

This Report is Presented to
the State Legislature on

23 APR 2010



सत्यमेव जयते

Report of the

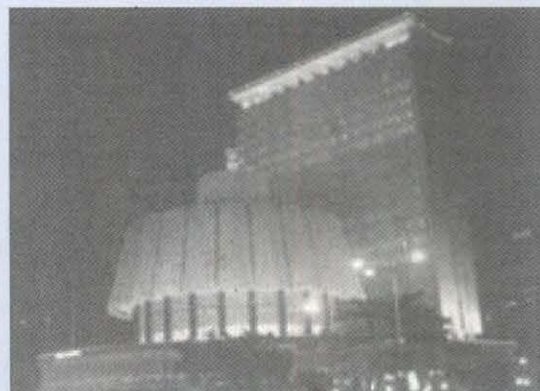
Comptroller and Auditor General of India

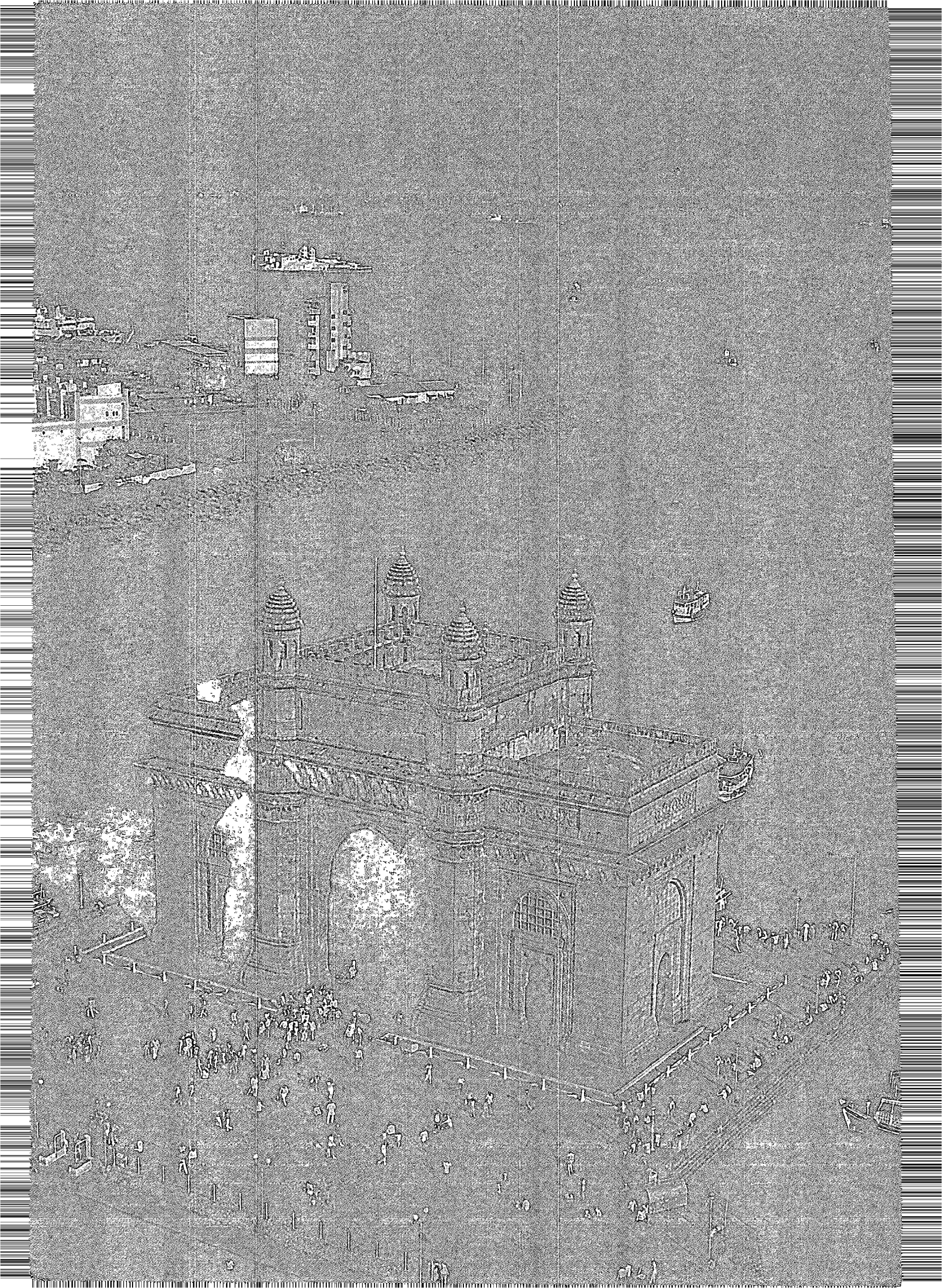
On

State Finances

for the year ended 31 March 2009

Government of Maharashtra





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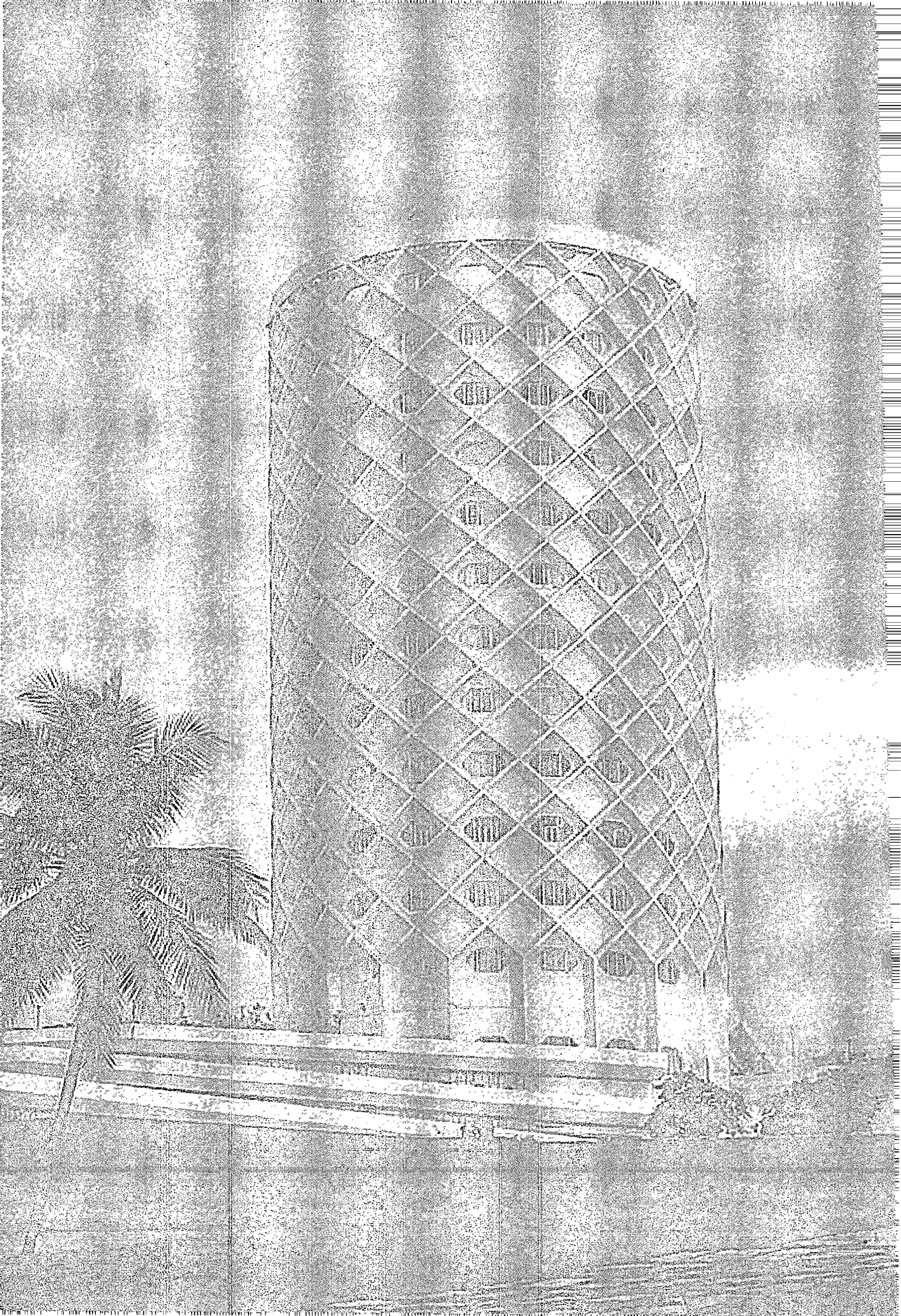
Preface

This Report has been prepared for submission to the Governor under Article 151 of the Constitution of India.

Chapters 1 and 2 of this Report respectively contain Audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts of the State Government for the year ended 31 March 2009. Information has also been obtained from the Government of Maharashtra, wherever necessary. Chapter 3 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.

The Reports containing the findings of performance audit and audit of transactions in various departments and observations arising out of audit of Statutory Corporations, Boards and Government Companies and the Report containing observations on Revenue Receipts are presented separately.





Executive Summary

Background

In order to secure fiscal stability and sustainability by eliminating revenue deficit and reducing fiscal deficit within a time frame and transparency in fiscal operations, the Twelfth Finance Commission recommended enactment of fiscal responsibility legislation by the States. Accordingly, Maharashtra Government enacted its "Fiscal Responsibilities and Budget Management Act (FRBM)" in April 2005 and framed the relevant rules in February 2006. Government's commitment to carry forward the reform agenda set out in its Medium Term Fiscal Policy Statement is largely reflected in certain policy initiatives announced in the State budgets subsequently.

Government has established an institutional mechanism on fiscal transparency as evident from the presentation of Government liabilities including off-budget borrowings, quality of investment on outcomes in selected sectors, along with the State budgets. They do not, however, give the status of other important aspects such as returns from the investment made in State undertakings and co-operatives, cash management by the Government, financing the deficit, position of incomplete projects and how the allocated resources are managed by the departments. The civil report of the Comptroller and Auditor General covers all these aspects.

CAG's civil reports for last three years have commented upon the Government's finances since the FRBM legislation. Since the audit findings on State finances formed part of the civil audit report, it was felt that these comments remained camouflaged in the large body of audit findings on compliance and performance audits and hence did not receive due attention. In recognition of the need to bring State finances to center stage once again, a stand-alone report on State Government finances is considered appropriate. Accordingly, from the report year 2009 onwards, C&AG has decided to bring out a separate volume titled "Report on State Finances."

The report

Based on the audited accounts of the Government of Maharashtra for the year ending March 2009, this report provides an analytical review of the Annual

Accounts of the State Government. The report is structured in three Chapters.

Chapter 1 is based on the audit of Finance Accounts and it analyses the Maharashtra Government's fiscal operations during the current year as well as the trends in revenue receipts, committed expenditure, borrowing pattern and Government investment. It provides a brief account of Central funds transferred directly to the State implementing agencies through off-budget route. It also makes an assessment of the adequacy of the State's fiscal priorities to developmental, social sector and capital expenditure.

Chapter 2 is based on audit of Appropriation Accounts and it gives the grant-by-grant description of appropriations and the manner in which the allocated resources were managed by the service delivery departments.

Chapter 3 is an inventory of Maharashtra Government's compliance with various reporting requirements and financial rules. It also gives a brief account of utilisation of funds by the grantee institutions and submission of accounts by the autonomous bodies and departmental undertakings.

The report also has an appendage of additional data collated from several sources in support of the findings. Appendices 4.1 and 4.2 at the end give a glossary of selected terms related to State economy and the abbreviations and acronyms used in this report.

Audit findings and recommendations

Return to fiscal correction: The State has achieved the fiscal targets as laid down in the State FRBM Act and Rules and the TFC, much before the time frame set. The reduction in revenue surplus combined with increase in capital expenditure and net disbursement of loans and advances in 2008-09 resulted in a fiscal deficit as against the fiscal surplus during the previous year. This also led to primary deficit during the current year from primary surplus in 2007-08. The capital expenditure and net disbursement of loans and advances exceeded the assessment made in the budget estimates resulting in increase in actual fiscal deficit. However, the revenue deficit and fiscal deficit targets relative to GSDP laid down under the Rules framed under the MFRBM Act have been achieved.

High incidence of non-plan revenue expenditure: The revenue expenditure constituted 79 *per cent* of the total expenditure during 2008-09 and its NPRE component exceeded both the normative projection of the TFC for the State and State's projection in its FCP. The non-plan expenditure was 74 *per cent* of the total expenditure while the plan expenditure was 26 *per cent* (para 1.4.1). The committed expenditure *viz.*, salaries, pension liabilities, interest payments and subsidies constitute 70 *per cent* of NPRE during 2008-09 (para 1.4.2).

Government should initiate suitable measures to compress the non-plan revenue expenditure and to mobilise the additional resources in ensuing years.

Review of Government investments: The average return on Governments' investment (0.11 per cent) in State undertakings and Co-operatives was negligible relative to its average cost of borrowings (7.57 per cent) during 2004-09 and remains a cause of concern (para 1.6.3).

Government should revisit the working of State-owned public sector undertakings incurring huge losses and take remedial measures.

Incomplete projects: Inordinate delays in completion of the projects, particularly the irrigation projects in the State, resulted in huge cost and time overruns and is a cause of concern. This also indicates weak control systems in the Government departments (para 1.6.2).

The State Government should work towards further improvements in this area so that the envisaged benefits reach the people at the earliest.

Prudent cash management: The cost of holding surplus cash balances is reported high. In 2008-09, interest received on investment of cash balances was only 5 per cent while Government borrowed on an average rate at 7.29 per cent (para 1.6.6).

Government should ensure proper debt management through advanced planning which could minimise the need to hold large cash surpluses.

Debt sustainability: There was a positive resource gap during the years 2006-07 and 2007-08 indicating increasing capacity of the State to sustain the debt in the medium to long run. However, during the year 2008-09 there was negative resource gap indicating the beginning of risk of non-sustainability of debt (para 1.8).

State Government should endeavour to maintain a proper debt-GSDP ratio so that incremental non-debt receipts become adequate to cover the interest burden.

Outstanding guarantees: The position of outstanding guarantees as on 31 March 2009 has improved and stood at 63 per cent of the total revenue receipts and 7.38 per cent of GSDP in the current year compared to 73 per cent of revenue receipts and 10.7 per cent of GSDP respectively during the previous year (para 1.7.3). However, in case the Statutory corporations, Government companies, Co-operative banks and sugar factories continue to incur losses, there is an inherent risk of invocation of Government guarantees which the State would have to honour out of its finances.

Government should immediately set up the Guarantee Redemption Fund to meet such eventualities.

Oversight of funds transferred directly from the GoI to the State implementing agencies: Funds flowing directly to the implementing agencies

through off-budget routing inhibits FRBM requirements of transparency and therefore bypass accountability. There is no single agency monitoring its use and there is no readily available data on the amounts spent in any particular year on major flagship and other important schemes (para 1.2.2).

A system has to be urgently put in place to ensure proper accounting of these funds and the updated information should be validated by the State Government as well as the Principal Accountant General (A&E).

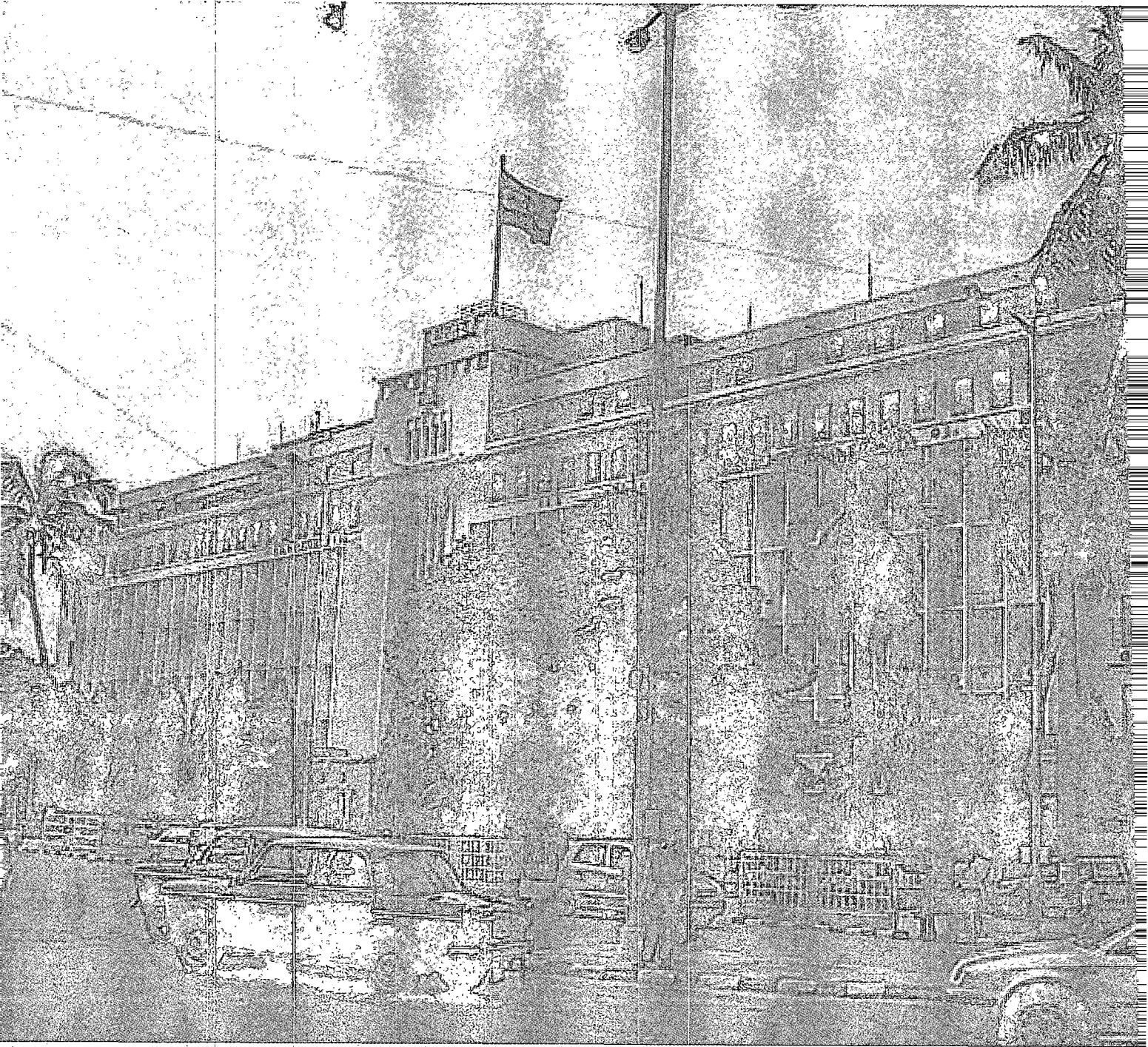
Financial management and budgetary control: There was an overall saving of Rs 22,466 crore offset by excess of Rs 2,389 crore (para 2.1). The excess requires regularisation under Article 205 of the Constitution of India. There were also instances of inadequate provision of funds and unnecessary/ excessive re-appropriations (para 2.2.8). Rush of expenditure at the end of the year was also noticed. In many cases, the anticipated savings were either not surrendered or surrendered on the last two days of the year leaving no scope for utilising these funds for other development purposes (para 2.2.13). Detailed bills were not submitted for large amount of advances drawn on abstract contingent bills (para 2.3.1). Large expenditure incurred by most of the departments remained unreconciled with the expenditure booked by the Accountant General (A&E).

Budgetary controls should be strictly observed to avoid the deficiencies in financial management. Last minute fund releases and issuance of re-appropriation/ surrender orders should be avoided. The Controlling officers should reconcile the figures recorded by them with that recorded by the Principal Accountant General (A&E).

Financial reporting: State Government's compliance with various rules, procedures and directives was unsatisfactory as evident from delays in furnishing utilisation certificates against the loans and grants from various grantee institutions. Delays also figured in submission of annual accounts by some autonomous bodies (para 3.3) and departmental undertakings (para 3.4). There were instances of losses and misappropriations due to negligence of Government employees (para 3.5).

Government departments should take urgent action for submission of outstanding accounts of the autonomous bodies. Departmental enquiries in misappropriation cases should be expedited to bring the defaulters to book. Internal controls in all the organisations should be strengthened to prevent such cases in future.

MAIN REPORT



Finances of the State Government

This chapter provides a broad perspective of the finances of the Government of Maharashtra during the current year and analyses critical changes in the major fiscal aggregates relative to the previous year keeping in view the overall trends during the last five years. The analysis has been made based on State Finance Accounts and the information obtained from State Government. The structure of Government Accounts and the lay out of Finance Accounts are shown in **Box 1.1** (page 2).

1.1 Summary of current year's fiscal transactions

Table 1.1 presents the summary of the State Government's fiscal transactions during the current year (2008-09) *vis-à-vis* the previous year while **Appendix 1.3** provides details of receipts and disbursements as well as overall fiscal position during the current year.

Table 1.1 : Summary of current year's fiscal operations

(Rupees in crore)

Receipts			Disbursements				
	2007-08	2008-09		2007-08	2008-09		
Section A	Total	Total	Section A	Total	Non-Plan	Plan	Total
Revenue receipts	79,583.15	81,270.68	Revenue expenditure	64,780.05	63,285.61	12,408.31	75,693.92
Tax revenue	47,528.45	52,029.94	General services	23,846.42	26,201.18	383.53	26,584.71
Non-tax revenue	16,947.97	9,789.94	Social services	26,773.05	22,765.88	8,286.32	31,052.20
Share of Union Taxes/ Duties	7,597.18	8,018.41	Economic services	13,236.89	13,145.49	3,667.75	16,813.24
Grants from Government of India	7,509.55	11,432.39	Grants-in-aid and Contributions	923.69	1,173.06	70.71	1,243.77
Section B			Section B				
Miscellaneous Capital Receipts	0.00	18.01	Capital Outlay	11,489.61	6,097.43	12,775.78	18,873.21
Recoveries of Loans and Advances	732.59	560.21	Loans and Advances disbursed	1,225.16	-	-	1,280.59
Public Debt receipts*	11,807.66	20,709.02	Repayment of Public Debt*	2,745.48	-	-	3,220.77
Appropriation from Contingency fund	350.00	400.00	Appropriation to Contingency fund	350.00	-	-	650.00
Contingency Fund	405.36	708.94	Contingency Fund	408.94	-	-	401.93
Public Account receipts	19,785.69	37,356.22	Public Account disbursements	27,618.79	-	-	30,506.56
Opening Cash Balance	7,183.90	11,230.32	Closing Cash Balance	11,230.32	-	-	21,626.42
Total	1,19,848.35	1,52,253.40	Total	1,19,848.35			1,52,253.40

* Excluding ways and means advances and overdraft (Receipt : Rs 903.74 crore and Disbursement : Rs 903.74 crore)

Box 1.1

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.

Layout of Finance Accounts

Statement No.	About
1	Summary of transactions of the State Government – receipts and expenditure, revenue and capital, public debt receipts and disbursements <i>etc.</i> , in the Consolidated Fund, Contingency Fund and Public Account of the State.
2	Summarised statement of capital outlay showing progressive expenditure to the end of 2008-09.
3	Financial results of irrigation works, their revenue receipts, working expenses and maintenance charges, capital outlay, net profit or loss, <i>etc.</i>
4	Summary of debt position of the State which includes borrowing from internal debt, Government of India, other obligations and servicing of debt.
5	Summary of loans and advances given by the State Government during the year repayments made, recoveries in arrears <i>etc.</i>
6	Summary of guarantees given by the Government for repayment of loans <i>etc.</i> , raised by the statutory corporations, local bodies and other institutions.
7	Summary of cash balances and investments made out of such balances.
8	Summary of balances under Consolidated Fund, Contingency Fund and Public Account as on 31 March 2009.
9	Revenue and expenditure under different heads for the year 2008-09 as a percentage of total revenue/expenditure.
10	Distribution between the charged and voted expenditure incurred during the year.
11	Detailed account of revenue receipts by minor heads.
12	Accounts of revenue expenditure by minor heads under non-plan and plan separately and capital expenditure by major head wise.
13	Detailed capital expenditure incurred during and to the end of 2008-09.
14	Shows the details of investment of the State Government in statutory corporations, Government companies, other joint stock companies, co-operative banks and societies <i>etc.</i> , up to the end of 2008-09.
15	Capital and other expenditure to the end of 2008-09 and the principal sources from which the funds were provided for that expenditure.
16	Detailed account of receipts disbursements and balances under heads of account relating to Debt, Contingency Fund and Public Account.
17	Detailed account of debt & other interest bearing obligations of the State Government.
18	Detailed account of loans and advances given by the Government of Maharashtra, the amount of loan repaid during the year, the balance as on 31 March 2009.
19	Details of earmarked balances of reserve funds.

Following are the significant changes during 2008-09 over the previous year:

- Increase of 2 per cent (Rs 1,688 crore) in revenue receipts in 2008-09 was the net effect of increase in tax revenue by 9 per cent (Rs 4,502 crore), grants-in-aid from Government of India (Gol) by 52 per cent (Rs 3,923 crore) and State's share of Union Taxes and Duties by 6 per cent (Rs 421 crore) set off by a decrease in non-tax revenue by 42 per cent (Rs 7,158 crore). **The revenue receipts at Rs 81,271 crore was higher than the assessment made by State Government in its Fiscal Correction Path (FCP) (Rs 70,363 crore), Medium Term Fiscal Policy Statement (MTFPS) (Rs 79,911 crore) for the year 2008-09 and Twelfth Finance Commission (TFC) (Rs 55,439 crore).** Salient features of the Maharashtra Fiscal Responsibility and Budgetary Management (FRBM) Act, 2005 are given in **Box 1.2** (page 5).
- The increase of 9 per cent (Rs 4,502 crore) in tax revenue in 2008-09 was mainly on account of increase in (a) taxes on Sales, Trades, etc., by 15 per cent (Rs 3,928 crore) due to more tax collection under State Sales Tax Act, Central Sales Tax Act and tax on purchase of sugarcane; (b) taxes on goods and passengers by 130 per cent (Rs 504 crore) due to more receipts from tax on entry of goods into local area; and (c) State excise by 12 per cent (Rs 471 crore) due to more receipts of excise duty from medicinal and toilet preparations and more receipt on account of fines and confiscations. **The tax revenue as a percentage of GSDP (7.46 per cent) was, however, less than the normative assessment of TFC (9.7 per cent) as well as the projections made by the State Government in FCP (8.5 per cent) and MTFPS (9.25 per cent).**
- Increase in Gol grants-in-aid by 52 per cent (Rs 3,923 crore) was on account of more receipts under 'Block grants' and 'Central plan scheme'.
- The decrease in non-tax revenue of the State by 42 per cent (Rs 7,158 crore) was mainly under 'Miscellaneous General Services.' This has to be viewed in the context of the unprecedented increase in non-tax revenue under its head in 2007-08 on account of transfer¹ of Rs 10,868 crore by the State Government from 18 statutory funds maintained in Public Account to Consolidated Fund of the State as non-tax receipts. **However, the non-tax revenue of the Government significantly exceeded the FCP of the Government by 64 per cent as well as the TFC projection by 101 per cent.**
- Revenue expenditure increased by Rs 10,914 crore (16.8 per cent) over the previous year. While 20 per cent (Rs 2,133 crore) of the increase was under plan heads the remaining 80 per cent (Rs 8,781 crore) was under non-plan heads. The major heads that registered increases include general education by 20 per cent (Rs 2,643 crore), co-operation by 270 per cent (Rs 2,186 crore), welfare of schedule castes, schedule tribes and other backward classes by 34 per cent (Rs 808 crore), rural employment by 348 per cent (Rs 689 crore), police by 21 per cent (Rs 632 crore) and pensions and other retirement benefits by 23 per cent (Rs 962 crore). **The revenue expenditure exceeded the assessment made by the State Government in its FCP (Rs 65,093 crore), however, it fell short of the projection made in MTFPS (Rs 78,946 crore). The NPRE remained higher than the normative assessments made by TFC and the State Government's projections (MTFPS and FCP).**
- Recoveries of Loans and Advances decreased by 24 per cent (Rs 173 crore). The major decline in the recoveries was from the power sector (Rs 238 crore).
- Public Debt Receipts increased by 75 per cent (Rs 8,901 crore) while Public Debt disbursement increased by 17 per cent (Rs 476 crore) **resulting in net increase of Rs.8,425 crore in Public Debt receipts.**

1 This transfer was effected through Government Resolutions dated 10 and 15 March 2008 issued in pursuance to Maharashtra Ordinance No. II of 2008 dated 22 February 2008 and ratified vide Maharashtra Act No. V of 2008 dated 19 March 2008 and cabinet decision dated 3 May 2007 respectively on the plea that the same cannot be utilised for any other purposes other than those mentioned in the Acts under which these funds are maintained.

- Increase of 89 *per cent* (Rs 7,570 crore) in Public Account receipts was on account of increase of receipts under reserve funds by 126 *per cent* (Rs 11,623.34 crore)², suspense and miscellaneous by 864 *per cent* (Rs 2,807 crore) and remittances by 15 *per cent* (Rs 2,390 crore).
- Public Account disbursements increased by 10 *per cent* (Rs 2,888 crore) mainly due to increase under remittances by 14 *per cent* (Rs 2,276 crore), deposit and advances by 14 *per cent* (Rs 1,227 crore) along with decrease under reserve funds by 40 *per cent* (Rs 542 crore).
- Appropriation from contingency fund increased by Rs 50 crore and appropriation to contingency fund also increased by Rs 300 crore from Rs 350 crore in 2007-08 to Rs 650 crore in 2008-09.
- Cash balances of the State at the close of the year 2008-09 increased by Rs 10,396 crore on account of surpluses in Consolidated Fund of the State (Rs 3,489 crore) due to more market loans, Contingency Fund (Rs 58 crore) and Public Account (Rs 6,849 crore) as a result of fiscal transactions.

Box 1.2

Maharashtra Fiscal Responsibility and Budgetary Management (FRBM) Act, 2005

The State Government has enacted the Fiscal Responsibility and Budgetary 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. (Considering the overall slowdown in the economy, the GoI had allowed the States to increase their fiscal deficit to as much as to 3.5 *per cent* of their GSDP).

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 for the year 2008-09 before the Legislature. MTFPS presents three years (2007-10) 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 major pronouncement in MTFPS-2008-09 include elimination of revenue deficit and reduction in fiscal deficit to 2 per cent of GSDP during 2008-09, increasing tax revenue at 9.25 per cent of GSDP, not availing overdraft even once during 2008-09, containing

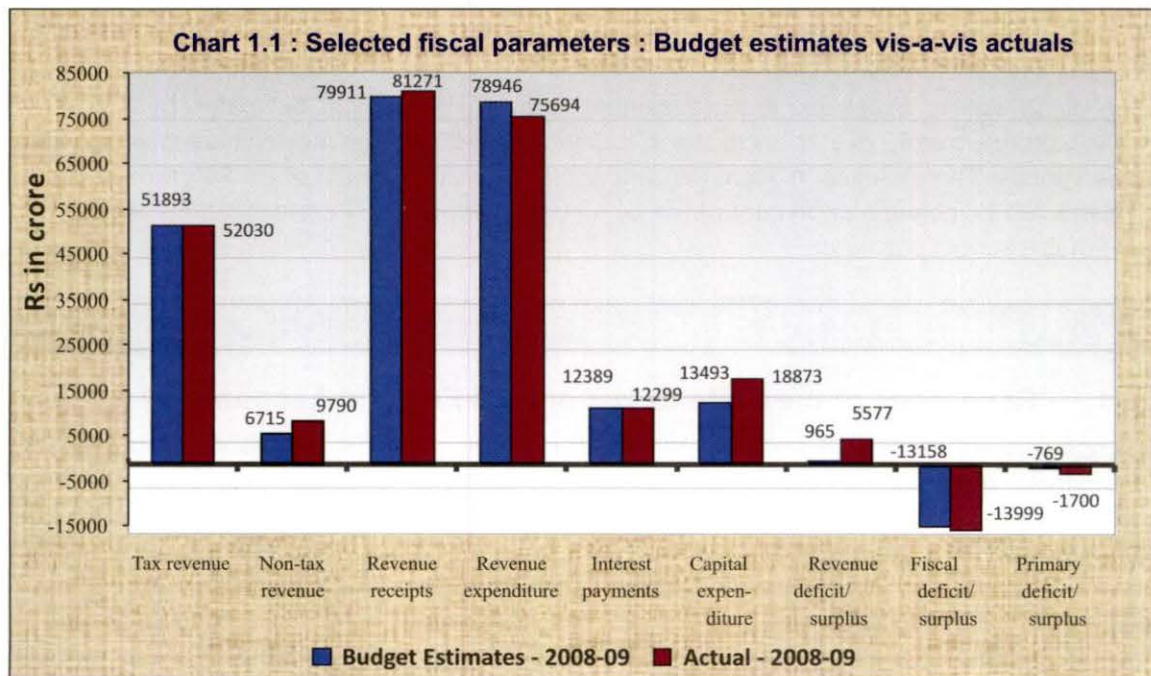
2 Actual receipt under Reserve Funds during 2008-09 is Rs 2427.79 crore. Considering the receipts of (-) Rs 9195.55 crore during 2007-08, the net increase over the previous year is Rs 11623.24 crore. The minus balance during 2007-08 was on account of closure of reserve funds and transfer of an amount of Rs 10,868 crore as also indicated in footnote 1 (page 3).

the revenue expenditure, increasing investment on infrastructure sectors particularly in irrigation, roads and power sectors, increasing funding for social sectors, improving efficiency of tax collection and reduction in debt servicing liability by containing the interest payments at 16.21 per cent of revenue receipts.

The MTFPS envisaged GSDP growth at 13.75 per cent during 2008-09, mobilisation of additional resources through rationalisation of tax system and strengthening of VAT. A closer monitoring of guarantees to prevent invocation, creation of guarantee database, restructuring the legal agreements etc. are the steps that have been initiated to ensure that management of Government guarantee becomes prudent and effective.

The State's fiscal correction path containing the projections for major fiscal variables are at **Appendix 1.1**.

Chart 1.1 presents the budget estimate and actual for some important fiscal parameters.



During 2008-09, the actual revenue receipts exceeded the budget estimates by 2 per cent (Rs 1,360 crore) while actual revenue expenditure declined by 4 per cent (Rs 3,252 crore) resulting in increase in revenue surplus. The capital expenditure increased by 40 per cent and interest payments decreased by one per cent over the budget estimates. The budgeted and actual figures under revenue receipts and expenditure are given in **Appendix 1.5**.

The increase in revenue receipts was the net result of increase in tax revenue by 0.26 per cent (Rs 137 crore) and non-tax revenue by 46 per cent (Rs 3,075 crore) set off by a decrease in share in Central taxes by 10 per cent (Rs 926 crore) and grants-in-aid from Gol by 7 per cent (Rs 925 crore).

The decrease in revenue expenditure was the combined effect of more expenditure under Social Services by 8 per cent (Rs 2,358 crore), Economic Services by 24 per cent (Rs 3,208 crore) and grants-in-aid by 24 per cent (Rs 242 crore) offset by less expenditure under General Services by 25 per cent (Rs 9,060 crore).

The increase under Social Services were under Education, Sports, Arts and Culture by 11 per cent (Rs 1,658 crore), Social Welfare and Nutrition by 44 per cent (Rs 993 crore), Welfare of SC, ST and OBC by 22 per cent (Rs 567 crore) and Health and Family Welfare by 8 per cent (Rs 218 crore) set off by less expenditure under Water Supply, Sanitation, Housing and Urban Development by 21 per cent (Rs 1,169 crore).

Similarly the significant increases under Economic Services were under Agriculture and Allied Services by 87 per cent (Rs 2,980 crore), Transport and Communication by 29 per cent (Rs 600 crore), Energy by 17 per cent (Rs 416 crore) and Irrigation and Flood Control by 13 per cent (Rs 216 crore) set off by less expenditure under Rural Development by 35 per cent (Rs 1,073 crore).

Significant decrease in expenditure under General Services were mainly under Administrative Services by 53 per cent (Rs 7,388 crore) and under Pensions and Miscellaneous General Services by 27 per cent (Rs 1,969 crore) set off by more expenditure under Fiscal Services by 53 per cent (Rs 443 crore).

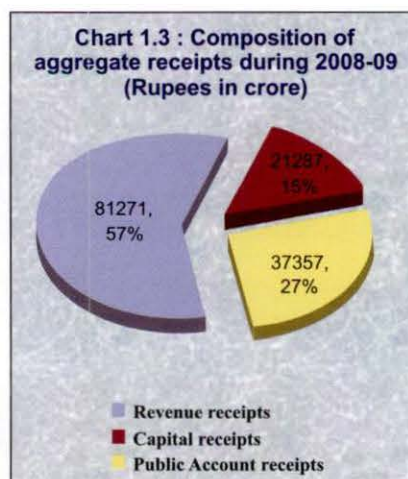
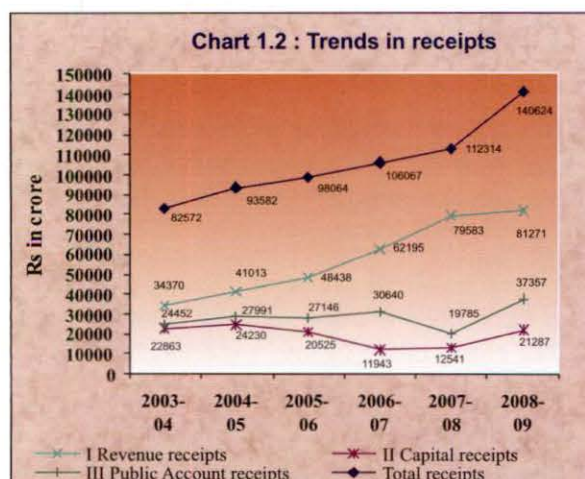
The capital expenditure *vis-à-vis* the budget estimates was more by 40 per cent (Rs 5,380 crore). The variation in capital expenditure was mainly due to increase in expenditure under Irrigation and Flood Control by 69 per cent (Rs 4,600 crore), Transport by 47 per cent (Rs 690 crore), Power by 31 per cent (Rs 215 crore), Health and Family Welfare by 145 per cent (Rs 201 crore) and Education, Sports, Arts and Culture by 85 per cent (Rs 178 crore) set off by decrease in expenditure under Rural Development by 67 per cent (Rs 968 crore).

Actual fiscal deficit³ exceeded the assessment made in the budget estimates by 6 per cent (Rs 841 crore), mainly due to increase in capital expenditure and net disbursement of loans and advances. The increase in fiscal deficit together with an increase of Rs 90 crore in interest payments led to increase in primary deficit by 121 per cent (Rs 931 crore) than the assessment made in the budget estimates.

1.2 Resources of the State

1.2.1 Resources of the State as per annual Finance Accounts

Revenue and capital are the two streams of receipts that constitute the resources of the State Government. Revenue receipts consist of tax revenues, non-tax revenues, State's share of Union taxes and duties and grants-in-aid from the GoI. Capital receipts comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GoI as well as accruals from Public Account. **Table 1.1** presents the receipts and disbursements of the State during the current year as recorded in its Annual Finance Accounts while **Chart 1.2** and **Table 1.2** depict the trends in various components of the aggregate receipts of the State during 2003-09. **Chart 1.3** depicts the composition of aggregate resources of the State during the current year.



Note : Contingency Fund receipts were Rs 709 crore and 1 per cent of total receipt during 2008-09.

3 see glossary at page 97

Table 1.2: Trends in growth and composition of aggregate receipts

		(Rupees in crore)					
Sources of State's Receipts		2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
I	Revenue Receipts	34,370	41,013	48,438	62,195	79,583	81,271
II	Capital Receipts	22,863	24,230	20,525	11,943	12,541	21,287
	Miscellaneous Capital Receipts	--	--	--	--	--	18
	Recovery of Loans and Advances	482	2,041	551	51	733	560
	Public Debt Receipts	22,381	22,189	19,974	11,892	11,808	20,709
	Growth rate of debt capital receipts	129.33	-0.86	-9.98	-40.46	-0.71	75.38
	Growth rate of non-debt capital receipts	2.77	323.44	-73.00	-90.74	1337.25	-21.15
	Growth rate of GSDP	12.86	11.63	16.28	17.79	16.03	18.05
	Rate of growth of CR (per cent)	123.53	5.98	-15.29	-41.81	5.01	69.74
	CR Buoyancy w.r.t. GSDP	9.605	0.514	-0.939	-2.350	0.313	3.864
III	Contingency Fund	887	348	1,955	1,289	405	709
IV	Public Account Receipts	24,452	27,991	27,146	30,640	19,785	37,357
	a. Small Savings, Provident Fund etc	1,714	1,684	1,794	1,895	2,060	2,220
	b. Reserve Fund	5,441	6,461	5,504	5,988	-9,196	2,428
	c. Deposits and Advances	5,609	7,466	8,371	8,898	10,847	11,438
	d. Suspense and Miscellaneous	1,461	1,202	-905	436	325	3,132
	e. Remittances	10,227	11,178	12,382	13,423	15,749	18,139
	Total Receipts	82,572	93,582	98,064	1,06,067	1,12,314	1,40,624

Source : Finance Accounts

The total receipts of the State increased by 70 per cent from Rs 82,572 crore in 2003-04 to Rs 1,40,624 crore in 2008-09. The share of revenue receipts in total receipts of the State increased from 42 per cent (Rs 34,370 crore) in 2003-04 to 57 per cent (Rs 81,271 crore) in 2008-09. While the share of capital receipts in total receipts decreased from 28 per cent (Rs 22,863 crore) in 2003-04 to 15 per cent (Rs 21,287 crore) in 2008-09, the share of public account receipts decreased from 30 per cent (Rs 24,452 crore) to 27 per cent (Rs 37,357 crore) during the same period.

The Debt capital receipts which create future repayment obligation consistently decreased from Rs 22,381 crore in 2003-04 to Rs 11,808 crore in 2007-08 but increased to Rs 20,709 crore in 2008-09. The Public Accounts receipts increased from Rs 24,452 crore in 2003-04 to Rs 37,357 crore in 2008-09. During 2008-09, the increase was mainly under reserve funds (Rs 2,428 crore), suspense and miscellaneous (Rs 2,807 crore), remittances (Rs 2,390 crore) and deposits and advances (Rs 591 crore).

The rate of growth of debt capital receipts increased from (-) 0.71 per cent in 2007-08 to 75.38 per cent in 2008-09 while the rate of growth of non-debt capital receipts decreased from 1337.25 per cent in 2007-08 to (-) 21.15 per cent in 2008-09.

The rate of growth of debt capital receipts reduced from 129.33 per cent in 2003-04 to 75.38 per cent in 2008-09 while the rate of growth of GSDP increased from 12.86 per cent in 2003-04 to 18.05 per cent in 2008-09 resulting in decrease in the rate of growth of debt capital buoyancy from 10.056 in 2003-04 to 4.176 in 2008-09.

The rate of growth of non-debt capital receipts reduced from 2.77 per cent in 2003-04 to (-) 21.15 per cent in 2008-09 resulting in decrease in the rate of growth of non-debt capital buoyancy from 0.215 in 2003-04 to (-) 1.172 in 2008-09.

1.2.2 Funds transferred to State implementing agencies outside the State budgets

The Central Government has been transferring a sizeable quantum of funds directly to the State Implementing Agencies⁴ for implementation of various schemes/programmes in social and

⁴ 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 the specific programme in the State

Finances of the State Government

economic sectors for the human and social development of population. As these funds are not routed through the State Budget/State Treasury System, Annual Finance Accounts do not capture the flow of these funds and to that extent State's receipts and expenditure as well as other fiscal variables/ parameters derived from them are underscored and underestimated. To present the holistic picture on availability of aggregate resources, funds directly transferred to State implementing agencies during 2008-09 are presented in **Table 1.3**.

Table 1.3: Funds transferred directly to State implementing agencies

(Rs in crore)		
Programme/Scheme (Central share in bracket)	Implementing agency in the State	Central share
DRDA- Administration (75 per cent)	District Rural Development Agency	7.44
Indira Awas Yojana (75 per cent)	District Rural Development Agency	152.08
Swaranajayanti Gram Swarojgar Yojana (75 per cent)	District Rural Development Agency	87.01
National Rural Employment Guarantee Scheme (100 per cent)	District Rural Development Agency#	95.27
Integrated Watershed Management Programme (92 per cent)	District Rural Development Agency	7.60
Sarva Shiksha Abhiyan (60 per cent)	Maharashtra Prathamik Shikshan Parishad	673.86
Micro Irrigation (80 per cent)	Agriculture Technology Management Agency	135.67
Swarnjayanti Rojgar Yojana (75 per cent)	State Urban Development Agency	89.98
Pradhan Mantri Gram Sadak Yojana (100 per cent)	Maharashtra Rural Roads Development Agency	100.00
National Rural Health Mission (85 per cent)	State Health Society Maharashtra	336.39
MPs Local Area Development Scheme (100 per cent)	District Collector	142.00
National Horticulture Mission (85 per cent)	Maharashtra State Horticulture and Medicinal Plants Board, Pune	130.22
	National Horticulture Research and Development Foundation, Nasik	8.59
	National Research Centre for Citrus, Nagpur	2.34
Development of Market Infrastructure Grading and Standardisation (100 per cent)	National Bank for Agriculture and Rural Development	62.50
Gramin Bhandar Yojana (100 per cent)	National Bank for Agriculture and Rural Development	98.00
Dairy Venture Capital Fund (100 per cent)	National Bank for Agriculture and Rural Development	35.00
National Bamboo Mission (92 per cent)	Director Maharashtra Ekatmik Padik Jamin Vikas Yantrana	4.84
Pollution Abatement (100 per cent)	Maharashtra Pollution Control Board	5.21
Total		2174.00

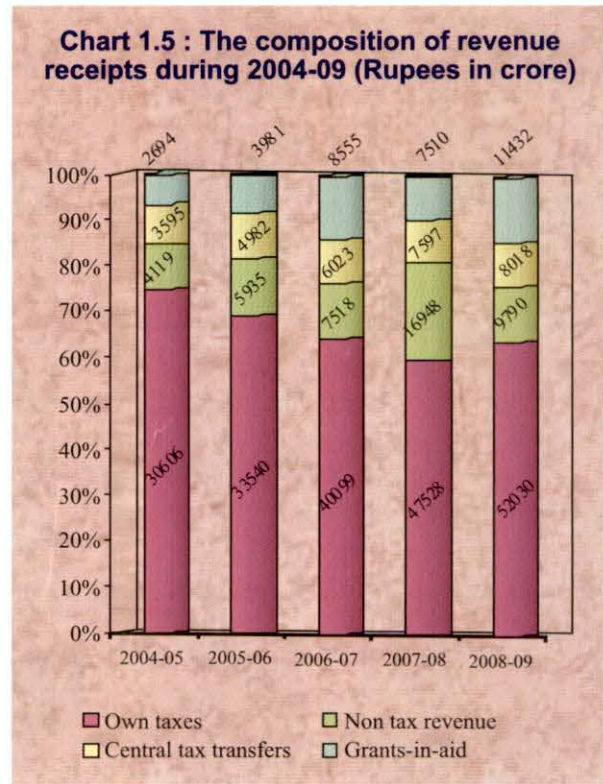
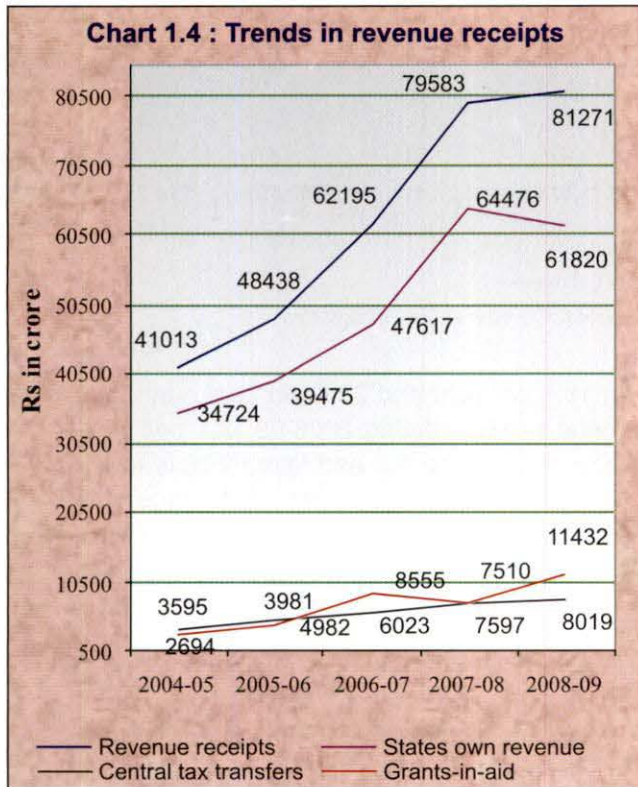
Though the cheques are received in the name of DRDA, the same are forwarded to the Collector, since the NREGS in the State is implemented by him.

Source: Ministry of Finance, Gol and E-lekha, Controller General of Accounts.

The Gol directly transferred Rs 2,174 crore to the State implementing agencies during 2008-09. The major recipients were Maharashtra Prathamik Shikshan (Rs 673.86 crore *i.e.*, 31 per cent) for Sarva Shiksha Abhiyan, District Rural Development Agencies (Rs 349.40 crore *i.e.*, 16 per cent) for Indira Awas Yojana, Swarnajayanti Gram Swarojgar Yojana, Integrated Watershed Management Programme and DRDA Administration and State Health Society (Rs 336.39 crore *i.e.*, 15 per cent) for National Rural Health Mission. **Funds transferred directly from the Union to the State Implementing Agencies results in failure to monitor the expenditure incurred by them on various schemes as these funds are not reflected in the State budget. It also inhibits the FRBM requirement of transparency in fiscal operations and thus bypasses accountability.**

1.3 Revenue receipts

Statement 11 of the Finance Accounts details the revenue receipts of the Government. The revenue receipts consist of its own tax and non-tax revenues, Central tax transfers and grants-in-aid from Gol. The trends and composition of revenue receipts over the period 2004-09 are depicted in **Charts 1.4** and **1.5** respectively and also presented in **Appendix 1.2**.



The revenue receipts have shown a progressive increase over the period 2004-09. However, there was a declining trend in the share of the own taxes during the period 2004-08 with marginal increase during 2008-09. The share of grants-in-aid during 2004-09 showed an increasing trend except during 2007-08. The shares of non-tax revenue and Central transfers showed relative stability during the period. However, during 2007-08 the share of non-tax revenue increased considerably to 21.3 per cent due to closure of inoperative reserve funds and transfer of an amount of Rs 10,868 crore to the Consolidated Fund of the State as non-tax receipts. **The revenue receipts at Rs 81,271 crore was higher than the assessment made by the State Government in its Fiscal Correction Path (FCP) (Rs 70,363 crore), Medium Term Fiscal Policy Statement (MTFPS) (Rs 79,911 crore) for the year 2008-09 and Twelfth Finance Commission (TFC) (Rs 55,439 crore).**

Finances of the State Government

The trends in revenue receipts relative to GSDP are presented below:

Table 1.4 : Trends in revenue receipts relative to GSDP

	2004-05	2005-06	2006-07	2007-08	2008-09
I Revenue Receipts (Rs in crore)	41,013	48,438	62,195	79,583	81,271
Rate of growth ⁵ of RR (<i>per cent</i>)	19.3	18.1	28.4	28	2.1
RR/GSDP (<i>per cent</i>)	11.0	11.2	12.2	13.5	11.6
Buoyancy Ratio's⁶					
Revenue Buoyancy w.r.t. GSDP	1.659	1.112	1.596	1.747	0.116
State's own taxes Buoyancy w.r.t. GSDP ⁷	1.797	0.842	1.158	2.208	-0.227
Revenue Buoyancy with reference to State's own taxes (ratio)	0.921	1.321	1.379	0.791	-0.512
Gross State Domestic Product (Rs in crore)	3,71,878	4,32,413	5,09,356	5,90,995*	6,97,683[#]
Growth rate of GSDP	11.63	16.28	17.79	16.03	18.05

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

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

The rate of growth of revenue receipts was between 18.1 *per cent* and 28.4 *per cent* during the years 2004-05 to 2007-08. The slow growth in revenue receipts during 2008-09 (2.1 *per cent*) was due to sharp decline in non-tax receipts as discussed in para 1.1 and less receipts under taxes and duties on electricity as well as stamps and registration fees. In addition, the recession in economy has also resulted in fall in tax revenues of the State.

The revenue buoyancy with reference to State's own taxes increased from 0.921 in 2004-05 to 1.379 in 2006-07. However, it gradually declined to 0.791 in 2007-08 and (-) 0.512 in 2008-09.

1.3.1 State's own resources

The gross collection in respect of major taxes and duties as well as the components of non-tax receipts, the expenditure incurred on their collection and the percentage of such expenditure to the gross collection during the years from 2004-05 to 2008-09 are presented in **Appendix 1.2**. The actual revenue receipts during 2008-09 *vis-à-vis* assessments made by TFC and State Government are given in **Table 1.5**.

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

	(Rupees in crore)				
	Assessments made by TFC	Projections in FCP	Projections in MTFPS	Budget	Actuals
Tax revenue	50,566	50,703	51,894	60,839	52,030
Non-tax revenue	4,873	5,975	6,715	6,715	9,790

Tax revenue

The sector-wise components of tax revenue during the five year period from 2004-05 to 2008-09 is as shown in **Table 1.6**.

5 see glossary at page 97.

6 Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For instance, revenue buoyancy at 0.6 implies that revenue receipts tend to increase by 0.6 percentage points, if the GSDP increases by one per cent (also see glossary at page 97).

7 State's own taxes includes tax and non-tax revenue.

Table 1.6 : Sector-wise components of tax revenue

(Rupees in crore)

Tax Revenue	2004-05	2005-06	2006-07	2007-08 Estimates	2008-09		
					Budget	Actuals w.r.t. budget estimates	Percentage
Taxes on Sales, Trade, etc.	18,817	19,677	24,131	26,753	29,039	30,681	5.65
State Excise	2,219	2,824	3,301	3,963	4,500	4,434	-1.47
Taxes on Vehicles	1,177	1,309	1,841	2,143	2,426	2,220	-8.49
Stamps and Registration fees	4,116	5,266	6,416	8,550	9,600	8,288	-13.67
Taxes and duties on electricity	1,674	1,661	1,577	2,688	2,600	2,395	-7.88
Land Revenue	361	429	484	512	700	546	-22.00
Taxes on Goods and Passengers	428	505	224	388	594	892	50.17
Other taxes	1,814	1,869	2,125	2,531	11,380	2,574	-77.38
Total	30,606	33,540	40,099	47,528	60,839	52,030	-14.48

Source : Finance Accounts, Budget Estimates : Financial Statement (Budget) Government of Maharashtra

Though the tax revenue of the State during 2008-09 fell short of Budget estimates by Rs 8809 crore, it increased by Rs 4502 crore (9 per cent) over the previous year. The increase was mainly under (a) taxes on sales, trade etc., (Rs 3,928 crore) which was mainly due to lifting of stay granted during the earlier years on levy of tax on sugarcane purchase which was not extended for the year 2008-09 by the department, introduction of filing of e>Returns resulting in increase of compliance level from the dealers, economic growth upto November 2008 and increase in receipts on sale of motor spirit, (b) taxes on goods and passengers (Rs 504 crore) as the passenger tax receivable during 2007-08 from Maharashtra State Road Transport Corporation adjusted during 2008-09 and (c) State excise (Rs 471 crore) due to more receipts of excise duty from country liquor, medicinal and toilet preparations containing alcohol, opium etc., and licence fees.

The tax revenue as a percentage of GSDP (7.46 per cent) was less than the normative assessment of TFC (9.7 per cent) as well as the projections made by the State Government in FCP (8.5 per cent) /MTFPS (9.25 per cent).

Non-tax revenue

The non-tax revenue of the State decreased by 42 per cent (Rs 7,158 crore) from Rs 16,948 crore in 2007-08 to Rs 9,790 crore in 2008-09, mainly due to sharp decrease in receipts booked under Major Head 'Miscellaneous General Services' (Rs 7,570 crore).⁸

Table 1.5 reveals that the actual realisation of tax revenue during 2008-09 was higher than the normative assessment of TFC as well as the projections made by the State Government in FCP/MTFPS. **The non-tax revenue of the Government significantly exceeded both the FCP (64 per cent) of the Government as well as the TFC projection (101 per cent)** mainly due to increase in guarantee fees (Rs 3,415 crore) and debt relief of Rs 339.97 crore (on account of debt waiver received from Government of India under DCRF) booked under Miscellaneous General Services.

Central tax transfers

Central tax transfers increased by 6 per cent from Rs 7,597 crore in 2007-08 to Rs 8,018 crore in 2008-09. The increase was mainly under corporation tax (Rs 218 crore), service tax (Rs 107 crore) and customs duties (Rs 97 crore).

⁸ also see footnote 1 at page 3

Grants-in-aid

The grants-in-aid from Gol increased (52 per cent) from Rs 7,510 crore in 2007-08 to Rs 11,432 crore in 2008-09. The increase was mainly under grants for Central schemes (121 per cent) and State Plan Schemes (77 per cent). The non-plan grants increased by 34 per cent while the grants for Centrally Sponsored Plan Schemes increased by 14 per cent in 2008-09 (Table 1.7).

Table 1.7 : Grants-in-aid from Government of India

	(Rupees in crore)				
	2004-05	2005-06	2006-07	2007-08	2008-09
Grants for State plan schemes	1,266	1,255	3,919	3,780	6,683
Non-Plan grants	570	1,582	3,489	2,106	2,832
Grants for Central Schemes	86	286	89	63	139
Grants for Central and Centrally Sponsored Schemes	772	858	1,058	1,561	1,778
Total	2,694	3,981	8,555	7,510	11,432
Percentage of increase/decrease over previous year	18.7	47.8	114.9	(-)12.2	52.22

Source : Finance Accounts

The increase under plan grants for the State plan schemes was due to increase in 'Block Grants' (Rs 2,709 crore) while the increase under non-plan grants was due to increase under other grants (Rs 998 crore). The increase under grants for Central schemes was due to increase under welfare of scheduled castes, scheduled tribes and other backward classes (Rs 49 crore). Under Centrally sponsored schemes, the increase was mainly in 'General Education' (Rs 354 crore) and 'Social Welfare and Child Welfare' (Rs 191 crore).

1.3.2 Loss of revenue due to tax evasion, write off/ waivers and refunds

1.3.2.1 Evasion of taxes

During the year, the Sales Tax Department detected 855 cases of evasion of taxes. Out of 3,280 cases detected upto 2008-09, it could finalise only 471 cases raising a demand of Rs 128 crore. In respect of State Excise Department, only one case was detected during the year which was finalised by raising a demand of Rs 11 lakh. In respect of Taxes on vehicles, 745 cases were detected during 2008-09. Out of 3,968 cases detected upto 2008-09, 2,037 cases were finalised by raising a demand of Rs 2.75 crore.

1.3.2.2 Write off/waivers of revenue

During the year 2008-09, demands for Rs 3.33 crore in 6,510 cases and Rs 12.83 lakh in 17 cases, relating to Sales Tax and State Excise respectively were written off by the departments as irrecoverable due to the reasons indicated in Table 1.8.

Table 1.8 : Reasons of write off/waiver of revenue

Reasons	Sales tax, etc		State excise	
	No of cases	Amount	No of cases	Amount
Whereabouts of defaulters not known	217	280.06	07	4.74
Defaulters no longer alive	--	--	03	0.24
Defaulters not having any property	6,292	52.83	01	0.50
Defaulters adjudged insolvent	--	--	02	0.30
Other reasons	1	0.38	04	7.05
Total	6,510	333.27	17	12.83

1.3.2.3 Refund of taxes and duties

The number of refund cases pending at the beginning of the year 2008-09, claims received during the year, refunds allowed during the year and cases pending at the close of the year 2008-09, as reported by the departments are indicated in **Table 1.9**.

Table 1.9 : Refunds allowed by various departments during the year

(Rupees in crore)

Particulars	Taxes on vehicles		Taxes and duties on electricity		State excise		Sales Tax, etc	
	No of cases	Amount	No of cases	Amount	No of cases	Amount	No of cases	Amount
Claims outstanding at the beginning of the year	1,105	0.87	93	5.77	78	1.65 ⁹	4,577	502.94
Claims received during the year	656	0.47	308	24.39	23	0.20	25,573	4,382.34
Refunds made during the year	680	0.96	256	28.26	20	0.17	14,311	3,018.79
Balance outstanding at the end of the year	1,081	0.38	145	1.90	81	1.68	15,839	1,866.49

1.3.3 Revenue arrears

The arrears of revenue in respect of some principal heads of revenue increased by 40 per cent from Rs 24,444 crore as of 31 March 2008 to Rs 34,185 crore as on 31 March 2009, of which Rs 6,904.71 crore were outstanding for more than five years, as mentioned in **Table 1.10**.

Table 1.10 : Arrears of revenue

(Rupees in crore)

Head of revenue	Amount outstanding as on 31 March 2009		Remarks
	Total	Pending for more than five years	
Sales tax etc.	33,971.82	6,824.87	Stay orders were granted by the appellate authorities for Rs 11,439.68 crore; recovery proceedings for Rs 9,382.70 crore were not initiated as the time limit was not over and the remaining amount was in the process of recovery.
State excise	8.52	7.71	Recoveries amounting to Rs 2.05 crore were pending in the courts. Out of the balance amount of Rs 6.47 crore, recovery of Rs 1.71 crore was in progress as arrears of land revenue and Rs 4.76 crore was in the process of recovery.
Sale of jail articles	10.44	6.27	Suitable instructions regarding recovery of arrears of revenue have been issued to subordinate offices. Efforts were being made for speedy recovery.
Electricity duty / Inspection fees	194.48	65.86	The Government had instructed the concerned District Collectors to recover the arrears of electricity duty as arrears of land revenue.
Total	34,185.26	6,904.71	

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.

⁹ reconciled position furnished by the Department.

1.4.1 Growth and composition of expenditure

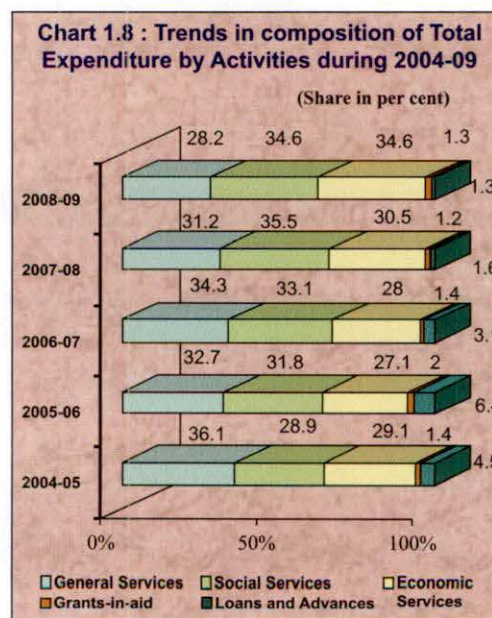
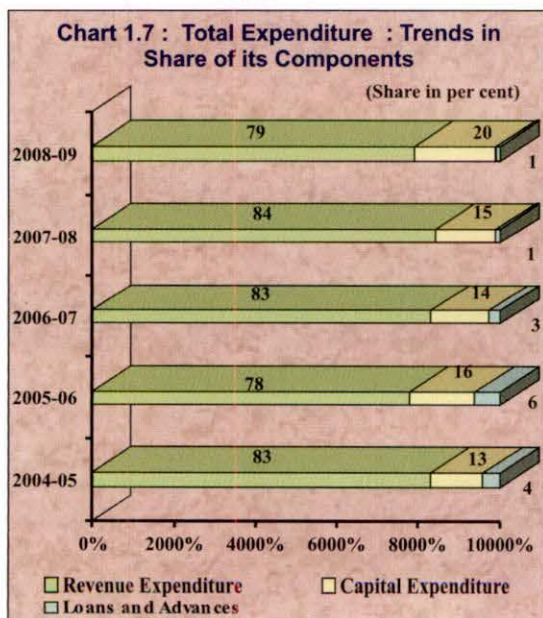
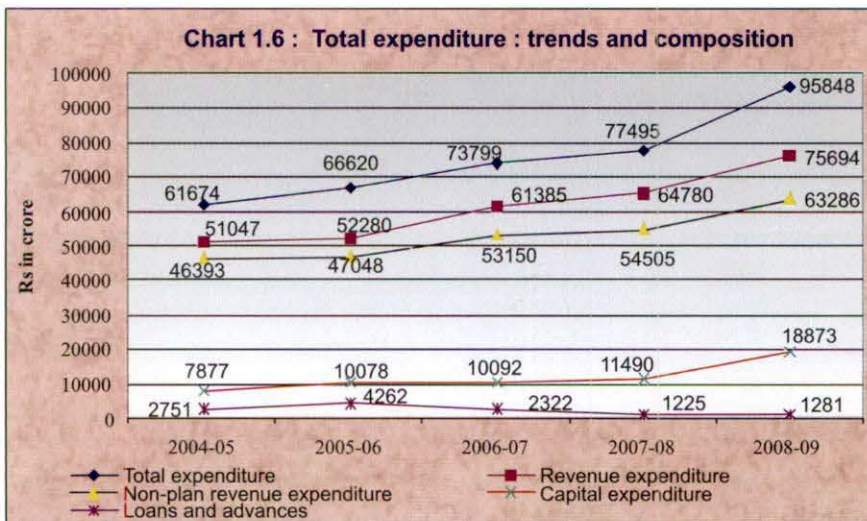
The total expenditure and its compositions during the years 2004-05 to 2008-09 are presented in the **Table 1.11**.

Table 1.11 : Total expenditure and its composition

	(Rs in crore)				
	2004-05	2005-06	2006-07	2007-08	2008-09
Total Expenditure	61,674	66,620	73,799	77,495	95,848
Revenue Expenditure	51,046	52,280	61,385	64,780	75,694
Of which, Non-plan Revenue Expenditure	46,392	47,048	53,150	54,505	63,286
Capital Expenditure	7,877	10,078	10,092	11,490	18,873
Loans and Advances	2,751	4,262	2,322	1,225	1,281

Source : Finance Accounts

Chart 1.6 presents the trends in total expenditure over a period of the last five years (2004-09) and its composition both in terms of 'economic classification' and 'expenditure by activities' depicted in **Charts 1.7 and 1.8** respectively.



The total expenditure of the State increased at an average growth rate of 11 *per cent* from Rs 61,674 crore in 2004-05 to Rs 95,848 crore in 2008-09. 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 1.12**.

Table 1.12: Total expenditure – basic parameters

	2004-05	2005-06	2006-07	2007-08	2008-09
Total expenditure (TE) (Rupees in crore)	61,674	66,620	73,799	77,495	95,848
Rate of growth (<i>per cent</i>)	16.8	8.0	10.8	5	23.7
TE/GSDP ratio (<i>per cent</i>)	16.5	15.4	14.5	13.1	13.7
RR /TE ratio (<i>per cent</i>)	66.5	72.7	84.3	102.7	84.8
Buoyancy of Total Expenditure with reference to :					
GSDP (ratio)	1.445	0.491	0.607	0.312	1.313
RR (ratio)	0.870	0.442	0.380	0.179	11.286

The increase of Rs 18,353 crore (23.7 *per cent*) in total expenditure in 2008-09 was mainly on account of an increase of Rs 10,914 crore in revenue expenditure and of Rs 7,383 crore in capital expenditure together with an increase of Rs 56 crore in disbursement of loans and advances. The increase in revenue expenditure was mainly on (a) General education (Rs 2,643 crore), (b) Co-operation (Rs 2,186 crore) (c) Pension and other retirement benefits (Rs 962 crore) (d) Welfare of scheduled castes, scheduled tribes and other backward classes (Rs 808 crore) (e) Rural employment (Rs 707 crore) on account of amount transferred to Employment Guarantee Fund and (f) Police (Rs 632 crore).

The increase in capital expenditure during 2008-09 was mainly on account of increase in Government's share capital contribution (Rs 10,779.76 crore) to Godavari Marathwada Irrigation Development Corporation, Konkan Irrigation Development Corporation, Maharashtra Krishna Valley Development Corporation, Tapi Irrigation Development Corporation and Vidarbha Irrigation Development Corporation. The increase in disbursement of loans and advances during 2008-09 was mainly due to increase in loans for co-operation (Rs 72 crore) and power projects (Rs 205 crore).

The trends in total expenditure in the form of plan and non-plan expenditure during 2008-09 reveal that non-plan expenditure contributed dominant share of 74 *per cent* while the plan expenditure was 26 *per cent*. Moreover, of the increase of Rs 18,353 crore in total expenditure, plan expenditure shared 30 *per cent* (Rs 5,442 crore) while non-plan expenditure contributed 70 *per cent* (Rs 12,911 crore) in 2008-09. Further, 61 *per cent* of the incremental plan expenditure during the current year was under capital heads of various programmes/transfers.

The decrease in ratio of revenue receipts to total expenditure from 102.7 *per cent* in 2007-08 to 84.8 *per cent* in 2008-09 is to be viewed in the light of the unprecedented increase in non-tax revenue in 2007-08 on account of transfer of funds from inoperative reserve funds maintained to Consolidated Fund of the State. The buoyancy of total expenditure with reference to GSDP which was greater than one during the year 2004-05 significantly declined during 2005-06 to 2007-08 due to the combined effect of decrease in rate of growth in expenditure along with sharp rise in GSDP during these years indicating a relative fall in the State's propensity to spend with the increase in GSDP. However, this ratio rose to 1.313 during 2008-09 due to increase in rate of growth of total expenditure as compared to the rate of growth of GSDP. Similarly, there was a consistent fall in buoyancy ratio of total expenditure with reference to revenue receipts during the period 2004-08. However, this ratio rose to 11.286 during 2008-09 indicating increase in expenditure at a pace greater than the receipt.

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 1.13**.

Table 1.13: Components of expenditure – relative shares

	(in per cent)				
	2004-05	2005-06	2006-07	2007-08	2008-09
General Services	36.1	32.7	34.4	31.2	28.2
<i>of which, Interest Payments</i>	14.5	14.0	15.8	15.7	12.8
Social Services	28.9	31.8	33.1	35.5	34.6
Economic Services	29.1	27.1	28.0	30.5	34.6
Grants-in-aid	1.4	2.0	1.4	1.2	1.3
Loans and Advances	4.5	6.4	3.1	1.6	1.3

The movement of the relative shares of the above components of expenditure indicated that the shares of economic services and grants-in-aid in the total expenditure increased during 2008-09 over the previous year. These increases were set off by decrease in the respective shares of general services, social services and of loans and advances.

The share of economic services in total expenditure increased mainly on account of increase in share capital of Irrigation Corporation under Irrigation and Flood Control (Rs 10,780 crore) and capital outlay on Roads and Bridges under Transport (Rs 1,988 crore), Co-operation (Rs 2,186 crore), Rural employment (Rs 689 crore) and Crop husbandry (Rs 388 crore). The share of grants-in-aid increased under Compensation and Assignment to Local Bodies and Panchyat Raj Institutions (Rs 246 crore) due to more expenditure on stamp duty grants to Zilla Parishads under Section 158 of the Maharashtra Zilla Parishads and Panchayat Samitis Act, 1961.

Though the share of social services in total expenditure decreased there was increase in expenditure on social services mainly on account of increase in general education (Rs 2,643 crore) and welfare of Scheduled castes, Scheduled Tribes and other Backward classes (Rs 808 crore). Similarly, though the share of general services decreased there was increase in expenditure mainly on account of pension and other retirement benefits (Rs 962 crore), police (Rs 632 crore) and taxes on vehicles (Rs 407 crore).

Incidence of revenue expenditure

Revenue expenditure is incurred to maintain the current level of services and payment for past obligations and as such, does not result in any addition to the State's infrastructure and service network. Revenue expenditure had the predominant share of around 79 per cent in the total expenditure during the period 2004-09. 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 1.14**.

Table 1.14 : Revenue expenditure – basic parameters

	(Rupees in crore)				
	2004-05	2005-06	2006-07	2007-08	2008-09
1	2	3	4	5	6
Revenue Expenditure (RE), of which	51,046	52,230	61,385	64,780	75,694
Non-Plan Revenue Expenditure (NPRE)	46,392	47,048	53,150	54,505	63,286
Plan Revenue Expenditure (PRE)	4,654	5,232	8,235	10,275	12,408

	2004-05	2005-06	2006-07	2007-08	2008-09
1	2	3	4	5	6
Rate of Growth of					
RE (per cent)	19.6	2.4	17.4	5.5	16.8
NPRE (per cent)	18.5	1.4	13.0	2.5	16.1
PRE (per cent)	31.3	12.4	57.4	24.8	20.8
Revenue Expenditure as percentage to TE	82.8	78.5	83.2	83.6	79.0
NPRE/GSDP (per cent)	12.5	10.9	10.4	9.2	9.1
NPRE as percentage of TE	75.2	70.6	72.0	70.3	66.0
NPRE as percentage of RR	113.1	97.1	85.5	68.5	77.9
Buoyancy of Revenue Expenditure with					
GSDP (ratio)	1.685	0.147	0.978	0.343	0.931
Revenue Receipts (ratio)	1.015	0.132	0.613	0.196	8

Source : Finance Accounts

The revenue expenditure increased by Rs 10,914 crore (16.8 per cent) over the previous year. **The revenue expenditure exceeded the assessment made by the State Government in its FCP (Rs 65,093 crore), however, it decreased with respect to MTFPS for the year 2008-09 (Rs 78,946 crore).** The NPRE constituted a dominant share of 84 per cent in the revenue expenditure and has increased by Rs 8,781 crore over the previous year. The variations in NPRE under the major heads indicate increase in expenditure under education, sports, arts and culture (Rs 2,577 crore), general services (Rs 2,732 crore) and agriculture and allied activities (Rs 2,589 crore). The PRE increased by Rs 2,133 crore during the year mainly due to increase in expenditure under welfare of scheduled castes, scheduled tribes and other backward classes (Rs 328 crore), social welfare and nutrition (Rs 256 crore) and agriculture and allied activities (Rs 345 crore). The buoyancy of revenue expenditure with reference to both GSDP and revenue receipts fluctuated widely. This might be on account of the fact that NPRE largely forms committed expenditure of the Government and constitutes the dominant share in the revenue expenditure and is not affected greatly either by GSDP or Revenue Receipts.

Table 1.15 provides the comparative position of NPRE with reference to assessments made by TFC and the projections of the State Government.

Table 1.15 : NPRE vis-à-vis assessment made by TFC and FCP

(Rupees in crore)				
Year	Projections in MTFPS	Assessments made by TFC	Projections in FCP	Actuals
2007-08	56,329	43,795	53,568	54,505
2008-09	64,296	47,429	56,782	63,286

The NPRE during 2007-08 and 2008-09 remained significantly higher than the normative assessments made by TFC, while it reflected only marginal variations with reference to State Government's projections (MTFPS and FCP) 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 1.16** and **Chart 1.9** present the trends in the expenditure on these components during 2004-09.

Finances of the State Government

Table 1.16: Components of committed expenditure

(Rupees in crore)

Components of Committed Expenditure	2004-05#	2005-06#	2006-07#	2007-08#	2008-09		
					BE*	Actuals*	Actuals #
Salaries & Wages, Of which	7225(18)	7956(16)	8136(13)	8851(11)	25115	24875(31) [§]	10470(13)
Non-Plan Head	5916(14)	6837(14)	7155(12)	8015(10)	24284	23627(29)	9652(12)
Plan Head**	1309(03)	1119(02)	981(02)	836(01)	831	1248(02)	818(01)
Interest Payments	8978(22)	9347(19)	11656(19)	12204(15)	12389	12299(15)	12299(15)
Pensions	2872(07)	3328(07)	3542(07)	4191(05)	4564	5153(06)	5153(06)
Subsidies	3994(10)	2885(06)	3777(06)	4935(06)	NA	4308(05)	4308(05)
Total Committed expenditure	23069(56)	23516(49)	27111(44)	30181(38)	42069	46635(57)	32230(40)
Other Components	27977(68)	28764(59)	34274(55)	34599(43)	36877	29059(36)	43464(53)
Total Revenue Expenditure	51046	52280	61385	64780	78946	75694	75694
Revenue Receipts	41013	48438	62195	79583	79911	81271	81271

Figures in the parentheses indicate percentage to Revenue Receipts

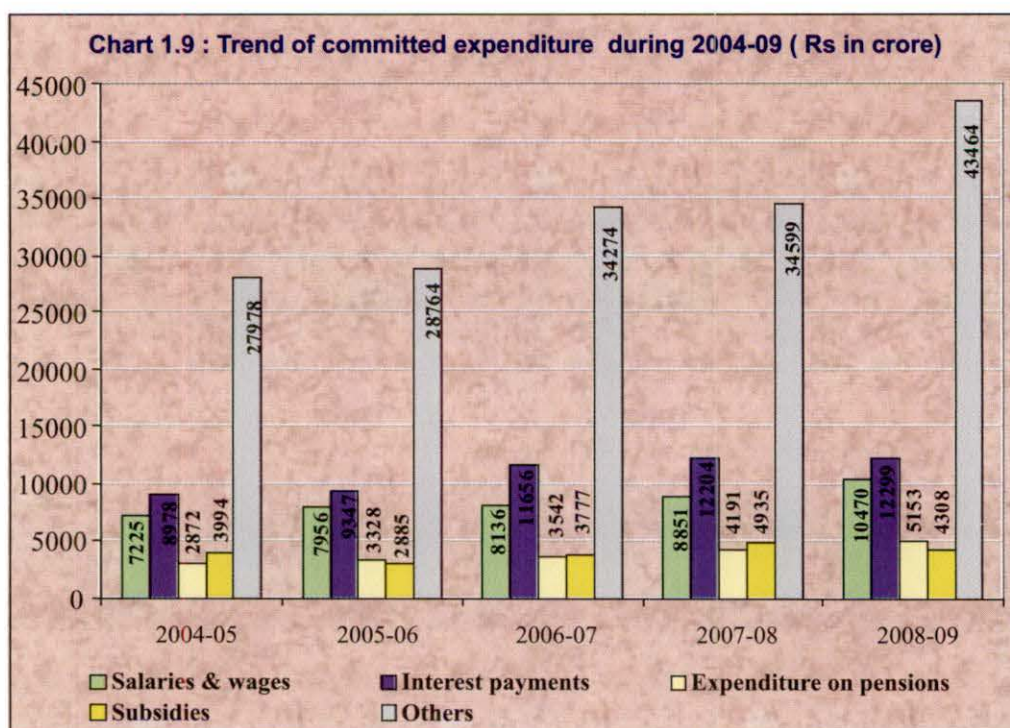
* includes the salaries paid out of grants-in-aid.

does not include salaries paid out of grants-in-aid as information is not available for the period 2004-08.

[§] Salaries : Rs 24,328 crore (Finance Accounts) + Wages : Rs 547 crore (VLC data of PAG(A&E))

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

Source : Finance Accounts



Since the expenditure on salaries and wages for the period 2004-08 do not include salaries out of grants-in-aid component the comparison of the same with grants-in-aid component was not possible. Hence the expenditure on salaries and wages without grants-in-aid component was considered for comparison purpose.

The expenditure on salaries and wages (excluding grants in aid) increased by Rs 1,619 crore (18 per cent) from Rs 8,851 crore in 2007-08 to Rs 10,470 crore in 2008-09 mainly due to increase in expenditure under the major head 'administrative services' (Rs 732 crore), 'health and family welfare' (Rs 300 crore) and 'agriculture and allied services' (Rs 209 crore). **The ratio of non-plan salary expenditure exclusive of grants-in-aid component, to revenue**

expenditure net of interest payments and pensions stood at 17 per cent during 2008-09 which was well within the TFC norms of 35 per cent. However, the ratio of non-plan salary expenditure inclusive of grants-in-aid component to revenue expenditure net of interest payments and pensions was 40 per cent during 2008-09 which was five per cent more than the TFC norms of 35 per cent.

The expenditure on pension payments had increased by 79 per cent from Rs 2,872 crore in 2004-05 to Rs 5,153 crore in 2008-09.

The increase in pension payments of Rs 962 crore (23 per cent) during 2008-09 over the previous year was mainly due to more expenditure on Superannuation and Retirement allowances, commutations of pension, family pension and contribution for defined contribution pension scheme.

The **Table 1.17** below shows actual pension payments with reference to assessment made by TFC and projections of the State Government.

Table 1.17: Pension payments vis-à-vis TFC assessment and State's projections

(Rupees in crore)

Year	Projections in MTFPS	Assessments made by TFC	Projections in FCP	Actuals
2007-08	5,643	3,635	4,965	4,191
2008-09	6,223	3,998	5,363	5,153

The pension payments during 2007-08 and 2008-09 were higher than the normative assessments made by TFC while they were lower than the projections of the State Government under MTFPS and FCP during both the years. The large gap of pension payments with reference to projections of the State Government further emphasized need of working out the pension liabilities on actuarial basis. In order to limit future pension liabilities, the Government had, however, introduced contributory pension scheme for employees recruited after 1 November 2005.

Interest payments increased by 37 per cent from Rs 8,978 crore in 2004-05 to Rs 12,299 crore in 2008-09, primarily due to increase in debt liabilities. However, relative to revenue receipts, interest payments reveal a declining trend. It declined from 22 per cent in 2004-05 to 15 per cent in 2008-09.

The interest payments with reference to assessment made by TFC and the projections in FCP of the State Government (**Table 1.18**) indicate that *the interest payments during 2007-08 and 2008-09 exceeded the assessments made by TFC.* Further, though it exceeded the projection made by State Government in FCP during 2007-08 it was lower than the projection during 2008-09. However, as compared to MTFPS, it reflected only marginal variations during both the years. During the current year, the interest payment exceeded the TFC's assessment by 7 per cent.

Table 1.18: Interest payments vis-à-vis TFC assessment and State's projections

(Rupees in crore)

Year	Projections in MTFPS	Assessments made by TFC	Projections in FCP	Actuals
2007-08	12,406	10,717	12,178	12,204
2008-09	12,388	11,521	13,380	12,299

The interest payment as a percentage of revenue receipts (15.13 per cent) was almost equal to the normative assessment of TFC (15 per cent) while it was lower than the projections made by the State Government in FCP(19.02 per cent) and MTFPS (16.21 per cent).

Finances of the State Government

During 2008-09, the State Government raised open market loans of Rs 17,762 crore at an average interest rate of 7.81 *per cent*. Government also borrowed Rs 2,561 crore from the National Small Savings Fund and other institutions and Rs 386 crore from Government of India during the year.

The increase in interest payments was Rs 95 crore over the previous year and was mainly due to more interest on market loan (Rs 582 crore), interest on State provident fund (Rs 91 crore) which was offset by decrease in interest on other internal debts (Rs 468 crore) and interest on loans for State/Union territory Plan Schemes (Rs 133 crore).

Table 1.16 indicates that the subsidies as a percentage of revenue receipts reduced from 10 *per cent* in 2004-05 to 5 *per cent* in 2008-09. Subsidies decreased by 13 *per cent* from Rs 4,935 crore in 2007-08 to Rs 4,308 crore in 2008-09. During the current year, subsidies constituted about four *per cent* of the total expenditure; the major sectors which received subsidy include power (48 *per cent*), industries in backward areas (11 *per cent*) and subsidy on food (9 *per cent*) *etc.* The payment of subsidy to power and general sectors exceeded the projections of the State Government in FCP as shown below:

Table 1.19: Subsidies vis-à-vis FCP

		(Rupees in crore)	
		Projections in FCP	Actuals
Power		1,611	2,063
General		740	2,245

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 2008-09 relative to the previous years is presented below:

Table 1.20 : Financial assistance to local bodies *etc*

		(Rupees in crore)				
Institutions	2004-05	2005-06	2006-07	2007-08	2008-09	
Educational Institutions (Aided Schools, Aided Colleges, Universities, <i>etc.</i>)	2,068.11	2,200.13	5,234.33	6,859.58	8,214.83	
Municipal Corporations and Municipalities	1,852.32	1,031.02	2,652.27	1,351.25	1,651.47	
Zilla Parishads and Other Panchayati Raj Institutions	6,300.48	7,472.84	7,321.27	8,007.34	10,501.98	
Development Agencies	1,766.17	2,463.92	761.65	1,148.03	1,914.93	
Hospitals and Other Charitable Institutions	256.10	131.07	64.15	80.57	674.43	
Other Institutions	8,975.06	14,088.71	10,818.55	10,842.90	12,711.32 ¹⁰	
Total	21,218.24	27,387.69	26,852.22	28,289.67	35,668.96	
Assistance as percentage of RE	42	52	44	44	47	

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 has increased from Rs 21,218 crore in 2004-05 to Rs 35,669 crore in 2008-09 except in 2006-07. During 2008-09, more financial assistance was given to (a) educational institutions (Rs 1,355 crore); (b) Municipal Corporations and Councils (Rs 300 crore) mainly due to abolition of Octroi in Municipal Council Area; (c) Zilla Parishads and other Panchayati Raj

¹⁰ Includes Agriculture and Allied Activities : Rs 3,758.75 crore, Education, Sports, Art & Culture: Rs 2,082.34 crore, Energy: Rs 1,006.39 crore, General Services : Rs 558.87 crore, Industries & Minerals : Rs 112.23 crore, Rural Development: Rs 791.10 crore, Transport : Rs 287.73 crore, Water Supply, Sanitation, Housing and Urban Development : Rs 997.12 crore and Welfare of SC,ST and OBC : Rs 1,131.83 crore.

Institutions (Rs 2,495 crore) due to increased assistance to Jawaharlal Nehru National Urban Renewal Mission, Welfare of SC, ST and OBC, Minor Irrigation, Roads & Bridges and Stamp duty grants to Zilla Parishads; (d) Development Agencies (Rs 767 crore) for rural development programmes; (e) Hospitals and other charitable institutions (Rs 594 crore) due to increased grants given to Primary Health Centres and National Rural Health Mission and (f) Co-operatives (Rs 1,868 crore).

Huge pendency in furnishing of utilisation certificates indicated lack of monitoring on utilisation of the funds released to the local bodies *etc.*

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 the effectiveness (assessment of outlay-outcome relationships for select services).

1.5.1 Adequacy of public expenditure

The expenditure responsibilities relating to social sectors and economic infrastructure are largely assigned to the State Governments. Enhancing human development levels requires the States to step up their expenditure on key social services like education and health *etc.* The low level of spending on any sector in a particular State may be either due to low fiscal priority attached by the State Government or on account of the low fiscal capacity of the State Government or due to both working together. The low fiscal priority (ratio of expenditure category to aggregate expenditure) is attached to a particular sector if it is below the respective national average while the low fiscal capacity would be reflected if the State's per capita expenditure is below the respective national average even after having a fiscal priority that is more than or equal to the national average. **Table 1.21** analyses the fiscal priority and fiscal capacity of the State Government with regard to development expenditure (DE), social sector expenditure (SSE) and capital expenditure (CE) in 2005-06 and 2008-09.

Table 1.21: Fiscal priority and fiscal capacity of the State in 2005-06 and 2008-09

Fiscal Priority by the State	AE/GSDP	DE/AE	SSE/AE	CE/AE
All States/National Average* (Ratio) 2005-06	19.50	61.44	30.41	14.13
Maharashtra's Average (Ratio) 2005-06	15.92	65.30	31.77	15.13
All States/National Average* (Ratio) 2008-09	19.16	67.68	33.90	16.87
Maharashtra Average (Ratio)* 2008-09	13.74	70.49	34.55	24.28
Fiscal Capacity of the State	DE#	SSE	CE	
All States average per capita expenditure 2005-06	3010	1490	692	
Maharashtra's per capita expenditure (Amount in Rs) in 2005-06	4183	2035	969	
Adjusted per capita** expenditure (Amount in Rs) in 2005-06	NR	NR	NR	
All States' average per capita expenditure 2008-09	5030	2520	1254	
Maharashtra's per capita expenditure (Amount in Rs) in 2008-09	6215	3047	1736	
Adjusted per capita** expenditure (Amount in Rs) in 2008-09	NR	NR	NR	

* As per cent to GSDP

** Calculated as per the methodology explained in the Box 1.3

AE: Aggregate Expenditure DE: Development Expenditure SSE: Social Sector Expenditure

CE: Capital Expenditure.

Population of Maharashtra: 10.40 crore in 2005-06 and 10.87 crore in 2008-09.

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

Source: (1) For GSDP, the information was collected from the State's Directorate of Economics and Statistics (2) Population figures were taken from Projection 2001-2026 of the Registrar General & Census Commissioner, India (**Website: <http://www.censusindia.gov.in>**)
Population = Average of Projected population for 2005 and 2006.

NR: No adjustment required since the State is giving adequate fiscal priority.

In **Table 1.21**, the fiscal priority given to different categories of expenditure and fiscal capacity of Maharashtra in 2005-06 (the first year of the Award Period of the Twelfth Finance Commission) has been compared with priorities during the current year 2008-09. In both the years under consideration, the Maharashtra Government had a lower Aggregate Expenditure (AE) as a percentage of GSDP (15.92 *per cent* and 13.74 *per cent*) compared to the All India average of 19.50 *per cent* and 19.16 *per cent* respectively.¹¹ The State has given adequate fiscal priority to DE, SSE and CE since DE/AE, SSE/AE and CE/AE in the case of Maharashtra was higher than the national average. In 2008-09, once again, while the AE/GSDP ratio was lower than the national average, it is observed adequate priority was given for all categories of expenditure compared to the national average.

In 2005-06 and 2008-09, the per capita expenditure of DE, SSE and CE was higher than the national average, indicating that the absorptive capacity¹² in the State is high and the effective systems are in place to benefit the people.

The percentage increase of State's per capita expenditure over the national average in respect of DE, SSE and CE decreased from 39, 37 and 40 in 2005-06 to 24, 21 and 38 in 2008-09 respectively.

Box 1.3

Methodology adopted for assessment of fiscal position

For working out the fiscal capacity of the State Governments, the following methodology given in Twelfth Finance Commission report has been adopted.

Step 1: Calculate the national average of AE-GSDP and CE/DE/SSE-AE.

Step 2: Based on the national average of AE-GSDP ratio, derive the aggregate expenditure so that no State is having a ratio AE-GSDP less than the national average, *i.e.*, if

$$AE/GSDP = x$$

$$AE = x * GSDP \dots\dots\dots(1)$$

where x is the national average of AE-GSDP ratio.

Wherever the States are having AE-GSDP ratio higher than national average, no adjustments were made. Wherever this ratio was less than average, it was made equal to the national average.

Step 3: Based on the national average of DE-AE, SSE-AE and CE-AE, derive the respective DE, SSE and CE, so that no State is having these ratios less than national average, *i.e.*, if

$$DE/AE = y$$

$$DE = y * AE \dots\dots\dots(2)$$

where y is the national average of DE-AE ratio

Substituting (1) in (2), we get

$$DE = y * x * GSDP \dots\dots\dots(3)$$

Wherever the States are having DE-AE, SSE-AE and CE-AE ratio higher than national average, no adjustments have been made. Wherever these ratios were less than average, it was made equal to the national average.

Step 4: Based on the derived DE, SSE and CE as per equation (3), respective per capita expenditure was calculated, *i.e.*,

$$PCDE = DE/P \dots\dots\dots(4)$$

11 Maharashtra has the highest GSDP among all the States in the country

12 see glossary at page 99

where PCDE is the per capita development expenditure and P is the population.

Substituting (3) in (4), we get

$$PDE = (y * x * GSDP)/P \dots\dots\dots(5)$$

Equation (5) provides the adjusted per capita expenditure. If the adjusted per capita expenditure is less than the national average of per capita expenditure, then the States' low level of spending is due to the low fiscal capacity. This gives a picture of actual level of expenditure when all the State Governments are attaching fiscal priority to these sectors equivalent to the national average.

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 goods.¹³ Apart from improving the allocation towards development expenditure,¹⁴ 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. While the **Table 1.22** presents the trends in development expenditure relative to the aggregate expenditure of the State during the current year *vis-à-vis* budgeted and during the previous year, **Table 1.23** provides the details of capital expenditure and the component of revenue expenditure incurred on the maintenance of the selected social and economic services.

Table 1.22: Development expenditure

Components of Development Expenditure	2004-05	2005-06	2006-07	2007-08	(Rupees in crore)	
					2008-09	
					BE	Actuals
Development Expenditure (a to c)	38,510 (62.4)	43,502 (65.3)	47,433 (64.3)	52,383 (67.6)	56,770 (60.77)	67,560 (70.5)
a. Development Revenue Expenditure	27,930 (45.3)	29,232 (43.9)	35,262 (47.8)	40,010 (51.6)	42,299 (45.28)	47,865 (49.9)
b. Development Capital Expenditure	7,829 (12.7)	10,008 (15)	9,849 (13.3)	11,148 (14.4)	13,493 (14.44)	18,414 (19.2)
c. Development Loans and Advances	2,751 (4.5)	4,262 (6.4)	2,322 (3.1)	1,225 (1.6)	978 (1.05)	1,281 (1.3)

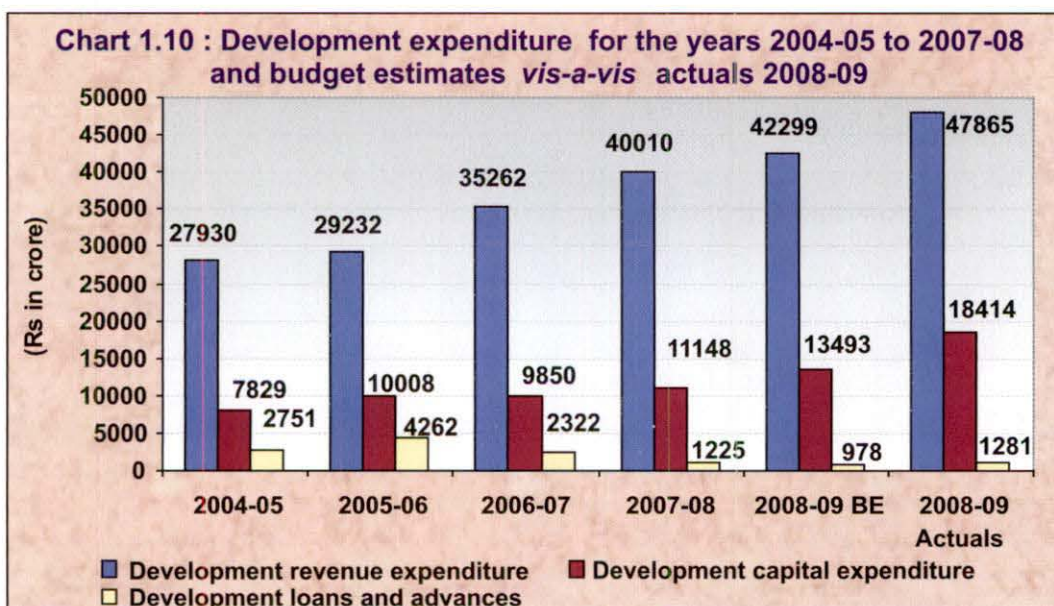
Source : Finance Accounts

Figures in the parentheses indicate as *per cent* to total expenditure

The development revenue expenditure increased by Rs 7,855 crore from Rs 40,010 crore in 2007-08 to Rs 47,865 crore in 2008-09. The increase under social services was Rs 4,279 crore while increase under economic services was Rs 3,576 crore. The actual development revenue expenditure was more than the State's projection in budget by Rs 5,566 crore.

13 See the glossary at page 99

14 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 categorised 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.



The development capital expenditure increased by Rs 7,266 crore from Rs 11,148 crore in 2007-08 to Rs 18,414 crore in 2008-09. The increase under social services was Rs 1,322 crore while increase under economic services was Rs 5,944 crore. The actual development capital expenditure was more than the State's projection in budget by Rs 4,921 crore.

The development loans and advances increased by Rs 56 crore from Rs 1,225 crore in 2007-08 to Rs 1,281 crore in 2008-09. The actual development loans and advances was more than the State's projection in budget by Rs 303 crore.

Table 1.23 –Efficiency of expenditure use in selected social and economic services

(In per cent)

Social / Economic Infrastructure	Ratio of CE to TE	2007-08		Ratio of CE to TE	2008-09		
		In RE, the share of			In RE, the share of		
		S & W	O&M [§]		S&W	S&W*	O &M [§]
Social Services (SS)							
Education, Sports, Art & Culture	1.09	1.12	0.17	2.30	2.74	76.68	0.05
Health and Family Welfare	3.16	40.2	0.01	9.87	44.61	63.2	0.01
Housing, Urban Development, Water Supply & Sanitation	1.18	0.75	0.27	10.03	0.99	6.47	0.34
Total (SS)	2.7	7.52	0.32	6.24	8.31	51.83	0.38
Economic Services (ES)							
Agriculture & Allied Activities	19.04	32.98	0.08	16.89	21.35	26.63	0.05
Irrigation and Flood Control	80.13	27.37	0.37	85.32	28.61	30.8	0.56
Power & Energy	19.07	0.29	0.02	24.23	0.53	0.53	0.02
Transport	40.37	0	1.86	44.52	0.04	2.16	1.5
Total (ES)	44.01	18.36	3.1	49.3	14.33	17.11	2.77
Total (SS+ES)	21.79	11.11	3.42	27.78	10.42	39.63	3.14

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

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

[§] Source : Finance Accounts

The trends presented in **Table 1.23** reveal that development capital expenditure as a percentage to total expenditure increased from 21.79 in 2007-08 to 27.78 in 2008-09. While the share of salary and wages in revenue expenditure marginally decreased from 11.11 *per cent* in 2007-08 to 10.42 *per cent* in 2008-09, operations and maintenance in revenue expenditure reduced from 3.42 *per cent* in 2007-08 to 3.14 *per cent* in 2008-09.

The percentage of capital expenditure on social services to total expenditure increased from 2.70 in 2007-08 to 6.24 in 2008-09 while percentage of capital expenditure on economic services to total expenditure increased from 44.01 in 2007-08 to 49.30 in 2008-09. The increase was mainly seen under health and family welfare and water supply, sanitation, housing and urban development under social services and irrigation and flood control, power and energy and transport under economic services.

The share of salary and wages in revenue expenditure on social services increased from 7.52 *per cent* in 2007-08 to 8.31 *per cent* in 2008-09 while the share of salary and wages in revenue expenditure on economic services decreased from 18.36 *per cent* in 2007-08 to 14.33 *per cent* in 2008-09.¹⁵ The increase was mainly seen under general education, health and family welfare and water supply, sanitation, housing and urban development under social services while the decrease was seen under agriculture and allied activities under economic services.

The share of operations and maintenance in revenue expenditure on social services increased from 0.32 *per cent* in 2007-08 to 0.38 *per cent* in 2008-09 while the share of operations and maintenance in revenue expenditure on economic services decreased from 3.10 *per cent* in 2007-08 to 2.77 *per cent* in 2008-09. The increase was mainly seen under water supply, sanitation, housing and urban development under social services while the decrease was seen under agriculture and allied activities and transport under economic services.

1.6 Financial analysis of Government expenditure and investments

In the post-FRBM framework, the State is expected to keep its fiscal deficit (and borrowing) 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 return 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 out of 35 major irrigation projects of the Government having a capital outlay of Rs 692.60 crore at the end of March 2009, showed that revenue realised from these projects during 2008-09 (Rs 140.57 crore) was 20.30 *per cent* of the capital outlay. After considering the working and maintenance expenses (Rs 8.14 crore) and interest charges (Rs 70.14 crore), the schemes gained a net profit of Rs 62.29 crore during 2008-09.

1.6.2 Incomplete projects

The department-wise information pertaining to incomplete projects as on 31 March 2009 is given in **Table 1.24**.

¹⁵ salaries & wages exclusive of grants-in-aid was considered for comparison, as the previous year's figures did not include salaries paid out of grants-in-aid.

Table 1.24: Department-wise profile of incomplete projects

(Rs in Crore)						
Department	No of incomplete projects	Initial budgeted cost	Revised total cost of projects	Cost over run	Cumulative actual expenditure as on 31.3.2009	
Public Works	52	224.94	NA	NA	87.17	
Housing	3	9.01	NA	NA	11.77	
Road & Bridges	64	842.64	NA	NA	204.75	
Irrigation and Flood Control	23	893.80	3,467.72	2,573.92	5,017.22	
	2	17.81	NA	NA	20.83	
Total	144	1,988.20	3,467.72	2,573.92	5,341.74	

Source : Finance Accounts

NA = Not available

The details of incomplete projects pertaining to four departments are presented in **Table 1.24**. In respect of incomplete irrigation projects, the initial budgeted cost increased from Rs 893.80 crore to Rs 3,467.72 crore resulting in significant cost overrun of Rs 2,573.92 crore. Of the 144 incomplete projects, time overruns occurred up to 23 years in respect of major and medium irrigation projects, up to six years in respect of PWD projects, up to two years in respect of housing projects and up to three years in respect of roads and bridges.

1.6.3 Investment and returns

As of 31 March 2009, Government had invested Rs 56,386 crore in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives (**Table 1.25**). The average return on this investment was 0.11 *per cent* in the last five years while the Government paid average interest rate of 7.57 *per cent* on its borrowings during 2004-09.

Table 1.25: Return on investment

Investment/Return/Cost of Borrowings	2004-05	2005-06	2006-07	2007-08	2008-09
Investment at the end of the year (Rupees in crore)	25,829.74	31,917.62	37,531.49	44,256.26	56,386.38
Return (Rupees in crore)	26.73	3.66	6.16	122.00	71.16
Return (<i>per cent</i>)	0.10	0.01	0.02	0.28	0.13
Average rate ¹⁶ of interest on govt borrowing (<i>per cent</i>)	7.97	7.09	7.78	7.74	7.29
Difference between interest rate and return (<i>per cent</i>)	7.87	7.08	7.76	7.46	7.16

Source : Finance Accounts

The increase in investments of Rs 12,130 crore during 2008-09 was attributable to increased capital contributions to Godavari Marathwada Irrigation Development Corporation (Rs 1,824 crore), Konkan Irrigation Development Corporation (Rs 622 crore), Maharashtra Krishna Valley Development Corporation (Rs 3,916 crore), Tapi Irrigation Development Corporation (Rs 794 crore), Vidarbha Irrigation Development Corporation (Rs 3,623 crore), Maharashtra State Road Transport Corporation (Rs 171 crore) and Maharashtra Water Conservation Development Corporation (Rs 378 crore) as compared to the previous year.

As on 31 March 2009, 21 Companies and one Corporation in which Government had invested Rs 9,052.05 crore (share capital: Rs 8,608.14 crore, loan: Rs 443.91 crore) were incurring losses and their accumulated losses amounted to Rs 4,080.45 crore (net). According to the information furnished by the Commissioner for Co-operation and Registrar of Co-operative Societies as on 31 March 2009, 9,069 societies with an aggregate investment of Rs 152.82 crore (equity: Rs 114.99 crore and loan: Rs 37.83 crore) had accumulated losses of Rs 151.91 crore (99 *per cent* of the initial investments) made in these societies.

¹⁶ see glossary at page 97 for method of calculation.

1.6.4 Departmental commercial undertakings

Activities of quasi-commercial nature are also performed by departmental undertakings of certain Government Departments. The Department-wise position of the investment made by the Government up to the year for which *Proforma Accounts* are finalised, net profits/loss as well as return on capital invested in these undertakings are given in **Appendix 1.6**. It is observed that:

- An amount of Rs 1,285.73 crore had been invested by the State Government in these four undertakings having 49 units, at the end of financial year up to which their accounts were finalised.
- Of the four undertakings having 49 units, seven units (14.29 *per cent*) could only earn net profit amounting to Rs 23.92 crore against the capital invested of Rs 398.05 crore thereby yielding the rate of return of 6.01 *per cent*. The major profit making units were Procurement and Distribution and Price Control Scheme in Mumbai and Thane Rationing Area (Rs 18.35 crore), Allapalli and Pendigundam Forest Ranges of Forest Divisions including Saw Mills & Timber Depot (Rs 3.83 crore) and Agricultural Scheme, Mumbai (Rs 0.81 crore) as per the last accounts finalised.
- Of the loss making units, 19 units were incurring losses continuously for more than five years.
- As per the accounting system being followed by the departmental commercial undertakings (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 the Capital Account in the Balance Sheet. Therefore, the figures of accumulated loss cannot be ascertained from the *Proforma Accounts* of the Departmental Undertakings. However, the matter has been taken up with the departmental commercial undertakings to indicate the accumulated losses in all the future balance sheets.

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, Government has also been providing loans and advances to many of these institutions/organisations. **Table 1.26** presents the outstanding loans and advances as on 31 March 2009, interest receipts *vis-à-vis* interest payments during the last three years.

Table 1.26: Average interest received on loans advanced by the State Government

Quantum of loans/interest receipts/ cost of borrowings	(Rupees in crore)		
	2006-07	2007-08	2008-09
Opening Balance	15,363	17,634	18,126
Amount advanced during the year	2,322	1,225	1,281
Amount repaid during the year	51	733	560
Closing Balance	17,634	18,126	18,847
Of which Outstanding balance for which terms and conditions have been settled	NA	NA	NA
Net addition	2,271	492	721
Interest Receipts	639	522	99
Interest receipts as <i>per cent</i> to outstanding Loans and advances	3.87	2.92	0.54
Interest payments as <i>per cent</i> to outstanding fiscal liabilities of the State Government.	7.78	7.74	7.29
Difference between interest payments and interest receipts (<i>per cent</i>)	(-3.91)	(-4.82)	(-6.75)

The total outstanding loans and advances as on 31 March 2009 was Rs 18,847 crore (**Table 1.26**). The amount of loans disbursed during the year increased from Rs 1,225 crore

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in 2007-08 to Rs 1,281 crore in 2008-09. Out of the total amount of loans advanced during the year, Rs 177 crore went to social services and Rs 628 crore to economic services. Under the economic services, the major portion of loans went to power (50 *per cent*) followed by co-operatives (37 *per cent*). However, recovery of loans and advances decreased from Rs 733 crore in 2007-08 to Rs 560 crore during the current year mainly on account of less recoveries from the power and energy sector (Rs 238 crore).

Similarly, interest received against these loans declined from 2.92 *per cent* in the previous year to 0.54 *per cent* during 2008-09 mainly due to less interest receipts from power projects (Rs 365 crore).

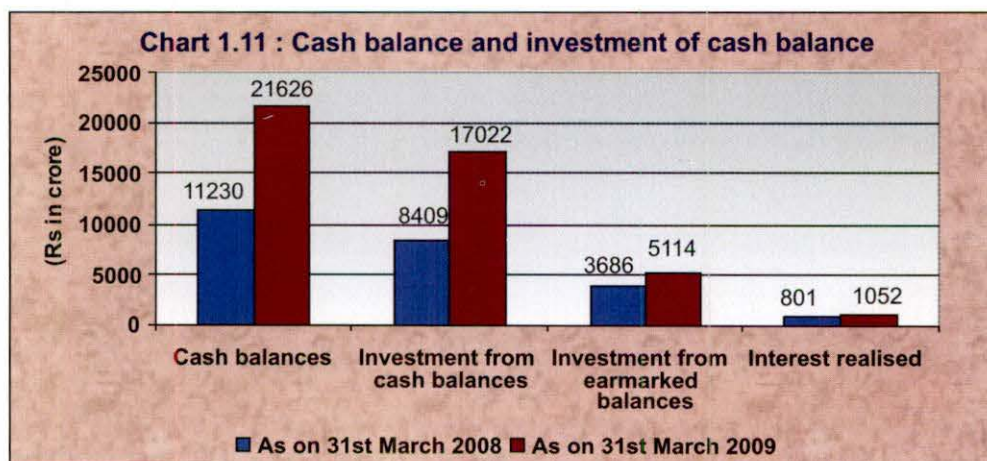
1.6.6 Cash balances and investment of cash balances

Table 1.27 and **Chart 1.11** depict the cash balances and investments made by the State Government out of cash balances during the year.

Table 1.27: Cash balances and investment of cash balances

		(Rs in crore)		
	Particulars	As on 31 March 2008	As on 31 March 2009	Increase/ Decrease
	Cash in treasuries	2.89	1.16	(-) 1.73
	Deposits with Reserve Bank	(-) 1,040.19	(-) 721.83	318.36
	Remittances in transit-Local	130.37	177.88	47.51
	Cash with the departmental officers	42.39	32.81	(-) 9.58
	Permanent advance for contingent expenditure with departmental officers	0.43	0.46	0.03
	Investments from cash balances (a to d)	8,408.55	17,022.33	8,613.78
a.	Gol Treasury Bills	8,407.85	17,021.63	8,613.78
b.	Gol Securities	--	--	--
c.	Other Securities, if any specify	--	--	--
d.	Other Investments	0.70	0.70	--
	Funds-wise break-up of investment from Earmarked balances (a to e)	3,685.88	5,113.61	1,427.73
a.	General and other Reserve Funds	30.74	30.74	--
b.	Sinking Fund	3,640.62	5,068.36	1,427.74
c.	Funds for Development of Milk supply	1.00	1.00	--
d.	Other Development and Welfare Funds	13.44	13.43	-0.01
e.	Miscellaneous Deposits	0.08	0.08	--
	Total Cash Balances	11,230.32	21,626.42	10,396.10
	<i>Interest Realised</i>	800.88	1051.50	250.62

Source : Finance Accounts



The interest received on investment of cash balances was 5 per cent during 2008-09 while interest paid by Government on its borrowings during the year was 7.29 per cent.

The State Government's cash balances of Rs 21,626 crore at the end of current year showed an increase by 93 per cent (Rs 10,396 crore) over the previous year. Of the above, Rs 17,022 crore was invested in Government of India Treasury Bills and earned an interest of Rs 223 crore during the year. Further, Rs 5,114 crore was invested in earmarked funds. However, the balance with Reserve Bank of India was (-) Rs 722 crore as on 31 March 2009.

1.7 Assets and Liabilities

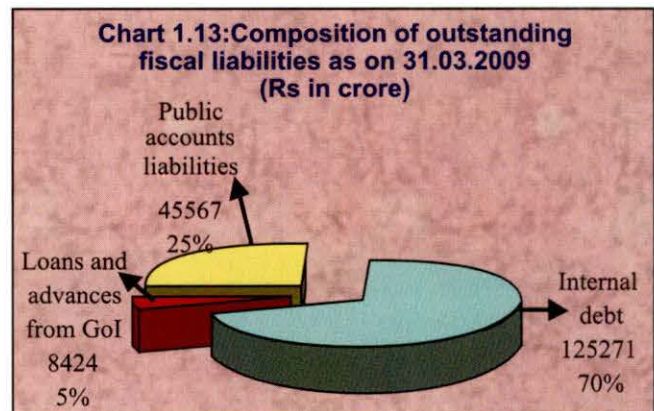
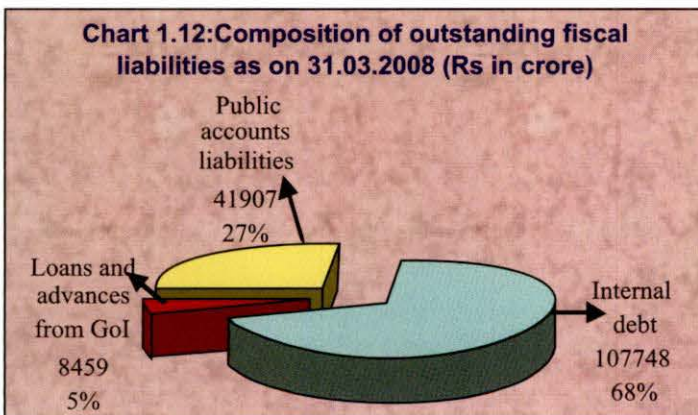
1.7.1 Growth and composition of assets and liabilities

In the 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 1.4** gives an abstract of such liabilities and the assets as on 31 March 2009, compared with the corresponding position on 31 March 2008. While the liabilities in this Appendix consist mainly of internal borrowings, loans and advances from the GoI, receipts from the Public Account and Reserve Funds, the assets comprise mainly of 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 trends in outstanding fiscal liabilities of the State are presented in **Appendix 1.4**. The composition of fiscal liabilities during the current year vis-à-vis the previous year is presented in **Charts 1.12** and **1.13**.



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Table 1.28 gives the fiscal liabilities of the State, their rate of growth, the ratio of these liabilities to GSDP, to revenue receipts and to State's own resources as also the buoyancy of fiscal liabilities with reference to these parameters.

Table-1.28: Fiscal liabilities – basic parameters

	2004-05	2005-06	2006-07	2007-08	2008-09
Fiscal Liabilities (Rs in crore)	1,21,026	1,42,491	1,57,039	1,58,114	1,79,262
Rate of Growth (per cent)	15.92	17.74	10.21	0.68	13.38
Ratio of Fiscal Liabilities to :					
GSDP (per cent)	32.5	33	30.8	26.8	25.7
Revenue Receipts (per cent)	295	294.1	252.5	198.7	220.6
Own Resources (per cent)	348.5	360.9	329.8	245.2	290
Buoyancy of Fiscal Liabilities with reference to :					
GSDP (ratio)	1.369	1.09	0.574	0.042	0.741
Revenue Receipts (ratio)	0.824	0.98	0.36	0.024	6.371
Own Resources (ratio)	0.76	1.296	0.496	0.019	-3.263

The overall fiscal liabilities of the State increased at an average annual rate of 9.6 per cent during the period 2004-09. The growth rate increased sharply from 0.68 per cent in 2007-08 to 13.38 per cent in 2008-09 mainly due to steep increase in internal debt and marginal increase in reserve funds and deposits. During 2008-09, debt to GSDP ratio at 25.7 per cent was slightly higher than the projections made in MTFPS (24.09 per cent) and it was lower than projections in FCP (25.89 per cent) and TFC (30.8 per cent). These liabilities were around two times the revenue receipts and three times the State's own resources at the end of 2008-09. The buoyancy of these liabilities with respect to GSDP during the year was 0.741, indicating that for each one per cent increase in GSDP, fiscal liabilities grew by 0.74 per cent.

Of the total fiscal liabilities, the share of public debt was maximum (75 per cent), followed by deposits (10 per cent); reserve funds (9 per cent) and small savings, provident fund etc., (6 per cent). Fiscal liabilities increased by Rs 21,148 crore from Rs 1,58,114 crore in 2007-08 to Rs 1,79,262 crore in 2008-09 mainly due to increase in public debt (Rs 17,488 crore), reserve fund (Rs 1,617 crore), deposits (Rs 1,239 crore) and small savings and provident funds (Rs 803 crore).

The State Government set up a Consolidated Sinking Fund during the financial year 1999-2000 for amortisation of open market loans. As on 31 March 2009, the outstanding balance in Sinking Fund was Rs 5,068.36 crore, including Rs 1,427.74 crore for 2008-09 and the entire amount was invested.

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.

As per the Statement 6 of the Finance Accounts, the maximum amount for which guarantees were given by the State and outstanding guarantees for the last three years is given in **Table 1.29**.

Table-1.29: Guarantees given by the Government of Maharashtra

	(Rupees in crore)		
Guarantees	2006-07	2007-08	2008-09
Maximum amount guaranteed	87,778	84,164	88,371
Outstanding amount of guarantees	63,509	58,276	51,471
Percentage of maximum amount guaranteed to total revenue receipt	141	106	109

During the year 2008-09, guarantees of the order of Rs 3,143.98 crore were given by the State Government. Guarantees were given for repayment of share capital, raising loans, debentures, bonds etc., by Co-operative sugar factories (Rs 136.48 crore), Maharashtra State Cotton Co-operatives (Rs 1,100 crore), Ratnagiri Gas and Power Private Limited (Rs 300 crore), Shabari Adivasi Finance and Development Corporation (Rs 25 crore), Maharashtra State Handicapped Finance and Development Corporation (Rs 25 crore), Maharashtra State Other Backward Finance and Development Corporation (Rs 50 crore), Lokshahir Annabhau Sathe Development Corporation (Rs 50 crore) and Maharashtra Agriculture Industries Development Corporation (Rs 457.50 crore). Outstanding guarantees (Rs 51,471 crore) during 2008-09 accounted for 63 per cent of the revenue receipts (Rs 81,271 crore). The outstanding guarantees during 2008-09 were 7.38 per cent of the GSDP. The State Government has achieved the commitment made in MTFPS (March 2008) to bring it down to approximately 10 per cent in 2008-09 from 10.07 per cent in previous year. However, **State Government has not set up the Guarantee Redemption Fund so far despite the recommendation of TFC to meet the contingent liabilities arising from the guarantees given by the Government.**

The State Government charges guarantee fees for guarantees given to institutions and the same is booked under 'Miscellaneous General Services'. The Guarantee fees recovered during 2008-09 was Rs 3,539.02 crore.

Sums paid by the Government in the event of invocation of guarantee are charged to 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 Fund does not exist and under the Guarantee Reserve Fund where it exists. Rupees 186.72 crore were recoverable on account of invocation of guarantee at the end of 2005-06. Out of Rs 165.39 crore recoverable at the end of 2007-08 on account of invocation of guarantee, initially met by the Government, Rs 11.03 crore was recovered from the institutions during 2008-09 leaving a balance of Rs 154.36 crore as at the end of the year. No amount was paid by the Government on account of invocation of guarantee during 2008-09.

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 liabilities shown in **Table 1.29**, 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 projected that funds for these programmes would be met out of the resources mobilised 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'. The off-budget borrowings are not permissible under Article 293 (3) of the Constitution. There were no off-budget borrowings during the years 2005-06 to 2007-08. However, at the close of 2008-09, Rs 4,277 crore was outstanding on account of off-budget borrowings prior to 2005-06.

As per Fiscal Policy Strategy Statement 2008-09, the State Government had completely stopped off-budget borrowings from the year 2005-06. The Government did not envisage any difficulty in raising the necessary resources to finance the Plan for 2008-09.

1.8 Debt sustainability

Apart from the magnitude of debt of State Government, it is important to analyse various indicators that determine the debt sustainability¹⁷ of the State. This section assesses the sustainability of debt of the State Government in terms of debt stabilisation¹⁷, sufficiency of non-debt receipts¹⁷, net availability of borrowed fund¹⁷, burden of interest payments (measured by interest payments to

¹⁷ see glossary at page 97

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revenue receipts ratio) and maturity profile of State Government securities. **Table 1.30** analyses the debt sustainability of the State according to these indicators for the period of three years beginning from 2006-07.

Table 1.30: Debt sustainability: indicators and trends

Indicators of debt sustainability	2006-07	2007-08	2008-09
Debt Stabilisation (Rs in crore)			
(Quantum Spread + Primary Deficit) ¹⁸	14,366	28,044	15,313
Sufficiency of Non-debt Receipts (Resource Gap) (Rs in crore)	6,078	14,375	-16,820
Net Availability of Borrowed Funds (Rs in crore)	2,892	-11,130	8,848
Burden of Interest Payments(IP/RR Ratio) (in per cent)	0.19	0.15	0.15

Table 1.30 reveals that the emergence of positive sum of quantum spread and primary deficit since 2006-07 indicates the tendency towards the debt stabilisation which would eventually improve the debt sustainability position of the State in ensuing years.

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 years 2006-07 and 2007-08 there was a positive resource gap indicating increasing capacity of the State to sustain the debt in the medium to long run; however, during the year 2008-09 there was negative resource gap indicating the beginning of risk of non-sustainability of debt.

During 2008-09, Government raised internal debt of Rs 20,323 crore, GoI loans of Rs 386 crore and other obligations of Rs 15,875 crore. Government repaid internal debt of Rs 2,800 crore, GoI loans of Rs 421 crore and discharged other obligations of Rs 12,216 crore along with interest of Rs 12,299 crore resulting in net increase in debt receipts by Rs 8,848 crore during the year.

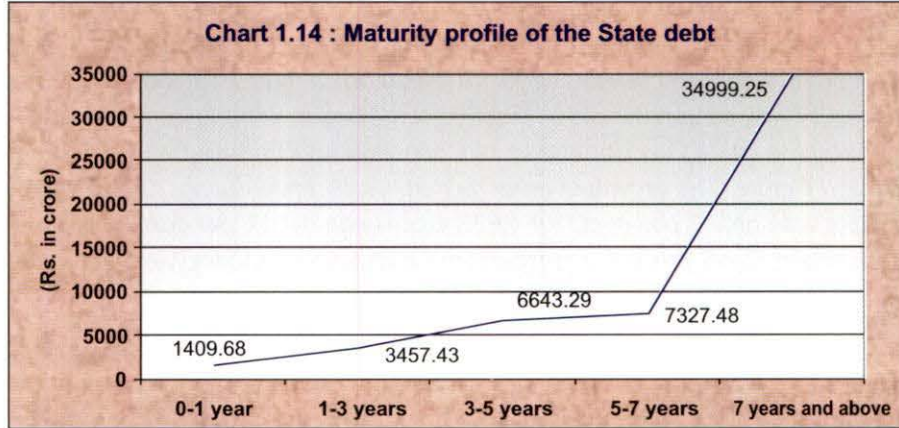
Table 1.31: Maturity profile of State debt

Maturity Profile	(Rupees in crore)	
	Amount	Percent
0 – 1 year	1,409.68	1.05
1 – 3 years	3,457.43	2.59
3 – 5 years	6,643.29	4.97
5 – 7 years	7,327.48	5.48
7 years and above	34,999.25	26.18
Information of maturity profile not furnished by the State Government	79,857.50	59.73
Total	1,33,694.63	100.00

Source : Finance Accounts

The maturity of the State Debt (for which information was furnished by the State Government) as per **Table 1.31** indicates that nearly 21.38 per cent of the total State debt is repayable within the next five years while the remaining 78.62 per cent are required to be paid in more than five years. It further indicates that the liability of the State to repay the debt would be Rs 6,643.29 crore during the period 2012-14 and Rs 7,327.48 crore during 2014-16 which would put a strain on the Government budget during that period. The State may have to borrow further to repay those loans.

¹⁸ see the glossary at page 97



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 FRBM Act/Rules for the financial year 2008-09.

1.9.1 Trends in deficits

Charts 1.15 and 1.16 present the trends in deficit indicators over the period 2003-08:

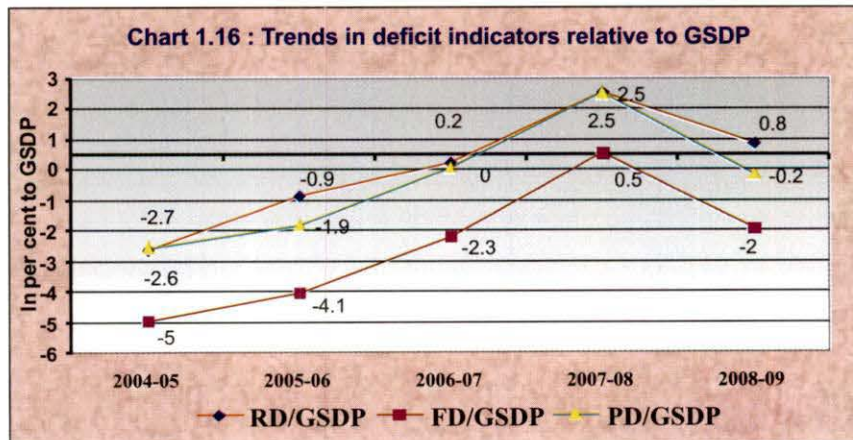
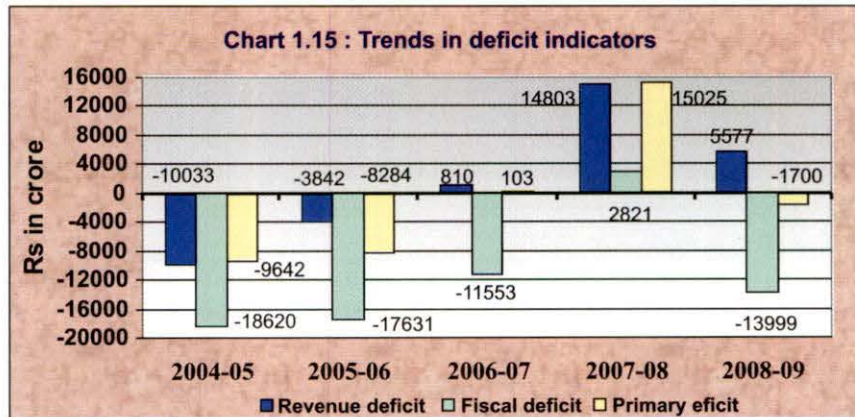


Chart 1.15 reveals that the State had a huge revenue deficit of Rs 10,033 crore during 2004-05. The deficit reduced to Rs 3,842 crore during 2005-06 and turned into a surplus of Rs 810 crore during 2006-07. The revenue surplus increased to Rs 14,803 crore during 2007-08 due to augmentation of non-tax receipts by way of transfer of Rs 10,868 crore lying in various inoperative reserve funds in Public Account by the State Government to its Consolidated Fund. During 2008-09 the revenue surplus was Rs 5,577 crore. The growth of revenue surplus declined during 2008-09 as the increase in revenue receipts was only 2 per cent (Rs 1,688 crore) against 17 per cent increase (Rs 10,914 crore) in revenue expenditure. While the grants from Government of India were increased by 52 per cent, the Central tax transfer increased by 6 per cent.

The reduction of Rs 9,226 crore in revenue surplus combined with increase of Rs 7,383 crore in capital expenditure and an increase of Rs 229 crore in net disbursement of loans and advances in 2008-09 resulted in a fiscal deficit of Rs 13,999 crore during 2008-09, as against the fiscal surplus of Rs 2,821 crore during the previous year.

The primary deficit which persisted in the State budget till 2005-06 took a turnaround and resulted into a primary surplus during 2006-07 and 2007-08 and again turned to primary deficit during 2008-09. A sharp decline of Rs 16,820 crore in fiscal surplus together with an increase of Rs 95 crore in interest payments led to primary deficit of Rs 1,700 crore during the current year from primary surplus of Rs 15,025 crore in 2007-08.

It may, however, be noted that had the revenue receipts not been increased through an unusual transfers of funds from the Public Account to the Consolidated Fund during 2007-08, as discussed earlier, the revenue surplus would have increased by Rs 1,642 crore while fiscal deficit would have increased by Rs 5,952 crore in 2008-09 from their corresponding levels of Rs 3,935 crore and Rs 8,047 crore in 2007-08. Similarly, the primary deficit which has increased by Rs 16,725 crore in 2008-09 would have reduced by Rs 2,457 crore from the level of Rs 4,157 crore in 2007-08.

Table 1.32 : Trends in major fiscal parameters / variables vis-à-vis projections for 2008-09

Fiscal variables	2008-09			
	TFC (2009-10)	MTFPS	FCP	Actuals
Revenue deficit(-)/Surplus(+) as percentage of GSDP	0.0	0.15	0.88	0.80
Fiscal Deficit(-)/Surplus(+) as percentage of GSDP	3.0	(-)2.00	(-)2.12	(-)2.01

Table 1.32 reveals that the State has achieved fiscal targets as laid down in the MFRBM Act/ Rules and TFC much before the timeframe indicated in them with the current year ending in revenue surplus of Rs 5,577 crore which was 0.80 per cent of GSDP and fiscal deficit of Rs 13,999 crore which was 2.01 per cent of GSDP.

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 1.33**.

It can be seen from **Table 1.33** that the fiscal deficit in 2004-05 was mainly due to huge revenue deficit while during 2005-07 and in 2008-09 it was due to large net capital expenditure.

During the years 2004-05 to 2006-07, the fiscal deficit was financed by special securities issued to NSSF, market borrowings and reserve funds. During 2008-09, the fiscal deficit was mainly financed by market borrowings.

During the period 2004-09, there was overall surplus after financing fiscal deficit except during 2004-05 where there was overall deficit after financing fiscal deficit.

Table 1.33: Decomposition and financing pattern of fiscal deficit

(Rs in crore)					
Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
Decomposition of Fiscal Deficit/ Surplus (1+2+3)	18,620(5.01)	17,630(4.08)	11,553(2.27)	-2,821(-0.48)	13,999(2.01)
1 Revenue Deficit	10,033(2.7)	3,842(0.89)	-810(-0.16)	-14,803(-2.5)	-5,577(-0.8)
2 Net Capital Expenditure	7,877(2.12)	10,078(2.33)	10,092(1.98)	11,490(1.94)	18,855(2.7)
3 Net Loans and Advances	710(0.19)	3,710(0.86)	2,271(0.45)	492(0.08)	721(0.1)
Financing Pattern of Fiscal Deficit*					
1 Market Borrowings	3,886(1.04)	1,147(0.27)	1,167(0.23)	7,641(1.29)	16,866(2.42)
2 Loans from Govt	-7,581(-2.04)	-35(-0.01)	95(0.02)	-84(-0.01)	-35(-0.01)
3 Special Securities Issued to NSSF	15,547(4.18)	15,733(3.64)	8,838(1.74)	1,475(0.25)	428(0.06)
4 Loans from Financial Institutions	-657(-0.18)	1,072(0.25)	-250(-0.05)	30(0.01)	229(0.03)
5 Small Savings, PF etc.	495(0.13)	587(0.14)	640(0.13)	685(0.12)	803(0.12)
6 Deposits and Advances	1,598(0.43)	1,426(0.33)	1,714(0.34)	1,876(0.32)	1,240(0.18)
7 Suspense and Misc.	1,270(0.34)	-608(-0.14)	283(0.06)	225(0.04)	3,148(0.45)
8 Remittances	469(0.13)	-178(-0.04)	-1,315(-0.26)	-72(-0.01)	42(0.01)
9 Reserve Funds	3,334(0.9)	1,536(0.36)	2,344(0.46)	-10,547(-1.78)	1,617(0.23)
10 Contingency Fund	-57(-0.02)	666(0.15)	-617(-0.12)	-4(0)	307(0.04)
11 Appropriation to/ from Contingency fund	-	-800(-0.19)	800(0.16)	--	-250(-0.04)
12 Increase(-)/ Decrease (+) in Cash Balance	316(0.08)	-2,916(-0.67)	-2,146(-0.42)	-4,046(-0.68)	-10,396(-1.49)

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

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

1.9.3 Quality of deficit/surplus

The ratio of RD to FD 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, 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

(Rupees 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 (3-6)	8 (2-6)
2004-05	43,054	42,068	7,877	2,751	52,696	986	-9,642
2005-06	48,990	42,933	10,078	4,262	57,273	6,057	-8,283
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

During the period 2004-09, the primary deficit was on account of capital expenditure incurred and loans and advances disbursed by the State Government. In other words, non-debt receipts of the State were enough to meet the primary expenditure¹⁹ requirements in the revenue account, rather left some receipts to meet the expenditure increased under the capital account. But the surplus non-debt receipts were not enough to meet the expenditure requirements under capital account resulting in primary deficit during 2004-06 and 2008-09. However, during 2006-07 and 2007-08, non-debt receipts were sufficient to meet the expenditure requirement both under revenue and capital account resulting in primary surplus. 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.

1.9.4 State's own revenue and deficit correction

It is worthwhile to observe the extent to which the deficit correction is achieved by the State on account of improvement in its own resources which is an indicator of the durability of the correction in deficit indicators. **Table 1.35** presents the change in revenue receipts of the State and the correction of the deficit during the last three years.

Table-1.35 : Change in revenue receipts and correction of deficit

Parameters	2006-07	2007-08	(per cent of GSDP)	
			2008-09	
			BE	Actual
Revenue Receipts (a to d)	12.2	13.5	11.4	11.6
a. State's Own Tax Revenue	7.9	8.0	7.4	7.5
b. State's Own Non- tax Revenue	1.5	2.9	1.0	1.4
c. State's Share in Central Taxes and Duties	1.2	1.3	1.3	1.1
d. Grants-in-Aid	1.7	1.3	1.8	1.6
Revenue Expenditure	12.1	11	11.3	10.8
Revenue Deficit(-)/Surplus(+)	0.2	2.5	0.14	0.8
Fiscal Deficit(-)/Surplus(+)	-2.3	0.5	-1.9	-2

The percentage of State's own tax revenue to GSDP came down to 7.5 in 2008-09 from 7.9 in 2006-07 and 8 in 2007-08. Similarly, the percentage of State's own non-tax revenue to GSDP came down to 1.4 in 2008-09 from 1.5 in 2006-07 and 2.9 in 2007-08 when there was unusual increase in non-tax receipts. The percentage of State's share in Central Taxes and Duties to GSDP reduced to 1.1 in 2008-09 from 1.2 in 2006-07 and 1.3 in 2007-08, while percentage of grants-in-aid to GSDP increased to 1.6 in 2008-09 from 1.3 in 2007-08.

The percentage of revenue expenditure to GSDP decreased from 12.1 in 2006-07 to 11 in 2007-08 and further decreased to 10.8 in 2008-09. The percentage of revenue surplus to GSDP increased from 0.2 in 2006-07 to 0.8 in 2008-09.

The percentage of fiscal deficit to GSDP of 2.3 in 2006-07 came down to 2 in 2008-09. The fiscal surplus in 2007-08 turned to fiscal deficit in 2008-09 due to decrease in revenue surplus and increase in capital expenditure.

¹⁹ 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.

1.10 Conclusion

During 2008-09, the revenue receipts (Rs 81,271 crore) of the State grew by only 2 *per cent* while the revenue expenditure (Rs 75,694 crore) increased by 17 *per cent* over the previous year. This resulted in revenue surplus of Rs 5,577 crore, down from the surplus of Rs 14,803 crore during 2007-08. The real fiscal situation during 2008-09 was better considering the unusual increase in non-tax revenue receipts in 2007-08, due to transfer of funds (Rs 10,868 crore) from Public Account to Consolidated Fund of the State. However, the tax revenue as a percentage of GSDP was less than the normative assessment of TFC and the target set in State's FCP. Revenue arrears also increased significantly to Rs 34,185 crore from Rs 24,444 crore up to the previous year.

The reduction in revenue surplus combined with significant increase in capital expenditure and net disbursement of loans and advances in 2008-09 resulted in a fiscal deficit of Rs 13,999 crore against the fiscal surplus of Rs 2,821 crore during 2007-08. This also led to primary deficit of Rs 1,700 crore during the current year from primary surplus of Rs 15,025 crore in 2007-08. The State has, however, achieved the revenue deficit and fiscal deficit targets relative to GSDP laid down under the Rules framed under the FRBM Act.

The revenue expenditure constituted 79 *per cent* of the total expenditure during 2008-09 and its NPRE component (Rs 63,286 crore) exceeded both the normative projection of the TFC (Rs 47,429 crore) and State's projection in FCP (Rs 56,782 crore). During 2008-09, the committed expenditure *viz.*, salaries, pension liabilities, interest payments and subsidies constituted 70 *per cent* of NPRE. The capital expenditure also increased sharply by Rs 7,383 crore. The buoyancy of total expenditure with reference to GSDP which was 1.445 in 2004-05 significantly declined during 2005-06 to 2007-08, but again rose to 1.313 during 2008-09 due to higher growth of total expenditure.

The per capita development expenditure, social sector expenditure and capital expenditure in the State were more than All States' average. The State has given adequate priority to these areas.

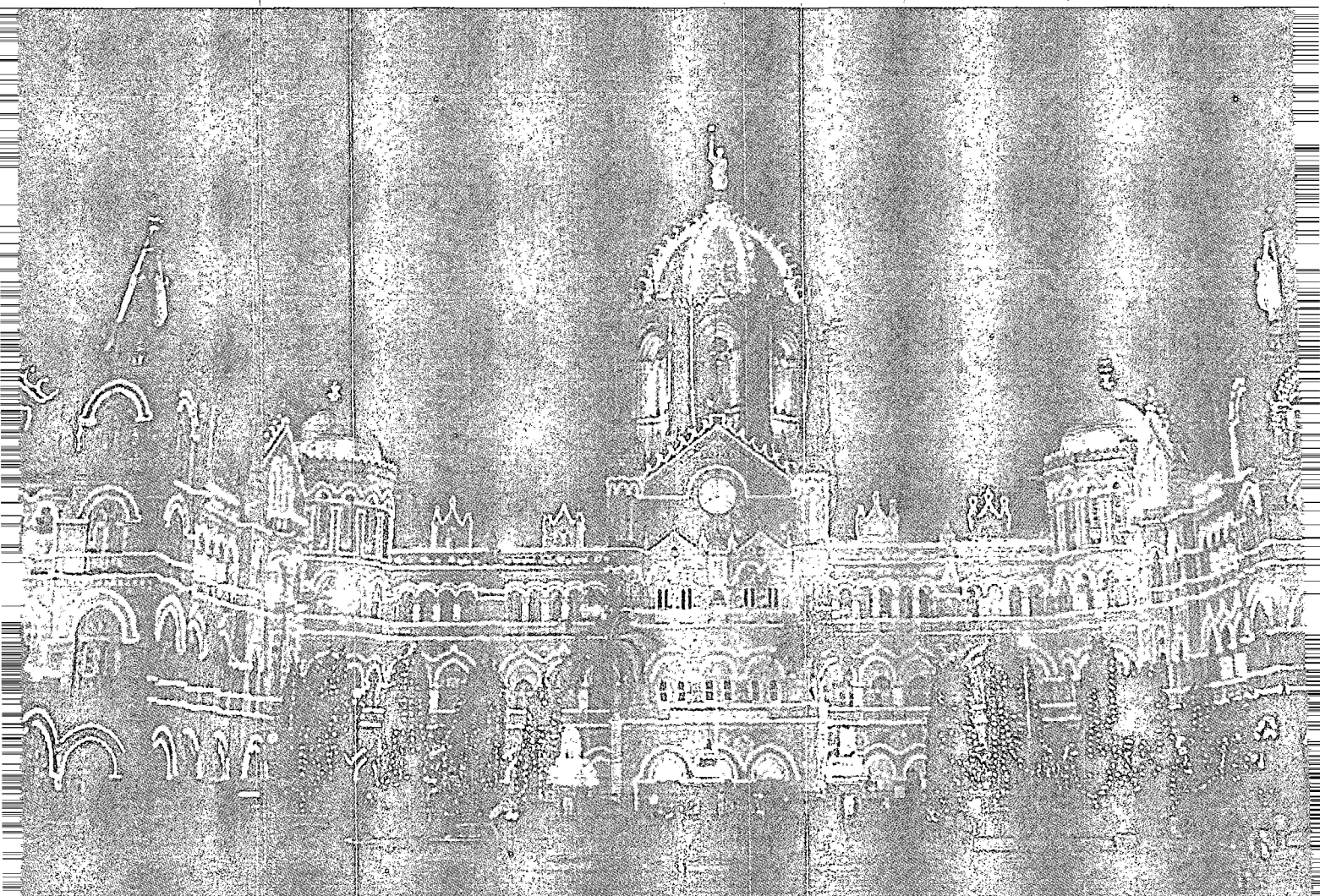
The increasing fiscal liabilities accompanied with negligible rate of return on Government investments and inadequate interest cost recovery on loans and advances might lead to a situation of unsustainable debt situation in the long run, unless suitable measures are initiated to compress the non-plan revenue expenditure and to mobilise the additional resources in ensuing years.

The average return on Government's investment in State undertakings and Co-operatives was 0.11 *per cent* while the cost of borrowing was 7.57 *per cent* during 2004-09. The position of outstanding guarantees as on 31 March 2009 has improved over the previous years and stood at 63 *per cent* of the total revenue receipts and 7.38 *per cent* of GSDP. However, in case the State undertakings, Co-operative banks and sugar factories continue to incur losses, there is an inherent risk of invocation of Government guarantees which the State would have to honour out of its finances as it has not set up the Guarantee Redemption Fund so far to meet such eventualities.

The State was holding large surplus cash investment which earned interest at 5 *per cent* while Government borrowed on an average rate of 7.29 *per cent*.

During 2008-09, Gol directly transferred Rs 2,174 crore to the State implementing agencies not routed through State budget. There is no single agency to monitor the expenditure incurred by these agencies.

There was inordinate delay in completion of 144 incomplete projects in four departments resulting in cost and time overruns, which needs urgent attention of the Government.



Financial Management and Budgetary Control

This Chapter outlines the Maharashtra Government's financial accountability and budgetary practices through audit of Appropriation Accounts. Audit of appropriation by the Comptroller and Auditor General of India seeks to ascertain whether 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.

The 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 estimate, supplementary grants, surrenders and re-appropriation 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 budget. Appropriation Accounts thus facilitates management of finances and monitoring of budgetary provisions and are therefore complementary to Finance Accounts.

2.1 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2008-09 against 332 grants/appropriations is as given in **Table 2.1**:

Table 2.1: Summarised Position of Actual Expenditure *vis-à-vis* Original/ Supplementary provisions

(Rupees in crore)						
	Nature of expenditure	Original grant/ appropriation	Supplementary grant / appropriation	Total	Actual expenditure	Saving (-)/ Excess (+)
Voted	I Revenue	67,822.19	12,545.99	80,368.18	63,749.05	(-) 16,619.13
	II Capital	15,625.94	6,979.00	22,604.94	22,627.69	(+) 22.75
	III Loans and Advances	2,332.02	360.44	2,692.46	1,398.14	(-) 1,294.32
Total Voted		85,780.15	19,885.43	1,05,665.58	87,774.88	(-) 17,890.70
Charged	IV Revenue	13,673.18	598.15	14,271.33	14,109.74	(-) 161.59
	V Capital	3.25	0.10	3.35	0.24	(-) 3.11
	VI Public Debt-Repayment	6,145.67	0.00	6,145.67	4,124.51	(-) 2,021.16
Total Charged		19,822.10	598.25	20,420.35	18,234.49	(-) 2,185.86
	Appropriation to Contingency Fund (if any)	650.00	..	650.00	650.00	..
Grand Total		1,06,252.25	20,483.68	1,26,735.93	1,06,659.37	(-) 20,076.56

Note: The expenditure includes the recoveries adjusted as reduction of expenditure under revenue expenditure Rs 2,164.87 crore and capital expenditure Rs 3,872.27 crore.

Financial Management and Budgetary Control

The overall saving of Rs 20,076.56 crore was the result of saving of Rs 22,465.94 crore in 131 grants and 52 appropriations under Revenue Section, 78 grants and 14 appropriations under Capital Section, offset by excess of Rs 2,389.38 crore in 15 grants and 8 appropriations under Revenue Section and 23 grants and one appropriation under Capital Section.

The saving and excess were intimated to the Controlling Officers requesting them to explain the significant variations. Besides regular reminders, separate meetings were also held with the Controlling Officers of each department by the Accountant General (Accounts and Entitlement) during the period 1 June 2009 to 17 June 2009, in which they were again requested to furnish reasons for excess/saving. The reasons for saving/excess are still awaited from the concerned Controlling Officers.

2.2 Financial accountability and budget management

2.2.1 Appropriation vis-à-vis allocative priorities

The outcome of the appropriation audit reveals that in 24 cases, saving exceeded by Rs 10 crore in each case and also by more than 20 per cent of total provision (**Appendix 2.1**). Out of the total saving of Rs 22,465.94 crore, saving of Rs 18,068.78 crore (81 per cent)¹ occurred in 10 cases relating to 9 grants and 1 appropriation as indicated in **Table 2.2**. below :

Table 2.2 : List of Grants with saving of Rs 50 crore and above

							(Rupees in crore)
Sr. No.	No. and Name of the Grant	Original	Supplementary	Total	Actual Expenditure	Saving	
Revenue-Voted							
1.	C-6 Natural Calamities	514.43	607.01	1,121.44	853.40	268.04	
2.	F-2 Urban Development and Other Advance Services	3,225.30	139.09	3,364.39	2,698.77	665.62	
3.	G-2 Other Fiscal and Miscellaneous Services	10,612.04	0.91	10,612.95	176.21	10,436.74	
4.	L-3 Rural Development Programmes	1,407.65	3,16.90	1,724.55	1,344.62	379.93	
5.	O-3 Rural Employment	792.06	-	792.06	570.27	221.79	
6.	O-4 Other Rural Development Programmes	1,327.59	-	1,327.59	0.08	1,327.51	
7.	Q-3 Housing	1,796.49	57.53	1,854.02	625.41	1,228.61	
Capital-Voted							
8.	K-11 Capital Expenditure on Energy	493.87	923.08	1,416.95	962.79	454.16	
9.	O-9 Capital Outlay on Other Rural Development Programmes	1,425.58	21.32	1,446.90	459.29	987.61	
Capital-Charged							
10.	G-8 Public Debt and Inter State Settlement	5,468.06	--	5,468.06	3,369.29	2,098.77	
Total		--	--	--	--	18,068.78	

The large saving/surrender under "Other Fiscal and Miscellaneous Services" was mainly due to closure of two digit lottery (Rs 568.33 crore out of the provision of Rs 648.26 crore), non-commencement of on-line lottery (entire provision of Rs 150 crore surrendered) and pending the decision of grants payable to Local Bodies as per the recommendation of the State Finance Commission (entire provision of Rs 1,800 crore surrendered).

The saving under "Rural Development Programmes" was mainly due to non-approval of the layout of Rashtriya Gram Vikas Yojana/ Backward Regional Grant Fund by District Planning

¹ exceeding Rs 100 crore in each case

Commissions, as Committees were not established in many districts (Rs 276.94 crore) and non-receipt of funds from the Central Government for the Scheme (Rs 17.81 crore).

2.2.2 Persistent saving

In 15 cases, during the last five years there was persistent saving of more than Rs 10 crore in each case (Table 2.3).

Table 2.3: List of grants indicating persistent saving during 2004-09

(Rupees in crore)

Sr. No.	No and Name of the grant	Amount of saving (Per cent to total grant)				
		2004-05	2005-06	2006-07	2007-08	2008-09
Revenue - Voted						
1.	B 01 Police Administration	219.97 (9.16)	62.22 (2.57)	230.86 (8.10)	287.82 (8.68)	149.08 (3.90)
2.	B 03 Transport Administration	14.58 (5.61)	19.48 (5.11)	301.17 (77.46)	21.74 (5.64)	10.40 (1.34)
3.	C 01 Revenue and District Administration	47.12 (10.04)	67.24 (12.62)	66.24 (12.33)	50.24 (9.13)	48.31 (7.62)
4.	C 04 Secretariat and Other General Services	27.44 (51.64)	20.17 (41.28)	42.09 (67.00)	64.25 (80.47)	25.83 (61.22)
5.	D 04 Animal Husbandry	292.23 (29.71)	11.68 (4.64)	35.02 (9.94)	77.73 (7.22)	10.12 (2.98)
6.	G 02 Other Fiscal and Miscellaneous Services	3899.96 (84.25)	3498.93 (80.90)	2458.37 (74.78)	3039.87 (99.22)	10436.74 (98.34)
7.	H 06 Public Works Administrative and Functional Buildings	65.73 (7.94)	16.40 (1.92)	46.34 (4.61)	56.45 (5.43)	51.16 (4.13)
8.	J 01 Administration of Justice	16.55 (6.73)	11.17 (4.10)	28.51 (9.18)	26.39 (7.83)	10.90 (2.82)
9.	L 03 Rural Development Programmes	156.27 (15.26)	283.29 (22.53)	178.55 (11.62)	329.95 (18.94)	379.93 (22.03)
10.	L 05 Compensation and Assignments	23.56 (7.25)	13.43 (4.31)	22.69 (7.52)	44.76 (15.33)	39.52 (15.11)
11.	Q 03 Housing	34.39 (12.35)	50.89 (15.99)	77.16 (18.75)	162.67 (16.06)	1228.61 (66.27)
12.	X 01 Social Security and Nutrition	62.38 (10.72)	27.75 (4.29)	131.26 (15.44)	92.75 (9.16)	150.60 (13.64)
13.	Y 02 Water Supply and Sanitation	198.45 (13.80)	199.99 (11.36)	48.73 (3.28)	170.30 (9.25)	67.01 (11.47)
Capital Voted						
14.	H 09 Capital Outlay on Removal of Regional Imbalance	53.60 (52.98)	18.55 (4.57)	15.87 (3.48)	64.13 (14.93)	33.82 (16.28)
15.	V 03 Capital Expenditure on Social Services	111.84 (50.23)	176.77 (49.39)	123.96 (36.00)	160.88 (58.41)	32.42 (12.32)

The persistent saving indicate that the budget controls in the departments were not adequate and satisfactory.

2.2.3 Excess Expenditure

In 6 cases, expenditure aggregating Rs 4,059.12 crore exceeded the approved provisions by Rs 10 crore or more in each case and also by more than 20 per cent of the total provision resulting in excess expenditure of Rs 1,879.68 crore (79 per cent of total excess). Reasons for excess expenditure were still awaited. Details are given in Table 2.4.

Financial Management and Budgetary Control

Table 2.4: Excess expenditure more than Rs 10 crore and 20 per cent of total provision

(Rupees in crore)

No and name of the Grant / Appropriation	Total Grant / Appropriation	Expenditure	Percentage of excess expenditure
K-0 Internal Debt of State Government	-	101.86	101.86
M-4 Capital Outlay on Food	2122.83	3882.72	82.90
O-18 District Plan – Sindhudurg (Capital Section)	13.32	16.15	21.25
O-20 District Plan – Satara (Capital Section)	18.76	22.63	20.63
O-21 District Plan – Sangli (Capital Section)	18.75	24.41	30.19
O-31 District Plan – Parbhani	5.78	11.35	96.37
Total		4059.12	

2.2.4 Expenditure without provision

As per the Budget Manual, expenditure should not be incurred on a scheme/service without provision of funds. It was, however, noticed that expenditure of Rs 118.91 crore was incurred in 16 cases as detailed in **Appendix 2.2** without any provision in the original estimates/ supplementary demand and without any re-appropriation orders to this effect.

2.2.5 Drawal of funds to avoid lapse of budget grant

As per provisions of the Maharashtra Treasury Rules, 1968 read with Rule 57 of Bombay Financial Rules, 1959, no money shall be drawn from the treasury unless it is required for immediate disbursement. Government allotted (February 2009) Rs 2.50 crore to the Collector, Gondia for incurring expenditure on road works damaged due to flood in 2006 under Major Head 2245 Natural Calamities with directives to utilise the same before the end of financial year 2008-09. The Collector, Gondia (President of District Disaster Management Authority), even though he was aware that the funds could not be utilised during 2008-09, withdrew the amount on 31 March 2009 and handed over (April 2009) the cheque to the Executive Engineer, Employment Guarantee Scheme (Public Works), Gondia for execution of damaged road works.

Thus, the drawal of funds amounting to Rs 2.50 core, which was not to be utilised before closure of financial year 2008-09, was done to avoid lapse of budget grant. This violated Rule 282(2) of the Maharashtra Treasury Rules.

2.2.6 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 discussion of the Appropriation Accounts by the Public Accounts Committee (PAC). However, the excess expenditure amounting to Rs 6,666.16 crore for the years 2002-03 to 2007-08 was yet to be regularised as detailed in **Appendix 2.3**. The year-wise amount of excess expenditure pending regularisation for grants/appropriations is summarised below:

Table 2.5: Excess over provisions relating to previous years requiring regularisation

(Rupees in crore)

Year	Number of		Amount of excess over provision	Status of Regularisation
	Grants	Appropriations		
2002-03	12	17	2,542.87	Yet to be regularised by PAC.
2003-04	11	15	1,015.24	-do-
2004-05	9	17	407.35	-do-
2005-06	19	15	1,156.99	-do-
2006-07	16	13	956.30	-do-
2007-08	11	10	587.41	-do-
Total	78	87	6,666.16	

Source: Appropriation Accounts

2.2.7 Excess over provisions during 2008-09 requiring regularisation

During 2008-09, excess expenditure was incurred in 38 grants aggregating to Rs 2,389.38 crore over the grant/appropriation authorised by the Legislature. The excess expenditure requires regularisation under Article 205 of the Constitution. The details are in **Appendix 2.4**.

2.2.8 Unnecessary/excessive/inadequate supplementary provision

In 34 cases, supplementary provision of Rs 10 lakh or more in each case aggregating to Rs 796.51 crore obtained during the year proved unnecessary as the expenditure did not come up to the level of original provision as detailed in **Appendix 2.5**.

Scrutiny revealed that out of 34 cases indicated in **Appendix 2.5**, in one case under Appropriation E-1, Rs 34.98 crore had been obtained for adjustment of interest on provident fund of teaching and non-teaching staff of private primary schools for the years 2003-04 and 2007-08. In another case under Grant F-2, an amount of Rs 139.09 crore was obtained as supplementary provision for making payment to the Sant Gadge Maharaj Mandir Trust for construction works of Cultural Value Education Centre at Amravati and providing more funds to the municipal corporations for development of basic amenities in the Municipal Corporation Areas.

In 6 cases, supplementary provision of Rs 2,099.94 crore proved insufficient by more than Rs 1 crore each leaving an aggregate uncovered excess expenditure of Rs 286.02 crore (**Appendix 2.6**).

2.2.9 Excessive/unnecessary re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. Injudicious re-appropriation proved excessive or insufficient and resulted in saving/excess of over Rs 1 crore in 49 sub-heads as detailed in **Appendix 2.7**.

Scrutiny revealed that under the Grant N-3, re-appropriation of Rs 43.99 crore was made towards a newly opened sub-head Indira Gandhi National Old Age scheme by transferring the funds from other sub-heads. The final saving of Rs 119.09 crore, reasons for which were not furnished, indicated that the re-appropriation was unnecessary. In another case, under Grant M-4, re-appropriation of Rs 319.37 crore was made towards capital outlay on food storage and warehousing due to increase in credit limit under the scheme for purchase and distribution of palm oil. Final saving of Rs 63.57 crore without assigning any specific reason indicated that re-appropriation was partly unnecessary.

2.2.10 Unexplained re-appropriations

According to Paragraph 165 of the Maharashtra Budget Manual, the orders sanctioning re-appropriation of funds of Rs 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 re-appropriation orders issued by the Finance Department revealed that the reasons given for additional provision/withdrawal of provision in re-appropriation in respect of 521 (43 per cent) out of 1,216 items commented in the Appropriation Accounts, orders were of general nature such as 'actual requirement', 'economy measures' etc. **Besides, in 127 cases, no reasons for additional provision/withdrawal of provision were mentioned. This also goes against the principle of transparency stipulated in Section 6 of Fiscal Responsibility and Budgetary Management Act.**

2.2.11 Substantial surrenders

In respect of 165 sub-heads entire provision was surrendered on account of non-implementation or slow implementation of schemes/programmes. Out of the total provision amounting to Rs 10,201.43 crore in these 165 schemes, Rs 10,202.13 crore were surrendered.

2.2.12 Surrender in excess of actual saving

In 16 cases, the amount surrendered (Rs 50 lakh or more in each case) was in excess of actual saving indicating lack of or inadequate budgetary control in these departments. As against saving of Rs 10,909.94 crore, the amount surrendered was Rs 11,394.92 crore resulting in excess surrender of Rs 484.98 crore. Details are given in **Appendix 2.8**.

Scrutiny revealed that under the Grant No. K 7 Industries, Rs 173.78 crore were surrendered as saving occurred under nine sub-heads (Major heads 2851, 2852 and 2853) while excess expenditure of Rs 172.57 crore under other sub-heads (Major heads 2851, 2852 and 2853) was incurred within the same grant. Therefore, the surrender amount was a set-off against the excess expenditure. Hence, the saving appearing under the grant was less than the actual surrender amount.

Instead of surrendering the amount, it could have been re-appropriated to the heads where excess expenditure was incurred. This indicated lack of proper budgetary control.

2.2.13 Anticipated saving not surrendered

As per the Maharashtra Budget Manual, the spending departments are required to surrender the grants/appropriations or portion thereof to the Finance Department as and when the saving are anticipated. During 2008-09, no part of the savings, occurred in 32 cases (Rs 930.26 crore) had been surrendered by the concerned departments. (**Appendix 2.9**).

Similarly, out of total saving of Rs 8,038.20 crore under 65 other grants/ appropriations (saving of Rs 1 crore and above in each grant/appropriation) Rs 2,391.99 crore (30 per cent of total saving) was not surrendered (**Appendix 2.10**). Besides, in 54 cases, (surrender of funds in excess of Rs 10 crore), Rs 15,882.60 crore were (**Appendix 2.11**) surrendered on the last two working days of the year indicating inadequate financial control. Due to late surrender, these funds could not be utilised for other development purposes.

2.2.14 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 96 sub-heads, expenditure exceeding Rs 10 crore and also more than 50 per cent of the total expenditure for the year was incurred in March 2009. **Table 2.6** also presents the major heads where more than 50 per cent expenditure was incurred either during the last quarter or during the last month of the financial year.

Table 2.6 : Rush of expenditure during the last quarter and last month of 2008-09

(Rupees in crore)

Sr. No.	Major Head	Total expenditure during the year	Expenditure during the last quarter of the year		Expenditure during March 2009	
			Amount	Percentage of total expenditure	Amount	Percentage of total expenditure
1	2225 Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	3,201.76	1,650.38	51.55	1,206.92	37.70
2	2425 Co-operation	2,996.35	1,983.59	66.20	1,915.94	63.94
3	2501 Special Programmes for Rural Development	221.88	169.45	76.37	152.03	68.52
4	2515 Other Rural Development Programmes	872.11	579.17	66.41	402.37	46.14
5	3456 Civil Supplies	0.06	0.05	83.33	0.04	66.67
6	4225 Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes and other Backward Classes	682.19	539.95	79.15	512.15	75.07
7	4402 Capital Outlay on Soil and Water Conservation	575.80	447.03	77.64	364.66	63.33
8	6217 Loans for Urban Development	18.04	12.09	67.02	8.37	46.40
9	6225 Loans for Welfare of Scheduled Castes, Scheduled Tribes and other Backward Classes	76.09	57.30	75.31	54.65	71.82
10	6245 Loans for Relief on account of Natural Calamities	0.07	0.07	100.00	0.07	100.00
11	6401 Loans for Crop Husbandry	2.10	2.10	100.00	2.10	100.00

Source: Appropriation Accounts

It was seen that under the major head 2425- Co-operation, 64 per cent of the total expenditure was incurred in the month of March 2009. Similarly, under major head 2501 Special programmes for Rural Development 69 per cent of the total expenditure was incurred in the month of March 2009. This shows that there was a lack of uniform flow of expenditure during the year which is the primary requirement of proper budgetary control indicating deficient financial management.

2.2.14.1 Failure to spend as per cash flow projected to Legislature

In order to enforce better control and fiscal discipline over expenditure Government directed (July 2005) all departmental heads to project monthly expenditure as per approved budget estimates in the form of 'cash flow statement' (CFS). Government also clarified in June 2006 that the unspent amount projected in the CFS of a particular month would not be available in the next month for spending by the department concerned.

Test check of projected CFS for the 12 months during 2008-09 and the actual expenditure under 13² major heads of accounts of three department (Public Works Department, Revenue & Forests Department and Water Resources Department) in central audit *vis-a-vis* their CFS

2 2406 Forestry and Wildlife, 4406 Capital Outlay on Forestry and Wildlife, 2059 Public Works, 2216 Housing, 3054 Roads and Bridges, 4059 Capital Outlay on Public Works, 4216 Capital Outlay on Housing, 5054 Capital Outlay on Roads and Bridges, 2701 Major and Medium Irrigation, 2702 Minor Irrigation, 4701 Capital Outlay on Major and Medium Irrigation, 4702 Capital Outlay on Minor Irrigation, 4801 Capital Outlay on Power Project

showed that the percentile variation of excess over projections in CFS is ranging between 26 to 96101 indicating that the departments had neither considered the pattern of average monthly expenditure during past three years nor had projected the monthly cash flow requirement realistically. Excess of expenditure over the projections in the CFS for the year as a whole are shown in **Table 2.7**. Projected cash flow by these departments thus proved unrealistic.

Table 2.7 : Percentage variation of actual expenditure to projected monthly CFS

Department	Purpose of Expenditure	Major heads of account	Percentage of actual expenditure to projected CFS (range during 12 months of 2008-09)
Revenue and Forests	Forestry and Wildlife	2406	26 to 551
	Capital Outlay on Forestry and Wildlife	4406	55 to 20375
Public Works	Public Works	2059	30 to 363
	Housing	2216	27 to 852
	Roads and Bridges	3054	33 to 508
	Capital Outlay on Public Works	4059	38 to 217
	Capital Outlay on Housing	4216	55 to 176
	Capital Outlay on Roads and Bridges	5054	29 to 180
Water Resources	Major and Medium Irrigation	2701	29 to 248
	Minor Irrigation	2702	44 to 822
	Capital Outlay on Major and Medium Irrigation	4701	43 to 96101
	Capital Outlay on Minor Irrigation	4702	52 to 10650
	Capital Outlay on Power Projects	4801	58 to 605

2.3 Non-reconciliation of departmental figures

2.3.1 Pendency in submission of detailed contingent bills against abstract contingent bills

As per the Maharashtra Treasury Rules, 1968, detailed contingent (DC) bills are to be submitted within one month of the drawal of abstract contingent (AC) bills. Scrutiny revealed that DC bills had not been submitted by the Controlling Officers to the Accountant General for a total amount of Rs 1,482.86 crore drawn on 35,734 AC bills upto March 2009. Year-wise details are given in **Table 2.8**.

Table 2.8 : Pendency in submission of DC bills against AC bills

(Rupees in crore)		
Year in which drawn	No of AC bills	Amount outstanding
Upto 2000-01	18,820	190.04
2001-02	4,617	44.53
2002-03	5,305	43.78
2003-04	540	22.85
2004-05	608	392.87
2005-06	726	333.11
2006-07	853	76.63
2007-08	1,140	40.30
2008-09	3,125	338.75
Total	35,734	1,482.86

Source: Vouchers compiled by PAG (A & E).

Department-wise pending DC bills for the years up to 2008-09 is detailed in **Appendix 2.12**.

2.3.2 Un-reconciled expenditure

To exercise effective control over expenditure to keep it within the budget grants and to ensure accuracy of their accounts, Maharashtra Budget Manual stipulate that expenditure recorded in the books of the Controlling Officers be reconciled by them every month with that recorded in the books of the Accountant General. Even though, non-reconciliation of Departmental figures is being pointed out regularly in Audit Report, lapses on the part of Controlling Officers in this regard continued to persist during 2008-09. In respect of 29 Departments expenditure to the extent of Rs 81,343.17 crore remained un-reconciled till April 2009. Details in respect of amount exceeding Rs 10 crore remained un-reconciled during 2008-09 in respect of the following 27 Departments as given in **Appendix 2.13**.

In the last five years except in 2005-06, 16³ departments were persistently defaulting. In 2005-06, only 2⁴ departments defaulted.

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 nature, 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 Rs 150 crore which was temporarily raised to Rs 350 crore with effect from 4 June 2008 vide Ordinance No. IV of 2008 and further to Rs 400 crore with effect from 18 February 2009 vide Ordinance No. I of 2009. The balance at the beginning of the year was Rs 91.06 crore with an un-recouped balance of Rs 58.94 crore. During the year 2008-09, advances drawn but not recouped to the fund amounted to Rs 1.93 crore. The closing balance of the Fund as on 31 March 2009 was Rs 398.07 crore.

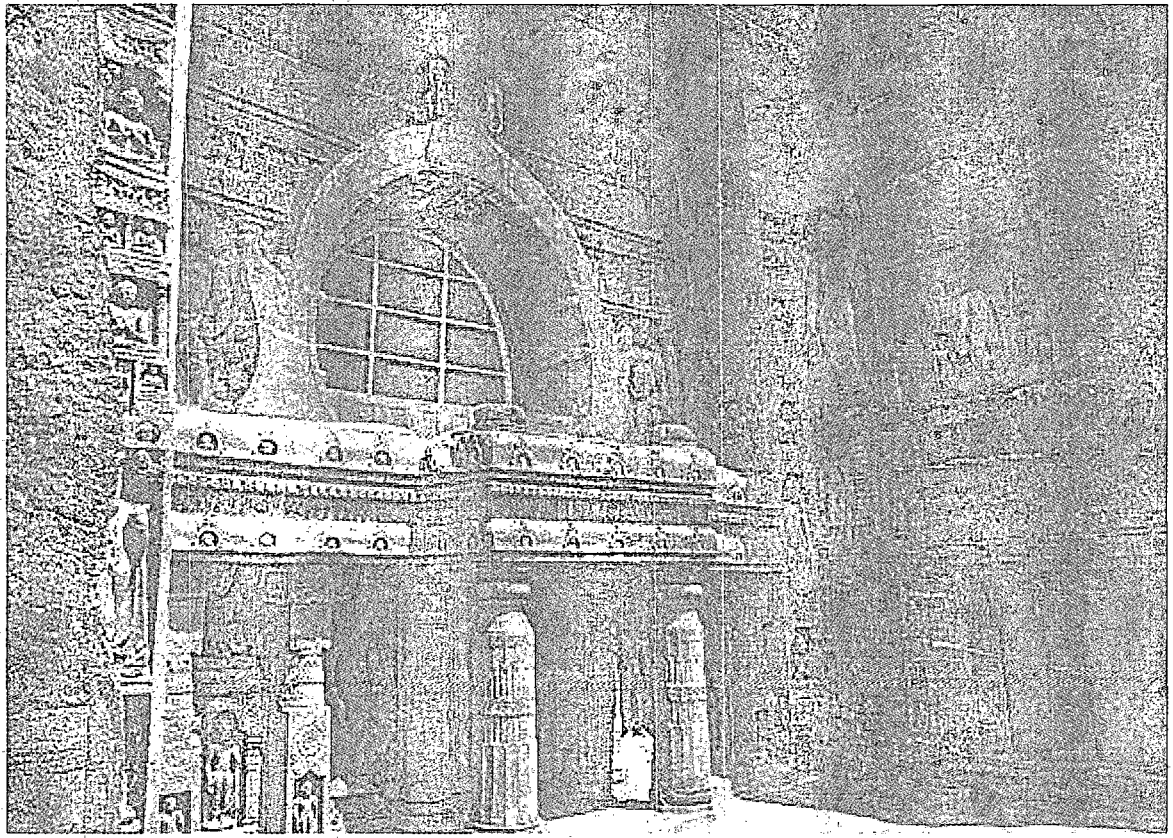
During 2008-09, 90 sanctions were issued for withdrawal of Rs 757.50 crore from the Contingency Fund. A few illustrative cases listed in **Appendix 2.14** show that the nature of expenditure for which the department obtained advances from Contingency Fund was foreseeable.

2.5 Conclusion

The overall saving of Rs 20,076.56 crore was the net result of saving of Rs 22,465.94 crore offset by excess of Rs 2,389.38 crore. This excess requires regularisation under Article 205 of the constitution of India. In 54 cases, surrender of funds amounting to Rs 15,882.60 crore (more than Rs 10 crore in each case) was made on the last working day of the financial year, while in 65 grants/appropriations saving of Rs 2,391.99 crore (Rs 1 crore and above) were not surrendered. In 16 cases, Rs 11,394.92 crore surrendered in excess of actual saving. In 49 cases, augmentation/reduction of provision by re-appropriation proved either in excess of requirement or insufficient or unnecessary. In respect of 29 Departments expenditure to the extent of Rs 81,343.17 crore remained un-reconciled till April 2009.

3 Agriculture, Animal Husbandry, Dairy Development & Fisheries; Co-operation, Marketing & Textiles; Environment; Finance; General Administration; Higher & Technical Education; Home; Industries Energy & Labour; Planning; Public Health; Public Works; Revenue & Forests; Rural Development and Water Conservation; School Education & Sports; Water Resources and Water Supply & Sanitation

4 Public Health and Revenue & Forests



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 within 12 months from the dates of their sanction.

It was, however, noticed that of the 1,32,031 utilisation certificates (UCs) due in respect of grants and loans aggregating Rs 42,685.12 crore paid up to 2008-09, 1,30,812 UCs (99 per cent) for an aggregate amount of Rs 41,537.96 crore were in arrears. The department-wise break-up of outstanding UCs is given in **Appendix 3.1**.

Non-submission of UCs in time may result in misutilisation of the grants. The pendency in submission of large number of UCs also indicates that the functioning of the machinery existing in the departments for monitoring the utilisation of grants and loans was not satisfactory.

3.2 Non-submission/delay in submission of accounts by the 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, the Government/Heads of the Department 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 (May 2009).

According to the accounts received for the year 2007-08, 303 bodies/authorities attracted audit by the Comptroller and Auditor General of India during 2008-09. Of these, 90 were audited during 2008-09.

The annual accounts due up to 2007-08 in respect of 1,332 bodies/ authorities had not been received as of May 2009.

Due to non-submission of information regarding grants and loans paid to various institutions and non-furnishing of accounts by them, there is a possibility of misutilisation of 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 scrutinised in audit, review of internal management and financial control, review of systems and procedures *etc.* The audit of accounts of 13 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 Report and its placement in the Legislature are indicated in **Appendix 3.2**.

It was noticed that there were delays in submission of annual accounts, which ranged up to 24 months in the case of 12 autonomous bodies. The accounts of the Slum Rehabilitation Authority (SRA), Mumbai for the years 1999-2000 to 2006-07 were furnished only in June 2009. The delays were mainly due to delay in approval of the accounts by the governing bodies.

The inordinate delays in submission of accounts and thereafter 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 taking necessary remedial action.

3.4 Departmental commercial undertakings

The departmental undertakings of certain Government departments, performing activities of quasi-commercial nature, are required to prepare *proforma* accounts in the prescribed format annually showing the working results of financial operations so that the Government can assess their performance. The finalised accounts of the departmentally managed commercial and quasi-commercial undertakings reflect their overall financial health and efficiency in conducting their business. In the case of delay in finalisation of accounts, the investments of the Government remain outside the scrutiny of the Audit/State Legislature. Consequently, corrective measures required, if any, for ensuring accountability and improving efficiency cannot be taken in time. Besides, the delay may also open the system to risk of fraud and leakage of public money.

The Heads of Department in the Government are to ensure that the undertakings prepare such accounts and submit the same to Accountant General for audit within a specified time frame. As of March 2009, there were 49 such units out of which 38 units had not prepared accounts up to 2008-09. The Comptroller and Auditor General of India has repeatedly commented about the arrears in preparation of accounts in State Reports (Civil Audit) but there is limited improvement so far in preparation of *proforma* accounts by these undertakings. The department-wise position of arrears in preparation of *proforma* accounts and investment made by the Government are given in **Appendix 3.3**. Year-wise arrears in preparation of *proforma* accounts, is given in **Table 3.1**.

Table 3.1: Year-wise arrears in preparation of proforma accounts

Accounts finalised upto	Arrears from	No of undertakings (number of units)	No of accounts in arrears	Total accounts in arrears
1	2	3	4	5
1985-86	1986-87	1 (1)	22	22
1994-95	1995-96	1 (1)	13	13
1995-96	1996-97	1 (1)	12	12
1996-97	1997-98	1 (1)	11	11
1998-99	1999-00	1 (1)	9	9

1	2	3	4	5
2006-07	2007-08	2 (6)	2	12
2007-08	2008-09	2(27)	1	27
Total				106

There were 106 accounts in arrears in respect of 49 units in three departments. Fourteen of these units in three undertakings did not finalise at least one year's accounts during the year 2008-09.

3.5 Misappropriations, losses, defalcations, etc.

The Bombay Financial Rules provide that misappropriation, fraudulent drawal/payment or otherwise discovered in a treasury, any other office/department shall be reported immediately by the office concerned to the next higher authority as well as to the Accountant General.

State Government reported 210 cases of misappropriation, defalcation, etc., involving Rs 10.67 crore up to June 2009 on which final action was pending. The department-wise break up of pending cases and age-wise analysis is given in **Appendix 3.4** and 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 3.2**.

Table 3.2: 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 (Rs in lakh)	Nature/characteristics of the cases	Number of Cases	Amount Involved (Rs in lakh)
0-5	13	472.33	Theft	10	21.21
5 - 10	25	172.95			
10 - 15	15	167.77	Misappropriation / Loss of material	209	1,047.66
15 - 20	44	208.59			
20 - 25	54	16.65			
25 & above	59	26.18	Total	219	1,068.87
			Cases of Losses Written off during the Year	9	4.40
Total	210	1,064.47	Total Pending cases	210	1,064.47

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 (Rupees in lakh)
Departmental and criminal investigation awaited	26	25.79
Departmental action initiated but not finalised	46	121.01
Criminal proceedings finalised but execution of certificate cases for the recovery of the amount was pending	21	62.49
Orders for recovery or write off awaited	49	737.68
Pending in the courts of law	68	117.50
Total	210	1,064.47

It can be seen from the above that out of 210 cases involving Rs 10.64 crore, 172 cases (82 per cent) involving Rs 4.19 crore (39 per cent) were pending over a period of 10 years. Further, while 46 cases involving Rs 1.21 crore were pending for final departmental action, 49 cases involving Rs 7.38 crore were awaiting for recovery or write off orders.

3.6 Conclusion

Non-receipt of the utilisation certificates for an aggregate amount of Rs 41,538 crore indicated weaknesses in the control system in the departments for monitoring the utilisation of grants and loans. Non-submission of the necessary information and the annual accounts by the grantee institutions is fraught with the risk of misutilisation of funds. Delay in finalisation of accounts by the autonomous bodies/commercial undertakings results in Government's investments in these organisations remaining in outside the scrutiny of Audit. Large outstanding cases of misappropriations, losses, defalcations, etc., and their non-recovery indicated that the Government had not made serious efforts to make good the losses.



(RAJIB SHARMA)

Principal Accountant General (Audit)-I,
Maharashtra

Mumbai,
The

26 MAR 2010

Countersigned



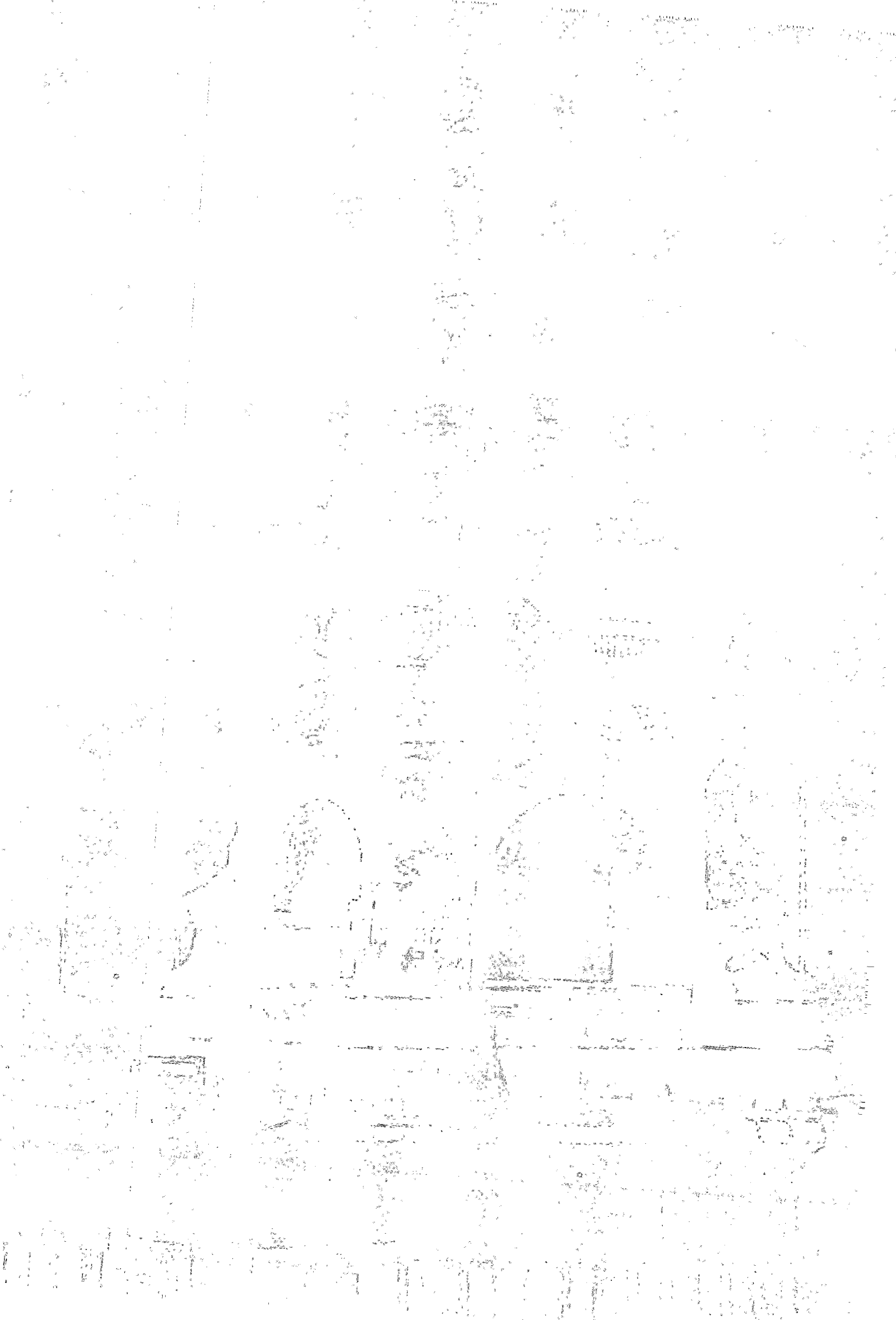
(VINOD RAI)

Comptroller and Auditor General of India

New Delhi,
The

29 MAR 2010

APPENDICES



Outcome indicators of the State's own Fiscal Correction Path

(Reference : Paragraph 1.1 (Box 1.2) ; Page 5)

(Rupees in crore)

Items	2004-05 Pre-actuals	2005-06 B.E.	2006-07 Projection	2007-08 Projection	2008-09 Projection	2009-10 Projection
A. STATE REVENUE ACCOUNT						
1. Own Tax Revenue	30604.67	35296.92	40062.00	45069.75	50703.47	57041.41
2. Own Non-Tax Revenue	4118.83	5686.39	5632.37	5801.34	5975.38	6154.64
3. Own Tax + Non-Tax Revenue (1+2)	34723.50	40983.31	45694.37	50871.10	56678.85	63196.05
4. Share in Central Taxes & Duties	3596.11	4749.32	5227.00	5998.00	6897.00	7949.00
5. Plan Grants	2123.41	3788.27	3485.34	4356.67	5445.84	6807.30
6. Non-Plan Grants	570.31	908.92	1323.31	1332.08	1341.30	1350.99
7. Total Central Transfer (4 to 6)	6289.83	9446.51	10035.65	11686.75	13684.14	16107.29
8. Total Revenue Receipts (3+7)	41013.33	50429.82	55730.02	62557.85	70362.99	79303.34
9. Plan Expenditure	4654.10	4186.94	6684.39	7453.09	8310.20	9265.87
10. Non-Plan Expenditure	46392.56	45977.02	50536.10	53568.27	56782.36	60189.30
11. Salary Expenditure	17200.98	16818.72	18164.22	19617.36	21186.74	22881.68
12. Pension	3311.80	4256.95	4597.51	4965.31	5362.53	5791.53
13. Interest Payments	8978.56	9537.79	10903.66	12178.16	13379.73	14473.29
14. Subsidies-General	1253.85	740.45	740.45	740.45	740.45	740.45
15. Subsidies-Power	2707.41	713.47	1610.97	1610.97	1610.97	1610.97
16. Total Revenue Expenditure (9+10)	51046.66	50163.96	57220.49	61021.36	65092.56	69455.18
17. Salary + Interest + Pension (11+12+13)	29491.34	30613.46	33665.39	36760.82	39929.00	43146.51
18. As% of Revenue Receipts (17/8)	71.91	60.71	60.41	58.76	56.75	54.41
19. Revenue Surplus/Deficit (8-16)	-10033.33	265.86	-1490.47	1536.49	5270.43	9848.16
B. CONSOLIDATED REVENUE ACCOUNT						
1. Power Sector loss/profit net of actual subsidy transfer	-803.90	-536.76	-536.76	-536.76	-536.76	-536.76
2. Increase in debtors during the year in power utility accounts [Increase(-)]	-650.88	-60.81	-60.81	-60.81	-60.81	-60.81
3. Interest payments on off budget borrowing and SPV borrowings made by PSU/SPUs outside budget	1375.00	1230.00	960.00	800.00	676.00	583.00
4. Total (1 to 3)	-1528.02	-1705.95	-1435.95	-1275.95	-1151.95	-1058.95
5. Consolidated Revenue Deficit (A19+B4)	-11561.35	-1440.09	-2926.42	260.54	4118.48	8789.21
C. CONSOLIDATED DEBT						
1. Outstanding Debts & Liabilities	107580.85	114288.89	130385.83	142998.87	154479.07	164515.73
2. Total Outstanding guarantee of which (a) guarantee on account off budgeted borrowing and SPV borrowing	58818.48	57979.00	57241.00	56616.00	56118.00	55761.00
	26796.48	26415.23	26079.00	25794.25	25567.36	25404.71
D. CAPITAL ACCOUNT						
1. Capital Outlay	7876.98	8551.62	13088.44	14659.05	16418.14	18388.32
2. Disbursement of Loans and Advances	2750.66	1310.30	4570.18	5118.60	5732.84	6420.78
3. Recovery of Loans and Advances	2040.94	445.38	3391.61	3798.60	4254.43	4764.97
4. Other Capital Receipts	18620.03	12389.99	17638.06	17209.42	16451.36	15289.22
E. GROSS FISCAL DEFICIT (GFD)						
1. GSDP (Rs. Crore) at current prices	378985	424656	475615	532688	596611	668204

Time series data on State Government Finances

(Reference : Paragraph 1.3; Page 9)

(Rupees in crore)

	2004-05	2005-06	2006-07	2007-08	2008-09
Part A: Receipts					
1. Revenue Receipts	41013.33	48438.29	62195.38	79583.15	81270.68
(i) Tax Revenue	30605.76(75)	33540.24(69)	40099.25(64)	47528.45(60)	52029.94(64)
Taxes on Agricultural Income	—	—	—	0.05(00)	0
Taxes on Sales, Trade, etc.	18816.72(62)	19676.73(59)	24130.72(60)	26752.80(54)	30680.53(59)
State Excise	2218.87(7)	2823.85(8)	3300.70(8)	3963.05(08)	4433.76(8)
Taxes on Vehicles	1177.15(4)	1309.11(4)	1841.06(5)	2143.10(04)	2220.22(4)
Stamps and Registration fees	4116.49(13)	5265.86(16)	6415.72(16)	8549.57(17)	8287.63(16)
Land Revenue	360.72(1)	428.97(1)	484.17(1)	512.22(01)	546.22(1)
Taxes on Goods and Passengers	427.75(1)	504.63(1)	224.48(1)	388.27(1)	891.95(2)
Other Taxes	3488.06(12)	3531.09(11)	3702.40(9)	5219.39(11)	4969.63(10)
(ii) Non-tax Revenue	4118.83(10)	5935.05(12)	7518.24(12)	16947.97(21)	9789.94(12)
(iii) State's share of Union taxes and duties	3595.02(9)	4982.00(11)	6022.76(10)	7597.18(10)	8018.41(10)
(iv) Grants-in-aid from GOI	2693.72(6)	3981.00(8)	8555.13(14)	7509.55(09)	11432.39(14)
2. Miscellaneous Capital Receipts	—	—	0.11	0.00	18.01
3. Recoveries of Loans and Advances	2040.94	551.25	50.70	732.59	560.21
4. Total revenue and Non-debt capital receipts (1+2+3)	43054.27	48989.54	62246.19	80315.74	81848.90
5. Public Debt Receipts	22188.84	19973.70	11891.69	11807.66	20709.02
Internal Debt (excluding Ways and Means Advances and Overdrafts)	20387.16	19483.51	11393.65	11478.45	20323.44
Net transactions under Ways and Means Advances and Overdraft	—	—	—	0.00	0
Loans and Advances from Government of India ⁵	1801.68	490.19	498.04	329.21	385.58
6. Appropriation from Contingency Fund	300.00	1050.00	1850.00	350.00	400
7. Inter State settlement	—	—	—	0.00	0
8. Total receipts in the Consolidated Fund (4+5+6+7)	65543.11	70013.24	75987.88	92473.40	102957.92
9. Contingency Fund Receipts	347.50	1954.52	1288.57	405.36	708.94
10. Public Accounts receipts	27991.38	27145.89	30640.21	19785.69	37356.22
11. Total receipts of the State (8+9+10)	93881.99	99113.65	107916.66	112664.45	141023.08
Part B : Expenditure/Disbursement					
12. Revenue expenditure (Per cent of 15)	51046.66(83)	52279.85(78)	61385.28(83)	64780.05(84)	75693.92(79)
Plan	4654.10(9)	5231.70(10)	8235.08(13)	10275.43(16)	12408.31(16)
Non-Plan	46392.56(91)	47048.15(90)	53150.20(87)	54504.62(84)	63285.61(84)
General Services (incl. Interests payments)	22271.16(44)	21696.50(41)	25106.29(41)	23846.42(37)	26584.71(35)
Social Services	17548.71(34)	19917.19(38)	23558.86(38)	26773.05(41)	31052.20(41)
Economic Services	10381.12(20)	9314.71(18)	11703.04(19)	13236.89(20)	16813.24(22)
Grants-in-aid and Contribution	845.67(2)	1351.45(3)	1017.09(2)	923.69(02)	1243.77(2)
13. Capital Expenditure (Per cent of 15)	7876.98(13)	10078.44(16)	10092.18(14)	11489.61(15)	18873.21(20)
Plan	5021.31(64)	6800.45(67)	7982.28(79)	9466.93(82)	12775.78(68)
Non-Plan	2855.67(36)	3277.99(33)	2109.90(21)	2022.68(18)	6097.43(32)
General Services	48.02(1)	70.74(1)	242.63(2)	341.62(03)	459.26(2)
Social Services	283.89(3)	1247.19(12)	872.15(9)	742.54(06)	2064.67(11)
Economic Services	7545.07(96)	8760.51(87)	8977.40(89)	10405.45(91)	16349.28(87)

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

Appendix - 1.2 (contd.)

(Rupees in crore)

	2004-05	2005-06	2006-07	2007-08	2008-09
14. Disbursement of Loans and Advances (Per cent of 15)	2750.66(4)	4261.62(6)	2321.62(3)	1225.16(1)	1280.59(1)
15. Total (12+13+14)	61674.30	66619.91	73799.08	77494.82	95847.72
16. Repayments of Public Debt	10993.95	2056.71	2041.92	2745.48	3220.77
Internal Debt (excluding Ways and Means Advances and Overdrafts)	1611.15	1531.22	1639.15	2332.80	2800.24
Net transactions under Ways and Means Advances and Overdrafts	—	—	—	0.00	0.00
Loans and Advances from Government of India ⁵	9382.80	525.49	402.77	412.68	420.53
17. Appropriation to Contingency Fund	300.00	1850.00	1050.00	350.00	650.00
18. Total disbursement out of Consolidated Fund (15+16+17)	72968.25	70526.62	76891.00	80590.30	99718.49
19. Contingency Fund disbursements	404.52	1288.57	1905.36	408.94	401.93
20. Public Account disbursements	20825.15	24383.17	26974.70	27618.79	30506.56
21. Total disbursement by the State (18+19+20)	94197.92	96198.36	105771.06	108618.03	130626.98
Part C: Deficits					
22. Revenue Deficit(-)/Surplus (+) (1-12)	(-)10033.33	(-)3841.56	810.10	14803.10	5576.76
23. Fiscal Deficit (-)/Surplus (+) (4-15)	(-)18620.03	(-)17630.37	(-)11552.89	2820.92	(-)13998.82
24. Primary Deficit (-)/Surplus (+) (23-25)	(-)9641.47	(-)8283.13	102.78	15024.93	(-)1699.51
Part D : Other Data					
25. Interest Payments (included in revenue expenditure)	8978.56	9347.24	11655.67	12204.01	12299.31
26. Arrears of Revenue (percentage of Tax and Non-tax revenue)	12584.30 (36)	15347.47 (39)	30836.47 (65)	24444.32 (38)	34185.26 (55)
27. Financial Assistance to local bodies etc.	21218.24	27387.69	26852.22	28289.67	35668.96
28. Ways and Means Advances/Overdraft availed (days)					
Ways and Means availed (days)	68	21	42	25	21
Overdraft availed (days)	12	20	Nil	Nil	Nil
29. Interest on WMA/Overdraft	9.23	9.04	3.12	3.18	0.67
30. Gross State Domestic Product (GSDP)	371878	432413^c	509356^c	590995^c	697683^d
31. Outstanding Fiscal liabilities (year end)	79377.44	97294.43	107144.20	116206.38	133694.63
32. Outstanding guarantees (year end)^e (including interest)	60870.90	66238.82	63509.49	58275.62	51470.55
33. Maximum amount guaranteed (year end)	80183.53	86725.14	87777.56	84163.83	88371.06
34. Number of incomplete projects	153	158	96	122	144
35. Capital blocked in incomplete projects	4826.19	5239.74	4039.37	5560.27	5341.74

⁵ Includes Ways and Means Advances from GOI.

^c Based on Economic Survey of Maharashtra.

^d Advance estimates as furnished by Directorate of Economics and Statistics, Government of Maharashtra.

^e As per Finance Accounts of respective year.

Appendix - 1.2 (concl.)

(Rupees in crore)

	2004-05	2005-06	2006-07	2007-08	2008-09
Part E: Fiscal Health Indicators					
I. Resource Mobilization					
Own Tax revenue/GSDP	8.23	7.76	7.87	8.04	7.46
Own Non-Tax Revenue/GSDP	1.11	1.37	1.48	2.87	1.40
Central Transfers/GSDP	0.97	1.15	1.18	1.29	1.15
II. Expenditure Management					
Total Expenditure/GSDP	16.58	15.4	14.5	13.1	13.7
Total Expenditure/Revenue Receipts	150.4	137.5	118.7	97.4	117.9
Revenue Expenditure/Total Expenditure	82.8	78.5	83.2	83.6	79
Expenditure on Social Services/ Total Expenditure	28.9	31.8	33.1	35.5	34.6
Expenditure on Economic Services/ Total Expenditure	29.1	27.1	28	30.5	34.6
Capital Expenditure/Total Expenditure	12.8	15.1	13.7	14.8	19.7
Capital Expenditure on Social and Economic Services/Total Expenditure.	12.7	15.0	13.3	14.4	19.2
III. Management of Fiscal Imbalances					
Revenue deficit (surplus)/GSDP	-2.7	-0.9	0.2	2.5	0.8
Fiscal deficit/GSDP	-5.0	-4.1	-2.3	0.5	-2
Primary Deficit (surplus) /GSDP	-2.6	-1.9	0	2.5	-0.2
Revenue Deficit/Fiscal Deficit	-53.8	-21.8	0 ¹	0 ²	0
Primary Revenue Balance/GSDP	0.3	1.4	2.5	4.7	2.6
IV. Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP	32.5	33	30.8	26.8	25.7
Fiscal Liabilities/RR	295	294.1	252.5	198.7	220.6
Primary deficit vis-à-vis quantum spread	13463	19406	14160	-2006	18713
Debt Redemption (Principal +Interest)/ Total Debt Receipts	79.6	65.7	89.8	173.0	75.8
V. Other Fiscal Health Indicators					
Return on Investment	0.1	0.01	0.02	0.28	0.13
Balance from Current Revenue (Rs. in crore)	-7280	-600	4505	20238	9984
Financial Assets/Liabilities	0.6	0.6	0.6	0.7	0.8

GSDP figures communicated by the Government adopted.

¹ There was revenue surplus.

² There was revenue surplus and fiscal surplus.

Abstract of Receipts and Disbursements for the year 2008-09

(Reference : Paragraph 1.1; Page 1)

(Rupees in crore)

Receipts			Disbursements						
2007-08			2008-09	2007-08		Non-Plan	Plan	Total	2008-09
SECTION-A : REVENUE									
79583.15	I. Revenue receipts		81270.68	64780.05	I. Revenue expenditure	63285.61	12408.31	75693.92	75693.92
47528.45	Tax revenue	52029.94		23846.42	General services	26201.18	383.53	26584.71	
				26773.05	Social services	22765.88	8286.32	31052.20	
16947.97	Non-tax revenue	9789.94		13641.63	Education, Sports, Art and Culture	15574.73	872.08	16446.81	
				2695.06	Health and Family Welfare	2207.60	897.86	3105.46	
7597.18	State's share of Union Taxes	8018.41		5044.57	Water Supply, Sanitation, Housing and Urban Development	844.96	3615.27	4460.23	
				26.62	Information and Broadcasting	29.28	1.27	30.55	
2106.39	Non-Plan grants	2832.15		2392.22	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	1480.32	1720.18	3200.50	
				402.26	Labour and Labour Welfare	297.09	230.50	527.59	
3779.66	Grants for State Plan Scheme	6682.96		2527.16	Social Welfare and Nutrition	2293.78	942.89	3236.67	
				43.53	Others	38.12	6.27	44.39	
1623.50	Grants for Central and Centrally sponsored Plan Schemes	1917.28		13236.89	Economic Services	13145.49	3667.75	16813.24	
				3469.22	Agriculture and Allied Activities	5357.72	1045.03	6402.75	
				1060.58	Rural Development	1128.12	851.89	1980.01	
				32.83	Special Areas Programmes	0.35	30.85	31.20	
				1647.73	Irrigation and Flood Control	1409.12	530.14	1939.26	
				3411.15	Energy	2312.55	495.05	2807.60	
				1042.75	Industry and Minerals	647.53	35.06	682.59	
				2253.51	Transport	2185.68	505.33	2691.01	
				25.56	Science, Technology and Environment	0.07	41.91	41.98	
				293.56	General Economic Services	104.35	132.49	236.84	
				923.69	Grants-in-aid and Contributions	1173.06	70.71	1243.77	
	II Revenue deficit carried over to Section B		—	14803.10	II Revenue Surplus carried over to Section B				5576.76

Appendix - 1.3 (contd.)

(Rupees in crore)

		Receipts				Disbursements			
2007-08			2008-09	2007-08		Non-Plan	Plan	Total	2008-09
SECTION B									
7183.90	III. Opening Cash balance including Permanent Advances and Cash Balance Investment		11230.32	0	III. Opening Overdraft from RBI				0
0	IV. Miscellaneous Capital receipts		18.01	11489.61	IV Capital Outlay	6097.43	12775.78	18873.21	18873.21
				341.62*	General Services	115.94	343.32	459.26	
				742.54	Social Services	336.18	1728.49	2064.67	
				149.82	Education, Sports, Art and Culture	0	387.10	387.10	
				88.12	Health and Family Welfare	0	340.00	340.00	
				59.51	Water Supply, Sanitation, Housing and Urban Development	338.02	158.58	496.60	
				377.39	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	0	682.19	682.19	
				-2.21	Social Welfare and Nutrition	-1.84	57.07	55.23	
				69.91	Others	0	103.55	103.55	
				10405.45	Economic Services	5645.31	10703.97	16349.28	
				815.66	Agriculture and Allied Activities	449.12	852.11	1301.23	
				457.47	Rural Development	0	467.44	467.44	
				43.50	Special Area Programme	0	47.73	47.73	
				6643.53	Irrigation and Flood Control	4793.85	6473.51	11267.36	
				804.34	Energy	49.20	849.10	898.30	
				17.95	Industry and Minerals	0	14.44	14.44	
				1526.22	Transport	171.34	1987.84	2159.18	
				96.71	General Economic Services	181.80	11.80	193.60	
				0.07	Science Technology and Environment	0	0	0	
732.59	V. Recoveries of Loans and Advances		560.21	1225.16	V. Loans and Advances disbursed				1280.59
325.93	From Power Projects	88.40		109.71	For Power Projects			314.80	
149.61	From Government Servants	166.12		221.54	To Government Servants			264.90	
257.05	From others	305.69		893.91	To Others			700.89	
14803.10	VI. Revenue surplus brought down		5576.76	0.00	VI. Revenue deficit brought down				0

* Higher rounding.

Appendix - 1.3 (concl.)

(Rupees in crore)

Receipts			Disbursements					
2007-08		2008-09	2007-08		Non-Plan	Plan	Total	2008-09
SECTION-A : REVENUE								
11807.66	VII. Public Debt receipts		20709.02	2745.48*				3220.77
0.00	External debt	0		0.00			0	
11478.45	Internal debt other than Ways and Means Advances and Overdraft	20323.44		2332.80			2800.24	
A	Net transactions under Ways and Means Advances including Overdraft	B		A			B	
329.21	Loans and Advances from Central Government	385.58		412.68			420.53	
350.00	VIII. Appropriation from Contingency Fund		400.00	350.00				650.00
405.36	IX. Contingency Fund		708.94	408.94				401.93
19785.69	X. Public Account receipts		37356.22	27618.79				30506.56
2059.96	Small Savings and Provident Funds	2219.81		1375.26			1416.35	
-9195.55 ³	Reserve Funds	2427.79		1351.88			810.30	
325.13	Suspense and Miscellaneous	3132.02		99.72			-14.56	
15748.97	Remittances	18138.83		15820.82			18096.95	
10847.18	Deposits and Advances	11437.77		8971.11			10197.52	
0.00	XI. Closing Overdraft from Reserve Bank of India		0	11230.32				21626.42
0.00-	XII. Inter State Settlement		0	-1040.19			-721.83	
				130.37			177.88	
				42.39			32.81	
				0.43			0.46	
				8408.55			17022.33	
				3685.88			5113.61	
55068.30	Total		76559.48	55068.30				76559.48

* Higher rounding.

^B Represents receipt Rs.903.74 crore and disbursement Rs.903.74 crore.

^A Represents receipt Rs.1,953.63 crore and disbursement Rs.1,953.63 crore.

³ Transfer of credit balances from public account to consolidated fund on account of closure of reserve funds.

Summarised financial position of the Government of Maharashtra as on 31 March 2009

(Reference : Paragraph 1.7; Page 29)

(Rupees in crore)

As on 31.03.2008	LIABILITIES		As on 31.03.2009
107747.55	Internal Debt		125270.76
28525.73	Market Loans bearing interest	45391.02	
21.88	Market Loans not bearing interest	22.23	
2085.76	Loans from LIC	1832.85	
77114.18	Loans from other institutions	78024.66	
--	Ways and Means Advances/Overdrafts from Reserve Bank of India	--	
8458.83	Loans and Advances from Central Government		8423.87
6.73	Pre 1984-85 Loans	6.73	
107.53	Non-Plan Loans	100.73	
8114.57	Loans for State Plan Schemes	8100.20	
7.59	Loans for Central Plan Schemes	6.76	
222.41	Loans for Centrally Sponsored Plan Schemes	209.45	
--	Ways and Means Advances	--	
91.06	Contingency Fund		398.07
10095.76	Small Savings, Provident funds etc.		10899.21
16965.04	Deposits		18203.58
14846.77	Reserve Funds		16464.27
3781.23	Suspense and Miscellaneous Balances		6927.77
-26.20	Remittances		15.69
161960.04	TOTAL		186603.22
As on 31.03.2008	ASSETS		As on 31.03.2009
83754.19*	Gross Capital Outlay on Fixed Assets		102627.40
44256.26	Investments in shares of Companies, Corporations etc.	56386.38	
39497.93	Other Capital Outlay	46241.02	
18125.99	Loans and Advances		18846.38
5015.21	Loans for Power Projects	5241.61	
12239.58	Other Development Loans	12634.78	
871.20	Loans to Government servants	969.99	
12.41	Advances		10.71
11230.32	Cash		21626.42
2.89	Cash in Treasuries	1.16	
-1040.19	Deposits with Reserve Bank	-721.83	
130.37	Local remittances	177.88	
42.39	Departmental Cash Balance	32.81	
0.43	Permanent Advances	0.46	
8408.55	Cash Balance Investments	17022.33	
3685.88	Investment of earmarked balances	5113.61	
48837.24	Deficit on Government Accounts		43510.43
-14803.10	(i) Revenue Deficit of the Current Year	-5576.76	
0.03	(ii) Pro forma correction	0	
0.10	(iii) Other adjustments	249.95	
63640.21	Accumulated deficit upto 31 March 2008	48837.24	
-0.11	Capital Receipts		-18.12
-0.11	Upto previous year	-0.11	
--	During the year	--	
161960.04	TOTAL		186603.22

Explanatory Notes for Appendices 1.3, 1.4 and 1.5

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 1.5, 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 Rs 6.09 crore (Net credit) between the figures reflected in the Accounts and that intimated by the Reserve Bank of India under "Deposits with Reserve Bank". The difference represents 'Treasury/Bank difference' of Rs 6.09 crore (credit) and 'Unadjusted advises' Rs nil. The difference is under reconciliation.

* Lower Rounding

(Rupees in crore)

	Budget estimates	Actuals	Increase(+)/ Decrease (-)	Increase (+)/ Decrease(-) (In %)
(1)	(2)	(3)	(4) (3)-(2)	(5)
Revenue Receipts				
of which	79911	81271	1360	1.70
Tax Revenue	60839	52030	- 8809	- 14.48
<i>Taxes on Sales, Trade etc.</i>	29039	30681	1642	5.65
<i>State excise</i>	4500	4434	- 66	- 1.47
<i>Taxes on vehicles</i>	2426	2220	- 206	- 8.49
<i>Stamps and Registration fees</i>	9600	8288	- 1312	- 13.67
<i>Taxes on Goods and Passenger</i>	594	892	298	50.17
<i>Land Revenue</i>	700	546	- 154	- 22.00
<i>Taxes and duties on electricity</i>	2600	2395	- 205	- 7.88
<i>Other taxes</i>	11380	2574	- 8806	- 77.38
Non-Tax Revenue	6715	9790	3075	45.79
<i>Interest Receipts</i>	1085	1017	- 68	- 6.27
<i>Miscellaneous General Services</i>	1104	3952	2848	257.97
<i>Non-ferrous Mining and Metallurgical Industries</i>	1146	1216	70	6.11
<i>Other Non Tax Revenue</i>	3380	3605	225	6.66
Share of Union Taxes and Duties	8946	8018	- 928	- 10.37
Grants-in-aid from GOI	12357	11432	- 925	- 7.49
Revenue Expenditure				
of which	78946	75694	- 3252	- 4.12
General Services	35645	26585	- 9,060	- 25.42
<i>Administrative services</i>	13,948	6,560	- 7,388	- 52.97
<i>Pension and Miscellaneous General Services</i>	7,169	5,200	- 1,969	- 27.47
<i>Transfer to reserve funds</i>	92	0	- 92	- 100.00
<i>Interest Payments</i>	12,988	12,898	- 90	- 0.69
<i>Fiscal Services</i>	843	1,286	443	52.55
<i>Organs of State</i>	605	641	36	5.95
Social Services	28694	31052	2,358	8.22
<i>Education, Sports, Art and Culture</i>	14789	16447	1658	11.21
<i>Social Welfare and Nutrition</i>	2243	3236	993	44.27
<i>Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes</i>	2634	3201	567	21.53
<i>Health and Family Welfare</i>	2887	3105	218	7.55
<i>Water Supply, Sanitation, Housing and Urban Development</i>	5629	4460	- 1169	- 20.77
<i>Information and Broadcasting</i>	29	31	2	5.34
<i>Labour and Labour Welfare</i>	424	528	104	24.53
<i>Others</i>	59	44	- 15	- 25.42

Appendix - 1.5 (concl.d.)

(Rupees in crore)

	Budget estimates	Actuals	Increase(+)/ Decrease (-)	Increase (+)/ Decrease(-) (In %)
(1)	(2)	(3)	(4) (3)-(2)	(5)
Economic Services	13605	16813	3208	23.58
<i>Agriculture and Allied Services</i>	3423	6403	2980	87.06
<i>Rural Development</i>	3053	1980	- 1073	- 35.15
<i>Special Area Programme</i>	40	31	- 9	- 22.50
<i>Irrigation & Flood Control</i>	1723	1939	216	12.54
<i>Power</i>	2391	2807	416	17.40
<i>Industry & Minerals</i>	618	683	65	10.52
<i>Transport and Communication</i>	2091	2,691	600	28.69
<i>Science, Technology and Environment</i>	39	42	3	7.69
<i>General Economic Services</i>	227	237	10	4.39
Grants-in-aid and Contributions	1002	1244	242	24.15
Capital expenditure	13493	18873	5380	39.87
<i>Irrigation & Flood Control</i>	6667	11267	4,600	69.00
<i>Transport and Communication</i>	1469	2159	690	46.97
<i>Power</i>	683	898	215	31.48
<i>Health and Family Welfare</i>	139	340	201	144.60
<i>Education, Sports, Art and Culture</i>	209	387	178	85.17
<i>Water Supply, Sanitation, Housing and Urban Development</i>	413	497	84	20.34
<i>Rural Development</i>	1435	467	- 968	- 67.46
<i>Others</i>	2478	2858	380	15.33
Revenue surplus (+)/ deficits (-)	965	5,577	4,612	477.93
Fiscal Deficits (-)	(-) 13158	(-) 13999	(-) 841	6.39
Primary surplus (+)/ deficits (-)	(-) 769	(-) 1700	(-) 931	121.07

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

(Reference : Paragraph 1.6.4, Page 27)

(Rs. in lakh)

Name of the undertaking	Year of commencement	Period of Accounts	Mean Govt. capital	Block Assets at depreciated cost	Depreciation provided during the year	Turnover	Net Profit / Loss	Interest on Capital	Total Return (8 + 9)	Percentage Return on Capital
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Agriculture, Animal Husbandry, Dairy Development and Fisheries Department										
Mumbai Region										
Greater Mumbai Milk Scheme, Worli	1947	2007-08	2,020.16	1,747.69	52.67	11,881.47	-297.29	212.12	-85.17	-4.22
Milk Transport Scheme, Worli	1951	2006-07	261.62	65.19	9.27	872.07	0.00	27.47	27.47	10.50
Mother Dairy, Kurla	1975	2006-07	1,743.39	1,246.42	50.62	6,321.12	-867.22	183.06	-684.17	-39.24
Central Dairy, Goregaon	1951	2006-07	2,083.52	684.32	34.59	4,837.64	-1,025.38	218.77	-806.62	-38.71
Unit Scheme, Mumbai	1950	2007-08	1,605.58	1,088.78	38.57	250.25	29.41	168.59	198.00	12.33
Agricultural Scheme, Mumbai	1950	2007-08	335.52	394.42	7.42	40.32	81.21	35.23	116.44	34.70
Electrical Scheme, Mumbai	1950	2007-08	519.93	15.45	0.89	294.89	-251.23	54.59	-196.64	-37.82
Water Supply Scheme, Mumbai	1950	2007-08	1,739.25	524.82	12.02	296.15	-209.29	182.62	-26.67	-1.53
Cattle Feed Scheme, Mumbai	1950	2007-08	28.34	22.09	0.61	0.00	53.00	2.98	55.98	197.53
Cattle Breeding and Rearing Farm, Palghar	1979	2008-09	195.08	59.84	1.44	13.44	-98.64	20.48	-78.16	-40.07
Dairy Project, Dapchari	1960	2007-08	1,021.26	554.03	21.42	83.54	-709.47	107.23	-602.24	-58.97
G. M. S., Gove Bhiwandi	1987	2007-08	27.15	31.80	1.86	309.09	10.23	2.85	13.08	48.18
GMCC, Saralgaon (Dist.: Thane)	1978	2007-08	37.12	17.31	1.27	9.38	-24.36	3.90	-20.46	-55.12
G. M. S., Khopoli	1966	2007-08	192.13	161.62	10.81	1,049.84	-103.92	20.17	-83.75	-43.59
G. M. S., Mahad	1966	2007-08	114.98	88.14	1.72	27.19	-56.68	12.07	-44.61	-38.80
G. M. S., Chiplun	1966	2007-08	124.56	80.90	4.93	213.45	-103.77	13.08	-90.69	-72.81
G. M. S., Ratnagiri	1965	2007-08	88.41	70.05	3.15	179.00	-101.62	9.28	-92.34	-104.45
G. M. S., Kankavali	1966	2008-09	239.52	207.31	18.99	265.24	-129.36	25.15	-104.21	-43.51
TOTAL			12,377.52	7,060.19	272.26	26,944.08	-3,804.39	1,299.64	-2,504.75	-20.24
Pune Region										
G. M. S., Pune	1950	2008-09	953.34	370.72	18.06	1,905.32	-791.57	100.10	-691.47	-72.53
G. M. S., Mahabaleshwar	1966	2008-09	141.86	43.20	1.81	187.38	-75.97	14.89	-61.08	-43.06
G. M. S., Satara	1979	2008-09	1,217.75	308.39	8.87	848.97	-368.16	127.86	-240.30	-19.73
G. M. S., Miraj	1961	2006-07	3,255.88	569.58	30.03	1,853.93	-1,010.33	341.87	-668.46	-20.53
G. M. S., Solapur	1960	2008-09	198.52	51.57	3.59	103.08	-242.65	20.84	-221.81	-111.73
TOTAL			5,767.35	1,343.46	62.36	4,898.68	-2,488.68	605.56	-1,883.12	-32.65
Nashik Region										
G. M. S., Nashik	1960	2008-09	257.06	72.14	4.08	581.62	-291.03	26.99	-264.04	-102.72
GMS, Wani (Dist.: Nashik)	1978	2008-09	40.62	13.32	0.27	156.15	-48.59	4.27	-44.32	-109.11
G. M. S., Ahmednagar	1969	2008-09	1,570.44	169.00	11.26	4,510.62	-710.38	164.90	-545.48	-34.73
G. M. S., Chalisgaon	1969	2008-09	166.02	4.26	0.41	0.00	-82.53	17.43	-65.10	-39.21
G. M. S., Dhule	1961	2008-09	1,627.98	256.59	11.81	1,457.82	-454.49	170.94	-283.55	-17.42
TOTAL			3,662.12	515.31	27.83	6,706.21	-1,587.02	384.53	-1,202.49	-32.84

Appendix - 1.6 (concl.)

(Rs. in lakh)

Name of the undertaking	Year of commencement	Period of Accounts	Mean Govt. capital	Block Assets at depreciated cost	Depreciation provided during the year	Turnover	Net Profit / Loss	Interest on Capital	Total Return (8 + 9)	Percentage Return on Capital	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
Aurangabad Region											
G. M. S., Aurangabad	1962	2006-07	546.02	291.69	9.59	1,034.57	-407.85	57.33	-350.52	-64.20	
G. M. S., Udgir	1971	2007-08	1,356.65	704.39	22.55	708.58	-831.77	142.45	-689.32	-50.81	
G. M. S., Beed	1976	2007-08	4,397.76	608.45	16.73	2,750.43	-847.73	461.76	-385.97	-8.78	
G. M. S., Nanded	1977	2007-08	220.41	116.45	4.78	545.52	-389.33	23.14	-366.19	-166.14	
G. M. S., Bhoom	1978	2007-08	854.53	157.57	4.26	1,493.25	-265.01	89.73	-175.28	-20.51	
G. M. S., Parbhani	1979	2006-07	234.79	71.09	1.77	646.28	-247.79	24.65	-223.14	-95.04	
TOTAL			7,610.16	1,949.64	59.68	7,178.63	-2,989.49	799.06	-2,190.42	-28.78	
Amravati Region											
G. M. S., Amravati	1962	2007-08	286.02	157.81	5.63	400.42	-191.62	30.03	-161.59	-56.50	
G. M. S., Akola	1962	2007-08	2,204.73	554.40	21.81	1,157.81	-846.88	231.50	-615.38	-27.91	
G. M. S., Yavatmal	2000	2007-08	357.35	229.19	7.35	341.26	-161.86	37.52	-124.34	-34.80	
G. M. S., Nandura	1979	2007-08	232.26	68.61	2.05	323.72	-160.35	24.39	-135.96	-58.54	
TOTAL			3,080.36	1,010.01	36.84	2,223.21	-1,360.71	323.44	-1,037.27	-33.67	
Nagpur Region											
G. M. S., Nagpur	1958	2007-08	993.27	131.49	7.89	1,820.82	-704.63	104.29	-600.34	-60.44	
G. M. S., Wardha	1976	2007-08	480.42	35.82	1.36	406.14	-132.03	50.44	-81.59	-16.98	
G. M. S., Chandrapur	1979	2007-08	13.49	112.14	11.22	1,218.45	-22.14	1.42	-20.72	-153.60	
G. M. S., Gondia	1979	2007-08	657.88	111.34	2.42	1,216.30	-261.66	69.08	-192.58	-29.27	
TOTAL			2,145.06	390.79	22.89	4,661.71	-1,120.46	225.23	-895.23	-41.73	
Agricultural, Animal Husbandry, Dairy Development and Fisheries											
L.D.B.S, Pune	1944	1994-95	144.26	77.47	4.52	46.75	-72.83	18.75	-54.08	-37.49	
L.D.B.S, Aurangabad	1960	1998-99	32.99	1.05	0.00	2.02	-23.42	4.78	-18.64	-56.50	
L.D.B.S, Amravati	1965	1995-96	2.82	0.41	0.00	1.80	-4.46	0.40	-4.06	-143.97	
L.D.B.S, Nagpur	1996	1996-97	2.17	0.23	0.00	1.81	0.21	0.32	0.53	24.42	
TOTAL			182.24	79.16	4.52	52.38	-100.50	24.25	-76.25	-41.84	
Revenue and Forests Department											
Allapalli and Pedigundam 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	
TOTAL			1,857.85	15.27	9.27	826.24	383.32	170.74	554.06	29.82	
Food, Civil Supplies and Consumer Protection Department											
Procurement, Distribution and Price Control Scheme in Mumbai and Thane Rationing Area	1959	2007-08	17,147.54	115.87	11.78	17,688.84	1,834.73	1,714.75	3,549.48	20.70	
Procurement, Distribution and Price Control Scheme in Mofussil Area	1957	2007-08	47,103.41	429.59	40.95	99,799.20	-4,317.83	4,710.34	392.51	0.83	
TOTAL			64,250.95	545.46	52.73	1,17,488.04	-2,483.10	6,425.09	3,941.99	6.44	

Statement of various grants/appropriation where saving was more than Rs 10 crore each and more than 20 per cent of the total provision

(Reference : Paragraph 2.2.1 ; Page 40)

(Rupees in crore)

Sr. No.	Grant No.	Name of the Grant/Appropriation	Total Grant / Appropriation	Savings	Percentage
1	A-5	Social Services (Revenue –Voted)	139.85	39.97	29
2	B-2	State Excise (Revenue –Voted)	59.31	16.73	28
3	C-4	Secretariat and Other General Services (Revenue –Voted)	42.19	25.83	61
4	C-6	Natural Calamities (Revenue –Voted)	1121.44	268.04	24
5	C-12	Loans to Government Servants etc. (Loans and Advances – Voted)	60.39	12.49	21
6	D-10	Capital Expenditure on Fisheries (Capital-Voted)	69.62	22.50	32
7	E-3	Secretariat and Other Social Services (Revenue –Voted)	177.08	35.02	20
8	F-2	Urban Development and Other Advance Services (Revenue –Voted)	3364.39	665.63	20
9	G-1	Sales Tax Administration (Revenue –Voted)	288.42	59.14	21
10	G-2	Other Fiscal and Miscellaneous Services (Revenue –Voted)	10612.95	10436.74	98
11	G-8	Public Debt and Inter State Settlement (Loans and Advances-Charged)	5468.06	2098.77	38
12	I-7	Loans to Government Servants etc. (Loans and Advances – Voted)	58.35	13.27	23
13	K-11	Capital Expenditure on Energy (Capital – Voted)	1416.95	454.16	32
14	L-3	Rural Development Programmes (Revenue –Voted)	1724.55	379.93	22
15	O-3	Rural Employment (Revenue –Voted)	792.06	221.79	28
16	O-4	Other Rural Development Programmes (Revenue –Voted)	1327.59	1327.51	99.99
17	O-7	Secretariat Economic Services (Revenue –Voted)	33.69	12.86	38
18	O-9	Capital Outlay on Other Rural Development Programmes (Capital –Voted)	1446.90	987.61	68
19	O-21	District Plan – Sangli Revenue -Section (Revenue –Voted)	50.85	10.74	21
20	Q-1	Interest Payment (Revenue – Charged)	88.33	70.97	80
21	Q-3	Housing (Revenue –Voted)	1854.02	1228.61	66
22	V-1	Interest Payment (Revenue –Charged)	55.00	12.71	23
23	W-7	Revenue Expenditure on removal of regional imbalance (Revenue –Voted)	72.68	17.22	24
24	ZD-4	Tourism (Revenue –Voted)	147.70	62.13	42

Appendix 2.2

Expenditure incurred without Provision during 2008-09

(Reference : Paragraph 2.2.4 ; Page 42)

(Rupees in crore)

Sr. No.	Grant / Appropriation No.	Head of Account	Amount of expenditure without budget provision	Reasons / Remarks
REVENUE AND FORESTS DEPARTMENT				
1.	C-10	4406-01-102(02)(01)	0.14	Reasons for incurring the expenditure without provision have not been intimated (August 2009).
2.	C-10	4406-01-102(03)(01)	0.15	-do-
SCHOOL EDUCATION AND SPORTS DEPARTMENT				
3.	F-2	2217-80-191(00)(03)	0.44	-do-
4.	F-7	6217-60-800(00)(02)	0.46	-do-
INDUSTRIES, ENERGY AND LABOUR DEPARTMENT				
5.	K-Nil	6003- 101 101(63)	101.86	Provision for repayment of power bonds issued to Central Public Undertakings by Govt. of Maharashtra was inadvertently made under MH 6801-190(00)(02).
RURAL DEVELOPMENT AND WATER CONSERVATION DEPARTMENT				
6.	L-3	2505-60-101(01)(01)	0.25	Reasons for incurring the expenditure without provision have not been intimated (August 2009).
7.	L-3	2702-01-800(02)(01)	0.40	-do-
8.	L-3	2702-01-800(02)(02)	0.09	-do-
9.	L-3	3606-502-502	5.59	Due to clearance of debit balance under suspense account in respect of aid and materials received in kind during previous years.
SOCIAL JUSTICE AND SPECIAL ASSISTANCE DEPARTMENT				
10.	N-3	2225-01-793(01)(11)	3.29	-do-
WOMEN AND CHILD DEVELOPMENT DEPARTMENT				
11.	X-1	2236-02-101(01)(05)	0.43	-do-
WATER SUPPLY AND SANITATION DEPARTMENT				
12.	Y-2	2215-01-102(34)(05)	0.95	Reasons for incurring the expenditure without provision have not been intimated (August 2009).
13.	Y-2	2215-01-102(40)(05)	2.50	-do-
14.	Y-2	2215-02-107(44)(05)	2.00	-do-
TOURISM AND CULTURAL AFFAIRS DEPARTMENT				
15.	ZD-4	3452-01-101(02)(19)	0.30	-do-
16.	ZD-4	3606-502	0.06	Due to clearance of debit balance under suspense account in respect of Aid and Materials received in kind during previous years.
Total			118.91	

Excess over provision of previous years requiring regularisation

(Reference : Paragraph 2.2.6; Page 42)

Years	No of Grant / Appropriation	Grant / Appropriation No.	Amount of Excess (Rs)	Stage of consideration by Public Accounts Committee (PAC)
2002-03	GRANTS - 12	A-3	6682734	Yet to be regularised by PAC.
		C-9	49770	-do-
		H-3	178535752	-do-
		I-1	10838883494	-do-
		O-1	342165	-do-
		O-2	390545322	-do-
		S-1	13728921	-do-
		V-2	35916	-do-
		Y-3	4318587	-do-
		Y-5	8828	-do-
		B-10	58103361	-do-
		M-3	2123638939	-do-
	APPROPRIATION-17	A-4	48581	-do-
		A-5	1020824	-do-
		B-1	2823332	-do-
		B-3	12023	-do-
		C-3	1642877	-do-
		C-5	646720	-do-
		D-4	10925320	-do-
		E-2	19762	-do-
		H-5	26730000	-do-
		L-1	1824221681	-do-
		W-4	239912	-do-
		Y-1	21870639	-do-
		ZC-1	1496298	-do-
		C-10	7436926	-do-
		F-5	10388223	-do-
		G-8	9904340341	-do-
2003-04	GRANTS - 11	C-3	267	-do-
		E-2	793903846	-do-
		H-3	60133295	-do-
		I-1	167115725	-do-
		M-2	4864365	-do-
		O-2	36229024	-do-
		O-7	1147606	-do-
		Q-2	257575	-do-
		W-4	49549730	-do-
		Y-3	3606311	-do-
		K-9	8894427000	-do-
	APPROPRIATIONS - 15	D-1	3881904	-do-
		D-4	9590610	-do-
		H-5	8200000	-do-
		I-1	285000	-do-

Appendix - 2.3 (contd.)

Years	No of Grant / Appropriation	Grant / Appropriation No.	Amount of Excess (Rs)	Stage of consideration by Public Accounts Committee (PAC)
		N-4	90976	Yet to be regularised by PAC.
		Q-1	14464165	-do-
		T-1	4749922	-do-
		U-1	118258	-do-
		W-1	34410573	-do-
		ZC-1	2081344	-do-
		C-9	4848848	-do-
		C-10	283617	-do-
		F-5	55663732	-do-
		V-4	2499629	-do-
		Y-6	39476	-do-
2004-05	GRANTS - 09	A-5	64327866	-do-
		C-2	32626710	-do-
		C-7	29488459	-do-
		H-3	21449592	-do-
		M-2	2634738	-do-
		O-2	3243376924	-do-
		S-1	58693498	-do-
		W-3	104199737	-do-
		Y-3	2828868	-do-
	APPROPRIATIONS - 17	A-5	53952	-do-
		C-3	18662907	-do-
		C-5	21314042	-do-
		E-1	221355105	-do-
		G-7	308319	-do-
		I-1	1253983	-do-
		J-1	24641761	-do-
		L-1	152339138	-do-
		N-4	215926	-do-
		Q-1	40690146	-do-
		T-1	1478590	-do-
		U-1	73036	-do-
		V-2	80197	-do-
		W-4	10951	-do-
		C-11	680397	-do-
		F-5	30461999	-do-
		I-3	206951	-do-
2005-06	GRANTS - 19	A-5	3906868	-do-
		B-5	18356360	-do-
		C-5	1281448	-do-
		D-2A	21056422	-do-
		D-3	67823166	-do-
		F-3	49686988	-do-

Appendix - 2.3 (contd.)

Years	No of Grant / Appropriation	Grant / Appropriation No.	Amount of Excess (Rs)	Stage of consideration by Public Accounts Committee (PAC)
		K-5	83852	Yet to be regularised by PAC.
		K-6	4400807992	-do-
		L-2	205426979	-do-
		L-4	2702	-do-
		M-3	3540120	-do-
		O-2	183515	-do-
		O-4	4980772	-do-
		O-7	153582852	-do-
		Q-2	219985	-do-
		T-4	17464	-do-
		W-4	30402792	-do-
		Y-4	3683348	-do-
		M-4	6006511954	-do-
	APPROPRIATIONS-15	A-1	18770	-do-
		B-1	10352768	-do-
		C-3	10932733	-do-
		C-5	335062	-do-
		C-7	12625	-do-
		D-3	125618	-do-
		I-3	2036373	-do-
		L-1	510375721	-do-
		Q-1	35994848	-do-
		S-1	245600	-do-
		T-1	106255	-do-
		U-1	5231295	-do-
		V-2	712765	-do-
		ZC-1	1844454	-do-
		F-5	19997285	-do-
2006-07	GRANTS - 16	C-5	46596360	-do-
		C-6	2515203526	-do-
		D-2A	449949040	-do-
		F-3	9361552	-do-
		G-7	1620980	-do-
		H-5	738273424	-do-
		K-6	2839351966	-do-
		T-2	35211855	-do-
		T-3	28411	-do-
		ZA-2	59242	-do-
		B-10	14297771	-do-
		D-14	110000	-do-
		H-7	524720439	-do-

Appendix - 2.3 (concl'd.)

Years	No of Grant / Appropriation	Grant / Appropriation No.	Amount of Excess (Rs)	Stage of consideration by Public Accounts Committee (PAC)
		L-8	1565326	Yet to be regularised by PAC.
		M-4	2008837000	-do-
		T-8	243642	-do-
	APPROPRIATIONS - 13	B-5	108756	-do-
		C-3	255329	-do-
		C-7	836804	-do-
		D-1	17824876	-do-
		H-1	374	-do-
		H-6	135818	-do-
		L-1	274409535	-do-
		N-3	28023	-do-
		Q-1	76780199	-do-
		T-1	1327548	-do-
		U-1	5324459	-do-
		C-10	75000	-do-
		Y-7	432974	-do-
2007-08	GRANTS - 11	C-5	62079297	-do-
		C-6	445611160	-do-
		D-2	673401	-do-
		F-2	2104594132	-do-
		H-3	458440547	-do-
		Q-4	136195	-do-
		T-2	20774356	-do-
		U-3	37507	-do-
		Y-4	4406253	-do-
		H-11	7686	-do-
		M-4	1182395857	-do-
	APPROPRIATIONS - 11	C-3	126535	-do-
		C-5	491078	-do-
		C-7	80386	-do-
		D-4	86659	-do-
		H-6	39153821	-do-
		L-1	443750922	-do-
		L-5	378158	-do-
		Q-1	80752194	-do-
		U-1	5850836	-do-
		ZC-1	5654417	-do-
		K-Nil	1018594000	-do-
		Total	66661557215	
		i.e.	Rs 6666.16 crore	

Excess over provisions during 2008-09 requiring regularisation

(Reference : Paragraph 2.2.7; Page 43)

(Rupees in crore)

Sl.No.	Number and title of the Voted Grant/ Charged Appropriations	Total grant	Expenditure	Excess
Voted Grants				
1.	B-5 Jails	99.37	100.79	1.42
2.	B-7 Economic Services	27.42	27.42	- ¹
3.	C-2 Stamps and Registration	80.32	87.54	7.22
4	E-2 General Education	13791.82	13974.77	182.95
5.	F-7 Loans for Urban Development	0.05	0.46	0.41
6.	G-6 Pensions and Other Retirement Benefits	5012.69	5150.75	138.06
7.	H-3 Housing	256.01	301.83	45.82
8.	H-5 Roads and Bridges	2343.92	2387.90	43.98
9.	J-3 Compensation and Assignments	2.17	2.18	0.0043
10.	M-3 Secretariat and Other Economic Services	21.49	21.89	0.40
11	M-4 Capital Expenditure on Food	2122.83	3882.72	1759.89
12	O-13 District Plan-Mumbai City	36.94	36.99	0.05
13	O-14 District Plan-Mumbai Suburban	117.33	119.38	2.05
14	O-17 District Plan-Ratnagiri	37.57	37.92	0.35
15	O-18 District Plan-Sindhudurg	13.33	16.15	2.82
16	O-19 District Plan-Pune	36.14	41.70	5.56
17	O-20 District Plan-Satara	18.76	22.63	3.87
18	O-21 District Plan-Sangli	18.75	24.41	5.66
19	O-23 District Plan-Kolhapur	24.47	25.96	1.49
20	O-25 District Plan-Dhule	6.11	7.40	1.29
21	O-26 District Plan-Jalgaon	19.42	19.64	0.22
22	O-27 District Plan-Ahmednagar	21.77	21.79	0.02
23	O-30 District Plan-Jalna	13.84	14.58	0.74
24	O-31 District Plan-Parbhani	5.78	11.35	5.57
25	O-33 District Plan-Beed	27.88	28.56	0.68
26	O-34 District Plan-Latur	10.42	11.45	1.03
27	O-35 District Plan-Osmanabad	12.13	13.92	1.79
28	O-36 District Plan-Hingoli	6.71	7.88	1.17
29	O-37 District Plan-Nagpur	33.20	35.62	2.42
30	O-39 District Plan-Bhandara	10.27	11.75	1.48
31	O-41 District Plan-Gadchiroli	6.21	6.66	0.45
32	O-42 District Plan-Gondia	9.16	9.49	0.33
33	O-44 District Plan-Akola	15.27	15.80	0.53
34	O-45 District Plan-Yavatmal	33.68	34.85	1.17

¹ Excess only Rs.1,000/-.

Appendix - 2.4 (concl.)

(Rupees in crore)

Sl.No.	Number and title of the Voted Grant/ Charged Appropriations	Total grant	Expenditure	Excess
35	O-47 District Plan-Washim	5.08	7.32	2.24
36	S-1 Medical and Public Health	732.64	737.29	4.65
37	V-2 Co-operation	2887.39	2904.44	17.05
38	X-2 Secretariat-Social Services	1.30	1.34	0.04
Charged Appropriation				
39	C-1 Revenue and District Administration	0.15	0.22	0.07
40	D-1 Interest Payments	16.00	16.94	0.94
41	G-3 Interest Payments and Debt Servicing	11389.85	11424.24	34.39
42	H-6 Public Works and Administrative and Functional Buildings	2.28	3.53	1.25
43	K-Nil Internal Debt of the State Government	—	101.86	101.86
44	L-1 Interest Payments	264.60	270.01	5.41
45	L-5 Compensation and Assignments	284.41	284.41	— ¹
46	U-1 Interest Payments	1.57	2.13	0.56
47	S-1 Medical and Public Health	0.01	0.03	0.02
	Total	39878.51	42267.89	2389.38

¹ Excess only Rs.1,000/-.

Statement of cases where supplementary provision
(Rs.10 lakh or more in each case) proved unnecessary
(Reference : Paragraph 2.2.8; Page 43)

(Rupees in lakhs)

Sr. No.	Appropriation No	Name of the Appropriation	Original Provision	Actual Expenditure	Saving out of Original Provision	Supplementary Provision
A - Revenue - Charged						
1	E-1	Interest Payments	50627.10	49528.11	1098.99	3497.56
A - Revenue - Voted						
2	A-5	Social Services	11021.08	988.31	1032.77	2964.00
3	B-2	State Excise	5912.83	4258.48	1654.35	18.37
4	C-1	Revenue and District Administration	60865.99	58578.54	2287.45	2543.85
5	C-4	Secretariat and Other General Services	4066.17	1635.88	2430.29	153.20
6	D-5	Dairy Development	77870.55	67776.13	10094.42	200.00
7	D-7	Secretariat and Other Economic Services	719.05	679.49	39.56	26.56
8	F-2	Urban Development Other Advance Services	322530.29	269876.65	52653.64	13909.02
9	G-1	Sales Tax Administration	25769.46	22928.48	2840.98	3072.63
10	G-2	Other Fiscal and Miscellaneous Services	1061203.60	17620.77	1043582.83	91.34
11	G-4	Secretariat General Services	1275.35	1121.63	153.72	57.51
12	G-5	Treasury and Accounts Administration	10308.00	9930.20	377.80	913.56
13	G-7	Social Security and Welfare	2810.53	2634.62	175.91	97.63
14	H-4	Secretariat and Other Economic Services	2295.00	2178.70	116.30	156.83
15	J-2	Secretariat and Other Social and Economic Services	2402.45	2164.67	237.78	137.58
16	K-3	Stationery and Printing	9675.84	9548.37	127.47	1381.31
17	K-8	Secretariat - Economic Services	643.65	614.89	28.76	11.22
18	L-3	Rural Development Programmes	140765.54	134461.79	6303.75	31689.62
19	L-5	Compensation and Assignments	25950.84	22198.65	3752.19	200.00
20	O-7	Secretariat - Economic Services	2939.27	2083.26	856.01	430.03
21	O-8	Census, Survey and Statistics	1881.01	1637.64	243.37	50.85
22	O-16	District Plan - Raigad	2486.09	2057.03	429.06	245.01
23	O-33	District Plan - Beed	3948.50	3337.91	610.59	200.00
24	Q-3	Housing	179649.57	62541.45	117108.12	5752.86
25	X-1	Social Security and Nutrition	104025.23	95371.99	8653.24	6406.59
26	ZA-1	Secretariat and Other Social Services	2702.57	2266.78	435.79	200.00

Appendix - 2.5 (concl.)

(Rupees in lakhs)

Sr. No.	Appropriation No	Name of the Appropriation	Original Provision	Actual Expenditure	Saving out of Original Provision	Supplementary Provision
27	ZC-1	Parliament/State/Union Territory Legislature	5753.08	5146.56	606.52	171.19
B – Capital (Voted)						
28	C-10	Capital Expenditure on Economic Services	10240.96	9671.17	569.79	1319.88
29	D-9	Capital Expenditure on Animal Husbandry	325.55	37.55	288.00	27.00
30	D-10	Capital Expenditure on Fisheries	6882.09	4711.54	2170.55	80.00
31	O-9	Capital Outlay on other Rural Development Programmes	142558.08	45929.03	96629.05	2131.79
32	O-11	Capital Expenditure on Economic Services	20008.21	19408.56	599.65	1183.63
33	O-15	District Plan -Thane	1683.64	1550.30	133.34	300.01
34	O-16	District Plan- Raigad	2396.91	2384.78	12.13	30.03
Total						79650.66
						i.e 796.51 crore

Appendix 2.6

Statement of various grants/appropriation where supplementary provision proved insufficient by more than Rs 1 crore each
(Reference : Paragraph 2.2.8; Page 43)

(Rupees in Crore)

Sr. No.	Grant No	Name of the Grant	Original Provision	Supplementary	Total	Expenditure	Excess
1	B-5	Jails	93.16	6.21	99.37	100.79	1.42
2	C-2	Stamps and Registration	78.21	2.11	80.32	87.54	7.22
3	E-2	General Education	12425.63	1366.19	13791.82	13974.77	182.95
4	H-3	Housing	106.64	149.37	256.01	301.82	45.81
5	H-5	Roads and Bridges	1779.20	564.73	2343.93	2387.90	43.97
6	S-1	Medical and Public Health	721.31	11.33	732.64	737.29	4.65
Total			15204.15	2099.94	17304.09	17590.11	286.02

Excess/Unnecessary/Insufficient
reappropriation of funds

(Reference : Paragraph 2.2.9; Page 43)

(Rupees in Crore)

Sr. No.	Grant/ Appropriation No	Grant/ Appropriation Description	Head of Account	Reappropriation	Final Excess (+)/ Saving(-)
1.	A-5	Social Services	2235-60-102(00)(01)	(-)25.76	(+)2.23
2.	C-1	Revenue and District Administration	2053-093(01)	(-)8.97	(+)1.15
3.	C-6	Natural Calamities	2245-02-101(04)(05)	(-)53.47	(+)24.12
4.	C-6	Natural Calamities	2245-02-101(00)(08)	(-)4.45	(+)8.93
5.	D-3	Agriculture Services	2401-114 (00)(06)	(+)1.75	(-)4.16
6.	D-3	Agriculture Services	2415-01-120(00)(04) & (00)(09)	(-)7.20	(+)4.58
7.	D-3	Agriculture Services	2401-108(01)(02)	(+)7.33	(-)1.64
8.	D-3	Agriculture Services	2401-114(00)(01)	(+)4.44	(-)1.52
9.	E-2	General Education	2202-01-103(05)(04)	(-)6.23	(+)8.19
10.	E-2	General Education	2202-01-103(03)(02)	(+)32.29	(-)7.39
11.	E-2	General Education	2202-02-110(00)(01)	(+)223.21	(-)11.27
12.	E-2	General Education	2202-80-003(01)(03)	(+)10.44	(-)6.02
13.	E-2	General Education	2202-80-800(02)(48)	(-)5.11	(+)4.03
14.	E-2	General Education	2202-80-003(01)(04)	(-)16.71	(+)5.75
15.	G-3	Interest Payments and Debt Servicing	2049-04-101	(-)21.01	(+)11.52
16.	G-3	Interest Payments and Debt Servicing	2049-03-104	(-)90.82	(+)65.02
17.	G-6	Pension and other Retirement Benefits	2071-01-101(02)(01)	(-)52.31	(+)486.97
18.	G-6	Pension and other Retirement Benefits	2071-01-103(00)(03)	(+)10.56	(-)5.69
19.	G-6	Pension and other Retirement Benefits	2071-01-105(00)(01)	(+)18.29	(-)16.99
20.	G-6	Pension and other Retirement Benefits	2071-01-104(00)(04)	(+)4.00	(-)346.31
21.	G-6	Pension and other Retirement Benefits	2071-01-109(00)(01)	(+)38.57	(-)50.11
22.	H-5	Roads & Bridges	3054-04-800(03)(01)	(-)2.33	(+)29.34
23.	H-5	Roads & Bridges	3054-80-797(00)(03)	(-)35.80	(+)1.16
24.	L-3	Rural Development Programmes	2702-80-001(01)(03)	(+)1.66	(-)2.08
25.	L-7	Capital expenditure on Rural Development	4402-102(01)(02)	(-)1.28	(+)1.09
26.	M-2	Food	2408-01-101(03)(02)	(-)2.24	(+)1.63
27.	M-4	Capital Expenditure on Food	4408-01-101(02)(01)	(+)319.37	(-)63.57
28.	M-4	Capital Expenditure on Food	4408-01-101(02)(02)	(-)319.37	(+)130.26
29.	N-3	Welfare of Scheduled Castes, Scheduled Tribes and other Backward Classes	2235-02-104(08)(09)	(+)6.90	(-)33.96
30.	N-3	Welfare of Scheduled Castes, Scheduled Tribes and other Backward Classes	2235-02-104(08)(10)	(+)43.99	(-)119.09
31.	N-3	Welfare of Scheduled Castes, Scheduled Tribes and other Backward Classes	2235-02-104(08)(01)	(-)6.90	(+)2.61

Appendix - 2.7 (concl.)

(Rupees in Crore)

Sr. No.	Grant/ Appropriation No	Grant/ Appropriation Description	Head of Account	Reappropriation	Final Excess (+)/ Saving(-)
32.	N-3	Welfare of Scheduled Castes, Scheduled Tribes and other Backward Classes	2225-01-277(04)(20)	(+)7.64	(-)1.07
33.	O-3	Rural Employment	2505-60-001(03)(03)	(-)1.00	(+)2.13
34.	T-5	Revenue Expenditure on Tribal Areas Development Sub-plan	2210-06-796-(01)(04)	(+)3.33	(-)5.79
35.	T-5	Revenue Expenditure on Tribal Areas Development Sub-plan	2210-06-796-(01)(04)	(+)1.02	(-)8.39
36.	T-5	Revenue Expenditure on Tribal Areas Development Sub-plan	2702-80-796-(01)(04)	(+)1.47	(-)5.65
37.	T-5	Revenue Expenditure on Tribal Areas Development Sub-plan	2215-01-796-(01)(01)	(-)13.61	(+)9.46
38.	T-5	Revenue Expenditure on Tribal Areas Development Sub-plan	2225-02-796-(01)(37)	(-)24.71	(+)1.36
39.	T-5	Revenue Expenditure on Tribal Areas Development Sub-plan	2401-796-(01)(02)	(+)1.77	(-)1.30
40.	T-5	Revenue Expenditure on Tribal Areas Development Sub-plan	2505-60-796(01)(01)	(+)11.01	(-)1.14
41.	T-5	Revenue expenditure on Tribal Area Development sub-plan	2702-01-796(00)(02)	(+)6.12	(-)1.13
42.	T-5	Revenue expenditure on Tribal Area Development sub-plan	2702-80-796(00)(02)	(+)7.33	(-)1.23
43.	T-5	Capital expenditure on Tribal Area Development sub-plan	4701-03-796(01)(01)	(+)1.77	(-)10.73
44.	T-5	Capital expenditure on Tribal Area Development sub-plan	4225-02-796-(01)(08)	(+)27.18	(-)3.89
45.	T-5	Capital expenditure on Tribal Area Development sub-plan	4225-02-796-(01)(10)	(-)1.00	(+)1.11
46.	T-5	Capital expenditure on Tribal Area Development sub-plan	4702-01-796-(01)(05)	(+)12.19	(-)2.38
47.	T-5	Capital expenditure on Tribal Area Development sub-plan	5054-04-796-(01)(02)	(+)8.50	(-)6.81
48.	V-2	Co-operation	2425-107(02)(04)	(-)4.31	(+)2.65
49.	Y-2	Water Supply & Sanitation	2215-01-191(01)(05)	(-)2.93	(+)1.15

Surrender in excess of actual saving
(Rs 50 lakh or more)

(Reference : Paragraph 2.2.12; Page 44)

(Rupees in Crore)

Sr.No.	Grant No.	Name of the Grant/ Appropriation	Total Grant	Saving Expenditure	Amount Surrendered	Amount Surrendered in excess
1	A-5	Social Services	139.85	39.97	42.53	2.56
2	B-1	Police Administration	3826.03	149.08	202.59	53.51
3	C-7	Forest	538.63	23.51	31.80	8.29
4	G-2	Other Fiscal and Miscellaneous Services	10612.95	10436.74	10561.92	125.18
5	G-5	Treasury and Accounts Administration	112.22	12.91	13.21	0.30
6	H-6	Public Works and Administration and Functional Buildings	1238.06	51.16	61.70	10.54
7	I-3	Irrigation Power and other Economic Services	1713.41	14.26	58.66	44.40
8	K-7	Industries	657.16	4.03	173.78	169.75
9	L-2	District Administration	977.43	3.23	13.98	10.75
10	L-7	Capital Expenditure on Rural Development	345.04	36.42	39.03	2.61
11	M-2	Food	597.32	100.85	102.48	1.63
12	O-16	District Plan - Raigad (Capital Section)	24.27	0.42	2.26	1.84
13	O-40	District Plan Chandrapur (Capital Section)	10.19	0.72	1.26	0.54
14	R-1	Medical and Public Health	2178.25	8.09	48.28	40.19
15	T-2	Welfare of Scheduled Caste, Scheduled Tribes and Other Backward Classes	551.32	16.07	20.37	4.30
16	W-4	Art and Culture	389.61	12.48	21.07	8.59
Total			23911.74	10909.94	11394.92	484.98

Statement of various grants/appropriations in which saving occurred but no part of which had been surrendered

(Reference : Paragraph 2.2.13 ; Page 44)

(Rupees in Crore)

Sr.No	Grant No.	Name of Grant/Appropriation	Saving
I - GRANT			
1	D - 9 A	Capital Outlay on Dairy Development	1.05
2	F - 4	Compensation and Assignment	1.96
3	G - 10	Loans for other General Economic Services	0.18
4	K - 1	Other Administrative Services	3.19
5	K - 6	Energy	295.28
6	K - 11	Capital Expenditure on Energy	454.16
7	N - 5	Loans to Government Servants etc.	0.79
8	O - 1	District Administration	0.0074
9	O - 22	District Plan - Solapur (Capital Section)	2.18
10	O - 24	District Plan - Nasik (Revenue Section)	0.64
	O - 24	District Plan - Nasik (Capital Section)	2.01
11	O - 28	District Plan - Nandurbar (Capital Section)	0.04
12	O - 29	District Plan - Aurangabad (Capital Section)	1.20
13	O - 30	District Plan - Jalna (Revenue Section)	2.59
14	O - 31	District Plan - Parbhani (Revenue Section)	8.18
15	O - 34	District Plan - Nanded (Capital Section)	1.50
16	O - 38	District Plan - Latur (Revenue Section)	5.22
17	O - 34	District Plan - Wardha (Capital Section)	0.18
18	O - 45	District Plan - Yavatmal (Capital Section)	3.64
19	X - 4	Loans to Government Servants etc.	0.28
20	ZD - 1	Secretariat and Other Social Services	0.18
21	ZD - 2	Art and Culture	11.29
22	ZD - 4	Tourism	62.13
23	ZD - 5	Loans to Government Servants etc.	0.35
II - Appropriation			
24	E - 1	Interest Payments	45.97
25	F - 4	Compensation and Assignments	0.0083
26	G - 6	Pension and Other Retirement Benefits	8.08
27	K - 2	Interest Payments	15.17
28	N - 1	Interest Payments	2.33
29	N - 3	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	0.0034
30	T - 1	Interest Payments	0.40
31	Y - 6	Capital Expenditure on Economic and Social Services	0.02
32	ZC - 1	Parliament/State/Union Territory Legislatures	0.05
Total			930.26

Appendix 2.10

Details of saving of Rs 1 crore and above not surrendered

(Reference : Paragraph 2.2.13; Page 44)

(Rupees in Crore)					
Sr. No.	Grant No.	Name of Grant/Appropriation	Saving	Surrender	Saving which remained to be Surrendered
1	A-4	Secretariat and Miscellaneous General Services	19.89	18.68	1.21
2	B-3	Transport Administration	10.40	8.10	2.30
3	B-9	Capital Expenditure on Economic Services	68.01	60.12	7.89
4	C-1	Revenue and District Administration	48.31	47.18	1.13
5	C-5	Other Social Services	9.86	6.44	3.42
6	C-6	Natural Calamities	268.04	79.77	188.27
7	D-3	Agriculture Services	284.77	228.24	56.53
8	D-6	Fisheries	34.62	33.05	1.57
9	D-10	Capital Expenditure on Fisheries	22.51	21.28	1.23
10	E-3	Secretariat and other Social Services	35.03	31.36	3.67
11	G-1	Sales Tax Administration	59.14	46.81	12.33
12	G-8	Public Debt and Inter State Settlement	2098.77	2096.85	1.92
13	H-4	Secretariat and other Economic Services	2.73	0.51	2.22
14	I-5	Capital Expenditure on Irrigation	16.45	15.46	0.99
15	J-4	Capital Outlay on Public Works	1.65	0.10	1.55
16	K-3	Stationery and Printing	15.09	13.29	1.80
17	K-9	Capital Expenditure on Economic and Social Services	2.89	1.61	1.28
18	K-10	Capital Expenditure on Industries	1.44	0.33	1.11
19	L-3	Rural Development Programmes	379.93	357.40	22.53
20	L-5	Compensation and Assignments	39.52	33.22	6.30
21	L-10	Miscellaneous Loans	1025.36	915.80	109.56
22	N-3	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	281.25	8.60	272.65
23	O-3	Rural Employment	221.79	185.65	36.14
24	O-7	Secretariat - Economic Services	12.86	3.75	9.11
25	O-9	Capital Outlay and Other Rural Development Programmes	987.61	978.06	9.55
26	O-11	Capital Expenditure on Economic Services	17.83	0.52	17.31
27	O-13	District Plan-Mumbai City (Capital Section)	2.26	0.0019	2.2581
28	O-14	District Plan-Mumbai Suburban (Capital Section)	2.75	0.0031	2.7469
29	O-15	District Plan - Thane (Revenue Section)	7.29	1.52	5.77
30	O-15	District Plan - Thane (Capital Section)	4.33	2.39	1.94
31	O-16	District Plan - Raigad (Revenue Section)	6.74	2.90	3.84
32	O-17	District Plan - Ratnagiri (Revenue Section)	2.29	1.15	1.14
33	O-18	District Plan - Sindhudurg (Revenue Section)	4.33	0.02	4.31

Appendix - 2.10 (concl.)

(Rupees in Crore)

Sr. No.	Grant No.	Name of Grant/Appropriation	Saving	Surrender	Saving which remained to be Surrendered
34	O-19	District Plan - Pune (Revenue Section)	12.73	0.07	12.66
35	O-20	District Plan - Satara (Revenue Section)	8.27	0.03	8.24
36	O-21	District Plan - Sangli (Revenue Section)	10.74	0.73	10.01
37	O-22	District Plan - Solapur (Revenue Section)	10.19	0.0022	10.1878
38	O-23	District Plan - Kolhapur (Revenue Section)	3.89	0.10	3.79
39	O-25	District Plan - Dhule (Revenue Section)	3.24	0.05	3.19
40	O-26	District Plan - Jalgaon (Revenue Section)	9.02	0.11	8.91
41	O-29	District Plan - Aurangabad (Revenue Section)	5.24	0.16	5.08
42	O-32	District Plan - Nanded (Revenue Section)	1.74	0.37	1.37
43	O-33	District Plan - Beed (Revenue Section)	8.11	4.38	3.73
44	O-35	District Plan - Osmanabad (Revenue Section)	4.70	0.03	4.67
45	O-36	District Plan - Hingoli (Revenue Section)	3.97	1.15	2.82
46	O-37	District Plan - Nagpur (Revenue Section)	5.44	0.80	4.64
47	O-38	District Plan - Wardha (Revenue Section)	1.18	0.14	1.04
48	O-39	District Plan - Bhandara (Revenue Section)	3.79	0.61	3.18
49	O-40	District Plan - Chandrapur (Revenue Section)	4.83	0.23	4.60
50	O-41	District Plan - Gadchiroli (Revenue Section)	2.32	0.31	2.01
51	O-42	District Plan - Gondiya (Revenue Section)	3.44	1.29	2.15
52	O-43	District Plan - Amravati (Revenue Section)	5.34	2.73	2.61
53	O-44	District Plan - Akola (Revenue Section)	2.41	1.13	1.28
54	O-47	District Plan - Washim (Revenue Section)	4.63	0.85	3.78
55	Q-1	Interest Payments	70.97	1.07	69.90
56	Q-3	Housing	1228.61	24.60	1204.01
57	R-5	Loans to Government Servants etc.	2.89	1.29	1.60
58	T-5	Revenue Expenditure on Tribal Areas Development Sub Plan	188.26	136.16	52.10
59	T-6	Capital Expenditure on Tribal Areas Development Sub Plan	156.04	103.74	52.30
60	W-2	General Education	28.05	22.60	5.45
61	W-3	Technical Education	9.81	1.00	8.81
62	W-7	Revenue Expenditure on removal of Regional Imbalance	17.22	9.69	7.53
63	X-1	Social Security and Nutrition	150.60	60.63	89.97
64	Y-2	Water Supply and Sanitation	67.01	64.17	2.84
65	ZC-1	Parliament/State/Union Territory Legislatures	7.78	5.83	1.95
Total			8038.20	5646.21	2391.99

Appendix 2.11

Cases of surrender of funds in excess of Rs. 10 crore on 30 and 31 March 2009

(Reference : Paragraph 2.2.13; Page 44)

			(Rupees in Crore)
Sr.No.	Grant No.	Major Head	Amount of Surrender
1	A02	2015 Elections	12.90
2	A04	2052 Secretariat - General Services	12.73
3	A05	2235 Social Security and Welfare	21.59
4	A05	2251 Secretariat - Social Services	14.52
5	B01	2055 Police	191.29
6	B01	2070 Other Administrative Services	10.08
7	B02	2039 State Excise	16.36
8	B09	4055 Capital Outlay on Police	58.54
9	C01	2029 Land Revenue	17.17
10	C01	2053 District Administration	68.68
11	C04	2059 Public Works	24.99
12	C06	2245 Relief on account of Natural Calamities	80.41
13	C07	2406 Forestry and Wildlife	40.97
14	C10	4701 Capital Outlay on Major and Medium Irrigation	20.30
15	C12	7610 Loans to Government Servants etc.	12.30
16	D03	2401 Crop Husbandry	227.10
17	E02	2202 General Education	11.77
18	E03	2204 Sports and Youth Services	31.36
19	F02	2217 Urban Development	663.14
20	G01	2040 Taxes on Sales	43.41
21	G02	2070 Other Administrative Services	8000.61
22	G02	2075 Miscellaneous General Services	2559.15
23	G05	2054 Treasury and Accounts Administration	13.23
24	J01	2014 Administration of Justice	28.17
25	K03	2058 Stationery and Printing	13.17
26	K07	2852 Industries	172.48
27	L03	2501 Special Programmes for Rural Development	19.50
28	L03	2515 Other Rural Development Programmes	280.05
29	L03	2702 Minor Irrigation	52.29
30	M02	2408 Food, Storage and Warehousing	102.50
31	O03	2505 Rural Employment	187.31
32	O04	2515 Other Rural Development Programmes	1327.50
33	O09	4515 Capital Outlay on Other Rural Development Programmes	978.06
34	Q03	2216 Housing	24.56
35	R01	2210 Medical and Public Health	42.79

Appendix - 2.11 (concl.)

(Rupees in Crore)

Sr.No.	Grant No.	Major Head	Amount of Surrender
36	T02	2225 Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	20.37
37	T05	2210 Medical and Public Health	12.27
38	T05	2215 Water Supply and Sanitation	16.34
39	T05	2225 Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	28.94
40	T05	2425 Co-operation	10.92
41	T05	2501 Special Programmes for Rural Development	10.01
42	T05	2505 Rural Employment	41.84
43	T05	3054 Roads and Bridges	11.61
44	T06	4225 Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes and other Backward Classes	81.73
45	V01	2049 Interest Payments	12.71
46	V02	2425 Co-operation	16.19
47	V04	6003 Internal Debt of the State Government	13.98
48	V05	6425 Loans for Co-operation	20.20
49	V05	6851 Loans for Village and Small Industries	15.95
50	W01	2049 Interest Payments	23.17
51	W02	2202 General Education	22.61
52	W04	2230 Labour and Employment	17.98
53	X01	2235 Social Security and Welfare	60.63
54	Y02	2215 Water Supply and Sanitation	64.17
Total			15882.60

Pending DC Bills for the years upto 2008-09

(Reference : Paragraph 2.3.1; Page 46)

(Rupees in Crore)

Sr.No.	Department	No. of AC Bills	Amount
1.	General Administration	1613	98.38
2.	Home	5964	321.17
3.	Revenue and Forests	3355	332.02
4.	Agriculture, Animal Husbandry, Dairy Development and Fisheries	9157	107.95
5.	School Education	301	9.08
6.	Urban Development	49	0.40
7.	Finance	234	3.73
8.	Public Works	39	0.40
9.	Water Resources	43	0.09
10.	Law and Judiciary	1310	7.23
11.	Industries, Energy and Labour	264	11.44
12.	Rural Development and Water Conservation	1421	14.86
13.	Food, Civil Supplies and Consumer Protection	69	0.46
14.	Social Welfare, Cultural Affairs and Sports	945	16.53
15.	Planning	3600	87.70
16.	Housing and Special Assistance	126	0.70
17.	Public Health	891	44.72
18.	Medical Education and Drugs	4789	56.29
19.	Tribal Development	159	4.12
20.	Co-operation and Textiles	191	354.11
21.	Higher and Technical Education	209	6.96
22.	Women and Child Welfare	135	0.72
23.	Water Supply and Sanitation	758	2.12
24.	Trade, Commerce and Mining	79	1.03
25.	Maharashtra Legislature Secretariat	2	0.09
26.	Environment	10	0.07
27.	Employment and Self Employment	7	0.07
28.	Parliamentary Affairs	14	0.42
Total		35734	1482.86

Appendix 2.13

Departments which did not reconcile expenditure during 2008-09

(Reference : Paragraph 2.3.2; Page 47)

Sr.No.	Department	Amount not reconciled (exceeding Rs 10 crore)
1	Agriculture, Animal Husbandry, Dairy Development & Fisheries	2452.24
2	Co-operation, Marketing & Textiles	3407.60
3	Employment & Self-Employment	11.37
4	Finance	19248.12
5	Food, Civil Supplies and Consumer Protection	4379.19
6	General Administration	431.09
7	Higher & Technical Education	1209.58
8	Home	4909.12
9	Housing	642.58
10	Industries, Energy & Labour	4708.19
11	Law & Judiciary	299.18
12	Maharashtra Legislature Secretariat	51.90
13	Medical Education & Drugs	611.04
14	Minorities Development	114.55
15	Planning	238.41
16	Public Health	1562.54
17	Public Works	5675.50
18	Revenue & Forests	1663.95
19	Rural Development & Water Conservation	2008.53
20	School Education & Sports	2932.15
21	Social Justice and Special Assistance	2300.46
22	Tourism and Cultural affairs	132.32
23	Tribal Development	1446.75
24	Urban Development	2738.19
25	Water Resources	13408.72
26	Water Supply & Sanitation	722.55
27	Women & Child Development	693.80
Total		77999.62

Source: T.M.Section, Office of the Pr.A.G.(A&E), Mumbai.

Appendix 2.14

Cases of drawal from Contingency Fund where the expenditure was foreseeable

(Reference : Paragraph 2.4; Page 47)

(Rupees in crore)

Sr.No	Sanction No.& date	Deptt./Grant No./Major Head	Purpose for which drawn	Amount Sanctioned
1.	CNF11.08/1/Bud 13 Dtd.08.04.08	Co-operation, Marketing and Textiles Department MH 6425	Loan sanctioned to Sagar Sahakari Sakhar Karkhana	2.69
2.	CNF11.08/2/Bud 8 Dtd.09.04.08	Higher & Technical Education Department MH 2202	Post Matric Scholarship from Contingency Fund	2.22
3.	CNF11.08/3/Bud 18 Dtd.09.04.08	Finance Department MH 7475	Loan taken for payment of retirement benefits of MAFCO employees	0.45
4.	CNF 11.08/4/ Bud 11 Dtd. 23.04.08	Co-operation, Marketing and Textiles Department MH 2425	Financial assistance to Co-operative Sugar Factories for sugar export	25.00
5.	CNF11.08/5/Bud 16 Dtd.23.04.08	Law and Judiciary Department MH2014	Purchase of 11 new vehicles for Mumbai High Court Judges	0.78
6.	CNF11.08/6/Bud 16 Dtd.24.04.08	Planning Department MH 3451	To pay interim compensation amount	0.02
7.	CNF 11.08/7/Bud 14 Dtd. 09.05.08	General Administration Department. MH 2015	Non plan expenditure in connection with Bye-Election to 10 Thane Parliamentary constituencies	5.00
8.	CNF 11.08/9/Bud 7 Dtd. 16.05.08	Social Justice and Special Assistance Department MH 6225	Loans sanctioned to Co-operative Spinning Mills of SC	13.82
9.	CNF 11.08/10/Bud 14 Dtd.. 31.05.08	General Administration Department. M.H. 2070	Expenditure for purchase of new aircrafts for use by State administration	4.50
10.	CNF11.08/12/Bud 6 Dtd.16.06.08	Revenue and Forests Department MH 2029	To make payment of salary and other expenses for the work of land acquisition for MSEZ company	0.51
11.	CNF11.08/13/Bud15 Dtd.17.06.08	Agriculture, Animal Husbandry, Dairy Development & Fisheries Department MH 2405	Reimbursement of special package to the fishermen	20.00
12.	CNF11.08/14/Bud13 Dtd.19.06.08	Co-operation, Marketing and Textiles Department MH 2425	Financial assistance to uncrushed sugarcane for less sugar recovery & transport subsidy	37.00
13.	CNF11.08/15/Bud 13 Dtd.20.06.08	Agriculture, Animal Husbandry, Dairy Development & Fisheries Department MH 2401	Transport subsidy on DAP & complex fertilizers	5.00
14.	CNF11.08/16/Bud 9 Dtd. 27.06.08	Public Health Department MH 2210	Expenditure for the arrangement of the 14th world tobacco health conference on international level.	4.20
15.	CNF11.08/17/Bud 13 Dtd.30.06.08	Agriculture, Animal Husbandry, Dairy Development & Fisheries Department MH 2401	Centrally sponsored seed treatment campaign	0.92
16.	CNF11.08/18/Bud 8 Dtd.04.07.08	School Education & Sports Department MH 4202	Financial assistance to the Executive Committee of Youth Sports competition	50.00

Appendix - 2.14 (contd.)

(Rupees in crore)

Sr.No.	Sanction No. & date	Deptt. / Grant No. / Major Head	Purpose for which drawn	Amount Sanctioned
17.	CNF11.08/19/Bud 8 Dtd.05.07.08	Higher & Technical Education Department MH 2203	Scholarship to minority community to enable them to pursue professional and technical course	0.29
18.	CNF11.08/20/Bud 8 Dtd. 11.07.08	School Education & Sports Department MH 2202	Payment of stipend to the students during internship to the degree course of Teachers Education	24.13
19.	CNF 11.08/22/Bud 17 Dtd. 07.08.08	Housing Department MH 2216	Grant sanctioned to build 10,000 houses in Solapur for Godutai Parulekar Mahila Beedi Kamgar	1.31
20.	CNF11.08/25/Bud18 Dtd.27. 08.08	Finance Department MH 2052	Payment to the advisor for privatisation of Chitali distilleries	0.58
21.	CNF11.08/27/Bud 8 Dtd.10.09.08	School Education & Sports Department MH 2204	Subsidies to the Commonwealth Youth Competition, 2008.	15.00
22.	CNF11.08/28/Bud 9 Dtd. 10.09.08	Public Health Department MH 2210	Provision for payment of employees for the financial year 2008-09	1.50
23.	CNF11.08/29/Bud 9 Dtd. 10.09.08	Public Health Department MH 2210	Financial aid to economically backward persons under the Jeevndai Health Programme	5 .00
24.	CNF11.08/30/Bud 11 Dtd.11.09.08	Law and Judiciary Department MH2014	Purchase of 5 new vehicles for Mumbai High Court Judges	0.41
25.	CNF 11.08/32/Bud 8 Dtd.12.09.08	Higher & Technical Education Department MH 2202	Urgent amount required for renovation of Bldg. & extension work of people's education societies (Mumbai) Milind College of Science, Nagsenvana, Aurangabad under Marathwada Development Scheme	0.50
26.	CNF11.08/33/Bud 15 Dtd.16.09.08	Agriculture, Animal Husbandry, Dairy Development & Fisheries Department MH 2404	Expenditure for Integrated Dairy Farm Project- Marathwada Development Programme 2007	1.28
27.	CNF11.08/36/Bud 15 Dtd 16.09.08	Agriculture, Animal Husbandry, Dairy Development & Fisheries Department MH 2403	Marathwada Development Programme	1.00
28.	CNF11.08/38/Bud 17 Dtd.20.09.08	Rural Deveopement and Water Conservation Department MH 2515	Gram Vikas Bhawan Project Plan	1.76
29.	CNF 11.08/41/Bud11 Dtd.26.09.08	Tourism and Cultural Affairs Department MH 2205	Provision for expenses on All India Linguistic Conference held by Maharashtra State Hindi Sahitya Academy	0.50

Appendix - 2.14 (concl.)

(Rupees in crore)

Sr.No.	Sanction No. & date	Deptt./Grant No./Major Head	Purpose for which drawn	Amount Sanctioned
30.	CNF11.08/42/Bud 8 Dtd.01.10.08	School Education & Sports Department MH 2202	Payment of rent in respect of Bldg. which is taken for Primary Education by Nagar Parishad, Nagar Palika & BMC	10.00
31.	CNF11.08/43/Bud 14 Dtd. 03.10.08.	General Administration Department M.H. 2051	Expenditure for conducting examination of Maharashtra Public Service Commission	3.00
32.	CNF11.08/45/Bud 8 Dtd. 07.10.08	School Education & Sports Department MH 2204	Expenditure on organising Commonwealth Youth Sports Competition, 2008	10.00
33.	CNF11.08/47/Bud 13 Dtd.08.10.08	Co-operation, Marketing & Textiles Department MH 6425	Loans sanctioned by NCDC to Sagar SSK Ltd. Tirthpuri Dist. Jalna through State Govt.	0.54
34.	CNF11.08/51/Bud 11 Dtd. 14.10.08	Tourism & Cultural Affairs Deptt. MH 2205	Expenditure for Publishing Photobiography of Dr. Babasaheb Ambedkar.	0.30
35.	CNF11.08/52/Bud 14 Dtd.14.10.08	General Administration Department MH 2052	Expenditure for purchase of 13 new DV vehicles for the use of VIP's visiting Mumbai	0.65
36.	CNF11.08/59/Bud 14 Dtd. 11.11.08	Industries, Energy and Labour Department M.H4801	Payment for construction of Ratnagiri Gas & Power Project LNG Terminal	49.20
37.	CNF11.08/60/Bud 12 Dtd. 17.11.08	Public Works Department MH 3054	Construction of Roads & Bridges by Central Govt. under Central Road Fund.	1.00
38.	CNF11.09/71/Bud 12 Dtd 21.01.09	Public Works Department MH 2217	Expenditure for inspection and repairs to BDD Chawl, Mumbai	6.00
39.	CNF11.09/79/Bud 11 Dtd.03.03.09	Home Department MH 2055	Extra grant for purchase of tear gas shells and ammunitions	7.00
40.	CNF11.09/80/Bud 8 Dtd.03. 03.09	Higher & Technical Education Department MH 2203	Construction of Girls Hostel for 400 intake capacity College of Engineering, Pune	4.00
41.	CNF11.09/81/Bud 8 Dtd.03.03.09	Higher & Technical Education Department MH 2203	Construction of Class Room Complex in College of Engineering, Pune	3.00
42.	CNF11.08/84/Bud 14 Dtd. 06.03.09	Industries, Energy and Labour Department M.H. 2851	Expenditure for conducting diagnostic study of clusters under scheme of micro and small enterprises	0.20
43.	CNF11.09/85/Bud 12 Dtd.06.03.09	Public Works Department MH 4202	Construction of Bldg./Archives in Tasgaon Dist. Sangli	3.00
44.	CNF11.09/86/Bud 12 Dtd.06.03.09	Public Works Department MH 4202	Construction of Engg./Tech Bldg. at Ambegaon, Dist. Pune	4.00
45.	CNF11.09/87/Bud 12 Dtd.06.03.09	Public Works Department MH 4202	Construction of Polytechnic Bldg. in Ambegaon Dist. Pune	5.00

Statement showing department-wise breakup of outstanding Utilisation Certificates (Grants & Loans)

(Reference : Paragraph 3.1 ; Page 49)

(Rupees in Crore)

Sr. No.	Department	Number of certificates	Amount
Department-wise breakup of outstanding utilisation certificates (Grants)			
1	Agriculture, Animal Husbandry, Dairy Development and Fisheries	16822	1139.55
2	Co-operation, Marketing and Textiles	2129	2610.70
3	Employment and Self-employment	22	32.35
4	Environment	1	0.09
5	Finance	17	13.82
6	Food, Civil Supplies and Consumer Protection	58	0.44
7	General Administration	181	23.44
8	Higher and Technical Education	1383	2787.94
9	Home	1036	1181.24
10	Housing	30	7.31
11	Industries, Energy and Labour	76	7578.03
12	Irrigation	36	13.71
13	Law and Judiciary	416	2.67
14	Medical Education and Drugs	390	42.73
15	Planning	9238	1691.29
16	Public Health	5396	739.52
17	Public Works	557	247.19
18	Revenue and Forests	10416	1128.24
19	Rural Development and Water Conservation	9783	3224.20
20	School Education and Sports	11933	9137.36
21	Social Justice, Cultural Affairs and Special Assistance	31741	1543.81
22	Tribal Development	6768	1989.01
23	Urban Development	2595	3064.12
24	Water Resources	674	12.36
25	Water Supply and Sanitation	3241	1444.07
26	Women and Child Development	11484	684.58
Total		126423	40339.77
Department-wise breakup of outstanding utilisation certificates (Loans)			
1	Agriculture, Animal Husbandry, Dairy Development and Fisheries	102	15.87
2	Co-operation, Marketing and Textiles	408	503.52
3	Housing	68	1.01
4	Industries, Energy and Labour	2069	92.53
5	Public Health	8	0.80
6	Revenue and Forests	529	289.35
7	Rural Development and Water Conservation	6	1.87
8	Social Justice, Cultural Affairs and Special Assistance	135	156.51
9	Tribal Development	704	3.25
10	Urban Development	359	70.69
11	Water Supply and Sanitation	1	62.79
Total		4389	1198.19
Grand total (Grants + Loans)		130812	41537.96

Statement showing performance of the autonomous bodies

(Reference : Paragraph: 3.3; Page : 50)

Sr. No.	Name of the Body	Period of entrustment	Year upto which accounts were rendered	Delay in submission of accounts	Period of delay	Period upto which SAR is issued	Placement of SAR in the Legislature
1.	Godavari Marathwada Irrigation Development Corporation (GMIDC), Aurangabad	17/08/1998 to 31/03/2009	2006-07	<u>2006-07</u> Annual accounts received on 6/6/2008	Five months	2006-07	<u>1998-99</u> , <u>1999-00</u> - March 2005 <u>2000-01</u> in March 2006
2.	Maharashtra Housing and Area Development Authority (MHADA), Mumbai	01.04.2003 to 31.03.2008	2006-07	<u>2005-06</u> Annual accounts were received between January 2007 and August 2007	One year and one month	2005-06	<u>2001-02</u> To <u>2005-06</u> 16.06.2009
3.	Mumbai Metropolitan Region Development Authority (MMRDA), Mumbai.	01.04.2004 to 31.03.2009	2007-08	<u>2007-08</u> Annual accounts received on 17.10.2008	3 months	2007-08	No provision for placement
4.	Maharashtra Jeevan Pradhikaran (MJP), Mumbai.	01.04.2007 to 31.03.2012	2006-07	<u>2006-07</u> Annual accounts received on 24.01.2008	6 months	2006-07	<u>2005-06</u> 26.07.2008
5.	Maharashtra State Khadi and Village Industries Board (MSKVIB), Mumbai.	01.04.2007 to 31.03.2012	2007-08	<u>2006-07</u> Annual accounts received on 14.01.2008	6 months	2006-07	<u>2005-06</u> 04.08.2008
6.	Maharashtra Krishna Valley Development Corporation (MKVDC), Pune.	01.04.2006 to 31.03.2011	2007-08	<u>2006-07</u> Annual accounts received on December 2007	5 months	2006-07	<u>2005-06</u> July 2007
7.	Konkan Irrigation Development Corporation (KIDC), Thane	01.04.2008 to 31.03.2013	2007-08	<u>2006-07</u> Annual accounts received on 03.04.2008	9 months	2006-07	<u>2005-06</u> 23.11.2007
8.	Maharashtra Maritime Board (MMB), Mumbai	01.04.2006 to 31.03.2011	2006-07	<u>2006-07</u> Annual accounts received on 13.06.2008	11 months	2006-07	<u>2004-05</u> 17.12.2006
9.	Maharashtra State Commission for Women (MSCW), Mumbai	01.04.2008 to 31.03.2013	2007-08	2004-05 to 2006-07 Annual accounts of all the three years received on 13.07.2007	Delay ranging between 0 to 2 years	2004-05 to 2006-07	<u>2003-04</u> July 2007
10.	Maharashtra Pollution Control Board (MPCB), Mumbai	01.04.2008 to 31.03.2013	2006-07	2005-06 & 2006-07 Accounts of both the years received on 04.01.2008 and 13.06.2008 respectively	Delay ranging between 11 months and 1 and half year	2005-06 & 2006-07	<u>2004-05</u> April 2008

Appendix - 3.2 (concl.)

Sr. No.	Name of the Body	Period of entrustment	Year upto which accounts were rendered	Delay in submission of accounts	Period of delay	Period upto which SAR is issued	Placement of SAR in the Legislature
11.	Slum Rehabilitation Authority (SRA), Mumbai	1-04-2006 to 31-03-2011	1996-97 to 1998-99	1996-97 to 1998-99 Accounts received in April 2003	Delay for about one year.	1996-97 to 1998-99	1996-97 to <u>1998-99</u> 16.6.09
12	Tapi Irrigation Development Corporation (TIDC), Jalgaon	01/04/2003 to 31/03/2013	2007-08	2007-08 Accounts received on 13/01/2009	Twelve days	2007-08	<u>1999-00</u> , <u>2000-01</u> in July 2005; <u>2001-02</u> in December 2006
13	Vidarbha Irrigation Development Corporation (VIDC), Nagpur	01/04/2007 to 31/03/2012	2006-07	<u>2006-07</u> Annual accounts received on 12/12/2008	Over eleven months	2006-07	Not placed

Statement of finalisation of Accounts and the
Government Investment in Departmentally managed
Commercial and Quasi-Commercial Undertakings
(Reference : Paragraph 3.4 ; Page 50)

Sr. No.	Name of undertaking	Accounts finalised upto	Investment as per the last accounts (Rs. in crore)	Remarks/Reasons for delay in preparation of accounts
Agriculture, Animal Husbandry, Dairy Development and Fisheries Department				
Mumbai Region				
1	Greater Mumbai Milk Scheme, Worli	2007-08	22.14	
2	Mother Dairy, Kurla	2006-07	21.50	
3	Aarey Milk Scheme, Goregaon	2006-07	24.76	
4	Milk Transport Scheme, Worli	2006-07	2.34	
5	Agriculture Scheme, Mumbai	2007-08	2.91	
6	Unit Scheme, Mumbai	2007-08	14.71	
7	Electricity Scheme, Mumbai	2007-08	5.39	
8	Cattle Feed Scheme, Mumbai	2007-08	0.00	
9	Water Supply, Mumbai	2007-08	17.74	
10	Dairy Project, Dapchari	2007-08	13.62	
11	Government Milk Scheme, Chiplun	2007-08	1.82	
12	Government Milk Scheme, Mahad	2007-08	1.38	
13	Government Milk Scheme, Ratnagiri	2007-08	9.39	
14	Government Milk Scheme, Khopoli	2007-08	2.67	
15	Government Milk Scheme, Kankavali	2008-09	2.85	
16	Government Milk Chilling Center, Saralgaon	2007-08	0.48	
17	Cattle Breeding and Rearing Farm, Palghar	2008-09	1.96	
18	Government Milk Distribution Depot, Gove-Bhiwandi	2007-08	0.26	
Pune Region				
19	Government Milk Scheme, Pune	2008-09	13.36	
20	Government Milk Scheme, Solapur	2008-09	3.08	
21	Government Milk Scheme, Miraj	2006-07	21.13	
22	Government Milk Scheme, Mahabaleshwar	2008-09	1.16	
23	Government Milk Scheme, Satara	2008-09	13.98	Absence of qualified staff and Accounts Officer.
Nagpur Region				
24	Government Milk Scheme, Nagpur	2007-08	13.34	
25	Government Milk Scheme, Wardha	2007-08	5.68	
26	Government Milk Scheme, Chandrapur	2007-08	0.99	
27	Government Milk Scheme, Gondia	2007-08	7.80	
Aurangabad Region				
28	Government Milk Scheme, Aurangabad	2006-07	7.03	

Appendix - 3.3 (concl.)

Sr. No.	Name of undertaking	Accounts finalised upto	Investment as per the last accounts (Rs. in crore)	Remarks/Reasons for delay in preparation of accounts
29	Government Milk Scheme, Udgir	2007-08	16.23	
30	Government Milk Scheme, Beed	2007-08	45.60	
31	Government Milk Scheme, Nanded	2007-08	8.82	
32	Government Milk Scheme, Bhoom	2007-08	9.93	
33	Government Milk Scheme, Parbhani	2006-07	6.79	
Nashik Region				
34	Government Milk Scheme, Nashik	2008-09	5.14	
35	Government Milk Scheme, Dhule	2008-09	16.97	
36	Government Milk Scheme, Chalisgaon	2008-09	1.96	
37	Government Milk Scheme, Ahmednagar	2008-09	22.90	
38	Government Milk Scheme, Wani	2008-09	0.66	
Amravati Region				
39	Government Milk Scheme, Amravati	2007-08	3.91	
40	Government Milk Scheme, Akola	2007-08	27.65	
41	Government Milk Scheme, Yavatmal	2007-08	3.62	
42	Government Milk Scheme, Nandura	2007-08	2.95	
Agriculture, Animal Husbandry, Dairy Development and Fisheries Department				
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	
Revenue and Forests Department				
47	Allapalli and Pendigundam Forest Ranges of Forest Divisions including Saw mills & Timber Depot	1985-86	0.00	
Food, Civil Supplies and Consumer Protection Department				
48	Procurement, Distribution and Price Control Scheme in Mumbai and Thane Rationing Area	2007-08	377.99	
49	Procurement, Distribution and Price Control Scheme in Mofussil Area	2007-08	473.02	Delay in submission of accounts by few district offices

Department-wise/duration-wise breakup of the cases of misappropriation, defalcation etc.

(Reference : Paragraph 3.5 ; Page 51)

(Number of cases / Rupees 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	—	6 (5.43)	3 (4.75)	13 (28.09)	26 (2.97)	15 (2.58)	63 (43.82)
Finance	1 (40.07)	1 (13.89)	2 (79.24)	—	1 (1.18)	1 (0.7)	6 (135.08)
Food, Civil Supplies and Consumer Protection	—	1 (3.05)	2 (14.69)	3 (9.94)	1 (0.72)	3 (2.21)	10 (30.61)
General Administration	—	—	—	1 (1.29)	—	—	1 (1.29)
Higher and Technical Education	—	2 (30.35)	1 (0.48)	—	—	—	3 (30.83)
Home	2 (423.91)	1 (7.6)	3 (3.83)	7 (5.99)	1 (0.72)	2 (0.47)	16 (442.52)
Housing	—	—	—	—	—	1 (0.07)	1 (0.07)
Law and Judiciary	1 (0.34)	1 (0.64)	—	—	—	—	2 (0.98)
Medical Education and Drugs	—	—	—	—	1 (0.15)	2 (7.02)	3 (7.17)
Public Health	1 (1.9)	6 (38.93)	—	1 (4.59)	4 (4.6)	3 (0.54)	15 (50.56)
Public Works	2 (1.23)	—	—	—	—	—	2 (1.23)
Revenue and Forests	1 (0.66)	5 (4.88)	1 (0.08)	11 (12.89)	11 (2.23)	24 (6.95)	53 (27.69)
Rural Development & Water Conservation	—	1 (67.84)	1 (58.43)	5 (68.74)	6 (2.42)	6 (3.26)	19 (200.69)
Social Welfare and Special Assistance	—	—	2 (6.27)	2 (76.36)	3 (1.66)	1 (0.36)	8 (84.65)
School Education and Sports	—	—	—	—	—	1 (2.02)	1 (2.02)
Water Resources	5 (4.22)	1 (0.34)	—	1 (0.70)	—	—	7 (5.26)
TOTAL	13 (472.33)	25 (172.95)	15 (167.77)	44 (208.59)	54 (16.65)	59 (26.18)	210 (1064.47)

Department/category-wise details in respect of cases of loss to Government due to theft/misappropriation/loss of Government material
(Reference : Paragraph : 3.5, Page 51)

(Rupees in lakh)

Name of the Department	Theft cases		Misappropriation/Loss of Government Material		TOTAL	
	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
Agriculture, Animal Husbandry, Dairy Development & Fisheries	2	0.52	61	43.30	63	43.82
Finance	1	13.89	5	121.19	6	135.08
Food, Civil Supplies & Consumer Protection	0	0.00	10	30.61	10	30.61
General Administration	0	0.00	1	1.29	1	1.29
Higher & Technical Education	1	0.70	2	30.13	3	30.83
Home	0	0.00	16	442.52	16	442.52
Housing	0	0.00	1	0.07	1	0.07
Law and Judiciary	1	0.34	1	0.64	2	0.98
Medical Education & Drugs	0	0.00	3	7.17	3	7.17
Public Health	0	0.00	15	50.56	15	50.56
Public Works	0	0.00	2	1.23	2	1.23
Revenue and Forests	2	3.44	51	24.25	53	27.69
Rural Development & Water Conservation	0	0.00	19	200.69	19	200.69
School Education & Sports	0	0.00	1	2.02	1	2.02
Social Welfare & Special Assistance	0	0.00	8	84.65	8	84.65
Water Resources	3	2.32	4	2.94	7	5.26
Total	10	21.21	200	1043.26	210	1064.47

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 minus 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 stabilisation	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.
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

Appendix - 4.1 (contd.)

Terms	Description
	and charged appropriation vis-à-vis 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 atleast 1/5 th 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.
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.

Appendix - 4.1 (concl.)

Terms	Basis of calculation
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 Contingent Bill
AE	Aggregate Expenditure
BE	Budget Estimates
CAG	Comptroller and Auditor General of India
CE	Capital Expenditure
DC Bill	Detailed Contingent 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
UC	Utilisation Certificate
VAT	Value Added Tax