	4864365		N-4	90976
		O-2	36229024		Q-1	14464165
		O-7	1147606		T-1	4749922
		Q-2	257575		U-1	118258
		W-4	49549730		W-1	34410573
		Y-3	3606311		ZC-1	2081344
		K-9	8894427000		C-9	4848848
					C-10	283617
					F-5	55663732
					V-4	2499629
					Y-6	39476
2004-05	9	A-5	64327866	17	A-5	53952
		C-2	32626710		C-3	18662907
		C-7	29488459		C-5	21314042

Appendix - 2.3 (contd.)

Years	Number of grants	Grant number	Amount of Excess (₹ )	Number of appropriations	Appropriation number	Amount of excess
(1)	(2)	(3)	(4)	(5)	(6)	(7)
		H-3	21449592		E-1	221355105
		M-2	2634738		G-7	308319
		O-2	3243376924		I-1	1253983
		S-1	58693498		J-1	24641761
		W-3	104199737		L-1	152339138
		Y-3	2828868		N-4	215926
					Q-1	40690146
					T-1	1478590
					U-1	73036
					V-2	80197
					W-4	10951
					C-11	680397
					F-5	30461999
					I-3	206951
2005-06	19	A-5	3906868	15	A-1	18770
		B-5	18356360		B-1	10352768
		C-5	1281448		C-3	10932733
		D-2A	21056422		C-5	335062
		D-3	67823166		C-7	12625
		F-3	49686988		D-3	125618
		K-5	83852		I-3	2036373
		K-6	4400807992		L-1	510375721
		L-2	205426979		Q-1	35994848
		L-4	2702		S-1	245600
		M-3	3540120		T-1	106255
		O-2	183515		U-1	5231295
		O-4	4980772		V-2	712765
		O-7	153582852		ZC-1	1844454
		Q-2	219985		F-5	19997285
		T-4	17464			
		W-4	30402792			
		Y-4	3683348			
		M-4	6006511954			
2006-07	16	C-5	46596360	13	B-5	108756
		C-6	2515203526		C-3	255329
		D-2A	449949040		C-7	836804



Appendix - 2.3 (contd.)

Years	Number of grants	Grant number	Amount of Excess (₹ )	Number of appropriations	Appropriation number	Amount of excess
(1)	(2)	(3)	(4)	(5)	(6)	(7)
		F-3	9361552		D-1	17824876
		G-7	1620980		H-1	374
		H-5	738273424		H-6	135818
		K-6	2839351966		L-1	274409535
		T-2	35211855		N-3	28023
		T-3	28411		Q-1	76780199
		ZA-2	59242		T-1	1327548
		B-10	14297771		U-1	5324459
		D-14	110000		C-10	75000
		H-7	524720439		Y-7	432974
		L-8	1565326			
		M-4	2008837000			
		T-8	243642			
2007-08	11	C-5	62079297	11	C-3	126535
		C-6	445611160		C-5	491078
		D-2	673401		C-7	80386
		F-2	2104594132		D-4	86659
		H-3	458440547		H-6	39153821
		Q-4	136195		L-1	443750922
		T-2	20774356		L-5	378158
		U-3	37507		Q-1	80752194
		Y-4	4406253		U-1	5850836
		H-11	7686		ZC-1	5654417
		M-4	1182395857		K-Nil	1018594000
2008-09	38	B-5	14187647	9	C-1	623063
		B-7	607		D-1	9390504
		C-2	72163408		G-3	343882038
		E-2	1829578086		H-6	12536412
		G-6	1380562696		L-1	54124670
		H-3	458133965		L-5	591
		H-5	439774327		S-1	163771
		J-3	42647		U-1	5638640
		M-3	3982209		K-Nil	1018594000
		O-13	530766			
		O-14	20546552			

Appendix - 2.3 (contd.)

Years	Number of grants	Grant number	Amount of Excess (₹ )	Number of appropriations	Appropriation number	Amount of excess
(1)	(2)	(3)	(4)	(5)	(6)	(7)
		O-45	11750460			
		S-1	46554919			
		V-2	170517885			
		X-2	380480			
		F-7	4133100			
		M-4	17598850677			
		O-17	3471801			
		O-18	28230152			
		O-19	55559836			
		O-20	38705381			
		O-21	56593321			
		O-23	14951912			
		O-25	12844989			
		O-26	2207194			
		O-27	233252			
		O-30	7492261			
		O-31	55668412			
		O-33	6805131			
		O-34	10345469			
		O-35	17934817			
		O-36	11700694			
		O-37	24221725			
		O-39	14788507			
		O-41	4507239			
		O-42	3276120			
		O-44	5243494			
		O-47	22346527			
2009-10	42	B-1	773079344			
		C-2	106978277			
		C-5	13145395			
		D-8	18260			
		H-3	682289280			
		I-4	4529426			
		K-5	2893578			
		K-6	1002341708			
		M-4	10686706443			

Appendix - 2.3 (concl'd.)

Years	Number of grants	Grant number	Amount of Excess (₹ )	Number of appropriations	Appropriation number	Amount of excess
(1)	(2)	(3)	(4)	(5)	(6)	(7)
		O-13	4821452	6	C-6	1817764613
		O-14	32607773		H-6	12090324
		O-15	5273962		K-11A	1018593000
		O-16	12518079		L-1	363971984
		O-17	424045		O-3	314370
		O-18	17528337		U-1	8318471
		O-19	41370619			
		O-21	17600934			
		O-22	63250960			
		O-23	3948371			
		O-24	35188277			
		O-25	15595973			
		O-26	21039948			
		O-28	815787			
		O-29	15037152			
		O-30	20466915			
		O-31	26391205			
		O-32	67583281			
		O-33	87493392			
		O-34	15721332			
		O-35	61533727			
		O-36	8127983			
		O-38	8771516			
		O-39	1534489			
		O-40	12666990			
		O-41	1220991			
		O-42	22434692			
		O-43	6301457			
		O-44	28099741			
		O-45	2933103			
		O-46	8359585			
		O-47	11821216			
		ZC-2	4293995			
		<b>TOTAL</b>	<b>107731141321</b>			
		<i>i.e.</i>	<b>₹ 10773.11 crore</b>			

## Statement showing expenditure incurred without provisions during 2010-11

(Reference : Paragraph 2.3.5; Page 47)

(₹ in crore)

Sr. No.	Grant/Appropriation number	Head of Account	Amount of expenditure without budget provision
<b>Industries, Energy and Labour Department</b>			
1	K-6	3606-502	312.01
<b>Revenue and Forests Department</b>			
2	C-4	2059-80-800-50(03)(02)	0.01
3	C-6	2245-80-001(02)(01)	0.69
4	C-6	2245-80-102(02)(01)	3.23
<b>Urban Development Department</b>			
5	F-5	4217-80-191(00)(02)	2.78
6	F-5	4217-80-191(00)(08)	1.85
<b>Agriculture, Animal Husbandry, Dairy Development and Fisheries Department</b>			
7	D-3	2401-112(00)(02)	0.21
<b>Social Justice and Special Assistance Department</b>			
8	N-3	2225-01-911-277(04)(04) & (11)	0.08
9	N-3	2225-03-277(02)(19)	0.15
10	N-3	2225-03-277(45)(06)	0.24
11	N-3	2235-02-101(02)(04)	0.33
12	N-3	2235-60-101(5)	0.54
<b>Planning Department</b>			
13	O-18	2210-02-101(36)(02)	0.04
14	O-18	2210-06-800(36)(05)	0.15
15	O-18	2210-06-800(36)(06)	0.04
16	O-18	2210-06-800(36)(07)	0.10
17	O-18	2403-101(36)(09)	0.04
18	O-18	3054-04-337(36)(01)	0.27
19	O-18	3054-04-800(36)(01)	1.00
20	O-19	4216-01-106(37)(03)	0.01
21	O-20	2205-105(38)(03)	0.26
22	O-23	2230-03-003(41)(04)	0.05
23	O-23	6250-800(41)(01)	0.04
24	O-25	4515-800(43)(01)	0.68
25	O-29	5054-04-800(47)(02)	1.60
26	O-29	5054-04-800(47)(03)	0.13
27	O-31	5054-04-800(49)(04)	0.11
28	O-31	5054-04-800(49)(03)	1.44

Appendix - 2.4 (concl.)

(₹ in crore)

Sr. No.	Grant/Appropriation number	Head of Account	Amount of expenditure without budget provision
29	O-42	2210-02-101(60)(01)	0.03
30	O-42	2210-02-101(60)(02)	0.01
31	O-42	2210-02-101(60)(03)	0.07
32	O-42	2210-02-101(60)(04)	0.03
33	O-42	2210-06-800(60)(02)	0.13
34	O-42	2501-01-003(60)(01)	0.16
35	O-42	2702-80-196(60)(03)	0.20
<b>Medical Education and Drugs Department</b>			
36	S-1	2210-01-110(04)(11)	0.25
37	S-4	4210-03-105(00)(05)	0.04
38	S-4	4210-03-105(00)(13)	0.04
39	S-4	4210-03-105(00)(22)	0.05
40	S-4	4210-03-105(00)(23)	0.29
<b>Tribal Development Department</b>			
41	T-5	2225-02-796(01)(29)	0.01
42	T-5	2225-02-796(01)(37)	0.09
<b>TOTAL</b>			<b>329.48</b>

Source: Appropriation Accounts.

Statement of cases where supplementary provisions  
(₹ 10 lakh or more in each case) proved unnecessary

(Reference : Paragraph 2.3.6; Page 47)

(₹ in lakh)

Sr. No.	Appropriation No.	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	14509.74	11127.51	-3382.23	1390.65
2	B-1	Police Administration	604567.73	588293.53	-16274.20	25530.46
3	B-2	State Excise	6810.56	6272.36	-538.20	140.76
4	B-4	Secretariat and Other General Services	2783.21	2341.36	-441.85	20.00
5	B-5	Jails	13276.92	12776.53	-500.39	285.51
6	B-7	Economic Services	9832.02	4751.26	-5080.76	100.00
7	C-1	Revenue and District Administration	103930.08	89595.09	-14334.99	3007.88
8	C-4	Secretariat and Other General Services	2317.48	2095.00	-222.48	108.20
9	D-4	Animal Husbandry	50927.90	50102.29	-825.61	2084.13
10	D-5	Dairy Development	71419.55	51250.68	-20168.87	700.03
11	D-6	Fisheries	13148.90	10178.50	-2970.40	570.00
12	E-2	General Education	2322686.69	2282827.42	-39859.27	129955.05
13	E-3	Secretariat and Other Social Services	22523.01	21295.52	-1227.49	1843.83
14	F-2	Urban Development And Other Advance Services	408005.12	390747.14	-17257.98	44062.08
15	G-1	Sales Tax Administration	34298.77	31607.32	-2691.45	300.00
16	H-4	Secretariat And Other Economic Services	3588.01	2878.15	-709.86	40.00
17	I-3	Irrigation, Power and Other Economic Services	203112.37	200201.91	-2910.46	21026.91
18	K-3	Stationery and Printing	12104.13	12033.90	-70.23	947.31
19	O-1	District Administration	50150.00	1209.29	-48940.71	8250.00
20	O-7	Secretariat-Economic Services	67997.08	8828.20	-59168.88	600.01
21	O-8	Census Survey and Statistics	3424.67	2591.67	-833.00	3407.80
22	O-14	District Plan - Mumbai Suburban (Revenue Section)	11011.12	10542.10	-469.02	66.55
23	Q-3	Housing	174374.3	80042.25	-94332.05	9584.78
24	R-2	Secretariat - Social Services	666.82	605.27	-61.55	36.00
25	T-5	Revenue Expenditure on Tribal Areas Development Sub-Plan	239219.93	179603.34	-59616.59	26414.91
26	X-1	Social Security and Nutrition	190536.84	163007.55	-27529.29	6313.85
27	ZD-1	Secretariat and Other Social Services	453.90	314.48	-139.42	11.05
<b>Revenue - Charged</b>						
28	A-1	Governor and Council of Ministers	952.65	846.47	-106.18	20.81
29	G-6	Pensions and Other Retirement Benefits	2790.03	1185.19	-1604.84	200.38
30	J-1	Administration of Justice	15117.04	12568.85	-2548.19	1002.67
31	T-1	Interest Payments	899.55	698.01	-201.54	60.34
32	ZC-1	Parliament / State/Union Territory Legislatures	63.70	57.99	-5.71	27.43
<b>B - Capital (Voted)</b>						
33	B-9	Capital Expenditure on Economic Services	43564.00	39263.65	-4300.35	6790.81
34	C-12	Loans to Government Servants, etc.	7539.01	4294.97	-3244.04	23.14
35	J-4	Capital Outlay on Public Works	100.00	0.00	-100.00	16.78
36	J-5	Loans to Government Servants, etc.	1291.26	843.56	-447.70	70.00
37	K-9	Capital Expenditure on Economic and Social Services	866.05	805.53	-60.52	88.00
38	N-4	Capital Expenditure on Social Services	68531.87	40291.06	-28240.81	11340
39	O-9	Capital Outlay on Other Rural Development Programmes	216075.19	69278.05	-146797.14	30157.13
40	O-40	District Plan - Chandrapur	2075.87	1788.92	-286.95	105.43
41	R-3	Capital Expenditure on Medical and Public Health	326.00	199.86	-126.14	281.50
42	T-6	Capital Expenditure on Tribal Areas Development Sub-Plan	70724.39	57658.75	-13065.64	20864.29
43	V-3	Capital Expenditure on Social Services	13017.94	10595.40	-2422.55	2500.02
<b>TOTAL</b>						<b>360346.48</b>
						<i>i.e.3603.46 Crore</i>

Statement of various grants/appropriations where supplementary provisions proved insufficient by more than ₹ one crore each  
(Reference : Paragraph 2.3.6; Page 47)

(₹ in crore)

Sr. No	Grant No.	Name of the grant	Original Provision	Supple-mentary	Total	Expenditure	Excess
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	C-2	Stamps and Registration	100.30	35.04	135.34	148.38	13.04
2	E-1	Interest Payments	652.37	9.25	661.62	674.17	12.55
3	H-3	Housing	118.51	197.19	315.70	415.71	100.01
4	K-6	Energy	2551.17	1052.54	3603.71	3811.62	207.91
5	O-13	District Plan – Mumbai City (Revenue Section)	23.99	11.00	34.99	40.74	5.75
6	O-14	District Plan – Mumbai Suburban (Capital Section)	17.20	5.12	22.32	25.62	3.30
7	O-19	District Plan – Pune (Capital Section)	51.53	8.94	60.47	68.05	7.58
8	O-20	District Plan – Satara (Capital Section)	29.78	2.00	31.78	37.03	5.25
9	O-21	District Plan – Sangli (Capital Section)	22.14	5.72	27.86	34.73	6.87
10	O-22	District Plan – Solapur (Capital Section)	26.72	4.04	30.76	36.59	5.83
11	O-23	District Plan – Kolhapur (Capital Section)	33.61	3.64	37.25	46.27	9.02
12	O-24	District Plan – Nasik (Capital Section)	45.28	0.36	45.64	48.65	3.01
13	O-25	District Plan – Dhule (Capital Section)	4.76	0.52	5.28	9.12	3.84
14	O-26	District Plan – Jalgaon (Capital Section)	22.51	0.0004	22.51	25.27	2.76
15	O-28	District Plan – Nandurbar (Capital Section)	6.47	0.55	7.02	10.35	3.33
16	O-29	District Plan – Aurangabad (Capital Section)	11.50	5.57	17.07	19.54	2.47
17	O-30	District Plan – Jalna (Capital Section)	18.83	1.25	20.08	28.00	7.92
18	O-31	District Plan – Parbhani (Capital Section)	16.07	3.00	19.07	28.39	9.32
19	O-32	District Plan – Nanded (Revenue Section)	85.65	27.69	113.34	120.06	6.72
20	O-33	District Plan – Beed (Capital Section)	35.63	0.21	35.84	42.56	6.72
21	O-34	District Plan – Latur (Capital Section)	15.60	1.61	17.21	23.47	6.26
22	O-35	District Plan – Osmanabad (Capital Section)	15.61	2.17	17.78	21.67	3.89
23	O-37	District Plan – Nagpur (Capital Section)	23.79	0.12	23.91	30.80	6.89
24	O-38	District Plan – Wardha (Capital Section)	12.97	0.40	13.37	15.78	2.41
25	O-39	District Plan – Bhandara (Capital Section)	9.07	1.20	10.27	11.75	1.48
26	O-41	District Plan – Gadchiroli (Capital Section)	11.10	0.08	11.18	13.02	1.84
27	O-44	District Plan – Akola (Capital Section)	12.59	5.18	17.77	19.32	1.55
28	O-46	District Plan – Buldhana (Capital Section)	17.58	9.71	27.29	29.26	1.97
29	O-47	District Plan – Washim (Capital Section)	13.93	0.70	14.63	16.34	1.71
30	W-3	Technical Education	816.84	69.42	886.26	894.76	8.50
		<b>TOTAL</b>	<b>4823.10</b>	<b>1464.22</b>	<b>6287.32</b>	<b>6747.02</b>	<b>459.70</b>

Statement showing excess/unnecessary/  
insufficient reappropriation of funds

(Reference : Paragraph 2.3.7; Page 47)

(₹ in crore)

Sl. No.	Grant/Appropriation No.	Grant/Appropriation Description	Head of Account	Reappropriation	Final Excess (+)/ Saving (-)
(1)	(2)	(3)	(4)	(5)	(6)
1	A-2	Elections	2015-106(00)(01)	(-) 13.03	(+) 2.47
2	A-2	-do-	2015-102(00)(01)	(+) 1.85	(+) 1.59
3	A-4	Secretariat and Miscellaneous General Services	2070-114(00)(02)	(+) 0.99	(-) 3.70
4	A-5	Social Services	2235-60-102(00)(01)	(-) 24.99	(+) 5.22
5	B-1	Police Administration	2055-109(00)(01)	(-) 257.30	(-) 78.96
6	B-1	-do-	2055-101(00)(04)	(-) 7.66	(-) 4.57
7	B-1	-do-	2055-109(00)(09)	(-) 21.37	(+) 18.15
8	B-1	-do-	2055-105(00)(01)	(-) 2.78	(+) 7.86
9	B-5	Jails	2056-101(00)(01)	(-) 3.43	(+) 3.18
10	B-5	-do-	2056-101(00)(02)	(-) 1.85	(+) 2.46
11	B-5	-do-	2056-102(00)(01)	(-) 0.24	(+) 2.66
12	B-9	Capital Expenditure on Economic Services	4055-800(00)(04)	(-) 40.09	(+) 8.32
13	B-9	-do-	4055-800(00)(02)	(-) 24.65	(-) 9.47
14	C-1	Revenue and District Administration	2053-094(03)	(-) 37.36	(-) 19.00
15	C-1	-do-	2045-200(01)	(-) 3.44	(+) 1.01
16	C-2	Stamps and Registration	2030-02-102(00)(01)	(+) 6.30	(+) 15.02
17	C-2	-do-	2030-01-102(00)(01)	(+) 1.24	(+) 1.52
18	C-5	Other Social Services	2235-02-104(00)(03)	(+) 0.14	(+) 1.00
19	C-6	Natural Calamities	2245-80-102(02)(01)	(-) 4.43	(+) 3.23
20	C-6	-do-	2245-02-101(04)(05)	(+) 3.92	(-) 5.94
21	C-10	Capital Expenditure on Economic Services	4701-01(00)(03)	(-) 2.41	(-) 9.87
22	D-3	Agriculture Services	2401-001(00)(01)	(-) 38.34	(-) 5.71
23	D-3	-do-	2401-001(00)(02)	(-) 9.38	(-) 5.51
24	D-3	-do-	2415-01-120(00)(01)&(06)	(-) 2.66	(+) 4.44
25	D-4	Animal Husbandry	2403-101(01)(01)	(-) 3.65	(-) 4.75
26	D-4	-do-	2403-101(06)(01)	(+) 1.08	(-) 2.65
27	D-4	-do-	2403-101(02)(01)	(-) 0.41	(-) 1.11
28	D-5	Dairy Development	2404-201(00)(03)	(-) 0.18	(-) 1.02
29	E-1	Interest Payment	2049-03-104(02)(01)	(-) 1.21	(+) 12.58
30	E-2	General Education	2202-01-104(00)(03)	(-) 4.58	(-) 1.03
31	E-2	-do-	2202-01-103(01)(15)	(-) 384.72	(+) 3.21
32	E-2	-do-	2202-02-196(00)(03)	(-) 12.07	(+) 10.86
33	E-2	-do-	2202-02-110(00)(01)	(-) 835.37	(+) 14.22



Appendix - 2.7 (contd.)

(₹ in crore)

Sl. No.	Grant/ Appropriation No.	Grant/Appropriation Description	Head of Account	Reappropriation	Final Excess (+)/ Saving (-)
(1)	(2)	(3)	(4)	(5)	(6)
34	E-2	General Education	2202-02-110(00)(04) & (00)(07)	(-) 93.13	(-) 13.94
35	E-2	-do-	2202-01-103(01)(01)	(+) 279.69	(-) 10.00
36	E-2	-do-	2202-01-103(03)(02)	(+) 10.99	(-) 4.11
37	E-2	-do-	2202-02-110(00)(12)	(+) 42.39	(-) 1.07
38	E-2	-do-	2202-02-110(00)(11)	(+) 75.69	(+) 2.09
39	F-2	Urban Development and Other Advance Services	2217-80-191(00)(37)	(-) 83.64	(+) 48.16
40	G-1	Sales Tax Administration	2040-001(00)(01)	(-) 16.67	(-) 1.94
41	G-8	Public Debt and Inter State Settlement	6004-02-101	(-) 13.61	(-) 459.36
42	H-6	Public Works and Administrative and Functional Buildings	2059-80-001(15)(02)	(-) 5.27	(-) 2.57
43	H-6	-do-	2059-80-001(38)(02)	(-) 9.89	(-) 9.19
44	H-6	-do-	2059-80-001(45)(02)	(-) 2.83	(+) 1.63
45	H-6	-do-	2059-80-001(39)(02)	(-) 14.71	(+) 10.18
46	I-3	Irrigation, Power and Other Economic Services	2701-80-001(01)	(-) 1.62	(-) 5.13
47	I-3	-do-	2701-80-800(02)	(-) 48.79	(-) 2.33
48	I-3	-do-	2701-80-800(11)	(-) 203.01	(-) 4.86
49	J-1	Administration of Justice	2014-105(02)(01)	(-) 63.36	(-) 1.42
50	J-1	-do-	2014-102(02)(01)	(+) 0.17	(-) 4.72
51	L-1	Interest Payments	2049-03-104(01)(01)	(-) 36.91	(-) 59.76
52	L-7	Capital Expenditure on Rural Development	4402-102(01)(01)	(-) 10.72	(+) 3.17
53	M-4	Capital Expenditure on Food	4408-01-101(02)(02)	(-) 84.69	(-) 5.81
54	N-3	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	2225-03-277(01)(01)	(-) 54.31	(+) 8.12
55	N-3	-do-	2225-03-800(05)(02)	(-) 28.38	(+) 10.00
56	N-3	-do-	2235-02-104(08)(09)	(-) 54.93	(-) 1.99
57	N-3	-do-	2225-01-277(04)(04)&(11)	(-) 1.34	(-) 1.76
58	N-3	-do-	2225-01-277(04)(20)	(-) 4.65	(-) 1.01
59	N-3	-do-	2235-02-104(08)(07)	(-) 5.30	(-) 2.28
60	N-3	-do-	2225-01-277(04)(01)	(+) 1.00	(+) 15.50
61	N-3	-do-	2235-02-104(08)(10)	(+) 117.74	(-) 3.60
62	O-1	District Administration	2053-093(04)(01)	(-) 22.40	(-) 465.60
63	O-7	Secretariat - Economic Services	3451-090(04)(01)	(-) 38.03	(+) 50.02
64	O-9	Capital Outlay on Other Rural Development Programmes	4515-102(00)(02)	(-) 6.65	(-) 10.53
65	O-21	District Plan - Sangli	4406-01-101(39)(02)	(+) 1.85	(-) 1.25
66	O-30	District Plan - Jalna	2505-60-702(48)(01)	(-) 5.52	(+) 1.77
67	O-34	District Plan - Latur	5054-04-800(52)(04)	(+) 4.70	(-) 1.52
68	O-34	-do-	2210-06-800(52)(06)	(-) 2.45	(+) 1.40

## Appendix - 2.7 (contd.)

(₹ in crore)

Sl. No.	Grant/Appropriation No.	Grant/Appropriation Description	Head of Account	Reappropriation	Final Excess (+)/ Saving (-)
(1)	(2)	(3)	(4)	(5)	(6)
69	O-34	District Plan - Latur	2505-60-702(52)(01)	(-) 7.43	(+) 1.52
70	O-34	-do-	2210-06-800(52)(04)	(+) 2.40	(-) 1.40
71	O-41	District Plan - Gadchiroli	3451-101(59)(03)	(+) 2.48	(-) 2.56
72	O-41	-do-	5054-04-800(59)(04)	(+) 6.72	(-) 4.78
73	O-42	District Plan - Gondia	3604-200(60)(01)	(+) 1.50	(-) 1.08
74	O-45	District Plan - Yavatmal	3451-101(63)(05)	(-) 7.44	(+) 1.62
75	O-46	District Plan - Buldhana	5054-04-800(64)(05)	(+) 2.25	(-) 3.77
76	S-1	Medical and Public Health	2210-06-104(01)(01)	(-) 8.24	(+) 1.93
77	S-1	-do-	2210-01-110(02)(15)	(+)11.00	(-) 9.20
78	S-1	-do-	2210-01-110(01)(04) &(03)(05)	(+) 2.98	(-) 2.34
79	T-5	Revenue Expenditure on Tribal Area Development Sub-Plan	2225-02-796(02)(09)	(-) 3.17	(-) 1.93
80	T-5	-do-	2225-02-796(01)(36)	(-) 31.88	(-) 3.78
81	T-5	-do-	2225-02-796(01)(50)	(-) 3.00	(-) 6.89
82	T-5	-do-	2225-02-796(02)(28)	(-) 4.00	(-) 3.99
83	T-5	-do-	2501-02-796(01)(01)	(-) 1.84	(-) 2.42
84	T-5	-do-	2505-60-796(01)(01)	(-) 86.57	(-) 12.17
85	T-5	-do-	2801-80-796(01)(02)	(-) 4.15	(-) 3.73
86	T-5	-do-	2215-02-796(02)(17)	(-) 1.35	(+) 1.05
87	T-5	-do-	2225-02-796(02)(07)	(-) 4.01	(-) 1.45
88	T-5	-do-	2225-02-796(02)(25)	(-) 2.06	(-) 1.01
89	T-5	-do-	2225-02-796(02)(29)	(-) 4.06	(-) 3.21
90	T-5	-do-	2225-02-796(01)(35)	(-) 14.74	(-) 3.57
91	T-5	-do-	2702-80-796(01)(03)	(+) 1.10	(-) 2.09
92	T-5	-do-	2225-02-796(02)(30)	(-) 45.61	(-) 19.88
93	T-5	-do-	2230-03-796(01)(01)	(-) 4.29	(-) 1.54
94	T-5	-do-	2505-60-796(02)(01)	(-) 13.89	(-) 1.36
95	T-5	-do-	2501-01-796(01)(01)	(-) 8.72	(+) 3.59
96	T-5	-do-	3054-04-796(01)(01)	(-) 12.60	(-) 1.49
97	T-5	-do-	2225-02-796(01)(10)	(-) 18.15	(-) 5.22
98	T-5	-do-	2225-02-796(01)(34)	(+) 6.50	(-) 5.75
99	T-5	-do-	2225-02-796(02)(11)	(-) 1.97	(+) 4.91
100	T-5	-do-	2236-02-796(01)(02)	(+) 7.25	(-) 2.20
101	T-5	-do-	2236-02-796(01)(01)	(+)10.75	(-) 5.36
102	T-5	-do-	2702-01-796(01)(02)	(+)12.44	(+) 2.57
103	T-5	-do-	2225-02-796(01)(15)	(+) 33.06	(-) 12.51
104	T-5	-do-	2225-02-796(01)(18)	(+)133.20	(+) 20.12

## Appendix - 2.7 (concl.)

(₹ in crore)					
Sl. No.	Grant/Appropriation No.	Grant/Appropriation Description	Head of Account	Reappropriation	Final Excess (+)/ Saving (-)
(1)	(2)	(3)	(4)	(5)	(6)
105	T-5	Revenue Expenditure on Tribal Area Development Sub-Plan	2225-02-796(01)(26)	(-) 2.39	(+) 2.66
106	T-5	-do-	2225-02-796(01)(33)	(-) 2.00	(+) 2.15
107	T-5	-do-	2702-80-796(01)(02)	(+) 43.91	(-) 2.45
108	T-5	-do-	2210-06-796(02)(08)	(-) 1.34	(-) 1.55
109	T-6	Capital Expenditure on Tribal Area Development Sub-Plan	4210-02-796(01)(01)	(-) 10.26	(+) 1.31
110	T-6	-do-	4225-02-796(01)(04)	(-) 2.50	(-) 11.16
111	T-6	-do-	4225-02-796(01)(08)	(-) 5.68	(-) 21.02
112	T-6	-do-	4225-02-796(02)(01)	(-) 1.19	(-) 3.57
113	T-6	-do-	4225-02-796(02)(03)	(-) 1.28	(-) 2.15
114	T-6	-do-	4225-02-796(01)(14)	(-) 5.09	(-) 10.37
115	T-6	-do-	4225-02-796(01)(13)	(-) 5.97	(-) 3.84
116	T-6	-do-	4225-02-796(01)(03)	(-) 3.57	(-) 11.58
117	T-6	-do-	4225-02-796(01)(07)	(-) 4.05	(-) 2.83
118	T-6	-do-	4702-796(01)(12)	(-) 1.05	(-) 2.94
119	T-6	-do-	5054-04-796(01)(02)	(+) 2.50	(-) 12.26
120	T-6	-do-	4402-796(01)(01)	(+) 4.84	(-) 1.41
121	T-6	-do-	5054-04-796(01)(01)	(+) 14.09	(-) 8.98
122	W-3	Technical Education	2203-105(00)(01) & (00)(02)	(+) 4.92	(+) 12.82
123	W-3	-do-	2203-104(01)(01) & (02)(01)	(+) 20.75	(+) 1.92
124	W-3	-do-	2203-112(00)(01)	(+) 5.50	(+) 4.33
125	W-3	-do-	2203-107(00)(07)	(-) 7.51	(+) 5.49
126	W-3	-do-	2203-105(00)(08)	(+) 1.00	(-) 1.24
127	X-1	Social Security and Nutrition	2235-02-102(03)(09)	(-) 2.37	(-) 1.63
128	X-1	-do-	2236-02-101(04)(06)	(-) 9.55	(-) 3.22
129	X-1	-do-	2236-02-101(05)(04)	(-) 24.69	(-) 14.49
130	X-1	-do-	2236-02-101(03)(01)	(-) 149.19	(+) 36.90
131	X-1	-do-	2236-02-101(05)(02)	(-) 16.84	(+) 2.59
132	X-1	-do-	2236-02-101(04)(01)	(-) 18.31	(+) 9.71
133	X-1	-do-	2236-02-101(05)(03)	(-) 2.95	(+) 2.85
134	X-1	-do-	2236-02-101(04)(04)	(-) 40.38	(+) 2.15
135	X-1	-do-	2236-02-101(04)(05)	(-) 51.36	(+) 10.10
136	X-1	-do-	2235-02-102(01)(04)	(-) 3.36	(+) 2.89
137	X-1	-do-	2236-02-101(04)(06)	(-) 9.55	(-) 3.22
138	ZC-1	Parliament/State/Union Territory Legislatures	2011-02-101(00)(02)	(-) 2.00	(-) 3.02
139	ZD-2	Art and Culture	2205-101(07)(01)	(-) 2.95	(-) 1.22

## Statement showing surrender of funds in excess of actual savings (₹ 50 lakh or more)

(Reference : Paragraph 2.3.9; Page 48)

(₹ in crore)

Sr. No.	Grant Number	Name of the Grant/ Appropriation	Total grant	Savings	Amount surrendered	Amount surrendered in excess
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	A-2	Elections	159.00	47.73	52.00	4.27
2	A-5	Social Services	127.70	22.00	27.23	5.23
3	B-5	Jails	135.62	7.86	10.94	3.08
4	B-9	Capital Expenditure on Economic Services	503.55	110.91	127.56	16.65
5	F-2	Urban Development and Other Advance Services	4520.67	613.20	687.32	74.12
6	G-3	Interest Payments and Debt Servicing	15210.70	213.69	395.50	181.81
7	H-5	Roads and Bridges	2999.18	102.98	370.07	267.09
8	H-7	Capital Expenditure on Social Service and Economic Services	1805.10	70.83	74.92	4.09
9	I-3	Irrigation, Power and Other Economic Services	2241.39	239.37	245.71	6.34
10	L-2	District Administration	1745.69	7.05	15.42	8.37
11	L-3	Rural Development Programmes	1685.81	20.05	31.94	11.89
12	L-7	Capital Expenditure on Rural Development	619.58	204.96	209.26	4.30
13	M-2	Food	753.59	1.88	2.38	0.50
14	M-4	Capital Expenditure on Food	4126.37	420.52	451.10	30.58
15	N-3	Welfare of Scheduled Caste, Scheduled Tribes and Other Backward Classes	5199.01	869.50	872.09	2.59
16	O-7	Secretariat-Economic Services	685.97	597.69	646.36	48.67
17	O-16	District Plan – Raigad (Capital Section)	53.64	0.52	5.31	4.79
18	O-17	District Plan – Ratnagiri (Capital Section)	49.21	2.44	6.73	4.29
19	O-27	District Plan – Ahmednagar (Capital Section)	27.42	0.87	4.57	3.70
20	O-36	District Plan – Hingoli (Capital Section)	11.17	1.63	2.50	0.87
21	R-1	Medical and Public Health	3162.23	142.66	144.09	1.43
22	S-4	Capital outlay on Medical and Public Health	38.16	7.80	8.46	0.66
23	V-5	Capital Expenditure on Economic Services	482.81	87.69	89.20	1.51
24	W-1	Interest Payments	82.24	2.75	8.57	5.82
25	W-9	Loans to Government Servants, etc.	20.91	6.70	7.69	0.99
26	X-1	Social Security and Nutrition	1968.51	338.43	389.16	50.73
<b>Total</b>			<b>48415.23</b>	<b>4141.71</b>	<b>4886.08</b>	<b>744.37</b>

# Statement showing various grants/appropriations in which savings occurred but no part of which had been surrendered

(Reference : Paragraph 2.3.10; Page 48)

				(₹ in crore)
Sr. No.	Grant Number	Name of Grant	Saving	
1	D-6	Fisheries (Charged)	0.01	
2	D-10	Capital Outlay on Dairy Development (Voted)	0.50	
3	G-6	Pensions and Other Retirement Benefits (Charged)	18.05	
4	G-6	Pensions and Other Retirement Benefits (Voted)	196.87	
5	K-1	Other Administrative Services (Voted)	0.30	
6	L-5	Compensation and Assignments (Charged)	0.43	
7	N-1	Interest Payments (Charged)	4.95	
8	N-2	Secretariat and Other Social Services (Voted)	10.46	
9	N-4	Capital Expenditure on Social Services (Voted)	395.81	
10	N-5	Loans to Government Servants etc. (Voted)	1.03	
11	O-3	Rural Employment (Charged)	0.06	
12	O-3	Rural Employment (Voted)	66.99	
13	O-5	Hill Areas (Voted)	3.49	
14	O-10	Capital Outlay on Hill Areas (Voted)	12.84	
15	O-18	District Plan – Sindhudurg (Capital Section)	2.42	
16	O-20	District Plan – Satara (Revenue Section)	10.02	
17	O-29	District Plan – Aurangabad (Revenue Section)	0.79	
18	O-32	District Plan – Nanded (Capital Section)	6.18	
19	O-39	District Plan – Bhandara (Revenue Section)	1.99	
20	O-42	District Plan – Gondia (Revenue Section)	3.57	
21	O-42	District Plan – Gondia (Capital Section)	0.61	
22	O-43	District Plan – Amravati (Revenue Section)	7.26	
23	O-43	District Plan – Amravati (Capital Section)	3.23	
24	Q-2	Administrative Services (Voted)	0.03	
25	Q-3	Housing (Voted)	1039.17	
26	Q-4	Secretariat - Economic Services (Voted)	0.37	
27	Q-6	Loans to Government Servants, etc (Voted)	0.35	
28	T-2	Welfare of Scheduled Castes and Scheduled Tribes and Other Backward Classes (Voted)	27.69	
29	T-3	Social Security and Welfare (Voted)	0.10	
30	ZC-1	Parliament/State/Union Territory Legislatures	0.33	
<b>Total</b>			<b>1815.90</b>	

# Appendix 2.10

## Statement showing details of savings of ₹ one crore and above not surrendered (Reference : Paragraph 2.3.10; Page 48)

(₹ in crore)

Sr. No.	Grant Number	Name of Grant / Appropriation	Savings	Surrender	Savings which remained to be surrendered
(1)	(2)	(3)	(4)	(5)	(6)
1	A-4	Secretariat and Miscellaneous General Services (Voted)	29.16	25.40	3.76
2	B-1	Police Administration (Voted)	418.05	359.85	58.20
3	B-3	Transport Administration (Voted)	17.35	15.27	2.08
4	C-1	Revenue and District Administration (Voted)	173.43	146.92	26.51
5	C-6	Natural Calamities (Voted)	441.11	318.81	122.30
6	C-7	Forest (Voted)	95.77	42.74	53.03
7	C-10	Capital Expenditure on Economic Services (Voted)	22.21	12.40	9.81
8	D-1	Interest Payments (Charged)	6.63	4.61	2.02
9	D-3	Agriculture Services (Voted)	388.56	182.44	206.12
10	D-4	Animal Husbandry (Voted)	29.10	17.28	11.82
11	D-5	Dairy Development (Voted)	208.69	206.91	1.78
12	D-6	Fisheries (Voted)	35.40	34.22	1.18
13	E-2	General Education (Voted)	1698.14	1695.05	3.09
14	E-3	Secretariat and Other Social Services (Voted)	30.71	29.67	1.04
15	G-1	Sales Tax Administration (Voted)	29.91	27.94	1.97
16	H-6	Public Works and Administrative and Functional Buildings (Voted)	133.57	132.17	1.40
17	H-8	Capital Expenditure on Public Works and Administrative and Functional Buildings (Voted)	208.33	205.75	2.58
18	H-9	Capital Outlay on Removal of Regional Imbalance (Voted)	28.74	25.96	2.78
19	I-5	Capital Expenditure on Irrigation (Voted)	331.91	327.53	4.38
20	J-1	Administration of Justice (Voted)	172.89	169.51	3.38
21	J-1	Administration of Justice (Charged)	35.51	29.69	5.82
22	K-7	Industries (Voted)	105.63	104.02	1.61
23	L-1	Interest Payment (Charged)	96.36	36.60	59.76
24	L-5	Compensation and Assignments (Voted)	4.54	3.00	1.54
25	O-1	District Administration (Voted)	571.91	23.81	548.10
26	O-4	Other Rural Development Programmes	2313.58	1933.22	380.36
27	O-9	Capital Outlay on Other Rural Development Programmes (Capital Section)	1769.54	1459.60	309.94
28	O-13	District Plan - Mumbai City (Capital Section)	1.48	0.03	1.45
29	O-14	District Plan - Mumbai Suburban (Revenue Section)	5.36	0.09	5.27
30	O-15	District Plan - Thane (Capital Section)	7.81	0.27	7.54
31	O-16	District Plan - Raigad (Revenue Section)	6.24	1.06	5.18
32	O-17	District Plan - Ratnagiri	5.69	1.44	4.25

## Appendix - 2.10 (concl.)

(₹ in crore)					
Sr. No.	Grant Number	Name of Grant / Appropriation	Savings	Surrender	Savings which remained to be surrendered
(1)	(2)	(3)	(4)	(5)	(6)
33	O-19	District Plan – Pune (Revenue Section)	11.51	2.21	9.30
34	O-21	District Plan – Sangli (Revenue Section)	7.36	0.16	7.20
35	O-22	District Plan – Solapur (Revenue Section)	14.36	8.79	5.57
36	O-23	District Plan – Kolhapur (Revenue Section)	9.19	0.02	9.17
37	O-24	District Plan – Nasik (Revenue Section)	5.18	2.30	2.88
38	O-25	District Plan – Dhule (Revenue Section)	7.03	2.16	4.87
39	O-26	District Plan – Jalagaon (Revenue Section)	3.23	0.02	3.21
40	O-27	District Plan – Ahmadnagar (Revenue Section)	6.33	3.45	2.88
41	O-28	District Plan – Nandurbar (Revenue Section)	7.57	0.71	6.86
42	O-30	District Plan – Jalna (Revenue Section)	13.43	5.75	7.68
43	O-31	District Plan – Parbhani (Revenue Section)	8.96	1.14	7.82
44	O-33	District Plan – Beed (Revenue Section)	6.86	0.44	6.42
45	O-34	District Plan – Latur (Revenue Section)	8.31	2.00	6.31
46	O-35	District Plan – Osmanabad (Revenue Section)	6.19	2.30	3.89
47	O-36	District Plan – Hingoli (Revenue Section)	2.85	0.89	1.96
48	O-37	District Plan – Nagpur (Revenue Section)	7.86	0.62	7.24
49	O-38	District Plan – Wardha (Revenue Section)	2.31	0.04	2.27
50	O-40	District Plan – Chandrapur (Revenue Section)	2.62	0.93	1.69
51	O-41	District Plan – Gadchiroli (Revenue Section)	21.89	7.24	14.65
52	O-44	District Plan – Akola (Revenue Section)	2.97	0.15	2.82
53	O-45	District Plan – Yavatmal (Revenue Section)	10.79	9.71	1.08
54	O-46	District Plan – Buldhana (Revenue Section)	4.12	0.05	4.07
55	O-47	District Plan – Washim (Revenue Section)	4.59	1.40	3.19
56	R-5	Loans to Government Servants, etc. (Voted)	2.70	1.67	1.03
57	S-1	Medical and Public Health (Voted)	69.82	60.85	8.97
58	T-5	Revenue Expenditure on tribal Areas Development Sub plan (Voted)	860.32	267.74	592.58
59	T-6	Capital Expenditure on Tribal Areas Development Sub Plan (Voted)	339.30	120.94	218.36
60	W-2	General Education (Voted)	59.97	58.70	1.27
61	W-4	Art and Culture (Voted)	17.51	9.71	7.80
62	Y-2	Water Supply and Sanitation (Voted)	19.75	5.09	14.66
63	ZC-1	Parliament/State/Union Territory Legislatures (Voted)	13.29	6.25	7.04
64	ZD-4	Tourism (Voted)	3.67	2.50	1.17
<b>Total</b>			<b>10985.15</b>	<b>8159.19</b>	<b>2825.96</b>

## Statement showing cases of surrender of funds in excess of ₹ 10 crore on 30 and 31 March 2011

(Reference : Paragraph 2.3.10; Page 48)

(₹ in crore)

Sr. No.	Grant Number	Major Head	Amount of Surrender
(1)	(2)	(3)	(4)
1	A-2	Elections (Voted)	52.00
2	A-4	Secretariat and Miscellaneous General Services (Voted)	25.40
3	A-5	Social Services (Voted)	27.23
4	A-7	Civil Aviation (Voted)	12.90
5	B-1	Police Administration (Voted)	359.85
6	B-3	Transport Administration (Voted)	15.27
7	B-5	Jails (Voted)	10.94
8	B-7	Economic Services (Voted)	51.81
9	B-9	Capital Expenditure on Economic Services (Voted)	127.56
10	C-1	Revenue and District Administration (Voted)	146.92
11	C-6	Natural Calamities (Voted)	318.81
12	C-7	Forest (Voted)	42.74
13	C-10	Capital Expenditure on Economic Services (Voted)	12.40
14	C-12	Loans to Government servants, etc. (Voted)	32.65
15	D-3	Agriculture Services (Voted)	182.44
16	D-4	Animal Husbandry (Voted)	17.28
17	D-5	Dairy Development (Voted)	260.91
18	D-6	Fisheries (Voted)	34.22
19	E-2	General Education (Voted)	1695.05
20	E-3	Secretariat and Other Social Services (Voted)	29.67
21	F-2	Urban Development and Other Advance Services (Voted)	687.32
22	F-6 A	Loans for Urban Development (Voted)	47.14
23	G-1	Sales Tax Administration (Voted)	27.94
24	G-2	Other Fiscal and Miscellaneous Services (Voted)	1624.90
25	G-3	Interest Payments and Debt Servicing (Charged)	395.50
26	G-5	Treasury and Accounts Administration (Voted)	13.14
27	G-8	Public Debt and Inter State Settlement (Charged)	3014.47
28	H-5	Roads and Bridges (Voted)	370.07
29	H-7	Capital Expenditure on Social Services and Economic Services (Voted)	74.92
30	H-8	Capital Expenditure on Public Works Administrative and Functional Buildings (Voted)	205.75
31	H-9	Capital Outlay on Removal Regional Imbalance (Voted)	25.96
32	I-3	Irrigation, Power and Other Economic Services (Voted)	245.71
33	I-5	Capital Expenditure on Irrigation (Voted)	327.53



## Appendix - 2.11 (concl.)

(₹ in crore)

Sr. No.	Grant Number	Major Head	Amount of Surrender
(1)	(2)	(3)	(4)
34	I-7	Loans to Government Servants, etc. (Voted)	31.76
35	J-1	Administration of Justice (Voted)	169.51
36	J-1	Administration of Justice (Charged)	29.69
37	K-2	Interest Payments (Charged)	32.17
38	K-3	Stationery and Printing (Voted)	10.54
39	K-6	Energy (Voted)	104.09
40	K-7	Industries (Voted)	104.02
41	K-11	Capital Expenditure on Energy (Voted)	238.86
42	L-1	Interest Payments (Charged)	36.60
43	L-2	District Administration (Voted)	15.42
44	L-3	Rural Development Programmes (Voted)	31.94
45	L-7	Capital Expenditure on Rural Development (Voted)	209.26
46	M-4	Capital Expenditure on Food (Voted)	451.10
47	N-3	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes (Voted)	872.09
48	O-1	District Administration (Voted)	23.81
49	O-4	Other Rural Development Programmes (Voted)	1933.22
50	O-7	Secretariat – Economic Services (Voted)	646.36
51	O-8	Census, Survey and Statistics (Voted)	42.38
52	O-9	Capital Outlay on Other Rural Development Programmes (Voted)	1459.60
53	R-1	Medical and Public Health (Voted)	144.09
54	S-1	Medical and Public Health (Voted)	60.85
55	T-5	Revenue Expenditure on Tribal Areas Development Sub-Plan (Voted)	267.74
56	T-6	Capital Expenditure on Tribal Areas Development Sub-Plan (Voted)	120.94
57	V-2	Co-operation (Voted)	13.74
58	V-3	Capital Expenditure on Social Services (Voted)	49.23
59	V-4	Interest Debt (Charged)	15.18
60	V-5	Capital Expenditure on Economic Services (Voted)	89.20
61	W-2	General Education (Voted)	58.70
62	X-1	Social Security and Nutrition (Voted)	389.16
63	ZD-2	Art and Culture (Voted)	34.74
64	ZE-1	Social Security and Welfare (Voted)	24.65
<b>Total</b>			<b>18227.04</b>

# Appendix 2.12

## Statement showing cases of drawals from Contingency Fund where the expenditure was foreseeable

(Reference : Paragraph 2.4; Page 50)

(₹ in crore)

Sr. No.	Sanction number & date	Department / Grant Number / Major Head	Purpose for which drawn	Amount sanctioned
(1)	(2)	(3)	(4)	(5)
1	CNF 11.10/1/BUD-11 Dated 03/04/2010	Tourism and Cultural Affairs ZD-2/2205	As per recommendations of 12th Finance Commission, fund sanctioned for conservation and repairs to historical monuments	12.50
2	CNF 11.10/3/BUD-11 Dated 03/04/2010	Tourism and Cultural Affairs ZD-2/2205	Construction of multi-purpose education complex at Kolhapur	0.50
3	CNF 11.10/4/BUD-8 Dated 03/04/2010	Higher and Technical Education W-3/2203	Purchase of machinery and equipments for non-backlog polytechnics under Marathwada Package	0.25
4	CNF 11.10/7/BUD-9 Dated 03/04/2010	Public Health R-1/2010	Jeevandayee Aarogya Yojana	27.00
5	CNF 11.10/8/BUD-8 Dated 06/04/2010	Higher and Technical Education W-3/2203	Purchase of equipments and machinery for Government Engineering and Pharmacy Colleges	0.25
6	CNF 11.10/10/BUD-10 Dated 09/04/2010	Water Resources I-5/4701	Provision for newly established Superintending Engineer, Quality Control Circle, Nagpur	0.14
7	CNF 11.10/11/BUD-8 Dated 15/04/2010	Higher and Technical Education W-2/2202	Assistance to Government Forensic Science Institute for salary and other expenses	0.25
8	CNF 11.10/12/BUD-8 Dated 17/04/2010	School Education & Sports E-2/2202	Implementation of Rashtriya Madhyamik Shiksh Abhiyan (State share)	4.67
9	CNF 11.10/14/BUD-9 Dated 19/04/2010	Public Health R-1/2010	Salary expenses of 616 additional posts of Leprosy and Non-medical Supervisors	5.00
10	CNF 11.10/16/BUD-11 Dated 27/04/2010	Tourism and Cultural Affairs ZD-2/2205	Expenditure to be incurred on Golden Jubilee year celebration of Maharashtra State	9.00
11	CNF 11.10/17/BUD-13 Dated 07/05/2010	Co-operation, Marketing and Textiles V-2/2851	Centrally Sponsored Integrated Handloom Development Scheme	4.41
12	CNF 11.10/18/BUD-9 Dated 14/05/2010	Medical and Drugs S-1/2210	Property tax arrears of Swami Ramanandtirth Rural Government Medical College, Ambejogai	1.20
13	CNF 11.10/19/BUD-11 Dated 14/05/2010	Tourism and Cultural Affairs ZD-4/3452	1st installment of Centrally sponsored Scheme of making Light arrangement at Chatrapati Shivaji Terminus	10.00
14	CNF 11.10/23/BUD-6 Dated 24/06/2010	Revenue and Forests C-1/2029	Salary to officers and Staff on Land Acquisition establishment	6.00
15	CNF 11.10/27/BUD-8 Dated 13/08/2010	School Education & Sports E-2/2202	Educational facilities to children of farmers in Vidarbha	14.18
16	CNF 11.10/29/BUD-13 Dated 15/09/2010	Co-operation, Marketing and Textiles V-1/2059	Interest payment on loan received from National Co-operative Development Corporation	5.86
17	CNF 11.10/30/BUD-11 Dated 04/10/2010	Tourism and Cultural Affairs ZD-2/2205	Expenditure to be incurred on Golden Jubilee year celebration of Maharashtra State	5.00

Appendix - 2.12 (concl.)

(₹ in crore)

Sr. No.	Sanction number & date	Department / Grant Number / Major Head	Purpose for which drawn	Amount sanctioned
(1)	(2)	(3)	(4)	(5)
18	CNF 11.10/31/BUD-16 Dated 05/10/2010	Planning O-3/2505	Implementation of Jawahar Well/Lift Irrigation Programme under Employment Guarantee Scheme	50.00
19	CNF 11.10/33/BUD-12 Dated 06/10/2010	Public Works H-9/4210	Construction of building for 30 bedded Rural Hospital at Panvel, District Raigad	0.17
20	CNF 11.10/37/BUD-12 Dated 25/10/2010	Public Works H-9/4210	Construction and upgradation of 30 bedded Cottage Hospital, Shreewardhan, District Raigad into 50 bedded hospital	0.10
21	CNF 11.10/38/BUD-12 Dated 25/10/2010	Public Works H-8/4210	Construction of building and upgradation of Rural Hospital, Roha, District Raigad into Sub-district hospital	0.10
22	CNF 11.10/39/BUD-11 Dated 26/10/2010	Social Justice and Special Assistance N-3/2225	Payment of pending bills of conductors, drivers and training institute	10.00
23	CNF 11.10/45/BUD-11 Dated 16/11/2010	Law and Judiciary J-1/2014	Purchase of new vehicles for High Court Judges	5.00
24	CNF 11.11/49/BUD-14 Dated 14/01/2011	General Administration A-3/2051	Pending bills for competitive Exams, interviews, advertisements and honorarium by Maharashtra Public Service Commission	1.65
25	CNF 11.11/53/BUD-16 Dated 18/02/2011	Planning O-7A/3452	Special Action Programme for Development of Pilgrimage Places –Shreekshetra Parashuram Kunda	0.10
26	CNF 11.11/54/BUD-16 Dated 23/02/2011	Planning O-7A/3452	Special Action Programme for Development of Pilgrimage Places –Shreekshetra Jejuri	0.10
27	CNF 11.11/55/BUD-14 Dated 04/03/2011	General Administration A-4/2070	Funds for payment of pending bills of Director of Civil Aviation	3.55
28	CNF 11.11/57/BUD-14 Dated 08/03/2011	General Administration A-4/2070	Purchase of new helicopter	12.28
29	CNF 11.11/58/BUD-11 Dated 08/03/2011	Home B-1/2055	Implementation of Road Safety Abhiyaan Programme	0.24
30	CNF 11.11/62/BUD-14 Dated 31/03/2011	General Administration A-7/3053	Land Acquisition for Mihaan Project, Nagpur, paid to Maharashtra Airport Development Company	10.80

# Appendix 2.13

## Statement showing the outcome of analysis of budgetary assumptions 2010-11

(Reference : Paragraph 2.5; Page 50)

(₹ in crore)

	Budget estimates	Actuals	Increase (+) / Decrease (-)	Increase (+) / Decrease(-) (In per cent)
1	2	3	4 (3-2)	5
<b>Revenue Receipts</b>				
<i>of which</i>	<b>97044</b>	<b>105868</b>	<b>8824</b>	<b>9.09</b>
<b>Tax Revenue</b>	<b>63838</b>	<b>75027</b>	<b>11189</b>	<b>17.53</b>
<i>Taxes on Sales, Trade etc.</i>	35986	42483	6497	18.05
<i>State excise</i>	5800	5962	162	2.79
<i>Taxes on vehicles</i>	2860	3533	673	23.53
<i>Stamps and Registration fees</i>	10479	13516	3037	28.98
<i>Taxes on Goods and Passenger</i>	739	600	-139	-18.81
<i>Land Revenue</i>	1648	1095	-553	-33.56
<i>Taxes and duties on electricity</i>	3800	4730	930	24.47
<i>Other taxes</i>	2526	3108	582	23.04
<b>Non Tax Revenue</b>	<b>10216</b>	<b>8225</b>	<b>-1991</b>	<b>-19.49</b>
<i>Interest Receipts</i>	972	1422	450	46.30
<i>Miscellaneous General Services</i>	1711	634	-1077	-62.95
<i>Non-ferrous Mining and Metallurgical Industries</i>	2151	1841	-310	-14.41
<i>Other Non Tax Revenue</i>	5382	4328	-1054	-19.58
<b>Share of Union Taxes and Duties</b>	<b>10883</b>	<b>11420</b>	<b>537</b>	<b>4.93</b>
<b>Grants-in-aid from GOI</b>	<b>12107</b>	<b>11196</b>	<b>-911</b>	<b>-7.52</b>
<b>Revenue Expenditure</b>				
<i>of which</i>	<b>104698</b>	<b>106459</b>	<b>1761</b>	<b>1.68</b>
<b>General Services</b>	<b>38040</b>	<b>37704</b>	<b>-336</b>	<b>-0.88</b>
<i>Administrative services</i>	10936	9798	-1138	-10.41
<i>Pension and Miscellaneous General Services</i>	7871	8957	1086	13.80
<i>Appropriation for reduction or avoidance of debt/transfer to RF</i>	901	901	-	-
<i>Interest Payments</i>	15960	15648	-312	-1.95
<i>Fiscal Services</i>	1289	1312	23	1.78
<i>Organs of State</i>	1083	1088	5	0.46
<b>Social Services</b>	<b>47627</b>	<b>48282</b>	<b>655</b>	<b>1.38</b>
<i>Education, Sports, Art and Culture</i>	26570	26944	374	1.41
<i>Social Welfare and Nutrition</i>	4101	5076	975	23.77
<i>Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes</i>	4977	4518	-459	-9.22
<i>Health and Family Welfare</i>	4239	4474	235	5.54

Appendix - 2.13 (concl.)

(₹ in crore)

	Budget estimates	Actuals	Increase (+) / Decrease (-)	Increase (+) / Decrease(-) (In per cent)
1	2	3	4 (3-2)	5
<i>Water Supply, Sanitation, Housing and Urban Development</i>	7030	6509	-521	-7.41
<i>Information and Broadcasting</i>	39	47	8	20.51
<i>Labour and Labour Welfare</i>	602	646	44	7.31
<i>Others</i>	69	68	-1	-1.45
<b>Economic Services</b>	<b>18327</b>	<b>19285</b>	<b>958</b>	<b>5.23</b>
<i>Agriculture and Allied Services</i>	4741	5636	895	18.88
<i>Rural Development</i>	3956	2243	-1713	-43.30
<i>Special Area Programme</i>	49	59	10	20.41
<i>Irrigation &amp; Flood Control</i>	2264	2522	258	11.40
<i>Power</i>	2656	3619	963	36.26
<i>Industry &amp; Minerals</i>	663	871	208	31.37
<i>Transport and Communication</i>	2668	3418	750	28.11
<i>Science, Technology and Environment</i>	68	61	-7	-10.29
<i>General Economic Services</i>	1262	856	-406	-32.17
<b>Grants-in-aid and Contributions</b>	<b>704</b>	<b>1188</b>	<b>484</b>	<b>68.75</b>
<b>Capital expenditure</b>	<b>16281</b>	<b>17963</b>	<b>1682</b>	<b>10.33</b>
<i>Irrigation &amp; Flood Control</i>	7427	9131	1704	22.94
<i>Transport and Communication</i>	1781	2509	728	40.88
<i>Power</i>	1791	2105	314	17.53
<i>Health and Family Welfare</i>	145	183	38	26.21
<i>Education, Sports, Art and Culture</i>	37	140	103	278.38
<i>Water Supply, Sanitation, Housing and Urban Development</i>	315	330	15	4.76
<i>Rural Development</i>	2201	776	-1425	-64.74
<i>Others</i>	2584	2789	205	7.93
<b>Revenue surplus (+)/ deficits (-)</b>	<b>-7654</b>	<b>-592</b>	<b>7062</b>	<b>92.27</b>
<b>Fiscal Deficits (-)</b>	<b>-24294</b>	<b>-18857</b>	<b>5437</b>	<b>22.38</b>
<b>Primary surplus (+)/ deficits (-)</b>	<b>-8334</b>	<b>-3209</b>	<b>5125</b>	<b>61.50</b>

## Statement showing department-wise breakup of outstanding utilisation certificates

(Reference : Paragraph 3.1; Page 55)

(₹ in Crore)

Sr. No.	Department	Number of certificates	Amount
1	Agriculture, Animal Husbandry, Dairy Development and Fisheries	24355	3215.15
2	Co-operation and Textiles	4166	5551.15
3	Employment and Self-Employment	23	33.60
4	Environment	9	26.08
5	Finance	17	13.82
6	Food, Civil Supplies and Consumer Protection	81	6.51
7	General Administration	258	41.74
8	Higher and Technical Education	1762	6129.36
9	Home	1217	1304.28
10	Housing and Special Assistance	122	632.57
11	Industries, Energy and Labour	1882	111.13
12	Law and Judiciary	838	4.14
13	Medical Education and Drugs	631	83.64
14	Minority Development	10	71.35
15	Planning	17847	3790.71
16	Public Health	7480	1530.53
17	Public Works	1201	642.71
18	Revenue and Forests	15178	1915.16
19	Rural Development and Water Conservation	14945	6406.89
20	School Education and Sports	16607	20678.80
21	Social Justice and Special Assistance	23466	3657.66
22	Tribal Development	24727	3948.24
23	Urban Development	3371	9961.74
24	Water Resources	778	20.73
25	Water Supply and Sanitation	4189	2234.68
26	Women and Child Welfare	18803	1186.27
	<b>Total</b>	<b>183963</b>	<b>73198.63</b>

## Statement showing performance of the autonomous bodies

(Reference : Paragraph 3.3; Page 56)

Sr. No.	Name of the Body	Period of entrustment	Year up to which accounts were rendered	Delay in submission of accounts	Period of delay	Period up to which SAR is issued	Placement of SAR in the legislature
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Godavari Marathwada Irrigation Development Corporation (GMIDC), Nagpur.	01/04/2004 to 31/03/2009 and 01.04.2009 to 31.03.2014	2008-09	Annual accounts for 2008-09 received on 06.01.2011	Delay ranged over ten months twenty one days	2008-09	SAR 2004-05 placed before legislature during winter session of 2008-09 vide letter dated 19.12.2009 (there after not placed)
2.	Maharashtra Housing and Area Development Authority (MHADA), Mumbai.	01.04.08 to 31.03.13	2007-08	Accounts received between 1.04.09 and 12.8.09	Delay ranged between 9 mths to 11 mths.	2007-08	AR 2007-08 presented on 20.04.2011
3.	Mumbai Region Development Authority (MMRDA), Mumbai.	01.04.09 to 31.03.2014	2009-10	Accounts received on 11/10/10	3 months	2009-10	Not presented in legislature as there is no provision in MMRDAs Act.
4.	Maharashtra Jeevan Pradhikaran (MJP), Mumbai.	01.04.2007 to 31.03.2012	2008-09	Accounts received on 15.06.10	11 mths	2008-09	AR 2007-08 presented on 10.02.10
5.	Maharashtra Khadi and Village Industries Board (MSKVIB), Mumbai.	01.04.2007 to 31.03.2012	2009-10	Accounts were received on 20.09.10	2 mths	2009-10	AR 2008-09 presented on 15.12.10
6.	Maharashtra Krishna Valley Development Corporation (MKVDC), Pune.	01.04.2006 to 31.03.2011	2008-09	Accounts were received on 29.12.09	6 mths	2008-09	AR 2008-09 presented on 27.06.10
7.	Konkan Irrigation Development Corporation (KIDC), Thane.	01.04.2008 to 31.3.2013	2008-09	Accounts were received on 20.04.10	9 mths	2008-09	AR 2007-08 Presented on 31.3.10
8.	Maharashtra Maritime Board (MMB), Mumbai.	01.04.2006 to 31.03.2011	2008-09	Accounts were received on 06.12.10	17 mths	2008-09	AR 2004-05 presented on 17.12.2006
9.	Maharashtra State Commission for Women (MSCW), Mumbai.	01.04.2008 to 31.03.2013	2007-08	Approved accounts received on 12.01.10	18 mths	2007-08	AR 2007-08 presented on 21.04.11
10.	Maharashtra Pollution Control Board (MPCB), Mumbai.	01.04.2008 to 31.03.2013	2007-08	Accounts were received on 12.01.10	18 mths	2007-08	AR 2004-05 presented in April 2008

## 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	Period of delay	Period up to which SAR is issued	Placement of SAR in the legislature
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
11	Maharashtra State Legal Services Authority (MSLSA), Mumbai.	The audit of State District Legal Services Authorities have been taken under Section 19(2) of the CAGs (DPC) Act 1971	2007-08 2008-09	Accounts received on 28.4.10	22 months, 10 months	2008-09	SARs for 2007-08 and 2008-09 yet to be presented
12	Maharashtra Water Resources Regulatory Authority. (MWRRA)	2005-06 to 2009-10	2008-09	Accounts were received on 16.02.10	7 mths	2008-09	SAR for 2009-10 on 04.08.11
13	Rajiv Gandhi Science and Technology Commission.	01.04.2010 till its existence	2005-06 to 2009-10	Accounts were received on 15.06.10	No delay*	2009-10	Information awaited
14	Slum Rehabilitation Authority, Mumbai. (SRA)	1.4.2008 to 31.3.2011	2007-08 2008-09	Accounts were received on 21.04.10	22 mths 10 mths	2008-09	AR 1999-2000 to 2006-07 presented on 22.04.10 AR 2007-08 to 2008-09 presented on 21.04.2011
15	Tapi Irrigation Development Corporation (TIDC), Jalgaon	01/4/2008 to 31/03/2013	2009-10	Annual Accounts for 2009-10 received on 20.04.2011	Delay ranged nine months and twenty days	2008-09	SAR 2007-08 placed before legislature on 14.12.2010 as per Govt. letter dated 24.12.2010
16	Vidharba Irrigation Development Corporation (VIDC), Nagpur	01/04/2007 to 31/03/2012	2008-09	Annual account for 2008-09 received on 06.01.2011	Delay ranged over one year six months and seven days	2008-09	SAR 2007-08 placed before legislature on 14.12.2010 vide Mantralaya letter No. Sankreern 1010/349/(81-2010) Samiti dated 24.12.2010

\* The audit of RGSTC was entrusted to Comptroller & Auditor General of India, for a period of five years i.e. 2005-06 to 2009-10 as per GOM notification dated 14 October, 2009.



# Statement of finalisation of accounts and Government investment in departmentally managed commercial and *quasi*-commercial undertakings

(Reference : Paragraph 3.4; Page 57)

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 Department</b>				
<b>Mumbai Region</b>				
1	Greater Mumbai Milk Scheme, Worli	2009-10	41.69	
2	Milk Transport Scheme, Worli	2006-07	2.34	
3	Mother Dairy, Kurla	2009-10	19.28	
4	Central Dairy, Goregaon	2009-10	56.31	
5	Unit Scheme, Mumbai	2009-10	18.02	
6	Agricultural Scheme, Mumbai	2009-10	5.05	
7	Electrical Scheme, Mumbai	2009-10	4.63	
8	Water Supply Scheme, Mumbai	2009-10	11.92	
9	Cattle Feed Scheme, Mumbai	2009-10	0.01	
10	Cattle Breeding and Rearing Farm, Palghar	2009-10	2.07	
11	Dairy Project, Dapchari	2009-10	14.86	
12	Government Milk Scheme, Govt., Bhiwandi	2009-10	0.51	
13	Government Milk Chilling Centre, Saralgaon (Dist.: Thane)	2009-10	0.50	
14	Government Milk Scheme, Khopoli	2008-09	1.46	
15	Government Milk Scheme, Mahad	2009-10	1.33	
16	Government Milk Scheme, Chiplun	2009-10	2.56	
17	Government Milk Scheme, Ratnagiri	2009-10	12.23	
18	Government Milk Scheme, Kankavali	2008-09	2.85	
<b>Pune Region</b>				
19	Government Milk Scheme, Pune	2009-10	13.68	
20	Government Milk Scheme, Mahabaleshwar	2009-10	1.46	
21	Government Milk Scheme, Satara	2009-10	10.69	
22	Government Milk Scheme, Miraj	2009-10	25.32	
23	Government Milk Scheme, Solapur	2009-10	3.54	
<b>Nagpur Region</b>				
24	Government Milk Scheme, Nagpur	2009-10	9.24	
25	Government Milk Scheme, Wardha	2009-10	8.37	
26	Government Milk Scheme, Chandrapur	2009-10	-0.88	
27	Government Milk Scheme, Gondia	2009-10	8.15	

## 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	2009-10	10.20	
29	Government Milk Scheme, Udgir	2009-10	24.52	
30	Government Milk Scheme, Beed	2009-10	77.78	
31	Government Milk Scheme, Nanded	2009-10	9.56	
32	Government Milk Scheme, Bhoom	2009-10	18.61	
33	Government Milk Scheme, Parbhani	2009-10	6.60	
<b>Nashik Region</b>				
34	Government Milk Scheme, Nashik	2009-10	4.41	
35	Government Milk Scheme, Dhule	2009-10	12.40	
36	Government Milk Scheme, Chalisgaon	2009-10	1.94	
37	Government Milk Scheme, Ahmednagar	2009-10	9.99	
38	Government Milk Scheme, Wani	2009-10	0.76	
<b>Amravati Region</b>				
39	Government Milk Scheme, Amravati	2009-10	4.53	
40	Government Milk Scheme, Akola	2009-10	20.08	
41	Government Milk Scheme, Yavatmal	2009-10	3.72	
42	Government Milk Scheme, Nandura	2009-10	3.25	
<b>Agricultural, 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 Forest Department</b>				
47	Allapalli and Pendigundam Forest Ranges of Forest Divisions including Saw mills & 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	2009-10	559.96	
49	Procurement, Distribution and Price Control Scheme in Mofussil Area	2009-10	715.69	

Statement showing department-wise/  
duration-wise break-up of cases of  
misappropriation, defalcation etc.

(Reference : Paragraph 3.5; Page 57)

(₹ in lakh)

Name of the Department	Upto 5 years	5-10 years	10-15 years	15-20 years	20-25 years	25 years and more	TOTAL
Agriculture, Animal Husbandry, Dairy Development and Fisheries	—	1 (0.20)	4 (4.08)	5 (6.82)	21 (29.71)	32 (2.99)	63 (43.80)
Co-operation and Textile	—	1 (10.83)	—	—	—	—	1 (10.83)
Finance	1 (40.07)	1 (4.12)	2 (92.55)	18 (291.98)	2 (1.28)	2 (1.88)	26 (431.88)
Food, Civil Supplies and Consumer Protection	2 (1.26)	1 (3.05)	3 (17.42)	3 (9.94)	—	2 (2.09)	11 (33.76)
General Administration	—	—	—	1 (1.29)	—	—	1 (1.29)
Higher and Technical Education	2 (1.25)	—	2 (30.35)	1 (0.48)	—	—	5 (32.08)
Home	2 (423.90)	1 (7.60)	2 (3.40)	5 (8.99)	2 (0.29)	4 (1.33)	16 (445.51)
Housing	—	—	—	—	—	1 (0.07)	1 (0.07)
Irrigation	3 (1.73)	2 (0.59)	1 (0.34)	—	1 (2.37)	1 (0.70)	8 (5.73)
Law and Judiciary	1 (200)	—	—	—	—	—	1 (200)
Medical Education and Drugs	—	—	—	—	1 (0.15)	2 (7.02)	3 (7.17)
Public Health	1 (1.90)	6 (38.93)	1 (4.59)	—	2 (2.28)	5 (2.86)	15 (50.56)
Public Works	1 (0.49)	1 (1.22)	—	3 (0.57)	6 (1.15)	9 (5.58)	20 (9.01)
Revenue and Forests	2 (0.66)	—	4 (4.80)	2 (1.60)	12 (12.15)	23 (7.60)	43 (26.81)
Rural Development	—	—	2 (126.27)	3 (66.68)	2 (1.84)	12 (5.90)	19 (200.69)
Social Welfare and Spl. Assistance	—	—	—	4 (6.54)	3 (77.76)	1 (0.36)	8 (84.66)
School Education and Sports	—	—	—	—	—	1 (2.02)	1 (2.02)
Water Resources	3 (3.31)	—	—	—	—	—	3 (3.31)
<b>TOTAL</b>	<b>18 (674.57)</b>	<b>14 (66.54)</b>	<b>21 (283.80)</b>	<b>45 (394.89)</b>	<b>52 (128.98)</b>	<b>95 (40.40)</b>	<b>245 (1589.18)</b>

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 57)

(₹ 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
Agri. Animal Husbandry	3	3.96	60	39.86	63	43.82
Co-operation and Textile	0	0	1	10.83	1	10.83
Finance	1	13.89	25	417.99	26	431.88
Food and Civil Supplies	1	0.31	10	33.44	11	33.75
General Administration	0	0	1	1.29	1	1.29
Higher and Technical Education	3	1.95	2	30.13	5	32.08
Home	1	3.2	15	442.31	16	445.51
Housing and Special Assistance	0	0	1	0.07	1	0.07
Irrigation	3	1.73	5	4	8	5.73
Law and Judiciary	1	200	0	0	1	200
Medical Education & Drugs	0	0	3	7.17	3	7.17
Public Health	0	0	15	50.56	15	50.56
Public Works	2	1.71	18	7.3	20	9.01
Revenue and Forest	2	3.44	41	23.37	43	26.81
Rural Development	0	0	19	200.69	19	200.69
School Education	0	0	1	2.02	1	2.02
Social Welfare and Cultural Affairs	1	0	8	84.64	8	84.66
Water Resource	2	1.81	1	1.5	3	3.31
<b>Total</b>	<b>19</b>	<b>232</b>	<b>226</b>	<b>1357.17</b>	<b>245</b>	<b>1589.17</b>

## Statement showing pending Detailed Contingent Bills for the years up to 2010-11

(Reference : Paragraph 3.10; Page 60)

Sr. No.	Department	No. of AC Bills	Amount (₹ in crore)
1.	General Administration	1768	57.28
2.	Home	4892	1156.41
3.	Revenue and Forest	2313	44.12
4.	Agriculture, Animal Husbandry, Dairy Development and Fisheries	4497	93.71
5.	School Education and Sports	563	5.80
6.	Urban Development	18	0.07
7.	Finance	205	3.74
8.	Public Works	25	0.33
9.	Water Resources	395	0.57
10.	Law and Judiciary	1394	3.80
11.	Industries, Energy and Labour	222	5.13
12.	Rural Development and Water Conservation	1406	16.18
13.	Food, Civil Supplies and Consumer Protection	62	0.56
14.	Social Justice and Special Assistance	636	14.97
15.	Planning	952	30.95
16.	Parliamentary Affairs	2	0.002
17.	Housing	94	0.59
18.	Public Health	2429	29.32
19.	Medical Education and Drugs	768	14.29
20.	Tribal Development	151	4.05
21.	Environment	11	0.02
22.	Co-operation, Marketing and Textiles	166	0.39
23.	Higher and Technical Education	236	6.64
24.	Women and Child Development	115	1.31
25.	Water Supply and Sanitation	702	5.48
26.	Employment and Self Employment	2	0.05
27.	Maharashtra Legislature Secretariat	2	0.21
28.	Trade, Commerce and Mining	2	0.004
29.	Tourism and Cultural Affairs	85	5.98
30.	Minorities Development	5	0.05
<b>Total</b>		<b>24118</b>	<b>1502.01</b>

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 – 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.
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.

## Appendix - 4.1 (contd.)

Terms	Description
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, etc.
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 115 or Article 116 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, etc.).
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 at least 1/5th of the outstanding invoked guarantees plus an amount likely to be invoked as a result of the incremental guarantees during the year
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.

## Appendix - 4.1 (concl.)

Terms	Description
Surrenders of unspent provision	Departments of the State Government are to surrender to the Finance Department, before the close of the financial year, all the anticipated unspent provisions noticed in the grants or appropriations controlled by them. The Finance Department 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 etc. 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 etc.
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 etc 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
GoI	Government of India
GSDP	Gross State Domestic Product
FRBM	Fiscal Responsibility and Budget Management Act, 2005
IP	Interest Payment
MTFPS	Medium Term Fiscal Policy Statement
O&M	Operation and Maintenance
PAC	Public Accounts Committee
RE	Revenue Expenditure
RR	Revenue Receipts
S&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

