

This Report is Presented to
the State Legislature on.

7 APR 2017

**Report of the
Comptroller and Auditor
General of India
on
State Finances
for the year ended 31 March 2016**

**Government of Maharashtra
Report No. 6 of the year 2016**

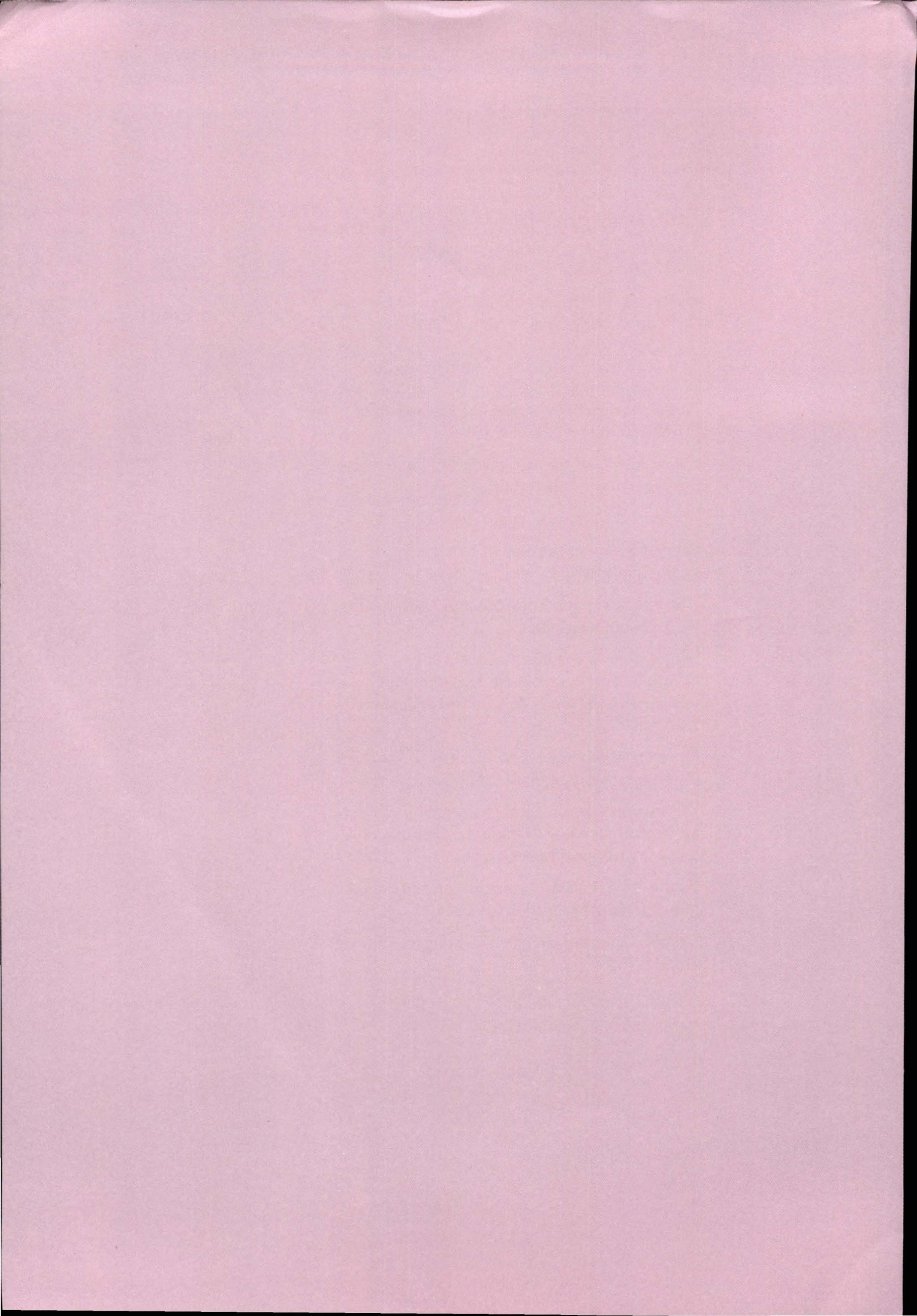
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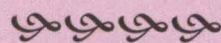
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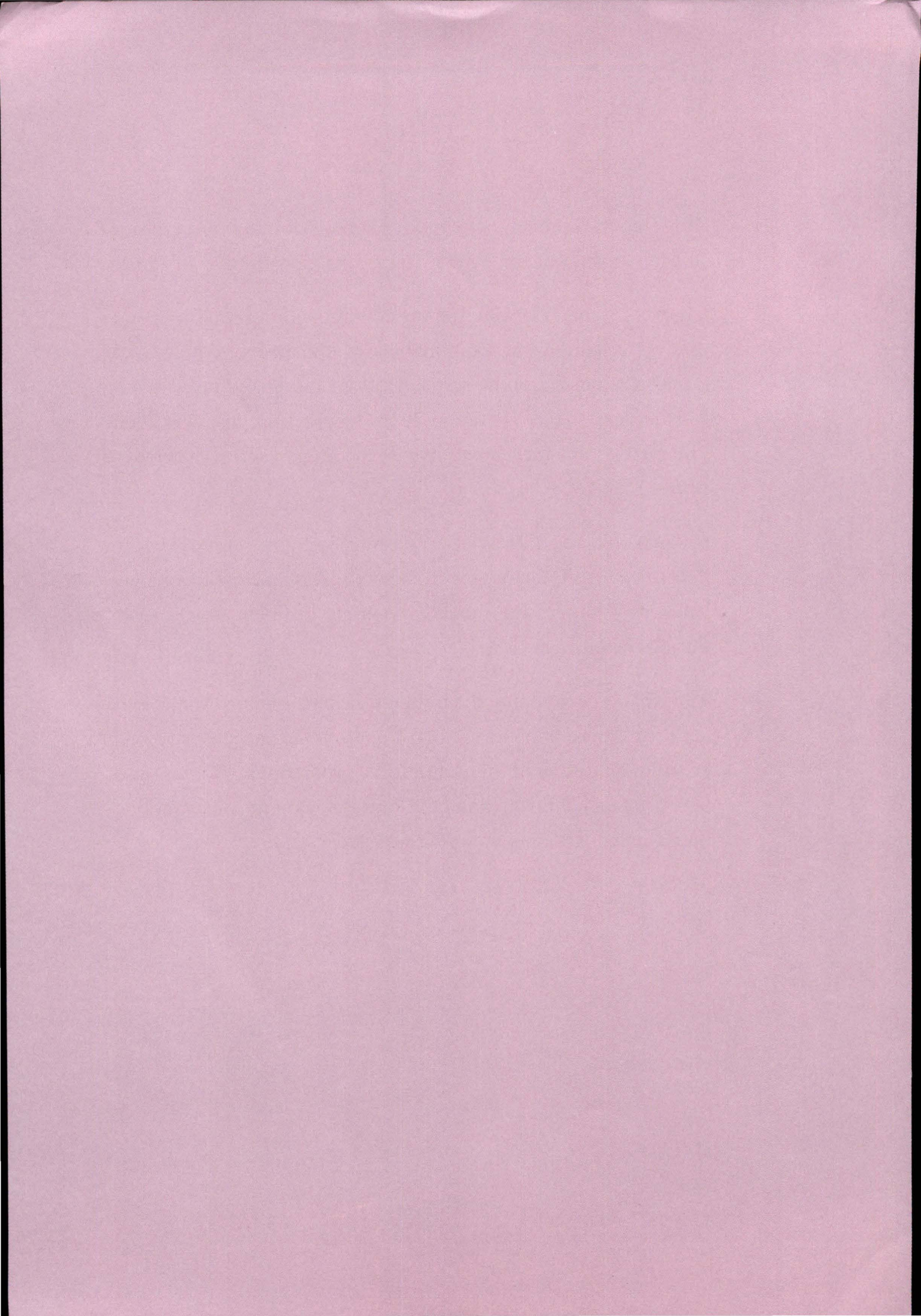
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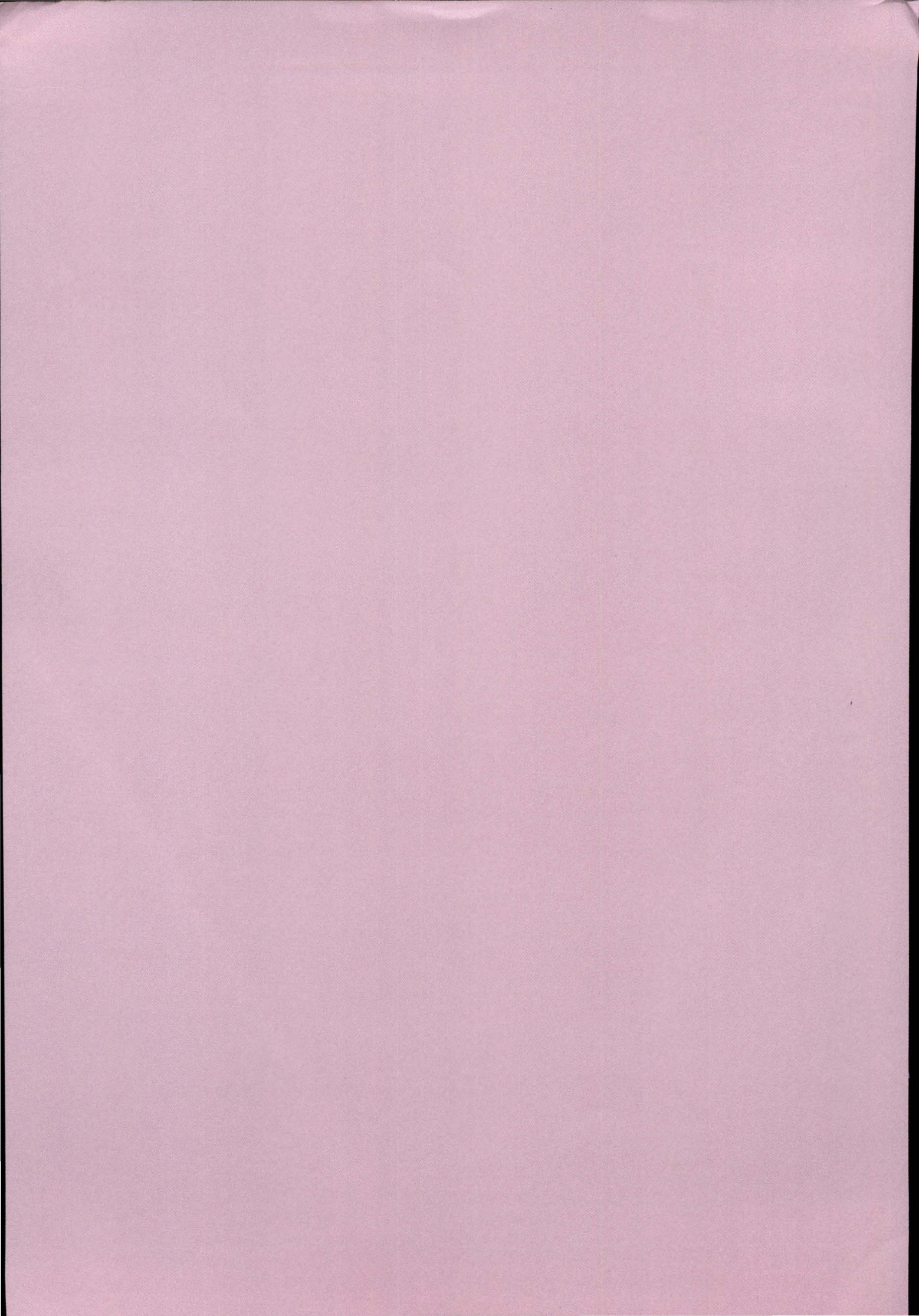
Preface

1. This Report has been prepared for submission to the Governor of Maharashtra under Article 151 of the Constitution of India.
2. Chapters I and II of this Report contain audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts respectively of the State Government for the year ended 31 March 2016. Information has also been obtained from the Government of Maharashtra, wherever necessary.
3. Chapter III on 'Financial Reporting' provides an overview and status of the State Government's compliance with various rules, procedures and directives relating to financial reporting during the current year.
4. The Reports containing the findings of Performance Audits and audit of transactions in various Departments and observations arising out of audit of Statutory Corporations, Boards and Government Companies and the Report containing observations on Revenue Receipts are presented separately.





EXECUTIVE SUMMARY



Executive Summary

Background

Maharashtra is the second largest State in India, in terms of population (11.24 crore as per 2011 census) and has 3.08 lakh sq. km. of geographical area. The State has shown lower economic growth in the past decade, as the compounded annual growth rate of its Gross State Domestic Product for the period 2006-07 to 2015-16 has been 14.5 *per cent* as against 15.8 *per cent* in the General Category States of the country. During the above mentioned period, its population grew by 13.03 *per cent* as against 12.24 *per cent* in General Category States. The population below the poverty line in Maharashtra (20 *per cent*) was lower than the all India average of 29.5 *per cent*. The State's per capita income compounded annual growth rate in the current decade was lower at 12.9 *per cent* when compared with General Category States' growth rate of 14.3 *per cent*.

This Report on the Finances of the Government of Maharashtra is being brought out with a view to objectively assess the financial performance of the State during 2015-16 and to provide the State Government and State Legislature with timely inputs, based on audit analysis of the financial data. In order to give a perspective to the analysis, an effort has been made to compare the achievements with the targets envisaged by the State Government Fiscal Responsibilities and Budgetary Management Act, 2005 and the Budget Estimates of 2015-16.

The Report

Based on the audited accounts of the Government of Maharashtra for the year ended March 2016, this Report provides an analytical review of the Annual Accounts of the Government. The Report is structured in three Chapters.

Chapter I is based on the audit of Finance Accounts and makes an assessment of the State's fiscal position as on 31 March 2016. It provides an insight into trends of committed expenditure and the borrowings made.

Chapter II is based on audit of Appropriation Accounts and gives a grant-wise description of Appropriations voted for by the Legislature and the extent to which the allocated resources were managed by the service delivery Departments of the Government.

Chapter III gives a selected insight into the State Government's compliance to various reporting requirements and Financial Rules. The Report also compiles the data collated from various Government Departments/ Organisations in support of the audit findings.

Audit findings and recommendations

Chapter I

Finances of the State Government

Fiscal correction: The fiscal parameters *i.e.* revenue, fiscal and primary deficits

indicate the extent of overall fiscal imbalances in the finances of the State Government during a specified period.

During 2015-16, the State achieved two of the three major parameters specified by the Fourteenth Finance Commission *viz.* (i) the ratio of debt to Gross State Domestic Product at 17.8 *per cent* was lower than the norm of 21.9 *per cent*, and (ii) the fiscal deficit at 1.4 *per cent* of Gross State Domestic Product was lower than the norm of 3.3 *per cent*. However, the third parameter of Interest Payment/Revenue Receipt at 14 *per cent* was higher than the norm prescribed by Fourteenth Finance Commission at 12 *per cent* and equal to the norm prescribed by State's Medium Term Fiscal Policy Statement (14 *per cent*) during 2015-16. As against the revenue deficit of ₹ 12,138 crore during 2014-15, the deficit during 2015-16 was ₹ 5,338 crore due to higher growth rate of the revenue receipts (12 *per cent*) than the revenue expenditure (seven *per cent*) over the previous year.

Revenue receipts: The State could not maintain the momentum of growth of revenue receipts it achieved during 2011-12 and 2012-13 (14.6 and 17.9 respectively). The rate of growth of revenue receipts increased from 10.4 *per cent* in 2014-15 to 11.9 *per cent* in 2015-16.

Central tax transfers: Tax devolutions from the Central Government increased from ₹ 17,603 crore in 2014-15 (11 *per cent* of revenue receipts) to ₹ 28,106 crore in 2015-16 (15 *per cent* of revenue receipts). Grants-in-aid from GoI which constituted 12 *per cent* of revenue receipt in 2014-15 however, decreased to nine *per cent* in 2015-16. The devolution of the State's share of Union Taxes substantially increased by 60 *per cent* during the first year of award period of Fourteenth Finance Commission (2015-16) as compared to the last year of Thirteenth Finance Commission (2014-15).

Interest payments: Interest payments (₹ 25,771 crore), which increased by eight *per cent* during the year over 2014-15, was marginally more than the projections made in the Fourteenth Finance Commission (₹ 25,383 crore) and less than the Fiscal Correction Path/Medium Term Fiscal Policy Statement (₹ 27,663 crore) adopted by the State Government.

Non-plan revenue expenditure: The revenue expenditure (₹ 1,90,374 crore) constituted 89 *per cent* of the total expenditure (₹ 2,14,282 crore) of which, 81 *per cent* (₹ 1,54,318 crore) was incurred on the non-plan component, and as a percentage of revenue receipts, it decreased to 83 *per cent* in 2015-16 from 88 *per cent* in 2014-15. During 2015-16, the non-plan revenue expenditure (₹ 1,54,318 crore) remained lower than the normative assessments made in the budget estimates, Medium Term Fiscal Policy Statement and Fiscal Correction Path (₹ 1,54,509 crore).

Capital expenditure: The percentage of capital expenditure to total expenditure showed a declining trend from 12 *per cent* in 2011-12 to 10 *per cent* in 2015-16. Greater fiscal priority needs to be given to this area since increased priority to physical capital formation is expected to increase the growth prospects of the State by creating durable assets.

Fiscal priority: During 2015-16, priority given to Health and Family Welfare in the State was slightly higher (4.7 *per cent*) than that given by the General Category States (4.5 *per cent*).

Review of Government investments: The average return on the State Government's investment in Government Companies, Joint Stock Companies and Partnerships and Statutory Corporations *etc.* was 0.04 *per cent* during 2011-16 while the Government

paid average interest rate of 7.6 *per cent* on its borrowings during the same period.

The Government may take steps to ensure better value for money in investments. Otherwise, high-cost borrowed funds will continue to be invested in projects with low financial returns.

Fiscal liabilities: During 2015-16, the fiscal liabilities (₹ 3,51,341 crore) increased over the previous year (₹ 3,19,746 crore). The ratio of fiscal liabilities to GSDP at 17.8 *per cent* was lower than the norm of 21.9 *per cent* recommended by the Fourteenth Finance Commission. These liabilities were nearly twice the revenue receipts. The maturity profile of the State debt indicated that nearly 51.5 *per cent* of the total State debt was repayable within the next seven years.

Debt servicing: The average expenditure on debt servicing during 2011-16 was ₹ 27,741 crore which accounted for 93.6 *per cent* of average public debt receipts during the same period, implying that a larger percentage of debt was being used for debt servicing. This also indicated that a very insignificant portion of the debt was available for meeting developmental expenditure to promote growth.

Cash balances: There was an increase of 12 *per cent* in the cash balances of the State Government over the previous year, significant part of which pertained to balances in the Public Account. During 2015-16, the cash balances (₹ 55,553 crore) was nearly 26 *per cent* of the total expenditure (₹ 2,14,282 crore) of the State Government.

Chapter II

Financial Management and Budgetary Control

The slow pace of implementation of various social and developmental programmes in the State left a saving of ₹ 53,558.86 crore, set-off by an excess of ₹ 564.82 crore. This excess over provision requires regularisation by the Legislature under Article 205 of the Constitution of India. There were instances of inadequate provision of funds. Rush of expenditure at the end of the financial year was another chronic feature noticed in the State. In many cases, the anticipated savings were either not surrendered or surrendered on the last two days of March 2016, leaving no scope for utilising these funds for other developmental purposes.

All the Departments may submit realistic budget estimates, keeping in view the trends of expenditure and the actual requirement of funds in order to avoid large savings/excesses. All the Departments may closely monitor the expenditure against the allocations, and incurring of excess expenditure over the grants should be strictly avoided. Surrender of funds should be done much before the last working day of the closing year so as to enable the State Government to utilize the funds on other schemes. Release of funds at the end of the year should be avoided.

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

Chapter III

Financial Reporting

The Government's compliance to various rules, procedures and directives was found wanting in various Departments which was evident from delays in furnishing of Utilisation Certificates by various Grantee Institutions against the loans and Grants-in-aid received by them from the State Government. Delays were also seen in submission of Annual Accounts by Autonomous Bodies and Departmentally managed Commercial Undertakings. The Controlling Departments may identify the reasons for delay in finalisation of Accounts of Autonomous Bodies/Undertakings and institute remedial measures to ensure that arrears in Accounts are cleared in a time bound manner.

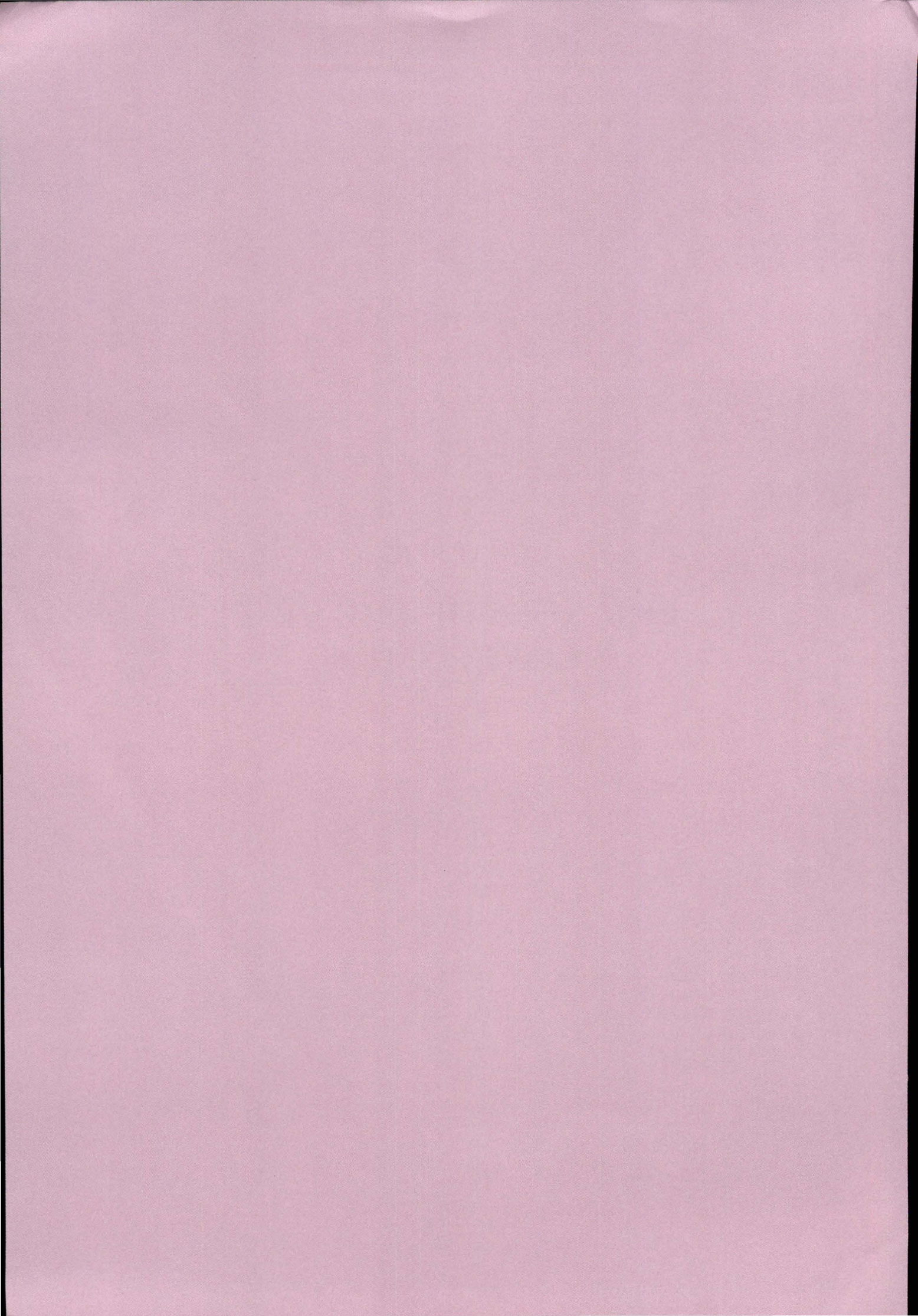
There were instances of large outstanding cases of losses and misappropriations for which Departmental action was pending since long. Departmental enquiries in respect of all fraud and misappropriation cases should be expedited to bring the defaulters to book and internal controls in all the organisations should be strengthened.

Omnibus Minor Head continue to be operated during the year for recording receipts and expenditure. This affects transparency in financial reporting.

Non-reconciliation of 23 *per cent* (₹ 43,940 crore) of total expenditure and four *per cent* (₹ 5,666 crore) of total receipts during the year, despite being highlighted in earlier years, indicated disregard for Codal provisions and Financial Rules by the Controlling Officers.

Detailed Contingency Bills were not submitted on time or not furnished at all in violation of prescribed Rules and Regulations, indicating lack of internal controls besides raising apprehensions about proper end-use of funds. Prolonged non-submission/delay in submission of Detailed Contingent Bills render the expenditure on Abstract Contingency Bills opaque. Further, to the extent of non-submission of Detailed Contingency Bill, the expenditure shown in the Finance Accounts could not be vouched as correct or final. An effective monitoring mechanism should be put in place in the Departments to adjust the advances drawn on Abstract Contingent Bills within the stipulated period, as required under the extant rules.

CHAPTER - I
FINANCES OF THE STATE
GOVERNMENT



Finances of the State Government

Profile of Maharashtra

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

The percentage of population below the poverty line at 20¹ *per cent* was lower than the all India average of 29.5 *per cent*. The Gross State Domestic Product (GSDP) in 2015-16 at current prices was ₹ 19,69,184 crore. The Compounded Annual Growth Rate (CAGR) of GSDP for the period 2006-07 to 2015-16 has been 14.5 *per cent* as against 15.8 *per cent* in the General Category States (GCS) of the country. The State's literacy rate increased from 76.9 *per cent* (as per 2001 census) to 82.3 *per cent* (as per 2011 census). The per capita income of the State stood at ₹ 1,64,767² as against the country average of ₹ 1,07,496³. General data relating to the State is shown in **Appendix 1.1**.

Gross State Domestic Product

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

Table 1.1: Trends in annual growth rate of GSDP

Year	2011-12	2012-13	2013-14	2014-15	2015-16
India's GDP (₹ in crore)	8736039	9951344	11272764	12488205	13576086
Growth rate of GDP (percentage)	-	13.9	13.3	10.8	8.7
State's GSDP (₹ in crore)#	1272967	1448466	1647506	1792122	1969184*
Growth rate of GSDP (percentage)	-	13.8	13.7	8.8	9.9

GDP and GSDP at current prices

Revised GSDP figures as per base year 2011-12

* Advance estimates; Source: Economic Survey of Maharashtra 2015-16

Table 1.1 shows that the growth rate of GSDP in the State was lower during 2014-15 and higher during 2015-16 as compared to India's Gross Domestic Product. The growth rate of GSDP showed an increase during 2015-16 over the previous year.

1.1 Introduction

This Chapter is based on the audit of the Finance Accounts of the State and makes an assessment of the State's fiscal position as on 31 March 2016. It provides a broad perspective of the finances of the State during 2015-16 and analyses critical

¹ Report of the Expert Group (Rangarajan) to Review the Methodology for Measurement of Poverty, Planning Commission (June 2014)

² Source: Central Statistical Office

³ Source: Central Statistical Office

changes observed in the major fiscal aggregates in relation to the previous year, keeping in view the overall trend during the last five year period. The structure and form of Government accounts have been explained in **Appendix 1.2 Part A** and the layout of the Finance Accounts is depicted in **Appendix 1.2 Part B**. The methodology adopted for assessment of the fiscal position and norms/ceilings prescribed by the Maharashtra Fiscal Responsibility and Budgetary Management (MFRBM) Act, 2005; and the (Amendment) Act of 2006; MFRBM Rules, 2006 and the (Amendment) Rules, 2008; (Amendment) Rules, 2011 and (Amendment) Rules, 2012 of the State are given in **Appendix 1.3**. According to the Act, Government developed its own Fiscal Correction Path (FCP) given in **Appendix 1.4**. As prescribed in the Act, Government laid its Medium Term Fiscal Policy Statement (MTFPS) for 2015-16 in the State Legislature in March 2015.

1.1.1 Summary of Fiscal transactions in 2015-16

The **Table 1.2** presents the summary of the State Government's fiscal transactions during the current year (2015-16) *vis-à-vis* the previous year (2014-15), while **Appendix 1.5** provides details of receipts and disbursements as well as the overall fiscal position during the current year.

Table 1.2: Summary of Fiscal operations during 2015-16

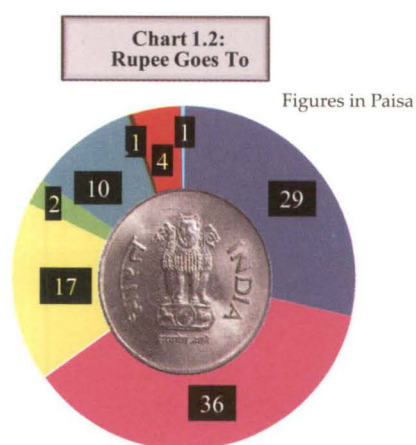
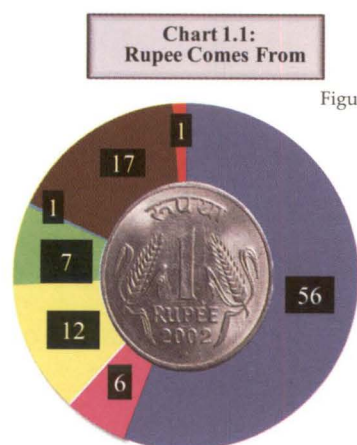
(₹ in crore)

2014-15	Receipts	2015-16	2014-15	Disbursements	2015-16		
Section-A: Revenue					Non-Plan	Plan	Total
165415.46	Revenue receipts	185035.68	177553.12	Revenue expenditure	154317.65	36056.40	190374.05
115063.90	Tax revenue	126608.11	60485.77	General services	64092.74	277.02	64369.76
12580.89	Non-tax revenue	13423.01	76952.49	Social services	60828.36	21488.87	82317.23
17630.03	Share of Union Taxes/Duties	28105.95	37686.57	Economic services	23913.59	14138.38	38051.97
20140.64	Grants from Government of India	16898.61	2428.29	Grants-in-aid and Contributions	5482.96	152.13	5635.09
Section B: Capital and Others							
0	Miscellaneous Capital Receipts	16.89	19523.47	Capital Outlay	2628.11	20165.05	22793.16
975.08	Recoveries of Loans and Advances	865.11	1140.54	Loans and Advances disbursed			1114.63
29373.28	Public debt receipts*	37976.41	8827.78	Repayment of Public Debt*			10043.10
2350	Appropriation from Contingency fund	2962	4350	Appropriation to Contingency fund			962
4360	Contingency Fund	962	2350	Contingency Fund			2962
83021.94	Public Account Receipts	72747.20	68985.90	Public Account Disbursements			66412.16
46883.46	Opening Cash Balance	49648.41	49648.41	Closing Cash Balance			55552.60
332379.22	Total	350213.70	332379.22	Total			350213.70

Source: Finance Accounts of respective years

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

Composition of sources and application of funds in the Consolidated Fund during 2015-16 is given in **Chart 1.1** and **1.2**



- Tax revenue
- Non-tax revenue
- Share of Union Taxes/Duties
- Grants from Government of India
- Miscellaneous Capital Receipts
- Recoveries of Loans and Advances
- Public debt receipts
- Appropriation from Contingency fund

- General services
- Social services
- Economic services
- Grants -in-aid and Contributions
- Capital Outlay
- Loans and Advances disbursed
- Repayment of Public Debt
- Appropriation to Contingency fund

(Source: Finance Accounts 2015-16)

(Source: Finance Accounts 2015-16)

The following are the major changes in fiscal transactions during 2015-16 over the previous year:

Revenue Receipts	<ul style="list-style-type: none"> • Increased by 12 per cent • Own tax revenue increased by 10 per cent
Revenue Expenditure	<ul style="list-style-type: none"> • Increased by seven per cent • Plan expenditure increased by 15 per cent
Capital Expenditure	<ul style="list-style-type: none"> • Increased by 17 per cent
Loans and Advances	<ul style="list-style-type: none"> • Recoveries increased by 11 per cent • Disbursements decreased by two per cent
Public Debt	<ul style="list-style-type: none"> • Receipts increased by 29 per cent • Repayments increased by 14 per cent
Cash Balance	<ul style="list-style-type: none"> • Increased by 12 per cent

1.1.2 Review of the Fiscal situation

Major fiscal variables provided in the budget based on the recommendations of the Fourteenth Finance Commission (FFC) and as targeted in the Fiscal Responsibility and Budgetary Management Act of the State are shown in **Table 1.3**.

Table 1.3: Review of the Fiscal situation

Fiscal variables	2015-16			
	FFC targets for the State in percentage	Targets proposed in the MTFPS	Projections made in five year FCP	Actuals
Fiscal deficit/GSDP (in per cent)	3.25	1.63	1.63	1.44
Ratio of total outstanding debt of the Government to GSDP (in per cent)	21.89	17.64	17.64	17.84
Interest Payment/Revenue Receipt (IP/RR) ratio	12.02	13.95	13.95	13.93

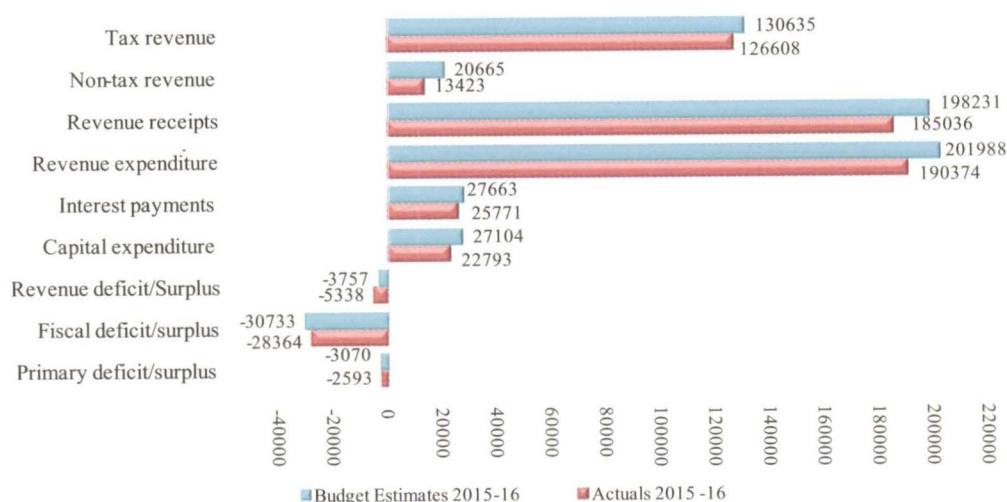
Source: MTFPS/FCP/FFC

From **Table 1.3** it can be seen that during 2015-16, the State achieved two of the three major parameters specified by the FFC i.e. (i) the fiscal deficit at 1.4 per cent of GSDP and (ii) the ratio of debt to GSDP at 17.8 per cent were lower than the norm. However, the third parameter of IP/RR ratio at 14 per cent was higher than the norm prescribed by FFC (12 per cent) and equal to the norm prescribed by State's MTFPS (14 per cent).

1.1.3 Budget estimates and actuals

Though revenue expenditure was less than the budget estimates by 5.7 per cent in 2015-16, there was a revenue deficit of ₹ 5,338 crore since the actual revenue receipts were less than the budget estimates by 6.7 per cent. The capital expenditure decreased by 15.9 per cent and interest payments also decreased by 6.8 per cent over the budget estimates.

Chart 1.3: Selected fiscal parameters : Budget estimates vis-a-vis actuals
(₹ in crore)



(Source: Finance Accounts 2015-16)

As may be observed from **Chart 1.3** (also see **Appendix 1.6**), there was variation between budget estimates and actuals in the case of several key parameters. Revenue receipts had a negative variation (₹ 13,195 crore: 6.7 per cent) over budget estimates as Taxes on Sales, Trade *etc.*, and Land Revenue were lower than the budget estimates.

The decrease in revenue receipts was the net result of decrease in tax revenue by three per cent, non-tax revenue by 35 per cent, share of Union Taxes and Duties by three per cent and grants-in-aid from Government of India (GoI) by five per cent.

Actual revenue deficit of ₹ 5,338 crore was more than the budget estimates of ₹ 3,757 crore due to decrease in revenue receipts by ₹ 13,195 crore.

Revenue expenditure decreased by 5.7 per cent over the budget estimates, mainly because of less expenditure under General Services, *i.e.* Administrative Services, Pension and Miscellaneous General Services and Interest Payment. The actual capital expenditure was less by ₹ 4,311 crore (16 per cent) against the original budget estimates of 2015-16. The decrease was mainly under Rural development (₹ 5,247 crore), Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes (₹ 1,528 crore), set-off by an increase in expenditure on Irrigation and Flood Control (₹ 2,199 crore).

Fiscal deficit (₹ 28,364 crore) was less than the assessment made in the budget estimates (₹ 30,733 crore) by eight per cent, mainly due to lower growth of revenue and capital expenditure.

1.2 Resources of the State

1.2.1 Resources of the State as per Annual Finance Accounts

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

Table 1.4 presents the receipts of the State during the current year as recorded in its Annual Finance Accounts.

Table 1.4: Trends in growth and composition of aggregate receipts

Sources of State's receipts	2011-12	2012-13	2013-14	2014-15	2015-16
Revenue receipts	121286	142947	149822	165415	185036
Capital receipts	25467	22588	27463	30348	38858
Contingency Fund	511	875	860	4360	962
Public Account receipts	53389	47060	64020	83022	72747
Total receipts	200653	213470	242165	283145	297603

Source: Finance Accounts of respective years

Chart 1.4 depicts the trends in various components of the receipts of the State during 2011-16. **Chart 1.5** and **Flow chart 1.1** depicts the composition of the receipts of the State during the current year.

Flow Chart 1.1: Trends in various components of receipts of the State

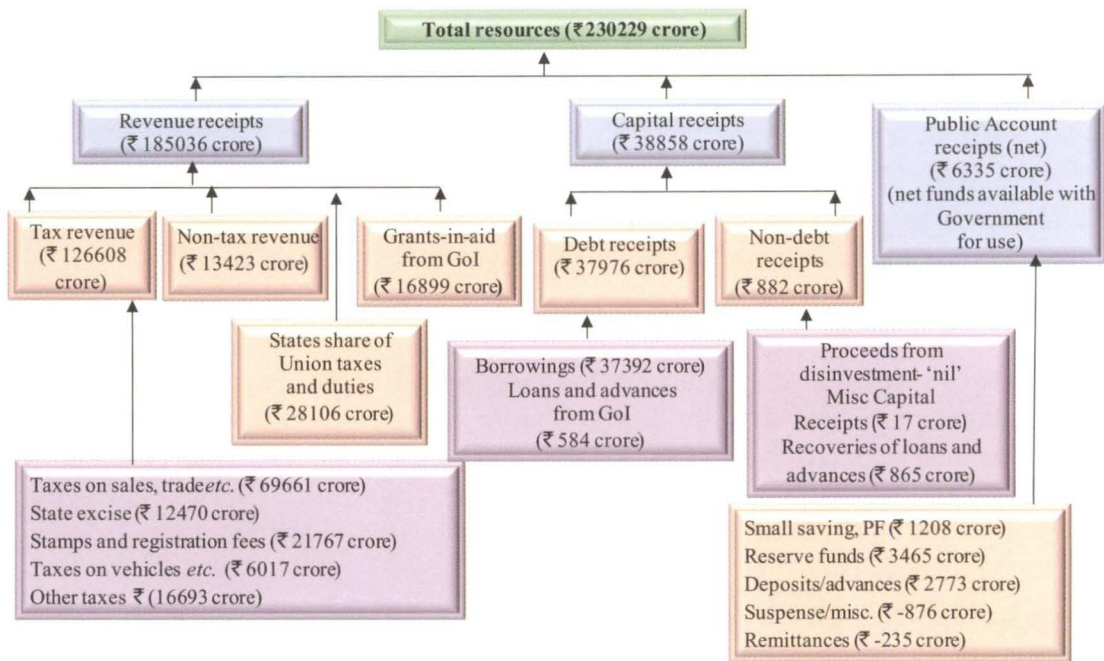
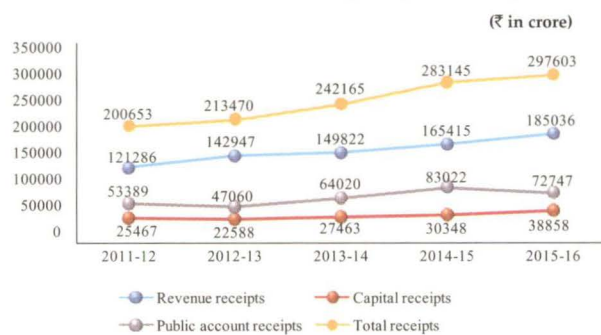
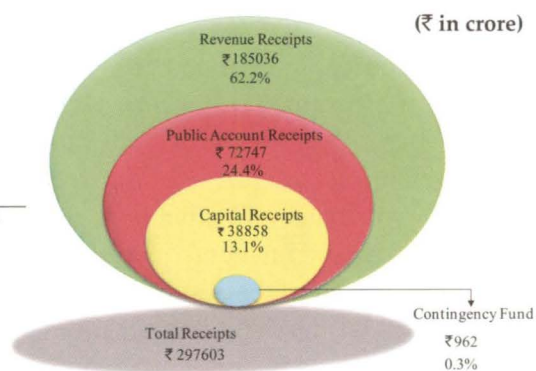


Chart 1.4: Trends in Aggregate receipts



(Source: Finance Accounts of respective years)

Chart 1.5: Composition of aggregate receipts during 2015-16

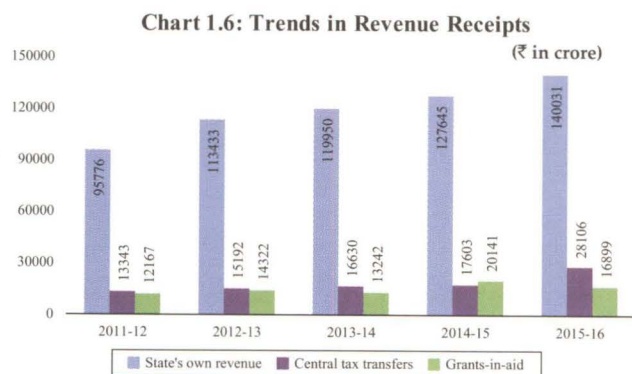


(Source: Finance Accounts 2015-16)

The total receipts of the State increased by ₹ 96,950 crore (48 per cent) from ₹ 2,00,653 crore in 2011-12 to ₹ 2,97,603 crore in 2015-16. The share of revenue receipts in total receipts of the State increased from 60 per cent in 2011-12 to 62 per cent in 2015-16 while the share of Public Account receipts in total receipts of the State decreased from 27 per cent in 2011-12 to 24 per cent in 2015-16.

1.3 Revenue Receipts

Statement 14 of the Finance Accounts details the revenue receipts of the Government. These consist of the State's own tax and non-tax revenues, Central tax transfers and grants-in-aid from GoI. The trends of revenue receipts over the period 2011-16 are presented in **Chart 1.6** and also in **Appendix 1.7**.

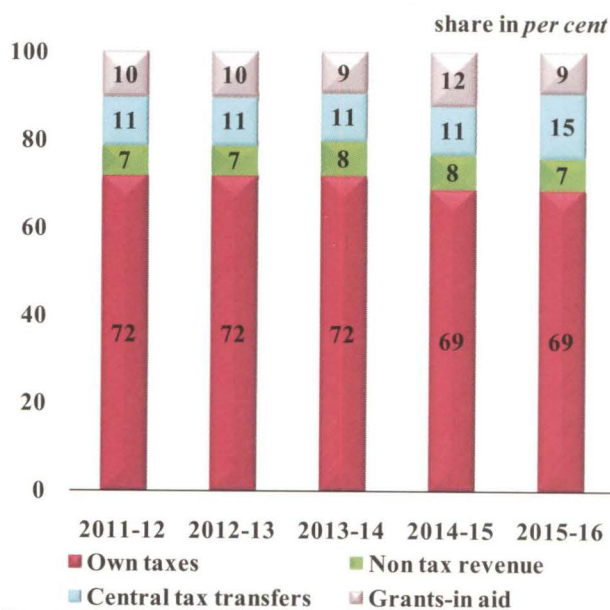


(Source: Finance Accounts of respective years)

Revenue receipts grew by ₹ 19,621 crore (12 per cent) over 2014-15. The increase was the net effect of increase in tax revenue by ₹ 11,544 crore (10 per cent), non-tax revenue by ₹ 842 crore (seven per cent), State's share of Union Taxes and Duties by ₹ 10,503 crore (60 per cent) set-off by decrease in Grants-in-aid from GoI by ₹ 3,242 crore (16 per cent). The revenue receipts at ₹ 1,85,036 crore were almost 93 per cent of the assessments made by the State Government in its FCP and MTFPS (₹ 1,98,231 crore) for the year 2015-16.

The composition of revenue receipts over the period 2011-16 are presented in **Chart 1.7**.

Chart 1.7: The composition of revenue receipts during 2011-16



The revenue receipts have shown a progressive increase over the period 2011-16. As shown in **Chart 1.7**, the share of State's own taxes in revenue receipts was 72 per cent during the period 2011-14, which however, decreased to 69 per cent in 2014-15 and remained constant in 2015-16. The share of non-tax revenue remained constant during 2011-13 and marginally decreased in 2015-16. The share of Central transfers was relatively stable during 2011-15 and increased during 2015-16. The share of grants-in-aid was constant during 2011-13 but, indicated a fluctuating trend during 2013-16.

During 2006-07 to 2014-15, the CAGR of revenue receipts (13 per cent) was less than the growth rate of GCS (14.7 per cent). This growth of revenue receipts during 2015-16 over 2014-15 (11.9 per cent) was also lower than the growth rate of GCS (15 per cent) as shown in **Appendix 1.1**.

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

Table 1.5: Trends in Revenue Receipts relative to Gross State Domestic Product

	2011-12	2012-13	2013-14	2014-15	2015-16
Revenue receipts (₹ in crore)	121286	142947	149822	165415	185036
Rate of growth ⁴ of RR (<i>per cent</i>)	14.6	17.9	4.8	10.4	11.9
RR/GSDP (<i>per cent</i>)	9.5	9.9	9.1	9.2	9.4
Buoyancy ratios⁵					
Revenue receipts buoyancy w.r.t. GSDP	1.263	1.297	0.350	1.182	1.202
State's own taxes buoyancy w.r.t. GSDP	1.454	1.312	0.365	0.682	1.010
Gross State Domestic Product (₹ in crore)	1272967	1448466	1647506	1792122	1969184
Revenue receipts buoyancy w.r.t. State's own taxes	0.869	0.989	0.960	1.733	1.190

Source: Finance Accounts of respective years

There was an increase in the rate of growth of revenue receipts from 10.4 *per cent* in 2014-15 to 11.9 *per cent* in 2015-16.

The ratio of State's own tax buoyancy with reference to GSDP decreased from 1.454 in 2011-12 to 1.312 in 2012-13 and declined during 2013-14 to 0.365. This ratio increased to 0.682 in 2014-15 and again to 1.010 in 2015-16.

1.3.1 State's Own Resources

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

The State's actual tax and non-tax receipts for the year 2015-16 *vis-à-vis* assessment made by the FFC and the MTFPS (2015-16) are given in **Table 1.6**.

Table 1.6: Actual Tax and Non-Tax Receipts

	FFC projection	Budget estimates	MTFPS projection	Actual
Tax revenue	156346	130635	130635	126608
Non-tax revenue	20297	20665	20665	13423

Source: Finance Accounts/FFC/Budget/MTFPS

Table 1.6 shows that the actual realisation of tax revenue during the year was lower than the normative assessment of the FFC, projections made in the budget estimates and MTFPS. The non-tax revenue of the Government was also lower than the normative assessment of the FFC by 34 *per cent*.

1.3.1.1 Tax Revenue

The gross collection in respect of major taxes and duties are given in **Table 1.7** and **Chart 1.8**.

⁴ see Glossary at page 120

⁵ Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For instance, revenue buoyancy at 0.9 implies that revenue receipts tend to increase by 0.9 percentage points, if the GSDP increases by one per cent (also see Glossary at page 120)

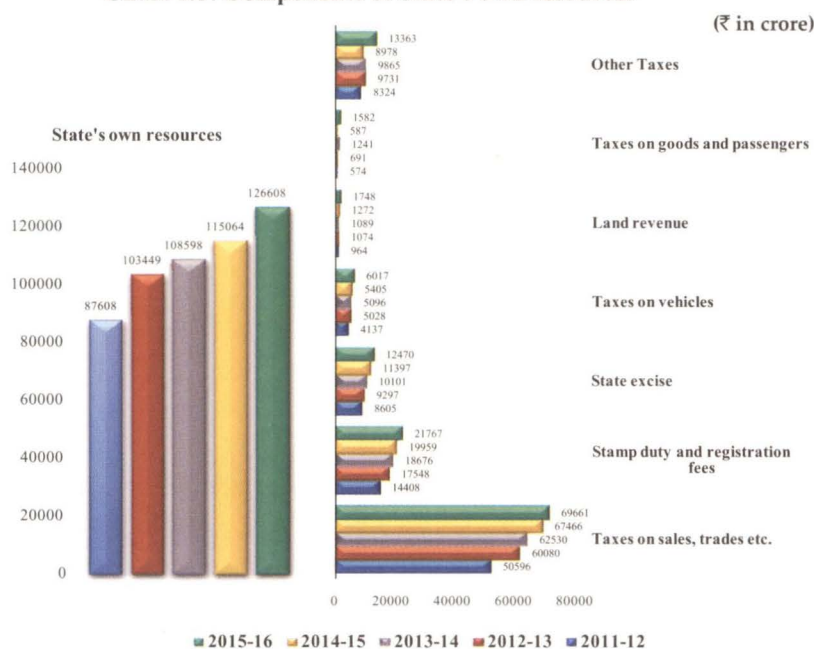
Table 1.7: Components of State's own resources

(₹ in crore)

Revenue Head	2011-12	2012-13	2013-14	2014-15	2015-16	Percentage increase in 2015-16 over previous year
Taxes on sales, trade etc.	50596	60080	62530	67466	69661	3
Stamp duty and registration fees	14408	17548	18676	19959	21767	9
State excise	8605	9297	10101	11397	12470	9
Taxes on vehicles	4137	5028	5096	5405	6017	11
Land revenue	964	1074	1089	1272	1748	37
Taxes on goods and passengers	574	691	1241	587	1582*	170
Other taxes ⁶	8324	9731	9865	8978	13363	49
Total	87608	103449	108598	115064	126608	10

* The exceptional variation is due to book adjustment of dues on passenger tax carried out during 2014-15

Source: Finance Accounts of respective years

Chart 1.8: Components of State's own resources


(Source: Finance Accounts of respective years)

The increase in tax revenue by ₹ 11,544 crore (10 per cent) over the previous year was mainly under (a) Taxes and duties on electricity by ₹ 4,156 crore (96 per cent) due to more collection of taxes on consumption and sale of electricity, (b) Taxes on sales, trade, etc. by ₹ 2,195 crore (three per cent) due to more tax collection under 'Value Added Tax', (c) Stamps and registration fees by ₹ 1,808 crore (nine per cent) due to more collection of Stamp duty and registration fees, (d) State excise by ₹ 1,073 crore (nine per cent) due to receipt of more excise duty on wines and spirits, and (e) Taxes on Vehicles by ₹ 612 crore (11 per cent) due to more proceeds from State Motor vehicles Taxation Act and Environment tax.

During 2006-07 to 2014-15, the CAGR of tax revenue (14.1 per cent) was less than the growth rate of GCS (15.1 per cent). The growth of own tax revenue during

⁶ Other taxes include taxes on professions, trades, callings and employment; and taxes and duties on electricity

2015-16 over 2014-15 (10 per cent) was also lower than the growth rate of GCS (13.3 per cent) as shown in **Appendix 1.1**.

During 2015-16, the tax revenue as a percentage of GSDP (6.4 per cent) was less than the normative assessment of the FFC (8.4 per cent), MTFPS (8.4 per cent) and FCP (6.9 per cent).

1.3.1.2 Non-Tax Revenue

Growth rate of Non-Tax Revenue is shown in **Table 1.8** and **Chart 1.9**.

Table 1. 8: Growth rate of Non-Tax Revenue

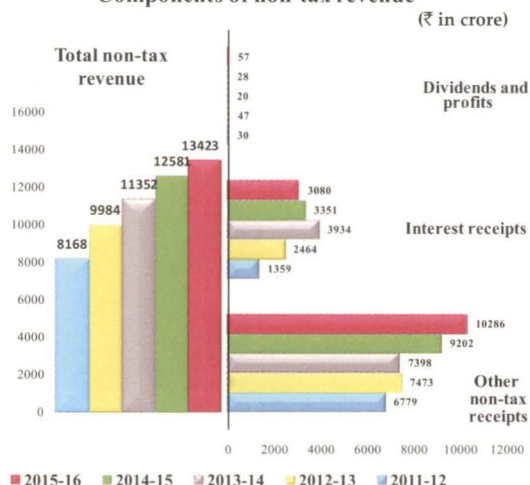
Revenue head	2011-12	2012-13	2013-14	2014-15	2015-16	Percentage increase in 2015-16 over previous year
	₹ in crore)					
Interest receipts	1359	2464	3934	3351	3080*	(-) 8
Dividends and profits	30	47	20	28	57 [#]	104
Other non-tax receipts	6779	7473	7398	9202	10286	12
Total	8168	9984	11352	12581	13423	7

Source: Finance Accounts of respective years

* Higher rounding

[#] Dividend of ₹ 35 crore from other corporations, for which list is not made available (Finance Account 2015-16)

Chart 1.9: Trends of growth rate of non-tax revenue
Components of non-tax revenue



(Source: Finance Accounts of respective years)

as well as the normative assessment of the FFC by ₹ 20,297 crore (34 per cent).

During 2006-07 to 2014-15, the CAGR of non-tax revenue (6.6 per cent) was less than the growth rate of GCS (10.2 per cent). The growth of non-tax revenue during 2015-16 over 2014-15 (6.7 per cent) was however, higher than the growth rate of GCS (six per cent) as shown in **Appendix 1.1**.

Interest receipts, Dividends and Profits

One of the major sources of interest receipts is interest proceeds out of investment of surplus cash balances of the State. As per Reserve Bank of India's regulations, the cash balance maintained by the State is invested in GoI's 14 day Treasury Bills (TBs). The average rate of interest on these TBs is around five to six per cent. Excess cash balance, beyond the immediate requirement is invested in GoI's 91 day TBs. Against budgeted estimates of ₹ 2,237 crore for interest receipts during

The increase in non-tax revenue receipts by ₹ 842 crore (seven per cent) over 2014-15 was mainly due to 31 per cent increase (₹ 728 crore) in Non-Ferrous Mining and Metallurgical Industries and more receipts from Central Government under e-Auction Royalties (₹ 52.30 crore). The non-tax revenue receipts (₹ 13,423 crore) during the current year was lower than the projections made in the FCP/MTFPS/Budget estimates by ₹ 20,665 crore (35 per cent)

2015-16, the actual interest realized was ₹ 2,247.54 crore of which, 14 day TBs yielded ₹ 367.14 crore and 91 day TBs yielded ₹ 1,880.40 crore.

The interest realised on Loans and Advances given by the State Government to its Companies/Corporations etc. stood at ₹ 762 crore during 2015-16 which worked out to three *per cent* of the outstanding balances of Loans and Advances (₹ 22,071.77 crore) at the end of the year.

The return on investment in the form of dividends declared by Companies/Corporations and credited to Government account during the year was ₹ 57.27 crore. Considering the magnitude of Government investment (₹ 1,20,310.97 crore), the return worked out to a meagre 0.05 *per cent* on the investment made.

Pricing of public utilities – Water Charges

The levy and pricing of water charges in Maharashtra is governed by the provisions of the Maharashtra Water Resources Regulatory Authority Act, 2005. In case of irrigation and bulk water, the Authority is required to fix the criteria for water charges based on the principle that water charges shall reflect the full recovery of the cost of irrigation management, administration, operation and maintenance (O & M) of water resources projects. As per the Act, the State should be able to meet the O & M expenditure on irrigation projects by water charges. In the case of drinking water, the revenue receipts from water tariff should be at par with cost of production of water *i.e.* expenditure of O & M of water supply system.

Maharashtra moved towards fixing the water charges through Maharashtra Water Resources Regulatory Authority from October 2010. The assessment and recovery of water charges against the O & M cost during 2011-16 based on the water rates for the control period⁷ 2010-2013 is shown in **Table 1.9**.

Table 1.9: Details of O&M cost of water resources project, assessment of water charges and recovery of water charges

(₹ in crore)

Year	Operation and Maintenance cost (Establishment + Maintenance and repair)			Assessment	Recovery of water charges	Arrears of water charges (5-6)
	Salary (Establishment)	Non-salary (Maintenance and Repairs)	Total			
(1)	(2)	(3)	(4)	(5)	(6)	(7)
2011-12	555.95	204.37	760.32	650.79	620	30.79
2012-13	593.14	158.06	751.20	753.10	506	247.10
2013-14	632.15	206.05	838.20	607.04	515	92.04
2014-15	620.15	126.15	746.30	671.74	637	34.74
2015-16	680.06	180.79	860.85	740.17	573	167.17
Total	3081.45	875.42	3956.87	3422.84	2851	571.84

Source: Information furnished by Maharashtra Water Resources Regulatory Authority

From the **Table 1.9** it can be seen that the water charges recovered during 2011-16 was less than the O & M cost by ₹ 1,105.87 crore. Arrears in recovery during the last five years was ₹ 571.84 crore. In addition, there was a gap of ₹ 534.03 crore between O & M cost and assessment made during last five years. Efforts are needed to bring the assessment to meet O & M cost and also to effect recovery as per the assessment.

⁷ Control period for the purposes of the applicability of tariffs shall be three consecutive water years starting from 01 July 2010 to 30 June 2011, 01 July 2011 to 30 June 2012 and 01 July 2012 to 30 June 2013.

1.3.2 Receipts from Government of India

1.3.2.1 Grants-in-aid from Government of India

The grants-in-aid from GoI decreased by 16 *per cent* from ₹ 20,140 crore in 2014-15 to ₹ 16,899 crore in 2015-16. The decrease in 2015-16 was mainly under State Plan Schemes (52 *per cent*), Central Plan Schemes (51 *per cent*), Non-plan Grants (17 *per cent*) and Centrally Sponsored Plan Schemes (four *per cent*) as shown in **Table 1.10**. The trend of total grants from GoI as a percentage of revenue receipts continuously decreased from 2011-12 to 2013-14, however, it increased to 12.2 during 2014-15 and again decreased to 9.1 during 2015-16.

Table 1.10: Grants-in-aid from Government of India

(₹ in crore)

	2011-12	2012-13	2013-14	2014-15	2015-16
Non-plan grants	1723	4676	5533	7304	6080
Grants for State Plan Schemes	6380	5630	3684	1665	791
Grants for Central Plan Schemes	65	113	648	1399	688
Grants for Centrally sponsored Plan Schemes	3999	3903	3377	9772	9340
Total	12167	14322	13242	20140	16899
Percentage of increase/decrease over previous year	8.67	17.71	(-)7.54	52.10	(-)16.09
Total grants as a percentage of revenue receipts	10	10	8.8	12.2	9.1

Source: Finance Accounts of respective years

The decrease under Central Plan Schemes (₹ 711 crore) was mainly under Rural Development (₹ 599 crore) and Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes (₹ 82 crore). The decrease under grants from Centrally Sponsored Plan Schemes (₹ 432 crore) was mainly due to decrease under (a) Crop Husbandry (₹ 377 crore), (b) Water Supply and Sanitation (₹ 334 crore), (c) Family Welfare (₹ 306 crore), (d) General Education (₹ 188 crore), (e) Urban Development (₹ 124 crore), set-off by an increase under (f) Special Programmes for Rural Development (₹ 520 crore), and (g) Rural Employment (₹ 439 crore).

Decrease under State Plan and Non-Plan Schemes

The Grants for State Plan Schemes comprises mainly of grants under Article 275(1) of the Constitution of India (these are basically grants for tribal sub-plan) and Block Grants⁸.

Table 1.11 below shows the Grants-in-aid received from GoI under proviso to Article 275(1) of the Constitution and Block Grants during 2011-12 to 2015-16.

⁸ see Glossary at page 120.

Table 1.11: Year wise Grants-in-aid from Government of India under proviso to Article 275(1) of the Constitution and Block Grants

(₹ in crore)

	Particulars	Classification	2011-12	2012-13	2013-14	2014-15	2015-16
Under proviso to Article 275(1) of the Constitution	Non-plan grants	1601-01-104	0	0	75	2329	0
	Plan grants	1601-02-104	1270	1033	125	117	134
	Non-Plan grants	1601-03-104	1	0	0	0	0
Block Grants			3936	3247	2832	1091	284
(1601-02-101)	Accelerated Irrigation Benefits Programme and other water related schemes		1302	1023	280	32	265
	Normal Central Assistance		630	644	766	790	0
	Backward Region Grants Fund		60	50	247	0	0
	Other Schemes		1944	1530	1539	269	19

Source: Finance Accounts of respective years

From **Table 1.11** it could be seen that no Grants-in-aid was received under proviso to Article 275(1) of the Constitution in respect of the non-plan grants in 2015-16 as against ₹ 2,329 crore received in 2014-15. Block grants decreased by ₹ 807 crore (75 per cent) in 2015-16. However, grants to AIBP and other water related schemes increased by ₹ 233 crore. The reduction in Grant-in-aid is offset by increase in tax devolution from 32 per cent to 42 per cent as per the recommendations of FFC.

The overall decrease in grants for the State Plan Schemes (₹ 875 crore) was mainly due to decrease in grants under Block Grants-Normal Central Assistance (₹ 790 crore).

1.3.2.2 Central Tax Transfers

Due to higher devolution of Central taxes under FFC, Central tax transfers increased by 60 per cent from ₹ 17,603 crore in 2014-15 to ₹ 28,106 crore in 2015-16.

1.3.2.3 Comparison of the devolution of taxes as well as grants-in-aid

Fourteenth Finance Commission

Consequent upon acceptance of the recommendations of the FFC (award period 2015-16 to 2019-20) by GoI, the devolution to States with effect from 2015-16 has increased from 32 per cent to 42 per cent of the net union tax receipts. The devolution of different components of States share of union taxes during the first year of FFC compared with the last year of Thirteenth Finance Commission (ThFC) is as given in **Table 1.12**.

Table 1.12: Devolution of different components of State's share of Union Taxes

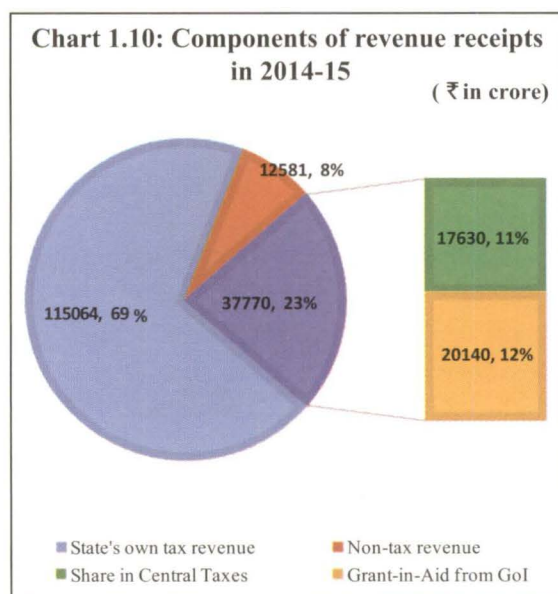
(₹ in crore)

Components of State's share of Union taxes	2014-2015 (Last year of ThFC award period)	2015-2016 (First year of FFC award period)	Difference	Percentage increase/decrease
Corporation Tax	6147.05	8835.19	2688.14	44
Customs	2846.89	4486.57	1639.68	58
Income Tax	4389.58	6144.85	1755.27	40
Other taxes and duties on commodities and services	24.08	19.33	(-) 4.75	(-) 20
Other taxes on income and expenditure	0.15	0.18	0.03	20
Service tax	2595.15	4887.46	2292.31	88
Taxes on wealth	16.60	2.00	(-) 14.60	(-) 88
Union excise duties	1583.47	3730.37	2146.90	136
Grand Total	17602.97	28105.95	10502.98	60
Devolution as a percentage of revenue receipts	10.6	15.2		

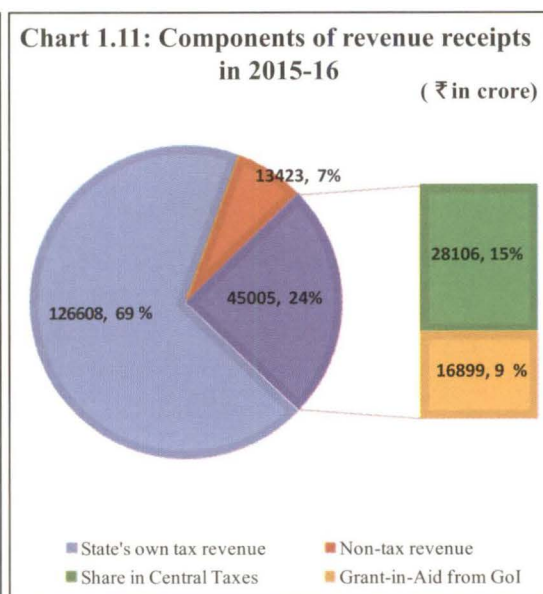
Source: Data of Finance Department, Government of Maharashtra and website of Ministry of Finance

The devolution of States share of Union taxes assigned to the State substantially increased by 60 per cent during the first year of the award period of FFC when compared to the previous year of ThFC. There was an increasing trend in all the components of the State's share of Union taxes except in respect of other taxes on income and expenditure and taxes on wealth. The percentage of increase was mainly under union excise duties (136 per cent) followed by service tax (88 per cent) and customs (58 per cent).

The increase in tax devolution to States by the FFC to give larger fiscal space has meant sharp cuts for Central Plan Schemes/Centrally Sponsored Schemes. The components of revenue receipts during 2014-15 and 2015-16 are shown in **Chart 1.10** and **Chart 1.11** respectively.



(Source: Finance Accounts of the respective years)



(Source: Finance Accounts of the respective years)

Tax devolution increased from ₹ 17,603 crore in 2014-15 (11 per cent of revenue receipts) to ₹ 28,106 crore in 2015-16 (15 per cent of revenue receipts). Grants-in-aid from GoI which constituted 12 per cent of revenue receipt in 2014-15 decreased to nine per cent in 2015-16.

Sub-optimal use of increased receipts

The increase in devolution to States due to FFC recommendations is expected to be reflected in the States' expenditure programmes. The details of expenditure incurred during 2014-15 and 2015-16 is shown in **Table 1.13**.

Table 1.13: Details of expenditure during 2014-15 and 2015-16

(₹ in crore)

Year	GSDP	Total expenditure	Revenue expenditure	Capital expenditure ^f	Development expenditure ^g	Non-development expenditure
2014-15	1792122	198217	177553	20664	134131	64086
		(11)	(10)	(1)	(7)	(4)
2015-16	1969184*	214282	190374	23908	142415	71867
		(11)	(10)	(1)	(7)	(4)

Figures in parenthesis indicate percentage to GSDP

Source: Finance Accounts and Economic Survey of respective years

* Advance estimates Economic Survey of Maharashtra 2015-16

^fCapital expenditure includes disbursement of loans and advances

As shown in **Table 1.13**, the State's total expenditure as percentage of GSDP and the development expenditure-GSDP ratio remained constant during 2014-15 and 2015-16.

There was an increase of 16 per cent in capital expenditure (including disbursement of loans and advances) from ₹ 20,664 crore in 2014-15 to ₹ 23,908 crore in 2015-16. However, the development expenditure component of capital expenditure had increased only by 13 per cent against the increase of 59 per cent in non-development component of capital expenditure as shown in **Table 1.14**.

Table 1.14: Components of Capital expenditure

(₹ in crore)

Year	Development expenditure	Non-development expenditure	Total
2014-15	19492	1172	20664
2015-16	22046 (13)	1862 (59)	23908 (16)

Source: Finance Accounts of respective years

Figures in parenthesis indicate the growth rate

1.3.2.4 Centrally Sponsored Schemes

The Planning Commission, GoI restructured (July 2013) the existing Centrally Sponsored Schemes in the Twelfth Five-Year Plan into 66 schemes, including 17 Flagship Programmes. Details of releases of Central share and State share in respect of major schemes are given in Annexure to Statement No. 15 of Finance Accounts 2015-16.

Instances have been noticed in audit regarding delay in surrendering unutilized balances to GoI, non-surrender of unutilized balances to GoI, non-utilization of

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

GoI funds, non-release of State share, and non-release of GoI share as enumerated succeeding paragraphs.

Delay in surrendering unutilized balances to Government of India

There were inordinate delays up to eight years in refunding/surrendering unutilized balances to GoI in respect of six Central Schemes (i) Strengthening and Modernization of Pest Management Approach in India, (ii) Establishment of village grain banks in the State of Maharashtra, (iii) National Project on organic farming, (iv) Preparation of Disaster Management Plan, (v) Livestock Census and Breed Survey, and (vi) Poultry Development (Rural Backyard Poultry Development Component). These are detailed in **Appendix 1.8**.

Non-release/Non-utilization of Government of India funds

Under the Centrally Sponsored Scheme for Strengthening and upgradation of State Government Medical Colleges for starting new post graduate disciplines and increasing post graduate seats, GoI released ₹ 129.57 crore in October 2011 (out of its share of ₹ 313.33 crore) directly into the savings accounts of the colleges of which, an expenditure of only ₹ 10.69 crore was incurred. Though the Central share was made available in October 2011, there was a delay of two years on the part of the State Government in opening of new accounting head for the State share. As a result, of the total State share of ₹ 104.44 crore, an expenditure of only ₹ 42.24 crore was incurred till March 2016. Non-release of State share and non-utilization of Central share resulted in non-receipt of balance funds of ₹ 183.76 crore.

1.4 Capital Receipts

Capital receipts of the State Government include non-debt and debt receipts, whose composition has been discussed in **Paragraph 1.2.1**. The public debt receipts during the year (₹ 37,976 crore) comprised internal debt of ₹ 37,393 crore (98.5 per cent) and loans and advances from GoI ₹ 584 crore (1.5 per cent). Market borrowings had a predominant share under internal debt comprising 87 per cent followed by NSSF loans (11 per cent) and negotiated loans (two per cent). The trends in composition of capital receipts and a time series data on public debt receipts are shown in **Table 1.15** and **Table 1.16**.

Table 1.15: Trends in growth and composition of Capital Receipts

Sources of State's receipts	2011-12	2012-13	2013-14	2014-15	2015-16
Capital Receipts (CR)	25467	22588	27463	30348	38858
Miscellaneous Capital Receipts	456	0	0	0	17
Recovery of Loans and Advances	559	863	728	975	865
Public Debt Receipts	24452	21725	26735	29373	37976
Rate of growth of debt capital receipts	17.9	(-)11.1	23.1	9.9	29.3
Rate of growth of non-debt capital receipts	54.5	(-)15.0	(-)15.6	33.9	(-)9.5
Rate of growth of GSDP	-	13.8	13.7	8.8	9.9
Rate of growth of CR (per cent)	19.0	(-) 11.3	21.6	10.5	28.0

Source: Finance Accounts of respective years

Table 1.15 shows that the growth of capital receipts increased from 10 per cent in 2014-15 to 29 per cent in 2015-16. The non-debt capital receipts registered a negative growth of 9.5 per cent in 2015-16 as against positive growth of 33.9 per cent in 2014-15.

Table 1.16: Time-series data on Public Debt Receipts

(₹ in crore)

	2011-12	2012-13	2013-14	2014-15	2015-16
Open Market Borrowings	21000 (85.9)	17500 (80.5)	23600 (88.3)	25083 (85.4)	32440 (85.4)
National Small Savings Fund	1965 (8)	2664 (12.3)	1425 (5.3)	2982 (10.1)	4015 (10.6)
Other Financial Institutions	1181 (4.8)	810 (3.7)	745 (2.8)	766 (2.6)	937 [#] (2.5)
Loans and Advances from GoI	306 (1.2)	751 (3.5)	965 (3.6)	542 (1.8)	584 (1.5)
Public Debt Receipts	24452	21725	26735	29373	37976
Public Debt Repayments	6458	6653	10262	8828	10043

Figures in parenthesis indicate percentages to Public Debt receipts
Source: Finance Accounts of respective years
[#] Lower rounding

Capital receipts increased from ₹ 25,467 crore in 2011-12 to ₹ 38,858 crore in 2015-16. Debt receipts had a predominant share in capital receipts and were between 96 and 98 *per cent* during 2011-15. As per FFC recommendations, the involvement of the States in the National Small Saving Fund (NSSF) scheme with effect from April 2015 may be limited solely to discharging the debt obligations already incurred by them until that date (April 2015). However, the NSSF loans increased by ₹ 1,033 crore in 2015-16 contrary to the FFC recommendations.

During 2015-16, the public debt receipts increased by 29 *per cent* (₹ 8,603 crore) and public debt repayment increased by 14 *per cent* (₹ 1,215 crore) resulting in net increase of ₹ 7,388 crore in public debt receipts.

1.4.1 Recoveries of Loans and Advances

The details of loans and advances given by the State Government during 2011-16 are indicated in **Table 1.17**.

Table 1.17: Position of Loans and Advances given by the State Government

(₹ in crore)

Year	Balance of loans and advances as on 1 April	Disbursements by the Government during the year	Recoveries during the year	Balance as on 31 March (2+3-4)	Percentage of recovery with reference to opening balance (4/2*100)
(1)	(2)	(3)	(4)	(5)	(6)
2011-12	19909.08	836.29	558.74	20186.63	2.8
2012-13	20186.63	1415.94	862.85	20739.72	4.3
2013-14	20739.72	1645.10	728.03	21656.79	3.5
2014-15	21656.79	1140.54	975.08	21822.25	4.5
2015-16	21822.25	1114.63	865.11	22071.77	4.0

Source: Finance Accounts of the respective years

Recoveries of loans and advances decreased by ₹ 110 crore (11 *per cent*) mainly on account of less recoveries under 'Loans for Co-operation' (₹ 66 crore), 'Loans for Power Projects' (₹ 55 crore) and 'Loans for Housing' (₹ 23 crore), set-off by an increase under 'Loans for Water Supply and Sanitation' (₹ 17 crore) and 'Loans to Government Servants' (₹ 14 crore). The percentage of recovery was meagre at 2.8 to 4.5 during the last five years. The complete information regarding arrears in repayments, and loans in perpetuity were not furnished by Government.

Non-recovery of interest free loans from Co-operative Societies

The State Government sanctioned (August 2009) ₹ 200 crore as interest free financial assistance in the form of loan to the Urban and Rural Co-operative Societies in Maharashtra who were in financial distress and were unable to repay the fixed deposits of small depositors on maturity. The financial assistance was to be used by the Societies for repayment of maturity amount of ₹ 10,000 to the investors having deposits up to ₹ 50,000, and it was binding on the Societies to repay the interest free loan to the State Government within one year of disbursement. The outstanding dues collected by the Societies from the borrowers were to be used to liquidate the interest free loan of the State Government. The Commissioner, Co-operative Societies was appointed as the implementing authority for the Scheme. Of the sanctioned package of ₹ 200 crore, ₹ 173.49 crore was disbursed to the Societies up to June 2012.

Audit analysis revealed that an amount of ₹ 133.16 crore from different Co-operative Societies was pending recovery as of 31 March 2016. It is pertinent to note that the Government sanction did not provide for levy of any penalty on the Co-operative Societies for their default.

The District Deputy Registrar of Co-operative Societies stated (May 2016) that recovery action was being taken. The comments of the Commissioner were awaited (May 2016).

1.5 Public Account Receipts

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

Table 1.18: Trends of receipts under Public Account

(₹ in crore)

Resources under various heads	2011-12	2012-13	2013-14	2014-15	2015-16
Public Account receipts					
a. Small Savings, Provident Fund etc.	4449.03 (2260)	4759.89 (2188)	4868.46 (1894)	4642.54 (1260)	4798.96 (1208) [#]
b. Reserve Fund	3052.51 (1399)	4960.13 (1976)	5540.03 (2742)	5908.54 (3158)	7226.11 (3465)
c. Deposits and Advances	25544.27 (4532)	26657.82 (6442)	32347.23 (6772)	31249.40 (4411)	34855.80 (2773)
d. Suspense and Miscellaneous	(-) 1491.27 (-1509)	(-) 11307.73 (100)	(-) 2693.61 (-2705)	17039.01 (5222)	(-) 569.16 (-876)
e. Remittances	21834.84 (-256)	21989.52 (842)	23958.08 (-1117)	24182.45 (14)	26435.49 (-235)
Total	53389.38 (6426)	47059.63 (11549)	64020.19 (7585)	83021.94 (14036)	72747.20 (6335)

Figures in parenthesis indicate net receipts
[#] Lower rounding
 Source: Finance Accounts of respective years

Public Account receipts increased by 36.3 per cent over the period 2011-16. Decrease in Public Account receipts by ₹ 10,275 crore (12.4 per cent) in 2015-16 over the previous year was on account of decrease under Suspense and

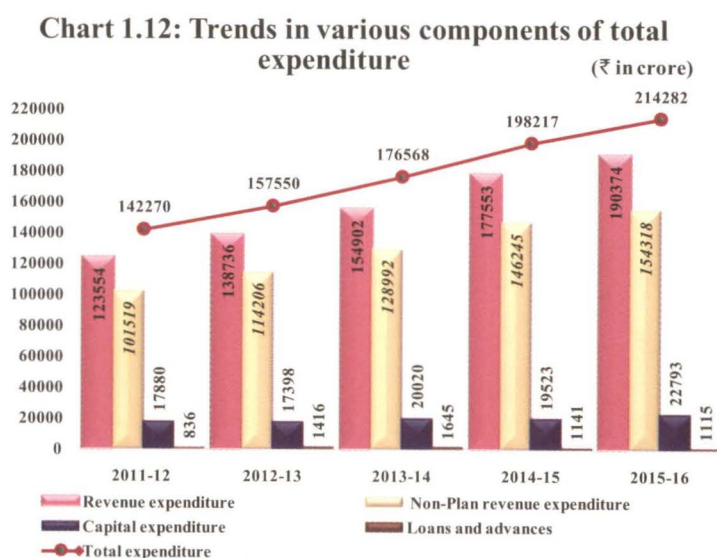
Miscellaneous (₹ 17,608 crore), set-off by an increase in Deposits and Advances (₹ 3,606 crore), Remittances (₹ 2,253 crore) and Reserve Fund (₹ 1,318 crore).

1.6 Application of Resources

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

1.6.1 Growth and composition of expenditure

Chart 1.12 presents the trends in total expenditure over the period of last five years (2011-16), as well as its composition both in terms of 'economic classification' and 'expenditure by activities' is depicted in Chart 1.13 and 1.14 respectively.



(Source: Finance Accounts of respective years)

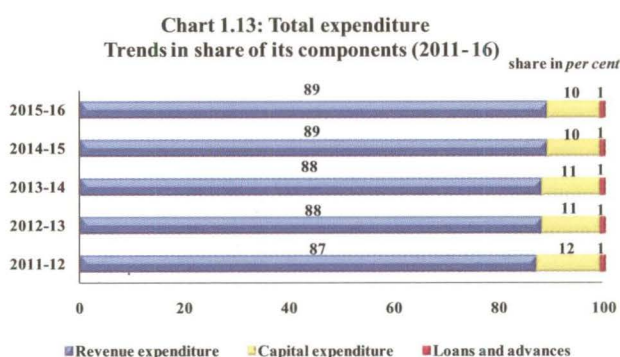
Total expenditure

The total expenditure and its composition during 2011-16 are presented in Table 1.19 and Chart 1.13.

Table 1.19: Total expenditure and its composition

	(₹ in crore)				
	2011-12	2012-13	2013-14	2014-15	2015-16
Total expenditure	142270	157550	176568	198217	214282
Revenue expenditure	123554	138736	154902	177553	190374
	(87)	(88)	(88)	(89)	(89)
<i>of which, Non-Plan revenue expenditure</i>	101519	114206	128992	146245	154318
Capital expenditure	17880	17398	20020	19523	22793
	(12)	(11)	(11)	(10)	(10)
Loans and advances	836	1416	1645	1141	1115
	(1)	(1)	(1)	(1)	(1)

Figure in parenthesis indicate percentage to total expenditure
Source: Finance Accounts of respective years



(Source: Finance Accounts of respective years)

The total expenditure of the State increased at an average growth rate of 11.3 *per cent* from ₹ 1,42,270 crore in 2011-12 to ₹ 2,14,282 crore in 2015-16 but, the percentage of capital expenditure to total expenditure decreased from 12 *per cent* in 2011-12 to 10 *per cent* in 2015-16. The total expenditure, its annual growth rate, the ratio of total

expenditure to the State GSDP and to revenue receipts and its buoyancy with respect to GSDP and revenue receipts are indicated in **Table 1.20**

During 2006-07 to 2014-15, the CAGR of total expenditure (24.8 *per cent*) was more than the growth rate of GCS (16.7 *per cent*). The growth of the total expenditure during 2015-16 over 2014-15 (8.1 *per cent*) was lower than the growth rate of GCS (16.4 *per cent*) as shown in **Appendix 1.1**.

Table 1.20: Total expenditure – basic parameters

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
Total expenditure (TE) (₹ in crore)	142270	157550	176568	198217	214282
Rate of growth of TE over previous year (<i>per cent</i>)	13.5	10.7	12.1	12.3	8.1
TE/GSDP (<i>per cent</i>)	11.2	10.9	10.7	11.1	10.9
RR /TE (<i>per cent</i>)	85.3	90.7	84.9	83.5	86.4
Buoyancy of Total expenditure with reference to:					
GSDP (ratio)	1.168	0.775	0.883	1.398	0.818
RR (ratio)	0.925	0.598	2.521	1.183	0.681

Source: Finance Accounts of respective years

Table 1.19 and **Table 1.20** further show that an increase of ₹ 16,065 crore (8.1 *per cent*) in total expenditure in 2015-16 over the previous year was on account of an increase of ₹ 12,821 crore in revenue expenditure and ₹ 3,270 crore in capital expenditure.

The total expenditure remained around 11 *per cent* of GSDP during 2011-16. Revenue receipts fluctuated between 85.3 *per cent* (2011-12) and 86.4 *per cent* (2015-16) of total expenditure. **Table 1.20** shows that on an average, 86 *per cent* of total expenditure was met from revenue receipts during 2011-16.

The ratio of buoyancy of total expenditure to GSDP and revenue receipts showed a mixed trend. The ratio of buoyancy of total expenditure with reference to GSDP decreased to 0.818 in 2015-16 from 1.398 in 2014-15. This indicated that during 2015-16 for each one *per cent* increase in GSDP, total expenditure grew by 0.818 *per cent*. The ratio of buoyancy of total expenditure with reference to revenue receipts decreased to 0.681 in 2015-16 from 1.178 in 2014-15.

Of the total expenditure during 2015-16, non-plan expenditure was 74 *per cent* while plan expenditure was 26 *per cent*. Of the increase of ₹ 16,065 crore in total expenditure, the share of plan expenditure increased by 52 *per cent* while non-plan expenditure increased by 48 *per cent*.

During 2006-07 to 2014-15, the CAGR of capital expenditure (8.6 per cent) was lower than the growth rate of GCS (13.2 per cent). The growth of the capital expenditure during 2015-16 over 2014-15 (16.8 per cent) was lower than the growth rate of GCS (25.8 per cent) as shown in **Appendix 1.1**.

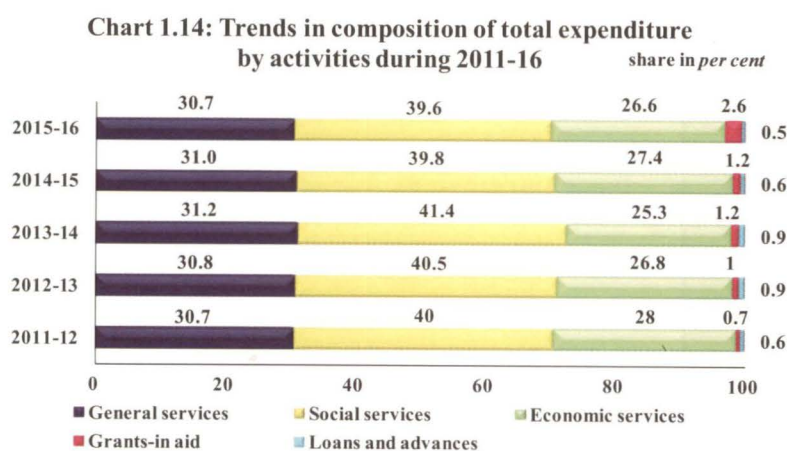
Trends in total expenditure in terms of activities

In terms of 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 1.21** and **Chart 1.14**.

Table 1.21: Components of total expenditure – relative shares

	(in per cent)				
	2011-12	2012-13	2013-14	2014-15	2015-16
General Services	30.7	30.8	31.2	31.0	30.7
of which, Interest Payments	12.3	12.1	12.0	12.1	12.0
Social Services	40.0	40.5	41.4	39.8	39.6
Economic Services	28.0	26.8	25.3	27.4	26.6
Grants-in-aid	0.7	1.0	1.2	1.2	2.6
Loans and Advances	0.6	0.9	0.9	0.6	0.5

Source: Finance Accounts of respective years



(Source: Finance Accounts of respective years)

shortfalls were however, set-off by an increase in Grants-in-aid.

The decrease under Social Services was mainly under Social Welfare and Nutrition (₹ 681 crore). The share of Grants-in-aid in total expenditure increased by ₹ 3,207 crore. The increase in Grants-in-aid was mainly due to increase under the head 'Compensation and Assignment to Local Bodies and Panchayati Raj Institutions' (₹ 2,953 crore).

Though the share of General, Social and Economic Services in total expenditure had decreased, the expenditure on these services increased by ₹ 4,278 crore, ₹ 5,991 crore and ₹ 2,615 crore respectively. Under General Services, the increase was mainly under Interest payments (₹ 1,807 crore), Pensions and Other Retirement Benefits (₹ 1,078 crore) and Police (₹ 1,002 crore). The increase under Social Services was mainly under General Education (₹ 2,894 crore), Urban Development (₹ 2,038 crore) and Water Supply and Sanitation (₹ 976 crore). The increase under

Economic Services was mainly due to increase in Major and Medium Irrigation (₹ 1,117 crore) and Roads and Bridges (₹ 801 crore).

Revenue expenditure

Revenue expenditure during 2015-16 increased by ₹ 12,821 crore (seven per cent) over 2014-15 mainly due to increase in expenditure on General Services (₹ 3,884 crore), Social Services (₹ 5,365 crore), Economic Services (₹ 365 crore) and Grants-in-aid and Contributions (₹ 3,207 crore). While 37 per cent of the increase was under Plan head, the remaining 63 per cent was under Non-Plan head. The revenue expenditure during 2015-16 (₹ 1,90,374 crore) was lower than the assessment made by the State Government in its FCP/MTFPS/Budget estimates by 6.1 per cent. The Non-Plan Revenue expenditure (₹ 1,54,318 crore) was less than the State Government's projections in FCP/MTFPS/Budget estimates (₹ 1,54,509 crore) (Table 1.23).

Revenue expenditure constituted 89 per cent of the total expenditure (Chart 1.13). The increase in revenue expenditure was mainly under General Education (₹ 2,876 crore), Urban Development (₹ 1,827 crore), Interest Payments (₹ 1,807 crore), Police (₹ 1,107 crore) and Pension and other Retirement Benefits (₹ 1,078 crore).

Incidence of Revenue expenditure

Revenue expenditure is incurred to maintain the current level of services and payment for past obligations and as such, does not result in any addition to the State's infrastructure and service network. The overall revenue expenditure, its rate of growth, the ratio of non-plan revenue expenditure to GSDP and to revenue receipts, and buoyancy of revenue expenditure with GSDP and revenue receipts during the last five years are indicated in Table 1.22.

Table 1.22: Revenue expenditure – basic parameters

	2011-12	2012-13	2013-14	2014-15	2015-16
Revenue expenditure (RE),	123554	138736	154902	177553	190374
of which					
Non-Plan Revenue expenditure (NPRE)	101519	114206	128992	146245	154318
Plan Revenue expenditure (PRE)	22035	24530	25910	31308	36056
Rate of Growth of					
RE (per cent)	16.1	12.3	11.7	14.6	7.2
NPRE (per cent)	13.4	12.5	12.9	13.4	5.5
PRE (per cent)	30.2	11.3	5.6	20.8	15.2
Revenue Expenditure as percentage to TE	86.8	88.1	87.7	89.6	88.8
NPRE/GSDP (per cent)	8.0	7.9	7.8	8.2	7.8
NPRE as percentage of TE	71.4	72.5	73.1	73.8	72.0
NPRE as percentage of RR	83.7	79.9	86.1	88.4	83.4
Buoyancy of Revenue expenditure with					
GSDP (ratio)	1.396	0.891	0.854	1.659	0.727
Revenue Receipts (ratio)	1.103	0.687	2.438	1.404	0.605

Source: Finance Accounts of respective years

The buoyancy ratio of revenue expenditure with reference to both GSDP and revenue receipts showed a fluctuating trend.

Plan revenue expenditure

The Plan Revenue Expenditure increased by ₹ 4,748 crore (15 per cent) in 2015-16 over the previous year mainly due to increase in expenditure under

Urban Development (₹ 1,827 crore), Power (₹ 1,213 crore), Roads and Bridges (₹ 629 crore) and Secretariat (₹ 515 crore).

Non-plan revenue expenditure

During 2015-16, Non-Plan Revenue Expenditure (NPRE) constituted 81 per cent of revenue expenditure and increased by ₹ 8,073 crore (six per cent) over the previous year, mainly due to increase under General Services (₹ 3,936 crore) and Education, Sports, Arts and Culture (₹ 3,264 crore). The NPRE as a percentage of revenue receipts (Table 1.22) showed that on an average, 84 per cent of the revenue receipts were used to meet the NPRE.

Table 1.23 provides a comparative status of NPRE with reference to assessments made by the ThFC/FFC, FCP and MTFPS/Budget projections of the State Government.

Table 1.23: NPRE vis-à-vis assessment made by the ThFC/FFC, FCP and MTFPS

(₹ in crore)

Year	Assessments made by the ThFC/FFC	Projection in FCP	Projection in MTFPS/ Budget	Actuals
2014-15	101881	154084	141354	146245
2015-16	*	154509	154509	154318

* Year-wise figures were not available in FFC Report
 Source: Finance Accounts and budget documents of respective years and Report of the ThFC/FFC

As may be seen, the NPRE during 2014-15 remained significantly higher than the normative assessments of the ThFC/FFC and MTFPS/Budget projections but lower than the FCP projections. During 2015-16, NPRE was less than the MTFPS/FCP/Budget projections.

Cost of collection

The gross collection in respect of four major heads of revenue receipts, the expenditure incurred on their collection and the comparative percentage of such expenditure to the gross collection along with the relevant all-India average percentage of expenditure on gross collection for the year 2014-15 are given in the Table 1.24.

Table 1.24: Expenditure incurred on collection of taxes

Sr No	Head of revenue	Year	Gross collection (₹ in crore)	Expenditure on collection (₹ in crore)	Percentage of expenditure to gross collection	All India average percentage for the year 2014-15
1	Taxes on Sales, Trade etc.	2013-14	62530.04	389.98	0.6	0.9
		2014-15	67466.29	455.18	0.7	
		2015-16	69660.82	469.88	0.7	
2	State Excise	2013-14	10101.12	86.47	0.9	2.1
		2014-15	11397.07	100.33	0.9	
		2015-16	12469.56	104.77	0.8	
3	Taxes on Vehicles	2013-14	5095.92	1454.71	28.5	6.1
		2014-15	5404.97	1598.78	29.6	
		2015-16	6017.19	1220.86	20.3	
4	Stamps and Registration Fees	2013-14	18675.98	153.98	0.8	3.6
		2014-15	19959.29	129.58	0.6	
		2015-16	21766.99	141.82	0.6	

Source: Finance Accounts of respective years

It would be seen that the cost of collection of revenue in the State is less than the all India average in all the important heads of revenue except Taxes on Vehicles. Efforts need to be made to improve the tax administration in order to reduce the cost of collection in respect of Taxes on vehicles.

Subsidies

Subsidies given by the State Government during 2011-12 to 2015-16 are shown in **Table 1.25**.

Table 1.25: Expenditure on subsidies

(₹ in crore)

	2011-12	2012-13	2013-14	2014-15	2015-16	
					BE	Actuals
Subsidies	9833 (8)	9268 (6)	12063 (8)	19753 (12)	14687 (7)	17766 (10)
Total Revenue Expenditure	123554	138736	154902	177553	201988	190374
Revenue Receipts	121286	142947	149822	165415	198231	185036

Figures in parenthesis indicate percentage to Revenue Receipts

Source: Finance Accounts of respective years

Table 1.25 indicates that expenditure under subsidies decreased by 10 per cent from ₹ 19,753 crore in 2014-15 to ₹ 17,766 crore in 2015-16. During the current year, subsidies constituted about nine per cent of the total revenue expenditure. The major schemes which received subsidy include subsidy to Distribution/Transmission Licences for reduction in Agriculture and Power loom Tariff (43 per cent), Medium and Large Industries under the Graded Package Scheme of Incentives (16 per cent), Transport (six per cent), Food grain Transactions (six per cent) and reimbursement to Maharashtra State Road Transport Corporation for concession in fares to Senior Citizens (2.5 per cent).

The subsidies projected by the Government in the FCP and the actual expenditure incurred during 2014-15 and 2015-16 are presented in **Table 1.26**.

Table 1.26: Subsidies vis-à-vis FCP

(₹ in crore)

	2014-15		2015-16	
	Projections in FCP	Actuals	Projections in FCP	Actuals
Power (Subsidy for reduction in Agriculture and Power loom Tariff)	10500	10500	4963	7717
General/Others	10089	9253	9724	10049
Total	20589	19753	14687	17766

Source: Finance Accounts and Budget documents of respective years

As against the budget of ₹ 4,963 crore earmarked for subsidy to Power during 2015-16, the actual expenditure was ₹ 7,717 crore. The subsidies given to Power decreased by ₹ 2,783 crore (27 per cent) during 2015-16 compared to previous year.

The major components under 'General/Others' as shown in **Table 1.26** were (a) Subsidy to Medium and Large Industries under the Graded Package Scheme of Incentives under which the Government provided ₹ 3,150 crore in the State budget 2015-16 but, the actual expenditure incurred was ₹ 2,835 crore, (b) subsidy on loss to Maharashtra State Road Transport Corporation for which Government provided ₹ 1,613 crore during 2015-16 but, the actual expenditure incurred was ₹ 450 crore, and (c) Food subsidy under which the Government provided ₹ 910 crore in the State budget 2015-16 but, the actual expenditure was ₹ 1,087 crore.

Capital expenditure

During 2015-16, capital expenditure (₹ 22,793 crore) constituted 10 per cent of the total expenditure (**Chart 1.13**) and increased by 17 per cent over 2014-15. The

increase was mainly on account of increase in Capital Outlay on Major and Medium Irrigation (₹ 1,036 crore), Capital Outlay on Roads and Bridges (₹ 892 crore) and Capital Outlay on Rural Development (₹ 529 crore). During 2015-16, the capital expenditure (₹ 22,793 crore) was lower than the assessment made by the State Government in its FCP/Budget estimates by ₹ 27,104 crore (16 per cent) and projections made in MTFPS by ₹ 28,074 crore (19 per cent). The major areas of decrease are commented in **Paragraph 1.1.3**.

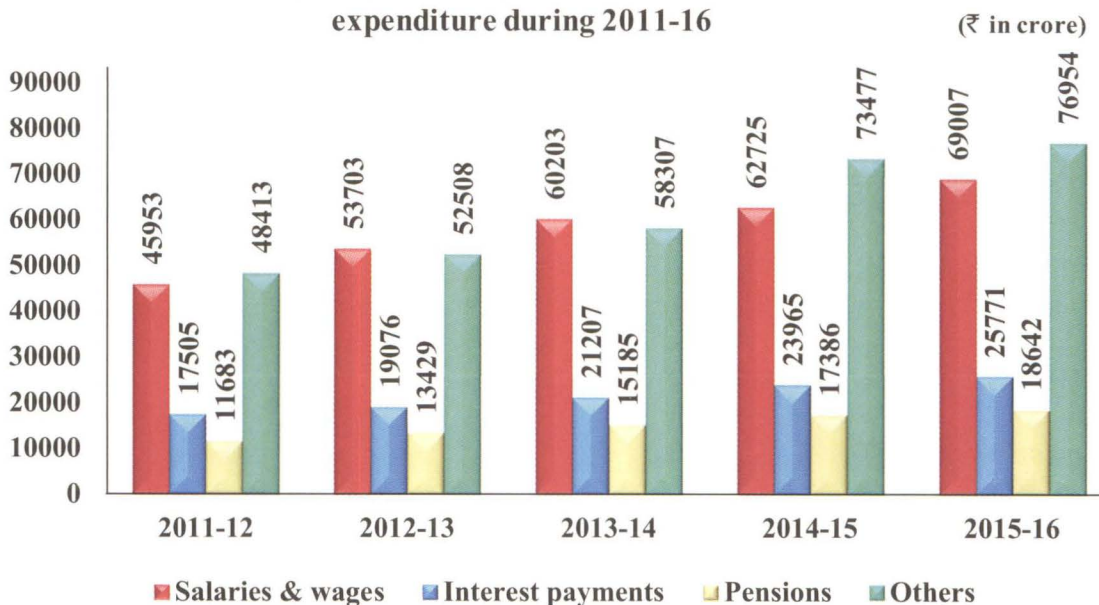
Loans and Advances

Loans and advances constituted one per cent of the total expenditure every year during 2011-16 (**Chart 1.13**). Disbursements of loans and advances during 2015-16 decreased by ₹ 26 crore (two per cent) over 2014-15.

1.6.2 Committed expenditure

The committed expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages and pensions. Despite recommendations of the Twelfth Finance Commission, the statement of committed liabilities could not be included in the Finance Accounts due to non-receipt of the complete information from the State Government. **Chart 1.15** and **Table 1.27** present the trends in the expenditure on these components during 2011-16.

Chart 1.15: Trends of committed expenditure during 2011-16



(Source: Finance Accounts of respective years)

Table 1.27: Components of committed expenditure

(₹ in crore)

Components of committed expenditure	2011-12	2012-13	2013-14	2014-15	2015-16	
					BE	Actuals
Salaries and Wages	45953	53703	60203	62725	72209	69007 ^s
	(38)	(38)	(40)	(38)	(36)	(37)
of which	42955	50165	56985	58457		63803
Non-Plan Head	(35)	(35)	(38)	(35)		(34)
of which	2998	3538	3218	4268		5204
Plan Head**	(2)	(2)	(2)	(3)		(3)
Interest Payments	17505	19076	21207	23965	27663	25771
	(14)	(13)	(14)	(14)	(14)	(14)
Pensions	11683	13429	15185	17386	19929	18642
	(10)	(9)	(10)	(11)	(10)	(10)
Total Committed expenditure	75141	86208	96595	104076	119801	113420
	(62)	(60)	(64)	(63)	(60)	(61)
Other Components ¹⁰	48413	52508	58307	73477	115845	76954
	(40)	(37)	(39)	(44)	(58)	(42)
Total Revenue Expenditure	123554	138736	154902	177553	201988	190374
Revenue Receipts	121286	142947	149822	165415	198231	185036

Figures in parenthesis indicate percentage to Revenue Receipts

^s Salaries: ₹ 65999 crore + Wages: ₹ 3008 crore

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

Note: Expenditure on Salaries and Wages included grants-in-aid component during 2011-12 (₹ 27,358 crore), 2012-13 (₹ 32,870 crore), 2013-14 (₹ 37,334 crore), 2014-15 (₹ 38,225 crore) and 2015-16 (₹ 41,254 crore)

Source: Finance Accounts of respective years

Salaries and wages

The average annual growth in salaries and wages during 2011-16 was 10.5 per cent. The expenditure on salaries and wages increased by ₹ 6,282 crore (10 per cent) from ₹ 62,725 crore in 2014-15 to ₹ 69,007 crore in 2015-16. The expenditure of ₹ 69,007 crore on salaries and wages during 2015-16 was lower than the projections made in FCP/MTFPS (₹ 72,209 crore).

During 2006-07 to 2014-15, the CAGR of salary and wages (14.8 per cent) was lower than the growth rate of GCS (15.5 per cent). The growth of the salary and wages during 2015-16 over 2014-15 (13.3 per cent) was higher than the growth rate of GCS (10 per cent) as shown in **Appendix 1.1**.

Pension payments

The expenditure on pension payments had increased at an average annual growth of 13.6 per cent from ₹ 11,683 crore in 2011-12 to ₹ 18,642 crore in 2015-16. The increase in pension payments of ₹ 1,256 crore (seven per cent) during 2015-16 over the previous year was mainly due to more expenditure on Pensions and Other Retirement Benefits.

During 2006-07 to 2014-15, the CAGR of pension (19 per cent) was higher than the growth rate of GCS (18.6 per cent). This growth of pension during 2015-16 over 2014-15 (7.6 per cent) was lower than the GCS (11.8 per cent) as shown in **Appendix 1.1**.

¹⁰ Revenue expenditure under General Services, Social Services, Economic Services and Grants-in-aid (excluding salary and wages, interest payments and pension payments)

Table 1.28 shows actual pension payments with reference to assessment made by the ThFC/FFC, FCP and MTFPS/Budget projections of the State Government.

Table 1.28: Pension payments vis-à-vis ThFC/FFC assessment and State's projections

(₹ in crore)

Year	Projection in MTFPS	Assessment made by the ThFC/FFC	Projection in FCP	Actuals
2014-15	17633	8889	17663	17386
2015-16	19929	15916	19929	18642

Source: Finance Accounts, Budget documents and Report of the ThFC/FFC

The pension payments during 2015-16 were higher than the normative assessments made by the FFC but lower than the projections of the State Government under MTFPS and FCP.

In order to limit future pension liabilities, the Government had introduced the New Pension Scheme, 2005 for employees recruited after 01 November 2005. An amount of ₹ 1,725.63 crore¹¹ was deposited by the State Government during 2015-16 towards employee's contribution and employer's share. The State Government's liability on this account as on 31 March 2016 was ₹ 3,067.20 crore. Since the inception of the Scheme, it was only in 2015-16 that the State Government had transferred ₹ 3,079.61 crore to the National Securities Depository Limited. The non-transferred amount (₹ 3,067.20 crore) with accrued interest represents the outstanding liability of the State Government.

Interest Payments

Interest payment of the State Government increased by 47 per cent from ₹ 17,505 crore in 2011-12 to ₹ 25,771 crore in 2015-16, primarily due to increase in debt liabilities. The ratio of interest payments to revenue receipts during 2011-16 remained almost constant, as indicated in **Table 1.27**.

Table 1.29 shows actual interest payments with reference to assessment made by the ThFC/FFC, FCP and MTFPS of the State Government.

Table 1.29: Interest Payments vis-à-vis ThFC/FFC, FCP and MTFPS assessments

(₹ in crore)

Year	Projection in MTFPS	Assessment made by the ThFC/FFC	Projection in FCP	Actuals
2014-15	23805	26775 (ThFC)	24283	23965
2015-16	27663	25383 (FFC)	27663	25771

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

The interest payments with reference to the assessments made by the ThFC were lower during 2014-15 but marginally higher than assessments made by FFC in 2015-16. With reference to the projections made in FCP, interest payments were lower during 2014-15 and 2015-16. With reference to the projections made in the MTFPS, interest payments were marginally higher during 2014-15 but lower during 2015-16.

Component-wise details of interest payments made by the State Government during 2011-16 are shown in the **Table 1.30**.

¹¹ Employees contribution: ₹ 1,150.53 crore; Employers' contribution: ₹ 575.10 crore inclusive of interest

Table 1.30: Component-wise details of interest payments made by the State Government during 2011-16

(₹ in crore)

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
Interest payments	17505	19076	21207	23965	25771
<i>of which, interest payment on</i>					
1. Internal debt	14220	15145	16680	19001	20816
(i) Market loans	5710	7355	8896	11029	12965
(ii) NABARD	201	238	255	263	299
(iii) NSSF	7888	7192	7218	7437	7349
(iv) Ways and means	0	0	0	5	0
(v) Loans from other financial institutions	406	340	285	236	167
(vi) Management of debt (Payable to Reserve Bank of India for Open Market Borrowings)	15	20	26	31	36
2. Loans from GoI	642	597	572	529	490
3. Small savings, PF etc.	2643	3334*	3955	4435	4465
(i) Small savings, PF	1999	1986	2258	2503	2765
(ii) Reserve funds	10	23	0	5	5
(iii) Deposits	634	1325	1697	1927	1695
Revenue Receipts	121286	142947	149822	165416	185036

Source: Finance Accounts of respective years

* Higher rounding

Interest payment of ₹ 25,771 crore during 2015-16 constituted interest on internal debt (₹ 20,816 crore), interest on loans and advances from the Central Government (₹ 490 crore) and interest on small savings, provident fund etc. (₹ 4,465 crore).

The interest on internal debt increased by 9.5 per cent from ₹ 19,001 crore in 2014-15 to ₹ 20,816 crore in 2015-16 on account of increase in payment of interest on market loans by ₹ 1,936 crore (17.5 per cent) and interest on loans from National Bank for Agricultural and Rural Development by ₹ 36 crore (13.7 per cent) partly offset by decrease in interest paid on Deposits by ₹ 232 crore (12 per cent), interest on NSSF by ₹ 88 crore (one per cent) and interest on loans from other financial institutions by ₹ 69 crore (29 per cent). During 2015-16, there was no ways and means advances from the Reserve Bank of India.

The interest on small savings, provident funds etc. increased by ₹ 30 crore from ₹ 4,435 crore in 2014-15 to ₹ 4,465 crore in 2015-16. The ratio of interest payment to revenue receipts determines the debt sustainability of the State. During the year, the ratio of interest payments to total revenue receipts of the State was 13.9 per cent which was higher than the FFC norm of 12 per cent.

The balance in interest bearing deposit accounts was ₹ 33,353.43 crore at the end of March 2015, which was not invested. The State Government paid an interest of ₹ 1,695.12 crore during 2015-16 on ₹ 32,781.90 crore. No interest was paid on the balance portion of funds of ₹ 571.53 crore. The interest liability on the balance portion of funds during the year works out to ₹ 49.72 crore. The outstanding amount of interest against these uninvested interest bearing deposit funds over the years has not been estimated and this will impact the overall liability of the State Government. The revenue expenditure as well as revenue deficit was understated to the extent of ₹ 49.72 crore.

1.6.3 Financial assistance by State Government to Local Bodies and other Institutions

Local bodies in Maharashtra consist of Panchayati Raj Institutions and Urban Local Bodies. In conformity with the provisions of the 73rd and 74th Constitutional Amendment, the State Government established a three tier system of Panchayati Raj Institutions comprising Zilla Parishads at the district level, Panchayat Samities at the block level and Village Panchayats at the village level. There are Municipal Corporations, Municipal Councils and Nagar Panchayats for urban area population in the State. The Fourth State Finance Commission constituted in February 2011 for the period 2011-12 to 2015-16 was to submit its Report to the State Government by September 2012. However, the Report was still under finalisation (October 2016).

1.6.3.1 Quantum of assistance

The quantum of assistance provided by way of grants and loans to Local Bodies and other Institutions during 2015-16 relative to previous years is shown in **Table 1.31**.

Table 1.31: Financial assistance to local bodies and other institutions

(₹ in crore)						
Sr No	Institutions	2011-12	2012-13	2013-14	2014-15	2015-16
1	Educational institutions (Aided Schools, Aided Colleges, Universities, etc.)	18981.18	27186.61	24168.39	25571.20	27071.82
2	Municipal Corporations and Municipalities	4871.33	4401.93	5179.74	5172.30	9187.23
3	Zilla Parishads and other Panchayati Raj Institutions	14294.73	16444.42	18184.73	18769.44	18239.92
4	Development agencies	276.83	246.51	250.70	905.85	251.59
5	Hospital and other charitable institutions	1313.33	1792.44	2196.33	3678.22	4057.52
6	Social Welfare and Nutrition	2888.36	4106.58	5601.02	7174.72	5950.44
7	Agriculture and Allied Activities	2300.01	2128.53	1287.51	824.71	386.49
8	Welfare of SC, ST and OBC	1596.41	2397.81	1962.06	2097.80	2382.64
9	Administrative Services	1159.23	1415.51	1257.77	1392.42	1402.11
10	Housing	1020.31	1267.28	708.97	367.43	58.27
11	Other Institutions	6661.29	2380.29	7252.60	6756.88	13112.59 ¹²
Total		55363.01	63767.91	68049.82	72710.97	82100.62
Assistance as percentage of RE		45	46	44	41	43

Source: Finance Accounts, Vouchers compiled by Principal Accountant General (Accounts and Entitlements)-I, Maharashtra, Mumbai

It would be seen from **Table 1.31** that financial assistance to Local Bodies and other Institutions by the State Government increased by 13 per cent from ₹ 55,363 crore in 2011-12 to ₹ 82,101 crore in 2015-16. During 2015-16, more financial assistance was given to (a) Municipal Corporations and Municipalities (₹ 4,015 crore) mainly due to State assistance *in lieu* of Local Body Tax, and (b) Educational Institutions (₹ 1,501 crore).

1.6.4 Quality of expenditure

The availability of better social and physical infrastructure in the State generally reflects the quality of its expenditure. The improvement in the quality of expenditure basically involves three aspects *viz.*, adequacy of expenditure (adequate provisions

¹² Major recipient-Water Supply, Sanitation, Housing and Urban Development ₹ 3,621 crore; Rural Development ₹ 2,661 crore; and Power ₹ 1,039 crore

for providing public services); efficiency of expenditure; and its effectiveness (assessment of outlay-outcome relationships for selected services).

1.6.4.1 Adequacy of public expenditure

The expenditure responsibilities relating to the social sector and the economic infrastructure assigned to the State Governments are largely State subjects. Enhancing human development levels requires the States to step up their expenditure on key Social Services like education, health *etc.* Low fiscal priority (ratio of expenditure under a category to aggregate expenditure) is attached to a particular sector if it is below the respective national average. The fiscal priorities given by the State Government for development expenditure, social expenditure and capital expenditure during 2012-13 and 2015-16 is indicated in **Table 1.32**.

Table 1.32: Fiscal Priority of the State during 2012-13 and 2015-16

Fiscal Priority of the State	AE / GSDP	DE [#] / AE	SSE / AE	ESE / AE	CE / AE	Education, Sports, Art and Culture / AE	Health and Family Welfare / AE
General Category States Average (Ratio) 2012-13	14.1	70.0	38.5	29.7	13.7	17.7	4.7
Maharashtra Average (Ratio) 2012-13	10.9	68.2	40.7	27.5	11.1	21.6	4.1
General Category States Average (Ratio) 2015-16	10.1	70.6	36.3	34.3	14.9	15.6	4.5
Maharashtra Average (Ratio) 2015-16	10.9	66.7	39.8	26.9	10.7	20.1	4.7

AE: Aggregate expenditure; DE: Development expenditure;
 SSE: Social Sector expenditure; ESE: Economic Sector expenditure; CE: Capital expenditure
[#] Development expenditure includes development revenue expenditure, development capital expenditure and loans and advances disbursed
 Source: Finance Accounts of respective years

Analysis of the fiscal priorities of the State Government as shown in **Table 1.32** reveals the following:

- The ratio of AE to GSDP in 2012-13 (10.9 *per cent*) was lower in the State as compared to GCS in 2012-13 (14.1 *per cent*) and was slightly higher at 10.9 *per cent* as compared to GCS (10.1 *per cent*) in 2015-16.
- The ratios of DE/AE in 2012-13 and 2015-16 (68.2 *per cent* and 66.7 *per cent*) were lower in the State as compared to GCS (70 *per cent* and 70.6 *per cent*).
- The ratios of SSE/AE in 2012-13 and 2015-16 (40.7 *per cent* and 39.8 *per cent*) were higher in the State as compared to GCS (38.5 *per cent* and 36.3 *per cent*). This meant that Maharashtra had given more priority to Social Sector Expenditure compared to other GCS.
- The ratios of ESE/AE in 2012-13 and 2015-16 (27.5 *per cent* and 26.9 *per cent*) were lower in the State as compared to GCS (29.7 *per cent* and 34.3 *per cent*).
- The ratios of CE/AE in 2012-13 and 2015-16 (11.1 *per cent* and 10.7 *per cent*) were lower in the State as compared to GCS (13.7 *per cent* and 14.9 *per cent*).
- There was a turnaround in the ratio of expenditure on Health and Family Welfare to AE which was 4.7 *per cent* in 2015-16 as compared to 4.1 *per cent*

in 2012-13. The priority given to these areas in Maharashtra was higher than that given to GCS in 2015-16.

1.6.4.2 Efficiency of expenditure use and its effectiveness

In view of importance of public expenditure in social and economic development, it is important for the State Government to take appropriate expenditure rationalization measures and lay emphasis on provision of core public and merit goods¹³. Apart from improving the allocation towards development expenditure, particularly in view of the fiscal space being created on account of decline in debt servicing in recent years, the efficiency of expenditure use is also reflected by the ratio of capital expenditure to total expenditure (and/or GSDP) and the proportion of revenue expenditure being spent on operation and maintenance of the existing social and economic services. The higher the ratio of these components to total expenditure (and/or GSDP), the better would be the quality of expenditure. **Table 1.33** and **Chart 1.16** present the trends in DE relative to the AE of the State during the current year *vis-à-vis* budget estimates of the current year and the actual expenditure during the previous years.

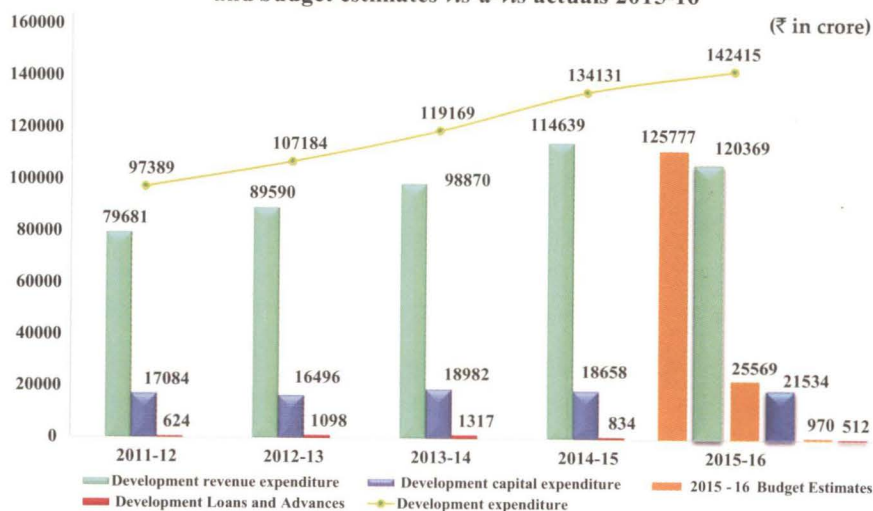
Table 1.33: Development expenditure

(₹ in crore)

Components of Development Expenditure	2011-12	2012-13	2013-14	2014-15	2015-16	
					BE	Actuals
Development expenditure (a to c)	97389 (68.5)	107184 (68.0)	119169 (67.5)	134131 (67.7)	152316 (66.2)	142415 (66.5)
a. Development revenue expenditure	79681 (56.0)	89590 (56.9)	98870 (56.0)	114639 (57.8)	125777 (54.7)	120369 (56.2)
b. Development capital expenditure	17084 (12.0)	16496 (10.5)	18982 (10.8)	18658 (9.4)	25569 (11.1)	21534 (10.0)
c. Development Loans and Advances	624 (0.4)	1098 (0.7)	1317 (0.7)	834 (0.4)	970 (0.4)	512 (0.2)

Figures in parenthesis indicate percentage to total expenditure
 Source: Finance Accounts of respective years

Chart 1.16: Development expenditure for the years 2011-12 to 2014-15 and budget estimates *vis-a-vis* actuals 2015-16



(Source: Finance Accounts of respective years)

¹³ See Glossary at page 120

Development Revenue expenditure

The development revenue expenditure increased by ₹ 5,730 crore from ₹ 1,14,639 crore in 2014-15 to ₹ 1,20,369 crore in 2015-16. The increase was under Social Services (₹ 5,365 crore) and Economic Services (₹ 365 crore). The actual development revenue expenditure was less than the State's projection in the budget by ₹ 5,408 crore.

Development Capital expenditure

The development capital expenditure increased by ₹ 2,876 crore from ₹ 18,658 crore in 2014-15 to ₹ 21,534 crore in 2015-16. The increase was under Economic Services (₹ 2,249 crore) and Social Services (₹ 626 crore). The main components of increase were Capital Outlay on Major and Medium Irrigation (₹ 1,036 crore), Capital Outlay on Roads and Bridges (₹ 892 crore) and Capital Outlay on Rural Development (₹ 529 crore). The actual development capital expenditure was less than the State's projection in the budget by ₹ 4,035 crore.

Development Loans and Advances

Development loans and advances decreased by ₹ 322 crore from ₹ 834 crore in 2014-15 to ₹ 512 crore in 2015-16. The actual development loans and advances were less than the State's projections in the budget by ₹ 459 crore.

Efficiency of expenditure use in selected social and economic services

Table 1.34 provides the details of capital expenditure and the component of revenue expenditure incurred on the maintenance of the selected social and economic services.

Table 1.34: Efficiency of expenditure use in selected social and economic services

(in per cent)

Social/Economic infrastructure	2014-15			2015-16		
	Ratio of CE to TE	In RE, the share of		Ratio of CE to TE	In RE, the share of	
		S and W	O & M		S and W	O and M
Social Services (SS)						
Education, Sports, Art and Culture	0.2	83.0	0.4	0.3	76.8	0.3
Health and Family Welfare	5.2	55.4	1.1	6.5	50.3	1.3
Water Supply, Sanitation, Housing and Urban Development	5.9	3.1	4.2	9.0	0.6	3
Total (SS)	2.5	54.3	1.4	3	50.8	1.5
Economic Services (ES)						
Agriculture and Allied Activities	28.6	45.8	0	24.4	25.3	0
Irrigation and Flood Control	73.8	45.3	26.3	74.5	40.1	27.0
Energy	10.5	0.2	0.2	12.6	0.2	0.2
Transport	40.0	0.9	10.7	46.0	0.9	32.3
Total (ES)	30.3	16.9	3.4	33	16.7	6.7
Total (SS+ES)	13.9	42.0	2.1	15.1	40.0	3.1

TE: Total expenditure; CE: Capital Expenditure; RE: Revenue Expenditure; S and W: Salaries and Wages; O & M: Operations and Maintenance
 Source: Finance Accounts of respective years

The trends presented in **Table 1.34** reveal that development capital expenditure as a percentage to total expenditure increased from 13.9 in 2014-15 to 15.1 in 2015-16. The percentage of capital expenditure on Social Services to total expenditure increased from 2.5 in 2014-15 to three in 2015-16. The increase was

mainly seen under Water Supply, Sanitation, Housing, Urban Development, Health and Family Welfare, Education, Sports, Arts and Culture. The percentage of capital expenditure on Economic Services to the total expenditure also increased from 30.3 in 2014-15 to 33 in 2015-16. The increase was mainly seen under Transport, Energy, Irrigation and Flood Control, set-off by decrease in Agriculture and Allied Activities.

The share of salary and wages in revenue expenditure decreased from 42 *per cent* in 2014-15 to 40 *per cent* in 2015-16. The share of salary and wages in revenue expenditure on Social Services decreased from 54.3 *per cent* in 2014-15 to 50.8 *per cent* in 2015-16. The decrease was mainly under Education, Sports, Arts and Culture, Water Supply, Sanitation, Housing, Urban Development and Health and Family Welfare. The share of salary and wages in revenue expenditure on Economic Services also decreased from 16.9 *per cent* in 2014-15 to 16.7 *per cent* in 2015-16. The decrease was mainly under Agriculture and Allied Activities, Irrigation and Flood Control.

The share of O & M in revenue expenditure increased from 2.1 *per cent* in 2014-15 to 3.1 *per cent* in 2015-16. The share of O&M in revenue expenditure on Social Services increased from 1.4 *per cent* in 2014-15 to 1.5 *per cent* in 2015-16. The increase was seen mainly under Health and Family Welfare, set-off by decrease under Water Supply, Sanitation, Housing, Urban Development, Education, Sports, Arts and Culture. The share of operations and maintenance in revenue expenditure on Economic Services increased from 3.4 *per cent* in 2014-15 to 6.7 *per cent* in 2015-16. The increase was seen mainly under Transport, Irrigation and Flood Control.

1.7 Financial analysis of Government expenditure and investments

In the post-MFRBM framework, the State is expected to keep its fiscal deficit (and borrowings) not only at low levels but also meet its capital expenditure/investment (including loans and advances) requirements. This section presents the broad financial analysis of investments and other capital expenditure incurred by the Government during the current year *vis-à-vis* previous years.

1.7.1 Ongoing projects

1.7.1.1 Water Resources Department

Cost overrun and delays in execution of projects

There were 420 ongoing irrigation projects in three out of five¹⁴ Irrigation Development Corporations (IDCs) under Water Resources Department. Data of all the ongoing projects furnished by the IDCs were analysed in audit to assess the number of years these projects have been under execution. The summarized position is given in **Table 1.35**.

¹⁴ Maharashtra Krishna Valley Development Corporation; Konkan Irrigation Development Corporation; Tapi Irrigation Development Corporation; Vidarbha Irrigation Development Corporation; and Godavari Marathwada Irrigation Development Corporation

Table 1.35: Age profile of ongoing projects under Water Resources Department

Age Profile (Since the date of original AA)	Total projects			
	Major	Medium	Minor	Total
More than 30 years	24	12	21	57
More than 20 years but up to 30 years	4	16	31	51
More than 15 years but up to 20 years	6	18	45	69
More than 10 years but up to 15 years	3	2	46	51
More than 5 years but up to 10 years	4	24	153	181
Up to 5 years	0	3	8	11
Total	41	75	304	420

*Source: Information furnished by IDCs; Status as of June 2016
MKVDC and KIDC were yet to furnish the information*

Table 1.35 shows that 177 projects (42 per cent) were under execution for more than 15 years and of these, 57 projects (13.6 per cent) were under execution for more than 30 years.

Table 1.36: Cost overrun and balance cost in respect of all ongoing projects

(₹ in crore)

IDC	Status of 420 ongoing projects				Status of 339 out of 420 ongoing projects with cost overrun					
	Number of projects	Expenditure	Updated cost	Balance cost	Number of projects	Amount of original AA	Expenditure	Cost overrun	Updated cost	Balance cost
TIDC	37	5071.98	9956.72	4884.74	37	3150	5071.98	1921.98	15028.71	9956.73
VIDC	311	31335.20	64386.46	33051.26	269	8421.68	21516.22	54393.90	62815.58	41299.36
GMIDC	72	13397.30	36932.46	23535.16	33	804.33	12420.32	11615.99	26538.94	14118.62
Total	420	49804.48	111275.64	61471.16	339	12376.01	39008.52	67931.87	104383.23	65374.71

*Source: Information furnished by the IDCs; Status as of June 2016
MKVDC and KIDC were yet to furnish the information*

Table 1.36 shows that the balance estimated cost of 420 ongoing projects was ₹ 61,471.16 crore. Of these 420 projects, there was cost overrun in 339 projects amounting to ₹ 67,931.87 crore *i.e.* an increase of almost five and half times the original cost.

1.7.1.2 Public Works Department

As on 31 March 2016, an expenditure of ₹ 195.91 crore was incurred on 40 ongoing projects (**Appendix 1.9**). There was time overrun of more than five years in respect of one project under roads and bridges (expenditure: ₹ 7.65 crore) and up to five years in respect of one project under buildings (expenditure: ₹ 0.23 crore).

1.7.2 Investment and returns

As of 31 March 2016, Government invested ₹ 1,20,311 crore in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives (**Table 1.37**). The average return on this investment was 0.04 per cent during 2011-16 while the Government paid average interest rate of 7.6 per cent on its borrowings during the same period.

Table 1.37: Return on investment

Investment/Return/Cost of Borrowings	2011-12	2012-13	2013-14	2014-15	2015-16
Investment at the end of the year (₹ in crore)	83016	90677.84	101867.20	110671.69	120310.97
Return (₹ in crore)	30.2	47	19.68	28.14	57.27
Return (per cent)	0.04	0.05	0.02	0.03	0.05
Average rate of interest on Government borrowing (per cent)	7.5	7.4	7.5	7.8	7.7
Difference between interest rate and return (per cent)	7.5	7.4	7.5	7.8	7.7

Source: Finance Accounts of respective years

The increase in investments of ₹ 9,639 crore during 2015-16 was mainly due to capital contributions to Vidarbha Irrigation Development Corporation (₹ 3,886 crore), Godavari Marathwada Irrigation Development Corporation (₹ 1,494 crore), Maharashtra Krishna Valley Development Corporation (₹ 1,061 crore), Tapi Irrigation Development Corporation (₹ 551 crore), Konkan Irrigation Development Corporation (₹ 486 crore), Maharashtra State Road Transport Corporation (₹ 419 crore) and Maharashtra Water Conservation Development Corporation (₹ 311 crore).

As on 31 March 2016, 25 Companies (**Appendix 1.10**) in which Government had invested ₹ 98,020.83 crore (share capital: ₹ 97,034.55 crore and loans: ₹ 986.28 crore), were incurring losses and their net accumulated losses as on September 2016 amounted to ₹ 16,316.75 crore.

Information furnished by the Commissioner for Cooperation and Registrar of Co-operative Societies revealed that of the 9,271 Societies with an aggregate Government investment of ₹ 437.14 crore (equity: ₹ 163.51 crore and loan: ₹ 273.63 crore), 4,113 Societies had incurred accumulated losses of ₹ 121.92 crore (31 March 2016) which was 62 per cent of the initial investments (₹ 195.14 crore) made in these Societies. Further, 1,854 Societies were under liquidation where the Government had already invested ₹ 167.23 crore as of March 2016.

1.7.2.1 Departmental Commercial Undertakings

Activities of quasi-commercial nature are also performed by Departmental undertakings of certain Government Departments. The State Government has 49 Departmental Commercial Undertakings (DCUs). The position of Department-wise investments by the Government up to the year for which *proforma* accounts have been finalised, net profit/loss as well as return on capital invested in these undertakings are shown in **Appendix 1.11**. It was observed that:

- The State Government had invested ₹ 2,469.03 crore in the undertakings of three¹⁵ Departments during the financial year up to which their accounts were finalised (**Appendix 3.3**).
- Of the three Departments having 49 units, only three¹⁶ units which had finalised their accounts (one unit up to 2013-14 and two units up to 2014-15) could

¹⁵ Agriculture, Animal Husbandry, Dairy Development and Fisheries; Food, Civil Supplies and Consumer Protection; and Revenue and Forest

¹⁶ Unit Scheme, Mumbai (2014-15), Cattle Feed Scheme, Mumbai (2014-15) and Procurement and Distribution and Price Control Scheme in Mumbai and Thane Rationing Area (2013-14) refer Sr No 5, 9 and 48 of Appendix 1.11 and Appendix 3.3

earn net profit amounting to ₹ 144.28 crore against capital investment of ₹ 1,058.41 crore.

- Of the loss-making DCUs, 38¹⁷ DCUs had been incurring losses continuously since the last five years.

As per accounting system being followed by the Departmental commercial undertakings of 'Government Milk Schemes', 'Procurement, Distribution and Price Control Scheme in Mumbai and Thane Rationing Area and in Mofussil Area', the net loss/profit for the year is deducted/added directly from/to the Capital Account in the Balance Sheet. Therefore, the figures of accumulated loss cannot be ascertained from the *proforma* accounts of the Departmental undertakings.

In view of the heavy losses incurred by majority of the undertakings, Government should review their working to make them self-sustaining.

1.7.3 Loans and Advances by State Government

In addition to investments in Co-operative Societies, Corporations and Companies, the Government has also been providing loans and advances to many institutions/organizations. **Table 1.38** presents the outstanding loans and advances as on 31 March 2016, interest receipts *vis-à-vis* interest payments during the last three years.

Table 1.38: Average interest received on loans advanced by the State Government

	(₹ in crore)		
Quantum of loans/interest receipts/ cost of borrowings	2013-14	2014-15	2015-16
Opening Balance	20740	21657	21822
Amount advanced during the year	1645	1140	1115
Amount repaid during the year	728	975	865
Closing Balance	21657	21822	22072
<i>of which</i>			
Outstanding balance for which terms and conditions have been settled	NA	NA	NA
Net addition	917	165	250
Interest Receipts	166	185	762
Interest receipts as <i>per cent</i> to outstanding loans and advances	0.8	0.8	3.5
Interest payments as <i>per cent</i> to outstanding fiscal liabilities of the State Government	7.2	7.6	7.3
Difference between interest receipts and interest payments (<i>per cent</i>)	(-) 6.4	(-)6.6	(-) 3.8
<i>Source: Finance Accounts of respective years</i>			
<i>NA: Not Available</i>			

As can be seen from the **Table 1.38**, the total outstanding loans and advances as on 31 March 2016 was ₹ 22,072 crore. The amount of loans disbursed during the year decreased from ₹ 1,140 crore in 2014-15 to ₹ 1,115 crore in 2015-16. Of the total amount of loans and advances disbursed during the year, ₹ 399 crore went to Economic Services and ₹ 113 crore to Social Services. Under the Economic Services, the major portion of loans went to Power (49 *per cent*). However, interest received against these loans increased from 0.8 *per cent* during 2014-15 to 3.5

¹⁷ Mother Dairy, Kurla; Central Dairy, Goregaon; Agricultural Scheme, Mumbai; Water Supply Scheme, Mumbai; Electrical Scheme, Mumbai; Dairy Project, Dapchhari; Government Milk Chilling Centre, Saralgaon (Dist: Thane); Government Milk Schemes in Ahmednagar, Akola, Amravati, Aurangabad, Beed, Bhiwandi, Bhoom, Chalisgaon, Chandrapur, Chiplun, Dhule, Gondia, Kanakavali, Khopoli, Mahabaleshwar, Mahad, Miraj, Nagpur, Nanded, Nandura, Nashik, Parbhani, Pune, Ratnagiri, Satara, Solapur, Udgir, Wani, Wardha, Worli and Yavatmal;

per cent in 2015-16, mainly due to more interest receipts from Loans for Minor Irrigation (₹ 569 crore).

The detailed accounts of loans are maintained by the State Government Departments, who are required to confirm the loan balances to the Principal Accountant General (Accounts and Entitlements)-I, Maharashtra, Mumbai and also furnish complete information regarding recoveries in arrears. This has not been done. To that extent, the information contained in Finance Accounts 2015-16 in accordance with the Indian Government Accounting Standards (IGAS)-3 was incomplete.

1.7.4 Cash balances and Investment of Cash Balances

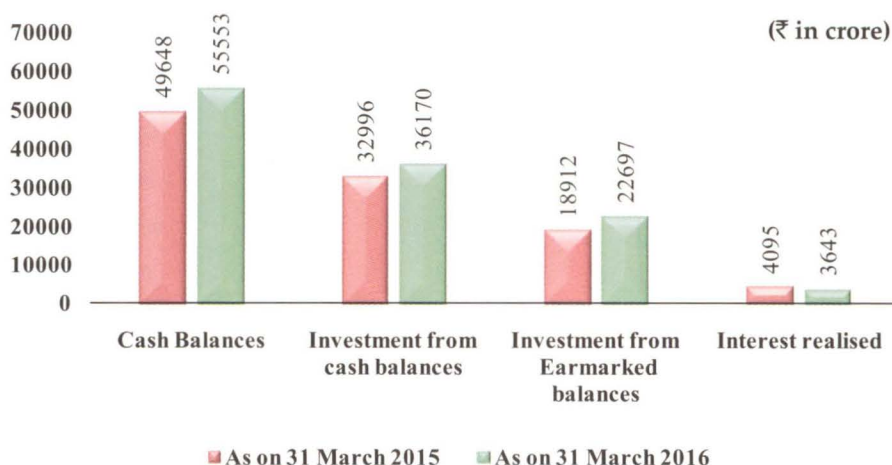
Table 1.39 and Chart 1.17 depict the cash balances and investments made by the State Government out of cash balances during the year.

Table 1.39: Cash balances and investment of cash balances

(₹ in crore)				
Particulars	As on 31 March 2015	As on 31 March 2016	Increase (+)/ Decrease(-)	
Cash in treasuries	0.04	0.04	0	
Deposits with Reserve Bank of India	(-)2323.40	(-) 3375.55	(-)1052.15	
Remittances in transit-Local	57.88	53.48	(-)4.40	
Cash with the Departmental officers	5.65	6.92	1.27	
Permanent advance for contingent expenditure with Departmental officers	0.57	0.63	0.06	
Investments from cash balances (a to d)	32996.05	36169.84	3173.79	
a. GoI Treasury Bills	32995.36	36169.15	3173.79	
b. GoI Securities	0	0	0	
c. Other Securities, if any specify	-	-	0	
d. Other Investments	0.69	0.69	0	
Fund-wise break-up of investment from Earmarked balances (a to e)	18911.62	22697.24	3785.62	
a. General and other Reserve Funds	10.89	10.89	0	
b. Sinking Fund	18886.23	22671.85	3785.62	
c. Fund for Development of Milk supply	1.00	1.00	0	
d. Other Development and Welfare Funds	13.42	13.42	0	
e. Miscellaneous Deposits	0.08	0.08	0	
Total Cash Balances	49648.41	55552.60	5904.19	
Interest Realised	4095.02	3643.16	(-)451.86	

Source: Finance Accounts of respective years

Chart 1.17: Cash balances and Investment of cash balances



(Source: Finance Accounts of respective years)

The State Government's cash balances of ₹ 55,553 crore at the end of the current year showed an increase of 12 *per cent* (₹ 5,905 crore) over the previous year. Of the above, ₹ 36,169 crore was invested in GoI Treasury Bills which earned an interest of ₹ 2,247 crore during the year. Further, ₹ 22,697 crore was invested in earmarked funds which earned an interest of ₹ 1,396 crore. Ways and means advances were 'nil' during the current year as shown in the notes below **Table 1.2**.

The cash balances of the State Government at the end of March 2016 (₹ 55,553 crore) was nearly 26 *per cent* of the total expenditure of the State Government (₹ 2,14,282 crore) during the year.

1.7.4.1 Outstanding balances under the head 'Cheques and Bills'

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

As on 31 March 2016, there was an outstanding balance (cumulative) of ₹ 12,412.61 crore. During 2015-16, the total value of lapsed cheques amounted to ₹ 5.43 crore¹⁸.

1.8 Assets and Liabilities

1.8.1 Growth and composition of Assets and Liabilities

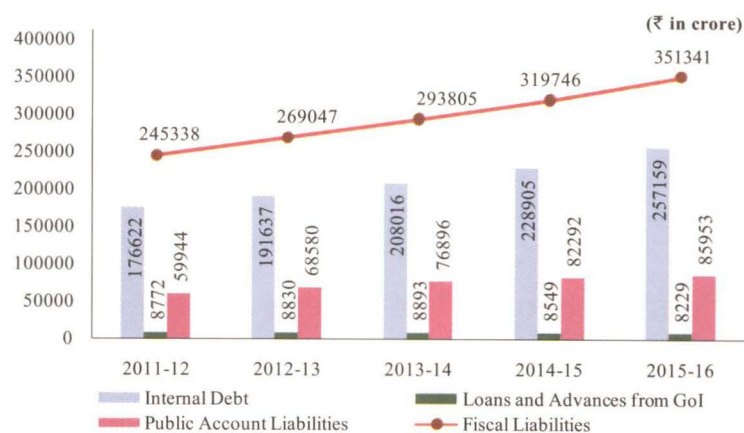
In the existing cash-based Government accounting system, comprehensive accounting of fixed assets like land and buildings owned by the Government is not done. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred. **Appendix 1.12** gives an abstract of such liabilities and the assets as on 31 March 2016, compared with the corresponding position on 31 March 2015. While the liabilities consist mainly of internal borrowings, loans and advances from the GoI, receipts from the Public Account and Reserve Funds, the assets mainly comprise the capital outlay and loans and advances given by the State Government and cash balances.

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

1.8.2 Fiscal Liabilities

The composition of fiscal liabilities during the current year *vis-à-vis* the previous year is presented in **Chart 1.18**.

¹⁸ Salaries: ₹ 0.18 crore; Pension payments: ₹ 0.75 crore; Telephone, Electricity and Petrol charges: ₹ 0.31 crore; Travelling expenses: ₹ 0.01 crore; Provident Fund disbursements: ₹ 0.04 crore; Insurance and Pension Funds: ₹ 0.07 crore; Civil Deposits: ₹ 0.29 crore; and Others: ₹ 3.78 crore

Chart 1.18: Composition of outstanding fiscal liabilities


(Source: Finance Accounts 2015-16)

Table 1.40 gives the fiscal liabilities of the State, their rate of growth, the ratio of these liabilities to GSDP, to revenue receipts and to the State's own resources as also the buoyancy of fiscal liabilities with reference to these parameters.

Table 1.40: Fiscal Liabilities – basic parameters

	(₹ in crore)				
	2011-12	2012-13	2013-14	2014-15	2015-16
Fiscal Liabilities (₹ in crore)	245338	269047	293805	319746	351341
Rate of Growth (per cent)	11.0	9.7	9.2	8.8	9.9
Ratio of Fiscal Liabilities to					
GSDP (per cent)	19.3	18.6	17.8	17.8	17.8
Revenue Receipts (per cent)	202.3	188.2	196.1	193.3	189.9
Own Resources (per cent)	256.2	237.2	244.9	250.5	250.9
Buoyancy of Fiscal Liabilities with reference to :					
GSDP (ratio)	0.957	0.703	0.672	1	1
Revenue Receipts (ratio)	0.753	0.542	1.917	0.846	0.832
Own Resources (ratio)	0.733	0.527	1.614	1.375	1.021

Source: Finance Accounts of respective years

The overall fiscal liabilities of the State increased at an average annual rate of 9.7 per cent during the period 2011-16. The growth rate decreased continuously from 11 per cent in 2011-12 to 8.8 per cent in 2014-15 and increased to 9.9 per cent in 2015-16. During 2015-16, the debt to GSDP ratio at 17.8 per cent was higher than the projections made in MTFPS (17.6 per cent) but lower than the FFC (21.9 per cent). These liabilities were nearly twice the revenue receipts and more than twice the State's own resources at the end of 2015-16. The buoyancy of these liabilities with respect to GSDP during 2015-16 was one, indicating that GSDP and fiscal liabilities grew at the same rate.

Of the total fiscal liabilities, the share of public debt was maximum (75 per cent), followed by deposits¹⁹ (15 per cent), Small Savings, Provident fund²⁰, etc. (seven per cent) and reserve funds (three per cent). Fiscal liabilities increased by

¹⁹ Deposits include Security Deposits, Deposits from Government Companies, Corporations, etc.; Defined Contribution Pension Scheme for Government Employees; and Civil Deposits which are liable to be repaid by the Government to the subscribers and depositors

²⁰ Small Savings, Provident Fund include State Provident Fund and Insurance and Pension Funds which are liable to be repaid by the Government to the subscribers and depositors

₹ 31,595 crore from ₹ 3,19,746 crore in 2014-15 to ₹ 3,51,341 crore in 2015-16, mainly due to increase in Public Debt (₹ 27,933 crore), Deposits (₹ 2,774 crore), and Small Savings and Provident Funds (₹ 1,209 crore), set-off by decrease in Reserve Fund (₹ 321 crore).

The State Government set up a Consolidated Sinking Fund during the financial year 1999-2000 for amortization of open market loans. As on 31 March 2016, the closing balance in the Sinking Fund was ₹ 22,671.85 crore which included ₹ 3,786 crore for 2015-16 and the entire balance was invested.

1.8.2.1 Implementation of UDAY Scheme in Maharashtra

The GoI approved (November 2015) Ujwal Discom Assurance Yojana (UDAY), a Scheme for operational and financial turnaround of State-owned power distribution companies. As per the Scheme, the State Governments were to take over 75 per cent of Discom debts as on 30 September 2015 over a period of two years *i.e.* 50 per cent debt was to be taken over in 2015-16 and the remaining 25 per cent in 2016-17. The Maharashtra State Electricity Distribution Company Limited submitted a proposal (July 2016) to the State Government for financial assistance of ₹ 16,572 crore (75 per cent of ₹ 22,097 crore). Thus, during 2015-16, no debt of Maharashtra State Electricity Distribution Company Limited was taken over by the State Government.

1.8.2.2 Increasing trend of balance under 8443-Civil Deposits

During 2011-12 to 2015-16, the closing balance at the end of the financial year under the Major Head 8443-Civil Deposits showed an increasing trend as indicated in **Table 1.41**.

Table 1.41: Balance under 8443-Civil Deposits

(₹ in crore)

Year	Opening balance 8443-Civil Deposits as on 01 April	Receipts	Disbursements	Closing balance of 8443-Civil Deposits as on 31 March	Net increase during the year	Closing balance of 8443-106-Personal Deposits as on 31 March in (percentage)
2011-12	10536.51	19517.15	18721.93	11331.72	795.22	6533.47 (58)
2012-13	11331.72	19509.83	17331.91	13509.64	2177.92	7952.89 (59)
2013-14	13509.64	24727.68	22545.07	15692.25	2182.61	9254.78 (59)
2014-15	15692.25	22714.76	21665.23	16741.78	1049.54	9726.09 (58)
2015-16	16741.78	26102.23	24579.51	18264.50	1522.72	11160.06 (61)

Source: Finance Accounts of respective years

It may be seen that the balance in 106 – Personal Deposits constituted more than 50 per cent of the balances under the Major Head 8443-Civil Deposits during 2011-12 to 2015-16. Further, if funds are transferred to the Personal Deposit Accounts from the Consolidated Fund of the State, the balances at the close of the financial year should be transferred back to the Consolidated Fund. The Finance Accounts 2015-16 however, revealed that the quantum of funds which need to be transferred back to the Consolidated Fund at the end of the financial year was not ascertainable. As a result, the actual liabilities under the Major Head 8443-Civil Deposits were also not ascertainable.

1.8.2.3 Unreconciled differences between closing balances in the accounts and subsidiary records

As per the Finance Accounts 2015-16, there was an unreconciled balance of ₹ 4,816.28 crore under Civil Deposits and Other Civil Deposits pertaining to the period 1960-61 to 2015-16. Of the above, 'Provident Fund Accounts maintained by

Departmental Officers' was the major item pertaining to 1960-61 to 2015-16 that remained unreconciled (₹ 4,809.26 crore) as of March 2016.

1.8.3 Transactions under Reserve Funds

In Maharashtra, there were 18 reserve funds earmarked for specific purposes of which, nine funds were active and nine were inactive, as shown in **Appendix 1.13**. The total accumulated balance as on 31 March 2016 in these funds was ₹ 32,228.80 crore (₹ 32,199.79 crore in active funds and ₹ 29.01 crore in inoperative funds). However, the investment out of this balance was only ₹ 22,697.16 crore (70 per cent). An account of these funds is included in Statement No. 22 of Finance Accounts 2015-16.

1.8.4 Contingent Liabilities

1.8.4.1 Status of Guarantees

Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee has been extended. The maximum amount for which guarantees were given by the State Government and the outstanding guarantees during the last three years as given in the Statement No. 9 of the Finance Accounts 2015-16 are summarised in **Table 1.42**.

Table 1.42: Guarantees given by the Government of Maharashtra

(₹ in crore)

Guarantees	2013-14	2014-15	2015-16
Maximum amount guaranteed	32247	34564	30483
Outstanding amount of guarantees	7235	7999	7807
Percentage of maximum amount guaranteed to total revenue receipts	22	21	16

Source: Finance Accounts of respective years

Limits on guarantees to be given by the State Government have not been fixed by the State Legislature. The MFRBM Act, 2005 also does not prescribe any limits. During 2015-16, guarantees of ₹ 1,200.62 crore were given by the State Government to (a) Maharashtra State Co-operative Bank (₹ 467.62 crore); (b) Maharashtra State Co-operative Cotton Producers Marketing Federation Limited, Mumbai (₹ 700 crore); (c) Vasantrao Dada Patil Co-operative Sugar Factory Limited, Vithewadi, Nasik (₹ seven crore); (d) Maharashtra State Co-operative Marketing Federation Limited, (₹ 10 crore); (e) Shri Chhatrapati Co-operative Sugar Factory Limited, Bhavani Nagar, Indapur, Pune (₹ nine crore); and (f) Siddheshwar Co-operative Sugar Factory Limited, (₹ seven crore). Outstanding guarantees (₹ 7,807 crore) during 2015-16 accounted for four per cent of the revenue receipts (₹ 1,85,036 crore) and 0.4 per cent of the GSDP (₹ 19,69,184 crore).

The Twelfth Finance Commission recommended setting up Guarantee Redemption Fund through earmarked guarantee fees to meet the contingent liabilities arising from the guarantees given by the State Government. The MTFPS for the year 2009-10 mentioned that the State was in the process of setting up Guarantee Redemption Fund. However, the State Government had not created the fund as of March 2016.

The State Government charged guarantee fees for guarantees given to institutions and the same was booked under 'Miscellaneous General Services'. Receipts under guarantee fees decreased to ₹ 29.09 crore during 2015-16 from ₹ 47.87 crore during 2014-15. The guarantee fee of ₹ 29.09 crore received during the year was taken as revenue receipts due to non-creation of the guarantee redemption fund and thus, the revenue deficit of the State stands understated to that extent.

Guarantee fee receivable

Against the total estimated guarantee fee receivable (₹ 1,454.18 crore), only ₹ 26.93 crore was received during the year. The guarantee fee received included a book adjustment made by the State Government towards the guarantee fee payable to it by Maharashtra Irrigation Finance Company Limited (₹ 6.52 crore) by way of investment in share capital. Consequently, the net shortfall in guarantee fee received was ₹ 1,433.77 crore.

1.8.4.2 Off-Budget Borrowings

The borrowings of a State are governed under Article 293 of the Constitution of India. In addition to the contingent liabilities shown in **Table 1.42**, the State also guaranteed loans availed of by the Government Companies and Corporations. These Companies and Corporations borrowed funds from the market and financial institutions for implementation of various State Plan programmes projected outside the State budget. Although the State Government maintains that funds for these programmes would be met out of the resources mobilised by these Companies and Corporations outside the State budget, in reality, the borrowings of many of these concerns ultimately turn out to be the liabilities of the State Government termed as 'off-budget borrowings'. Off-budget borrowings are not permissible under Article 293 (3) of the Constitution of India. As per the MTFPS Statement 2008-09, the State Government had completely stopped off-budget borrowings from the year 2005-06. There were no off-budget borrowings during the years 2006-07 to 2015-16. However, at the close of 2014-15, ₹ 1,011 crore was outstanding on account of off-budget borrowings made prior to 2005-06.

1.8.4.3 Information on Committed Liabilities

The Twelfth Finance Commission in its report (November 2004) recommended inclusion of eight additional Statements/information in State Government accounts for greater transparency and to enable informed decision-making, pending transition from cash to accrual based accounting. However, the State Government failed to provide information on committed liabilities (to be reflected in one of the eight Statements). As a result, the Finance Accounts 2015-16 were incomplete to that extent.

1.9 Debt Management

Debt Profile

Per capita debt of the State Government is as given in **Table 1.43**

Table 1.43: Time series analysis showing the per capita debt

	2011-12	2012-13	2013-14	2014-15	2015-16
Internal Debt	176622	191637	208016	228906	257159
Loans and Advances from GoI	8772	8830	8893	8549	8229
Total	185394	200467	216909	237455	265388
Population (as per Census 2001/2011) in crore	11.24	11.24	11.24	11.24	11.24
Per Capita Debt (in ₹)	16494.13	17835.14	19297.95	21125.89	23611.03

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

The per capita debt increased from ₹ 16,494.13 in 2011-12 to ₹ 23,611.03 in 2015-16.

Debt Sustainability

Debt sustainability implies State's ability to service the debt. Apart from the magnitude of debt of the State Government, it is important to analyse various indicators that determine the debt sustainability of the State. Analysis of various debt sustainability indicators for the period of five years beginning from 2011-12 is given in **Table 1.44**.

Table 1.44: Debt Sustainability: Indicators and trends

(₹ in crore)

Indicators of debt sustainability	2011-12	2012-13	2013-14	2014-15	2015-16
Outstanding debt	245338	269047	293805	319746	351341
Rate of growth of outstanding debt (in per cent)	11.0	9.7	9.2	8.8	9.9
GSDP	1272967	1448466	1647506	1792122	1969184
Rate of growth of GSDP	-	13.8	13.7	8.8	9.9
Debt/GSDP (per cent)	19.3	18.6	17.8	17.8	17.8
Revenue receipts	121286	142947	149822	165416	185036
Debt/RR (per cent)	202.3	188.2	196.1	193.3	189.9
Average interest rate of outstanding debt	7.5	7.4	7.5	7.8	7.7
Burden of interest payment in per cent (IP/RR)	14.4	13.3	14.1	14.5	14.0
Debt repayment	32760*	34342	45400	50998	52319
Debt receipts	57148	58051*	70157	76939	83914
Net debt available to the State	6883	4633	3551	1976	5824

Source: Finance Accounts and Economic survey of respective years

* Proforma correction for refund received on excess instalment paid (₹ 30 crore) and lower rounding

lower rounding

Table 1.44 reveals that though outstanding debt increased from ₹ 2,45,338 crore in 2011-12 to ₹ 3,51,341 crore in 2015-16, the percentage of debt to GSDP depicted a declining trend during 2011-14 and thereafter, remained constant. Outstanding debt and GSDP grew at the same rate during 2014-16. However, the rate of growth of outstanding debt was higher than the average interest rate of outstanding debt. The outstanding debt at the end of 2011-12 was 202.3 per cent of the revenue receipts of 2011-12 which reduced to 189.9 per cent in 2015-16.

The net funds available from borrowed funds after providing for the interest payment and repayment declined sharply from ₹ 6,883 crore in 2011-12 to ₹ 1,976 crore in 2014-15 and again increased to ₹ 5,824 crore in 2015-16. The ratio of interest payment to revenue receipts ranged between 14.5 per cent to 13.3 per cent during 2011-12 to 2015-16.

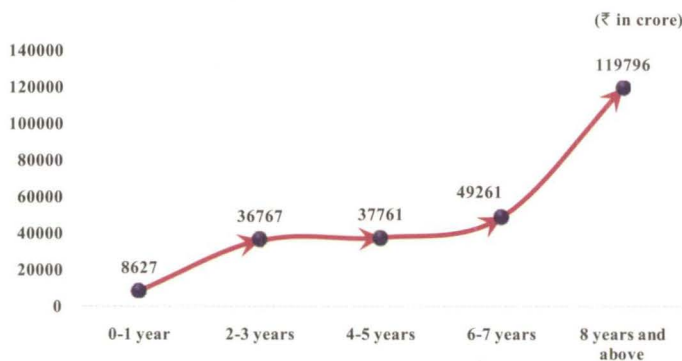
The maturity profile of the State Debt is shown in **Table 1.45** and **Chart 1.19**.

Table 1.45: Maturity profile of State Debt

Maturity Profile (in years)	Amount (₹ in crore)	per cent
0 - 1	8627.02	3.3
2 - 3	36767.28	14.3
4 - 5	37761.42	14.7
6 - 7	49261.42	19.2
8 and above	119795.69	46.6
Information not furnished by the State Government	4946.61	1.9
Total	257159.44	100

Source: Finance Accounts 2015-16

Chart 1.19: Maturity profile of the State debt



(Source: Finance Accounts 2015-16)

The maturity profile of the State debt indicates that nearly 51.5 per cent of the total State debt is repayable within the next seven years. Table 1.46 further indicates that the liability of the State to repay the debt would be ₹ 37,761.42 crore during the period 2019-21 and ₹ 49,261.42 crore during 2021-23 which would put a strain on the Government budget during that period.

Servicing of Public Debt

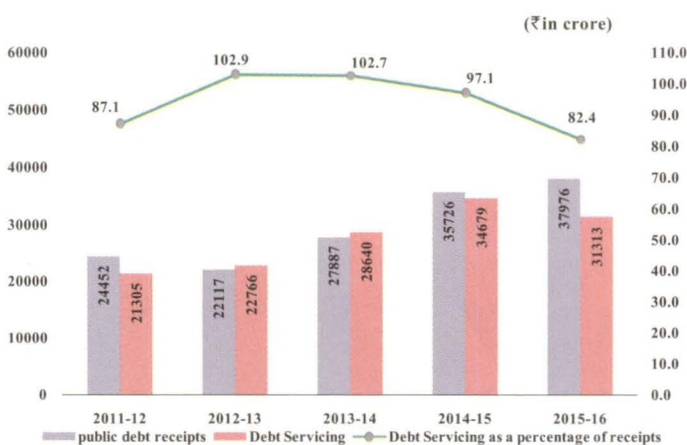
The interest payment and repayment of principal on public debt for the period from 2011-12 to 2015-16 is given in Table 1.46 and Chart 1.20.

Table 1.46: Servicing of Public Debt

Period	Public Debt									Debt servicing			As a percentage of receipts
	Public Debt Receipts			Repayment of Principal			Interest payment			(Repayment of principal + interest payment)			
	Internal debt	Loans from GoI	Total	Internal debt	Loans from GoI	Total	Internal debt	Loans from GoI	Total	Internal debt	Loans from GoI	Total	
2011-12	24146	306	24452	5838	620	6458	14204	643	14847	20042	1263	21305	87.1
2012-13	21366	751	22117	6351	693	7044	15125	597	15722	21476	1290	22766	102.9
2013-14	26923	964	27887	10543	871	11414	16654	572	17226	27197	1443	28640	102.7
2014-15	35184	542	35726	14294	886	15180	18970	529	19499	33264	1415	34679	97.1
2015-16	37392	584	37976	9138	905	10043	20780	490	21270	29918	1395	31313	82.4
Total			148158									138703	

Source: Finance Accounts of respective years

Chart 1.20: Servicing of Public Debt



(Source: Finance Accounts of respective years)

It can be seen from Table 1.46 and Chart 1.20 that 87 per cent of public debt receipts in 2011-12 were utilised for debt servicing. During 2012-13 and 2013-14, the entire public debt receipts were utilised for debt servicing. In 2015-16, the debt servicing was 82 per cent of public debt receipts as against 97 per cent in 2014-15. Thus, the average expenditure on debt servicing during 2011-16 was ₹ 27,741 crore which accounted for 93.6 per cent of average public debt

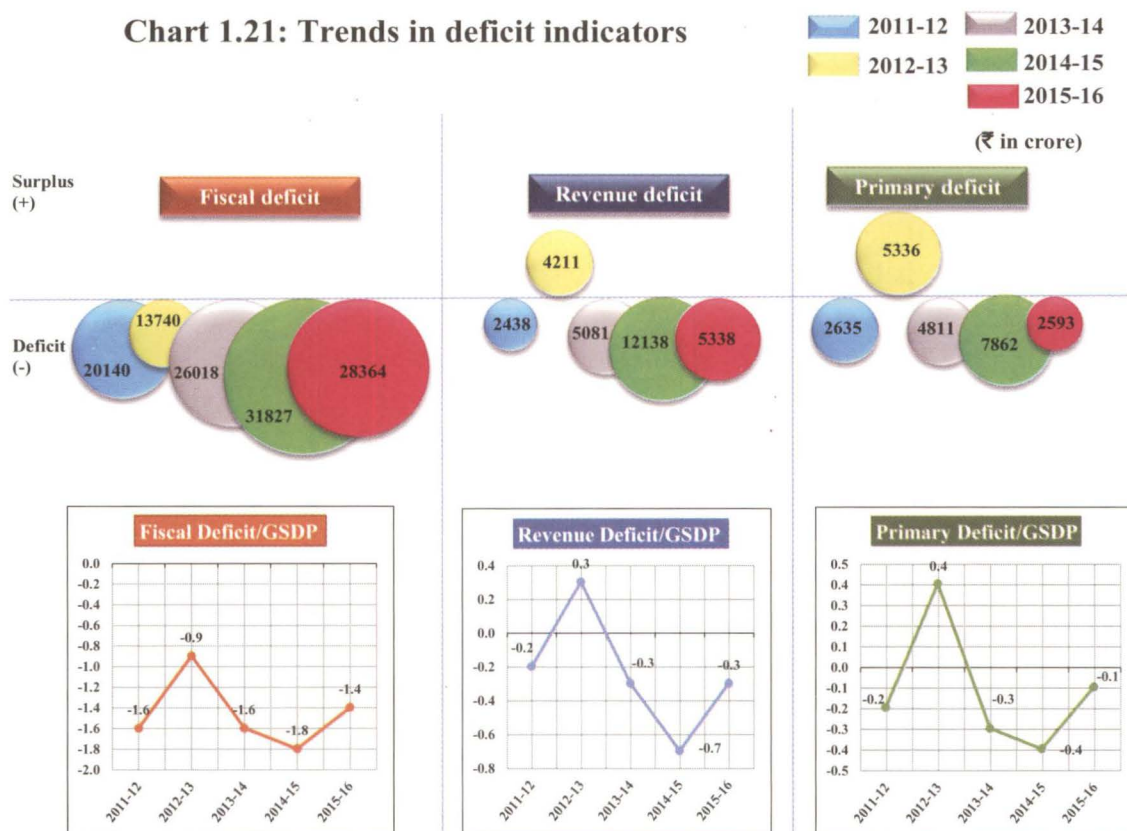
receipts during the same period, implying that a larger percentage of debt was being used for debt servicing. This also indicated that a very insignificant portion of the debt was available for meeting developmental expenditure to promote growth.

1.10 Fiscal Imbalances

Three key fiscal parameters viz., 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 and magnitude and the manner of financing these deficits and also the assessment of actual levels of revenue and fiscal deficits vis-à-vis targets set under MFRBM Act/Rules for the financial year 2015-16.

1.10.1 Trends in Deficits

Chart 1.21 presents the trends in deficit indicators over the period 2011-16.



(Source: Finance Accounts of respective years)

As per the MFRBM Rules (Second Amendment), 2011, the revenue deficit was to be brought down to 'zero' by 2011-12 and revenue surplus was to be generated thereafter. However, the revenue deficit during 2011-12 was ₹ 2,438 crore, mainly due to increase in revenue expenditure. But, a revenue surplus of ₹ 4,211 crore was achieved in 2012-13, mainly due to increase in revenue receipts by 18 per cent as against an increase in revenue expenditure by 12 per cent. The revenue surplus turned out to revenue deficit (₹ 5,081 crore) during 2013-14 due to sharp increase in revenue expenditure. During 2014-15, the revenue deficit increased by 2.4 times to ₹ 12,138 crore as compared to previous year and in 2015-16, it decreased to ₹ 5,338 crore.

The fiscal deficit of ₹ 31,827 crore during 2014-15 decreased to ₹ 28,364 crore during 2015-16.

Primary deficit²¹ in 2011-12 (₹ 2,635 crore) turned to primary surplus during 2012-13 (₹ 5,336 crore). This again turned to primary deficit during 2013-14 (₹ 4,811 crore), 2014-15 (₹ 7,862 crore) and 2015-16 (₹ 2,593 crore). The decrease in primary deficit during 2015-16 was due to decrease in fiscal deficit (₹ 3,463 crore) and increase in interest payment (₹ 1,806 crore) over the previous year.

During 2015-16, there were transactions outside the Consolidated Fund, budgeting and booking under incorrect heads, non-provision of interest on reserve funds and deposit accounts *etc.* As a result, the revenue deficit was overstated by ₹ 871.42 crore and understated by ₹ 603.98 crore.

1.10.2 Composition of Fiscal Deficit and its financing pattern

The financing pattern of the fiscal deficit has undergone a compositional shift as reflected in Table 1.47.

Table 1.47: Components of Fiscal Deficit and its financing pattern

(₹ in crore)

Particulars		2011-12	2012-13	2013-14	2014-15	2015-16
Composition of Fiscal Deficit(-)/ Surplus (+) (1+2+3) (a)		(-20140)	(-13740)	(-26018)	(-31827)	(-28364)
		(-1.6)	(-0.9)	(-1.6)	(-1.8)	(-1.4)
1	Revenue Deficit(-)/ Surplus (+)	(-2438)	4211	(-5081)	(-12138)	(-5338)
		(-0.2)	(0.3)	(-0.3)	(-0.7)	(-0.3)
2	Net Capital Expenditure	(-17424)	(-17398)	(-20020)	(-19524)	(-22776)
		(-1.4)	(-1.2)	(-1.2)	(-1.1)	(-1.2)
3	Net Loans and Advances	(-278)	(-553)	(-917)	(-165)	(-250)
		(0)	(0)	(-0.1)	(0)	(0)
Financing Pattern of Fiscal Deficit#(b)						
1	Market Borrowings	19420	16324	19163	22263	28938
		(1.5)	(1.1)	(1.2)	(1.2)	(1.5)
2	Loans from GoI	(-144)	58	94	(-344)	(-321)
		(0)	(0)	(0)	(0)	(0)
3	Special Securities Issued to National Small Savings Fund	(-1172)	(-936)	(-2286)	(-805)	(-286)
		(-0.1)	(-0.1)	(-0.1)	(0)	(0)
4	Loans from Financial Institutions and other Loans	60	(-373)	(-499)	(-568)	(-397)
		(0)	(0)	(0)	(0)	(0)
5	Small Savings, PF <i>etc.</i>	2260	2188	1893	1259	1208
		(0.2)	(0.2)	(0.1)	(0.1)	(0.1)
6	Deposits and Advances	4532	6442	6772	4411	2773
		(0.4)	(0.4)	(0.4)	(0.2)	(0.1)

²¹ See Glossary at page 120

Particulars		2011-12	2012-13	2013-14	2014-15	2015-16
7	Suspense and Miscellaneous	(-1509)	100	(-2705)	5222	(-876)
		(-0.1)	(0)	(-0.2)	(0.3)	(0)
8	Remittances	(-256)	843	(-1117)	(-14)	(-236)
		(0)	(0.1)	(-0.1)	(0)	(0)
9	Reserve Funds	1400	1976	2742	3158	3465
		(0.1)	(0.1)	(0.2)	(0.2)	(0.2)
10	Contingency Fund	(-489)	140	(-500)	2010	(-2000)
		(0)	(0)	(0)	(0.1)	(-0.1)
11	Appropriation to/ from Contingency fund	500	(-150)	500	(-2000)	2000
		(0)	(0)	(0)	(-0.1)	(0.1)
12	Total (1 to 11) (b)	24602	26612	24058	34592	34268
13	Increase(-)/ Decrease (+) in Cash Balance (a) – (b)	(-4462)	(-12872)	1960	2765	(-5904)
		(-0.4)	(-0.9)	(0.1)	(0.2)	(-0.3)
14	Overall deficit (12+13)	20140	13740	26018	31827	28364
		(1.6)	(0.9)	(1.6)	(1.8)	(1.4)

Figures in parenthesis indicate the per cent to GSDP
 # All figures are net of disbursements/outflows during the year
 Source: Finance Accounts of respective years

During 2015-16, the fiscal deficit decreased by ₹ 3,463 crore over the previous year due to decrease in revenue deficit. The net capital expenditure as a percentage of fiscal deficit increased from 61 per cent in 2014-15 to 80 per cent in 2015-16.

Table 1.48 below shows an overall deficit (decrease in cash balance) after financing the fiscal deficit during 2015-16.

Table 1.48: Receipts and disbursements components financing the Fiscal Deficit during 2015-16

(₹ in crore)

Particulars		Receipts	Disbursements	Net
1	Market Borrowings	32440	3502	28938
2	Loans from GoI	584	905	(-321)
3	Special Securities Issued to NSSF	4015	4301	(-286)
4	Loans from Financial Institutions and other Loans	938	1335	(-397)
5	Small Savings, PF etc.	4798#	3590	1208
6	Deposits and Advances	34856	32083	2773
7	Suspense and Miscellaneous	(-569)	307	(-876)
8	Remittances	26435	26671	(-236)
9	Reserve Funds	7226	3761	3465
10	Contingency Fund	962	2962	(-2000)
11	Appropriation to/ from Contingency Fund	2962	962	2000
12	Total (1 to 11) (b)	114647	80379	34268
13	Increase(-)/ Decrease (+) in Cash Balance (a) – (b)			(-5904)
14	Overall deficit (12+13) (a)			28364

Source : Finance Accounts 2015-16
 # lower rounding

1.10.3 Quality of Deficit/Surplus

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

current consumption. During the current year, this ratio was 0.2 *i.e.* 20 *per cent* of the borrowing was used for current consumption.

Non-debt receipts of the State were sufficient to meet the primary expenditure requirements in the revenue account. But, these were not sufficient to meet the expenditure requirements under capital account, resulting in primary deficit during 2011-12 as well as in 2013-16. However, during 2012-13, non-debt receipts were sufficient to meet the expenditure requirements both under revenue and capital account, resulting in primary surplus. The details are indicated in **Table 1.49**.

Table 1.49: Bifurcation of Primary Deficit/Surplus

(₹ in crore)

Year	Non-debt receipts	Primary Revenue Expenditure	Capital Expenditure	Loans and Advances	Primary Expenditure	Primary revenue deficit(-)/surplus(+)	Primary deficit (-) / surplus (+)
1	2	3	4	5	6 (3+4+5)	7 (2-3)	8 (2-6)
2011-12	122131	106050	17880	836	124766	16081	(-) 2635
2012-13	143810	119660	17398	1416	138474	24150	5336
2013-14	150550	133695	20021	1645	155361	16855	(-)4811
2014-15	166390	153588	19523	1141	174252	12802	(-)7862
2015-16	185918	164603	22793	1115	188511	21315	(-) 2593

Source: Finance Accounts of respective years

The capital expenditure as a percentage to primary expenditure²² decreased from 14.3 *per cent* during 2011-12 to 12.1 *per cent* during 2015-16.

1.11 Follow Up

The State Finance Report is being presented to the State Legislature from 2008-09 onwards. However, the Reports were yet to be taken up for discussion by the State Public Accounts Committee.

1.12 Conclusion and Recommendations

- (i) The revenue receipts (₹ 1,85,036 crore) increased during the year by 12 *per cent* over the previous year which was the net effect of increase in tax revenue (10 *per cent*), Central tax transfers (60 *per cent*) and decrease in grants-in-aid from GoI (16 *per cent*). The revenue receipts were 93 *per cent* of budget estimates for the year 2015-16. The non-tax revenue receipts of the State Government were less than the projections made in the FCP and the budget estimates by 35 *per cent*.
- (ii) The revenue expenditure increased by seven *per cent* over the previous year and constituted 89 *per cent* of the total expenditure during 2015-16. Non-plan revenue expenditure constituted 81 *per cent* of the revenue expenditure and as a percentage of revenue receipts, it decreased to 83 *per cent* in 2015-16 from 88 *per cent* in 2014-15. The NPRE at ₹ 1,54,318 crore remained lower than the normative assessment made in the budget estimates and FCP (₹ 1,54,509 crore). The Plan revenue expenditure and NPRE increased by 15 *per cent* and six *per cent* respectively over the previous year. Interest payments

²² 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

(₹ 25,771 crore), which increased by eight *per cent* during the year over 2014-15, was marginally more than the projections made in the Fourteenth Finance Commission (₹ 25,383 crore).

- (iii) As against the projected revenue deficit of ₹ 3,757 crore made in the budget estimates 2015-16, the actual deficit was ₹ 5,338 crore due to gap between the growth rates of the revenue receipts (12 *per cent*) and revenue expenditure (seven *per cent*) over the previous year. The fiscal deficit (₹ 28,364 crore) decreased as compared to the previous year and constituted 1.4 *per cent* of Gross State Domestic Product. The primary deficit during 2015-16 was ₹ 2,593 crore. Thus, the State Government had managed its Fiscal Deficit within the limits set under the Fiscal Responsibility and Budgetary Management Act.

The Government may make concerted efforts to bridge the revenue gap and reduce its non-productive non-plan revenue expenditure so as to move towards revenue surplus status. For this, the Government may consider mobilizing additional resources through tax and non-tax sources.

- (iv) Expenditure under subsidies decreased by 10 *per cent* over the previous year and constituted about nine *per cent* of the revenue expenditure. The expenditure on salaries and wages (including the grants-in-aid component) was lower than the State's own Fiscal Correction Path and the projections made in the budget estimates. Financial assistance to local bodies and other institutions, which constituted 43 *per cent* of the revenue expenditure during 2015-16, increased by 13 *per cent* over the previous year.
- (v) The capital expenditure, which constituted 10 *per cent* of the total expenditure, increased by 17 *per cent* during 2015-16 over the previous year. The percentage of capital expenditure to total expenditure showed a declining trend from 12 *per cent* in 2011-12 to 10 *per cent* in 2015-16. The actual capital expenditure was less than the original budget estimates of 2015-16 by ₹ 4,311 crore (16 *per cent*).

Considering the declining trend in the capital expenditure to total expenditure over the last five years, there is scope for the Government to prioritize its spending on creation of more capital assets.

- (vi) The average return on the State Government's investment in Government Companies, Joint Stock Companies and Partnerships and Statutory Corporations etc. was 0.04 *per cent* during 2011-16 while the Government paid an average interest rate of 7.6 *per cent* on its borrowings during the same period.

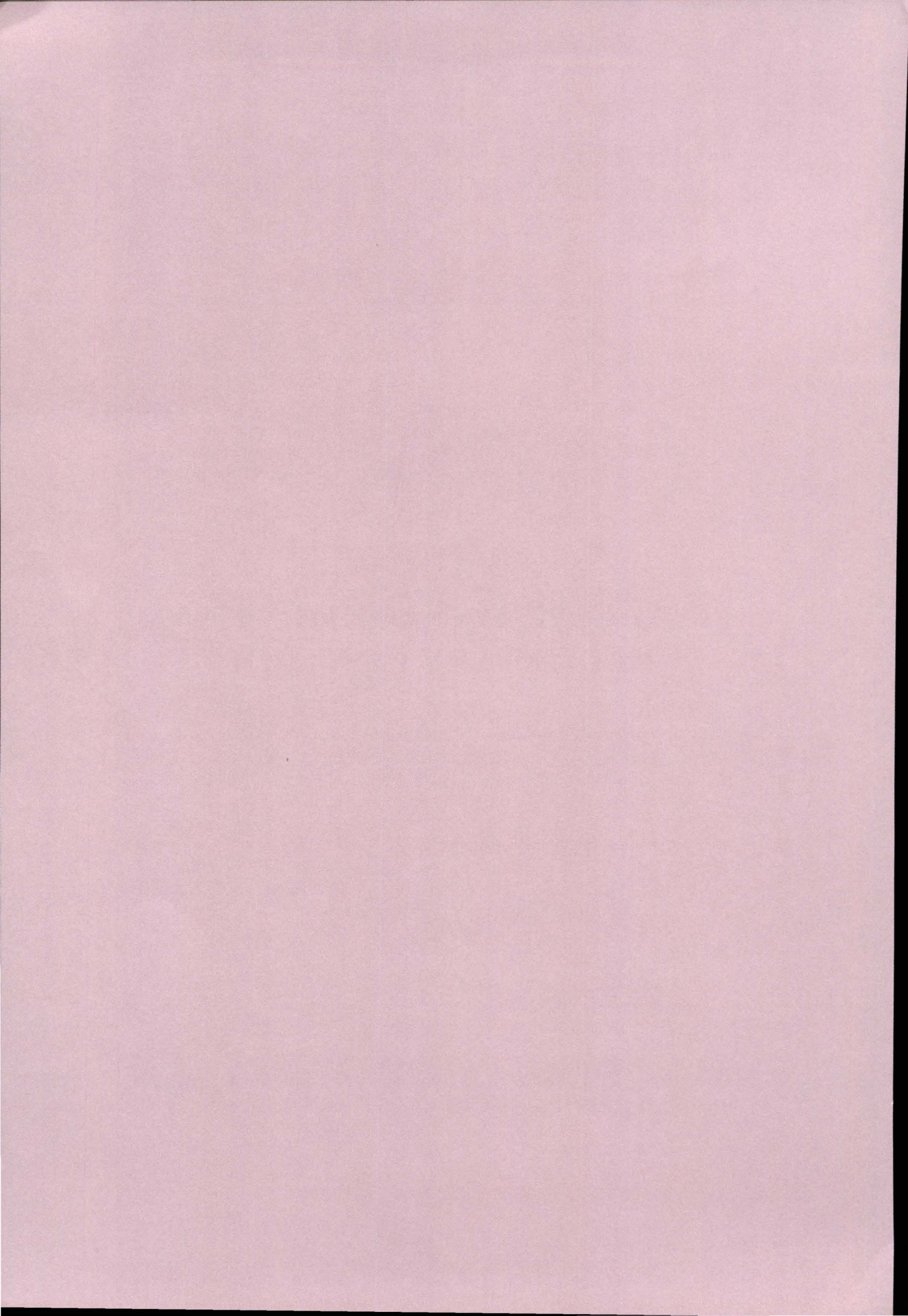
The Government may take steps to ensure better value for money in investments. Otherwise, high-cost borrowed funds will continue to be invested in projects with low financial returns.

- (vii) The average expenditure on debt servicing during 2011-16 was ₹ 27,741 crore which accounted for 93.6 *per cent* of average public debt receipts during the same period, implying that a larger percentage of debt was being used for debt servicing. This also indicated that a very insignificant portion of the debt was available for meeting developmental expenditure to promote growth.

(viii) There was an increase of 12 *per cent* in the cash balances of the State Government over the previous year, significant part of which pertained to balances in Public Account. Cash balances of the State at the close of 2015-16 was ₹ 55,553 crore of which, ₹ 36,170 crore was in cash balance investment account.

CHAPTER - II

**FINANCIAL MANAGEMENT AND
BUDGETARY CONTROL**



Financial Management and Budgetary Control

2.1 Introduction

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

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

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

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

2.2 Summary of Appropriation Accounts

There are 30 Departments in the State at the Secretariat level headed by Principal Secretaries/Secretaries. Each Department is operating one or more than one demand and the demand for Grant generally reflects the allocation for a Department.

The summarised position of actual expenditure during 2015-16 against 249 Grants/appropriations is given in **Table 2.1**.

Table 2.1: Summarised position of Actual expenditure vis-à-vis Original/Supplementary Provisions

(₹ in crore)

	Nature of expenditure	Original Grant/ Appropriation	Supplementary Grant/ Appropriation	Total	Actual expenditure	Saving (-) / Excess (+)	Amount surrendered	Amount surrendered on 30 and 31 March 2016	Percentage of savings surrendered on 30 and 31 March (9/8)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Voted	I Revenue	175997.13	27386.85	203383.98	168620.71	(-)34763.27	35810.00	35222.71	98.7
	II Capital	31612.07	7510.21	39122.28	26375.28	(-)12747.00	12851.00	12831.00	99.8
	III Loans and Advances	969.84	373.71	1343.55	1114.63	(-)228.92	236.24	212.80	90.1
Total Voted		208579.04	35270.77	243849.81	196110.62	(-)47739.19	48897.24	48266.51	98.7
Charged	IV Revenue	31085.63	191.57	31277.20	28943.66	(-)2333.54	2118.30	2050.76	96.8
	V Capital	0.99	6.20	7.19	6.92	(-)0.27	0.27	0.27	100
	VI Public Debt - Repayment	12964.14	0.00	12964.14	10043.10	(-)2921.04	2920.62	2908.44	99.6
Total Charged		44050.76	197.77	44248.53	38993.68	(-)5254.85	5039.19	4959.47	98.4
Appropriation to Contingency fund		962.00	962.00	962.00			
Grand Total		253591.80	35468.54	289060.34	236066.30	(-)52994.04	53936.43	53225.98	98.7

Source: Appropriation Accounts 2015-16

Note: The expenditure excludes the recovery adjusted as reduction of expenditure under revenue expenditure ₹ 7,190.31 crore and capital expenditure ₹ 3,589.04 crore as detailed in Appendix II of Appropriation Accounts

Supplementary provisions of ₹ 35,468.54 crore obtained during the year constituted 14 per cent of the original provision as against 13.7 per cent in the previous year.

The overall savings of ₹ 52,994.04 crore were the result of savings of ₹ 53,558.86 crore in 133 Grants and 53 appropriations under the revenue section, 95 Grants and 10 appropriations under the capital section, set-off by an excess of ₹ 564.82 crore in 27 Grants and five appropriations. Of this savings (₹ 53,558.86 crore), ₹ 53,936.43 crore (100 per cent)¹ was surrendered. Of this surrendered amount, ₹ 53,225.98 crore (98.7 per cent) was surrendered on the last two days of the financial year.

As may be seen from **Table 2.1**, against the original provision of ₹ 2,53,591.80 crore, expenditure of ₹ 2,36,066.30 crore was incurred, thereby requiring no supplementary funds. This also indicated that seeking supplementary provisions was avoidable since the expenditure did not even reach the level of original provision. In view of the overall savings of ₹ 52,994.04 crore, the supplementary provision of ₹ 35,468.54 crore proved wholly unnecessary. Cases where supplementary provisions proved unnecessary as the expenditure did not come up to the level of the original provisions are discussed in **Paragraph 2.3.4.2**.

The savings and excesses were intimated by the offices of the Accountants General (Accounts and Entitlements)² regularly to the Controlling Officers through Monthly Reports on expenditure. They also took up the matter after closure of the preliminary and final accounts in May and June 2016, requesting the Controlling Officers to explain the reasons for the significant variations, but no explanation was received (September 2016).

2.3 Financial accountability and budget management

2.3.1 Excess expenditure

As per Article 204 (3) of the Constitution of India, no money shall be withdrawn from Consolidated Fund of the State except under appropriation made by law passed

¹ The surrenders were more than the savings in 46 Grants

² Principal Accountant General (Accounts and Entitlements)-I, Maharashtra, Mumbai and Accountant General (Accounts and Entitlements)-II, Maharashtra, Nagpur

in accordance with the provisions of this Article. Instructions were issued by FD in June 2008 that necessary steps may be taken by Secretaries to ensure rigid enforcement of prescribed financial rules and to see that no excess expenditure takes place in future for reasons which can be anticipated and taken care of in advance either in Budget Estimates or supplementary Grants, except in rare or exceptional circumstances.

The excess expenditure over budget provision decreased from ₹ 3,817.72 crore in 2014-15 to ₹ 564.82 crore in 2015-16. The excess over budget provision occurred in 32 Grants/appropriation during the year and requires regularization under Article 205 of the Constitution of India, indicating that budgetary estimates were not reviewed properly. The details of Grants/appropriations closed with an excess over budget provision is given in **Appendix 2.1**.

Though there was a significant decrease in excess expenditure during 2015-16 over 2014-15, measures need to be instituted to avoid excess expenditure completely.

2.3.1.1 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 by the Public Accounts Committee after they discuss Appropriation Accounts. However, excess expenditure amounting to ₹ 5,426.53 crore for the year 2012-13 to 2014-15 in respect of 98 Grants and 11 appropriations (**Appendix 2.2**) was yet to be regularised as of September 2016.

2.3.1.2 Persistent excess

Scrutiny of the appropriation accounts for the period from 2013-14 to 2015-16 revealed that there were eight instances of persistent excess at Grant level as shown in **Appendix 2.3**. Further persistent excess expenditure occurred under the 22 sub-heads as shown in **Appendix 2.4**. Though all of these may not have resulted in excess at Grant level and hence, may not require regularisation, special emphasis needs to be given while monitoring the expenditure under these sub-heads.

2.3.1.3 Inadequate Supplementary Provisions resulting in excess expenditure

A supplementary Grant or appropriation is an addition to the original authorized Grant or appropriation. Paragraph 170 of the Budget Manual specifies that great care should be taken in submitting proposals for supplementary appropriations, as the procedure for obtaining them is rigorous.

Supplementary provisions amounting to ₹ 5,848.11 crore proved insufficient in 24 cases, as the actual expenditure incurred exceeded (by ₹ one crore or more in each case) the original plus supplementary provisions by ₹ 560.93 crore (**Appendix 2.5**).

This indicates that the Administrative Departments could not realistically assess/estimate the actual requirement of funds for the remaining period of the financial year due to poor monitoring of expenditure through the monthly expenditure control mechanism.

2.3.2 Unexplained Re-appropriations

Paragraph 165 of the Budget Manual stipulates that the orders sanctioning re-appropriation of funds of ₹ 500 and above and those which involve some unique

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-appropriations orders issued by the Administrative Departments revealed that of 2,644 items of Re-appropriations made during 2015-16, no specific reasons were given in respect of 215 cases (eight *per cent*). This goes against the principle of transparency envisaged in Section 6 of the Maharashtra Fiscal Responsibility and Budgetary Management Act.

2.3.3 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 280 sub-heads, expenditure exceeding ₹ 10 crore each amounting to ₹ 20,940.56 crore, constituting more than 50 *per cent* of the total expenditure, was incurred in March 2016. **Appendix 2.6** shows details of 35 Grants amounting to ₹ 7,941.59 crore where expenditure exceeded by ₹ 50 crore and also constituted 51 to 100 *per cent* of total expenditure during the last quarter of 2015-16. Further, of ₹ 7,941.59 crore, an expenditure to the extent of ₹ 7,040.03 crore (89 *per cent*) was incurred in March 2016.

2.3.4 Appropriation *vis-à-vis* allocative priorities

Appropriation Accounts 2015-16 revealed that in 58 cases savings exceeded ₹ 10 crore in each case and also by more than 20 *per cent* of the total provision as shown in **Table 2.2** and **Appendix 2.7**.

Table 2.2: Summarised statement showing savings exceeding ₹ 10 crore and above

Sr. No.	Range of Savings	Number of cases	Total Grant (₹ in crore)	Savings (₹ in crore)	Percentage
1	Up to ₹ 20 crore	13	577.61	182.56	32
2	More than ₹ 20 crore and up to ₹ 50 crore	12	1112.83	341.27	31
3	More than ₹ 50 crore	33	63890.41	31804.08	50
Total		58	65580.85	32327.91	49

Source: Appropriation Accounts of 2015-16

Further, against the total savings of ₹ 53,558.86 crore during 2015-16, savings of ₹ 50,889.04 crore (95 *per cent*) occurred in 48 Grants involving ₹ 100 crore and above in each case, as detailed in **Appendix 2.8**.

The Departments that had major savings were Planning, Finance, School Education, Social Justice and Home under Revenue section and Planning, Rural Development, Social Justice, Water Resources and Tribal Development under Capital section.

The FD, GoM in its funds release order for 2015-16 (February 2016) restricted the expenditure to 90 *per cent* of the budget allocation under non-plan scheme and 70 *per cent* for the plan scheme. This order of FD resulted in increasing the savings under the Grants. Further, there was revenue deficit of ₹ 5,338 crore and fiscal deficit of ₹ 28,364 crore during 2015-16 and therefore, depiction of overall saving of ₹ 53,558.86 crore implied that Government had made excess budget provisions without realistic estimation of receipts/revenues.

2.3.4.1 Persistent savings

During 2011-16 (last five years), there was persistent savings of more than ₹ 100 crore in 21 Grants as shown in **Appendix 2.9**, pointing to ineffective budgetary controls by the Departments.

2.3.4.2 Unnecessary/Excessive Supplementary Provisions

Supplementary provisions aggregating ₹ 6,879.68 crore obtained in 34 Grants (₹ 10 crore or more in each case) during the year proved unnecessary as the actual expenditure (₹ 93,844.75 crore) did not come up to the level of the original provision (₹ 1,13,642.76 crore) as detailed in **Appendix 2.10**. Details of 11 Grants having savings of more than ₹ 500 crore and where supplementary provision proved unnecessary are shown in **Table 2.3**.

Table: 2.3: Grants having savings of more than ₹ 500 crore and where Supplementary Provision proved unnecessary

(₹ in crore)

Sr. No.	Grant Number and Description	Original Provision	Supplementary Provision	Expenditure	Savings
1	B-1 Police Administration	11604.77	157.33	10046.21	1558.56
2	E-2 General Education	38314.29	807.36	35804.08	2510.21
3	K-7 Industries	3594.48	122.67	3076.47	518.01
4	N-3 Welfare of Scheduled Caste, Scheduled Tribes and Other Backward Classes	9277.47	980.63	8061.67	1215.80
5	T05 Revenue Expenditure on Tribal Areas Development Sub-Plan	4812.10	535.27	3973.33	838.77
6	Y-2 Water Supply and Sanitation	2835.89	119.16	1509.74	1326.15
7	L-7 Capital Expenditure on Rural Development	2635.30	366.30	1336.77	1298.53
8	M-4 Capital Expenditure on Food	5220.55	26.83	4092.81	1127.74
9	N-4 Capital Expenditure on Social Services	1349.90	79.61	227.10	1122.80
10	O-10 Capital Outlay on Other Rural Development Programmes	6387.18	175.20	693.43	5693.75
11	T-6 Capital Expenditure on Tribal Areas Development Sub-Plan	1639.85	65.77	1123.59	516.26

Source: Appropriation Accounts 2015-16

2.3.4.3 Anticipated savings not surrendered

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

At the close of 2015-16, in one case, savings of ₹ 1,139.03 crore occurred under the Grant G06-Pensions and Other Retirement Benefits (Revenue Voted) but, no part of it was surrendered by the Departments concerned.

Besides, in 62 cases, ₹ 48,114.32 crore was surrendered (in excess of ₹ 50 crore in each case) on the last two working days of the financial year (**Appendix 2.11**), indicating inadequate financial controls and non-availability of these funds for other developmental purposes.

2.4 Outcome of review of selected Grants

The Budget Manual provides that the authority administering a Grant is responsible for watching the progress of expenditure under its control and for keeping it within the sanctioned Grant or appropriation. The duties and responsibilities of the authorities include preparing the estimates timely and accurately and also to ensure that the Grant placed at their disposal is spent only on the objects for which it has been provided and to surrender savings if no longer required.

With a view to ascertaining how far the authorities were adhering to these instructions, a review of the budgetary procedure and control over expenditure was conducted in respect of two Grants namely, (i) Grant No. H-6 Public Works and Administrative and Functional Buildings, and (ii) Grant T-5 Revenue Expenditure on Tribal Areas Development Sub-Plan for the period 2013-14 to 2015-16.

Under Grant No. H-6, provision is made for office establishment, repair and maintenance and minor works, and the Grant covers nine Major Heads namely, Public Works (2059), General Education (2202), Technical Education (2203), Art and Culture (2205), Medical and Public Health (2210), Urban Development (2217), Labour and Employment (2230), Animal Husbandry (2403) and Fisheries (2405).

Grant No. T-5 is a composite Grant consisting of 25 Major Heads of which four Major Heads are operated by Animal Husbandry, Dairy Development and Fisheries Department (2401, 2403, 2405, 2406) and three Major Heads each are operated by School Education and Sports Department (2202, 2204, 2230) and Industries Energy and Labour Department (2801, 2810, 2851). Two Major Heads each are operated by Public Health Department (2210, 2211), Social Justice and Special Assistance Department (2235, 2236), Rural Development Department (2501, 2505) and Public Works Department (3054, 3055). One Major Head each is operated by General Administration Department (2220), Higher and Technical Education Department (2203), Water Supply and Sanitation Department (2215), Tribal Development Department (2225), Urban Development Department (2217), Co-operation, Marketing and Textiles Department (2425) and Water Resources Department (2702).

2.4.1 Allocation of Expenditure

Paragraph 158 of Budget Manual envisaged that for better control over expenditure and to prevent over budgeting, budget estimates should be prepared with great care so that they do not appear to be inflated or under-pitched.

Summary of actual expenditure *vis-a-vis* Original/Supplementary provisions made during the year 2013-16 are given in **Table 2.4**.

Table 2.4: Detail of budgetary provisions and actual expenditure under Grant No. H-6 and T-5

(₹ in crore)

Year	Original provision	Supplementary provision	Total Grant or Appropriation	Actual Expenditure	Saving	Percentage of saving
Grant H-6 Public Works and Administrative and Functional Buildings						
2013-14	2239.20	221.11	2460.31	2083.16	377.15	15.3
2014-15	2448.75	69.95	2518.70	2038.87	479.83	19.0
2015-16	2500.54	122.08	2622.62	2097.01	525.62	20.0
Grant T-5 Revenue Expenditure on Tribal Areas Development Sub-Plan						
2013-14	3317.38	213.54	3530.92	3019.83	511.09	14.5
2014-15	4116.87	558.68	4675.55	3561.39	1114.16	23.8
2015-16	4812.10	535.27	5347.37	3973.33	1374.04	25.7

Source: Appropriation Accounts of respective years

Table 2.4 shows persistent savings of 15 to 20 *per cent* under Grant No. H-6 and 14 to 26 *per cent* under Grant No. T-5 during the period 2013-16.

Persistent savings indicated that budgetary controls in both the Departments (Public Works and Tribal Development) was not effective and also, trends of previous years were not taken into account while allocating the funds for the current financial year.

2.4.1.1 Surrender of entire provisions

Scrutiny of Appropriation Accounts for the year 2015-16 revealed that the entire provisions under the sub-heads amounting to ₹ 376.73 lakh under Grant No. H-6 and ₹ 32,588.61 lakh under Grant No. T-5 were withdrawn in the month of March 2016 through re-appropriation (Appendix 2.12).

2.4.1.2 Substantial savings under the sub-heads

During 2015-16, in 11 sub-heads under Grant No. T-5, savings exceeded by ₹ 10 crore and above and also by 50 per cent to 100 per cent of the total Grant as shown in Table 2.5.

Table 2.5: Sub-head wise substantial savings

(₹ in crore)

Sr. No	Cross Reference Code	Description	Total Grant	Actual Expenditure	Savings	Percentage of savings
Grant T-5 Revenue Expenditure on Tribal Areas Development Sub-Plan						
1	240601796 865	Development of Tourism in Forest Areas (State Level Scheme)	10	0	10	100
2	220201796 116	Training to the Teachers (Central Share 75 per cent)	16.93	0	16.93	100
3	222502796 300	Central Sector Scheme for Development of Primitive Tribes Centrally Sponsored Scheme (Central Scheme)	40	0	40	100
4	222502796 C96	Lumpsum Provision for unbudgeted Revenue Outlay	202.85	0	202.85	100
5	223003796 158	Procurement of deficient equipment in existing Industrial Training Institute	10.38	0.38	10.00	96
6	221001796 F74	National Urban Health Mission (Central Share)	62.22	7.13	55.09	89
7	250101796 296	Financial Assistance for Maharashtra State Rural Livelihood Mission (Central Share)	23.63	5.97	17.66	75
8	221003796 F73	National Rural Health Mission (Central Share)	263.29	72.74	190.55	72
9	221502796 986	Construction of Latrine under Nirmal Bharat Abhiyan (CSS)	197.60	64.96	132.64	67
10	222502796 D26	Skill Development Programme for Tribal Youths	35	14.07	20.93	60
11	250560796 299	Indira Awas Yojana (Central Assistance)	293.40	146.70	146.70	50

Source: Appropriation Accounts 2015-16

2.4.1.3 Injudicious Re-Appropriation

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

Scrutiny of Appropriation Accounts for the year 2015-16 revealed that in one sub-head under Grant No. H-6 and two sub-heads under Grant No. T-5, re-appropriation orders issued resulted in the sub-head closing with an excess expenditure as shown in Table 2.6.

Table 2.6: Sub-head wise unnecessary Re-Appropriations

(₹ in lakh)

Sr. No.	Description of the Head of Account/ Cross Reference Code	Original Grant	Amount re-appropriated	Total Grant (3-4)	Actual expenditure	Excess expenditure (5-6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Grant H-6 Public Works and Administrative and Functional Buildings						
1	2059.80.001.(15) (01) Public Works, General, Direction and Administration, Superintending Engineer, Public Works Circle, Pune Execution	191.45	34.74	156.71	168.13	11.42
Grant T-5 Revenue Expenditure on Tribal Areas Development Sub-Plan						
1	2210 06 796 (01)(02) National Malaria Eradication Programme	885.82	187.09	698.73	714.63	15.90
2	2225 02 796 (01)(05) Supply of PVC pipes (Dist. Level Scheme)	775.31	54.14	721.17	738.12	16.95

Source: Appropriation Accounts 2015-16

2.4.2 Rush of expenditure

According to the Bombay Financial Rules, 1959, rush of expenditure in the closing month of the financial year should be avoided. Uniform flow of expenditure is the primary requirement of proper budgetary control. In two sub-heads under Grant No. H-6 and 21 sub-heads under Grant No. T-5, more than 50 per cent of expenditure (representing ₹ 10 crore and above) totaling ₹ 1,107.57 crore was incurred during March 2016 (**Appendix 2.13**).

2.4.2.1 Expenditure without provision of funds

As per Paragraph 159 of Budget Manual, no expenditure is to be incurred on Scheme/services without provision of funds.

It was however, observed that an expenditure of ₹ 118.82 lakh was incurred in sub-head “2059 80 799 (00) (02)” without any provision in the original estimates/supplementary demand and without any re-appropriation order to this effect.

Reasons for excess expenditure without provision of funds under the above sub-heads were awaited (October 2016).

2.4.2.2 Control/Monitoring of Expenditure under Grant No. H-6

As per Paragraph 155 (i) and (iv) of Budget Manual, in order to ensure that the amount allotted to each disbursing officer is not exceeded without permission, the disbursing officer should submit the statement of his expenditure for the month and total expenditure upto date to the Controlling Officer in Form No. 9 and all Controlling Officers should maintain a register of expenditure in Form No. 10 for effective control of expenditure.

Test-check of records of four Controlling Officers³ revealed that the disbursing officers were not submitting statements of expenditure in Form No. 9 and similarly, the Controlling Officers were not maintaining registers of expenditure in Form No. 10.

³ Superintending Engineer, Public Works Circle, Nagpur; Superintending Engineer, Public Works (Electrical) Region Nagpur; Superintending Engineer, Public Works Circle, Akola; and Superintending Engineer, Public Works Circle, Osmanabad

The Superintending Engineers stated (August 2016) that since monthly statements of expenditure in Form No. 9 was not submitted by the disbursing officers, Form No. 10 at Controlling Officers level was not maintained.

The reply is not acceptable, as non-submission of monthly expenditure in the prescribed formats defeated the very purpose of monitoring the budget and the progress of actual expenditure by Controlling Officer.

2.5 Advances from Contingency Fund

In terms of provisions of Article 267 (2) and 283 (2) of the Constitution of India, the Contingency Fund of the State has been established under the Bombay Contingency Fund Act, 1956. Advances from the Fund are to be made only for meeting expenditure of an unforeseen and emergent character, postponement of which, till its authorisation by the Legislature, would be undesirable. The Fund is in the nature of an imprest and its corpus is ₹ 150 crore, which was temporarily raised from time to time to ₹ 2,150 crore. The balance at the beginning of the year (2015-16) was ₹ 2,150 crore. During the year, ₹ 2,000 crore was recouped to the fund and the closing balance of the Fund as on 31 March 2016 was ₹ 150 crore.

During 2015-16, of the 19 sanctions issued by FD for ₹ 1,111.69 crore, eight withdrawals amounting to ₹ 267.91 crore were made from the Fund. In five cases, as listed in **Appendix 2.14**, the nature of expenditure (₹ 77.20 crore) for which the Departments concerned had obtained advances from the Fund was foreseeable and therefore, the drawals from the Contingency Fund were unwarranted and irregular.

2.6 Misclassification of Expenditure

2.6.1 Accounting of Government Revenue and Expenditure outside Consolidated Fund

As per Article 266 and 204 of the Constitution of India, all revenues of the Government shall form part of the Consolidated Fund of the State and no money shall be withdrawn from that Fund except under appropriation made by law. The State Government however, has authorised the heads of Government hospitals to retain the fees and other hospital charges received from patients in their Personal Ledger Accounts (PLA) under the Public Account, and utilise the same for various expenses like maintenance of buildings, equipment, office expenses *etc.* This was contrary to Rule 495 of Maharashtra Treasury Rules. Even the hospitals which do not have a PLA, kept their receipts in the PLAs of the neighbouring hospitals. The quantum of all such transactions outside the Consolidated Fund is given in **Table 2.7**.

Table 2.7: Transactions outside the Consolidated Fund

(₹ in crore)

Opening balance as on 01 April 2015	Amount credited to personal ledger accounts during the year	Amount withdrawn from personal ledger accounts during the year	Closing balance as on 31 March 2016
198.07	94.43	68.13	224.37

Source: Finance Accounts 2015-16

The above procedure is not only a violation of Constitutional provisions but also circumvents intended Legislative and budgetary control over expenditure. Thus, crediting of Government receipts in PLA resulted in overstatement of revenue deficit by ₹ 26.30 crore.

2.6.2 Incorrect booking of Revenue Expenditure under Capital

During 2015-16, grants-in-aid of ₹ 548.25 crore (six cases) and subsidies of ₹ 5.98 crore (one case) released by GoM were classified and booked under capital expenditure heads instead of revenue expenditure heads of accounts, resulting in understatement of the revenue deficit by ₹ 554.23 crore.

2.6.3 Non-transfer of balances to Consolidated Fund

As per Government Resolution (October 2001) of Revenue and Forest Department, the balances in the Personal Deposit (PD) account of Inspector General of Registration was to be credited to Consolidated Fund at the end of every quarter. It was seen that an accumulated balance of ₹ 825.04 crore was lying in the account as on 31 March 2016, which was not credited to the Consolidated Fund of the State. Inspector General of Registration and Controller of Stamps stated (June 2016) that of the total balance, only ₹ 500 crore could possibly be deposited into Government Account, as Arbitrator claims of about ₹ 300 crore were to be met. However, the accumulated balance needs to be credited to the Consolidated Fund of the State as per the Government Resolution.

Similarly, as per the Government Resolution (July 2011) of Home Department, the unspent balance at the end of the year in the PD accounts operated by the Regional Transport Offices/Deputy Transport Officers was to be brought to 'Nil' by crediting the same into Consolidated Fund. There were unspent balances of ₹ 0.70 crore in seven PD accounts as on 31 March 2016 not credited to Consolidated Fund.

Further, during 2015-16, Public Works and Water Resources Divisions transferred ₹ 19.38 crore⁴ from the Consolidated Fund to the Public Account (Major Head-8443) to avoid lapse of budget provision.

Thus, non-transfer of unspent balances from PD accounts back to Consolidated Fund and transfer to Public Account at the end of the financial year resulted in overstatement of revenue deficit by ₹ 845.12 crore.

2.7 Outcome of Inspection of Treasuries

The major irregularities noticed by the Principal Accountant General (Accounts and Entitlements)-I, Maharashtra, Mumbai and the Accountant General (Accounts and Entitlements)-II, Maharashtra, Nagpur during inspection of 34 District Treasuries (including 322 sub-Treasuries) and the Pay and Accounts Office, Mumbai during 2015-16 are brought out in the succeeding paragraphs.

2.7.1 Transfer of funds to Personal Deposit Accounts

The PD accounts, also known as PLA, are in the nature of a banking account kept in the Treasuries. The GoM is authorised to keep funds required for specific purposes in the PD accounts by transfer of funds from the Consolidated Fund. Generally, Administrators⁵ are required to close such accounts on the last working day of the year and transfer the unspent balances back to the Government accounts (Consolidated Fund). However, as on 31 March 2016, 1,903 PD accounts showing a total closing balance of ₹ 11,160.06 crore were not transferred back to the Consolidated Fund, as indicated in **Table 2.8**.

⁴ Major Head-2515-Other Rural Development Programmes ₹ 5.39 crore; Major Head-2053-District Administration ₹ 0.40 crore; and Major Head-4402-Capital Outlay on Soil and Water Conservation ₹ 13.59 crore

⁵ Personal deposit/Personal ledger account holders

Table 2.8: Status of Personal Deposit Accounts during 2015-16

(₹ in crore)

Opening balance		Newly opened		Closed accounts		Closing Balance	
Number	Amount	Number	Amount	Number	Amount	Number	Amount
2659	9726.09	39	19914.93	795	18480.96	1903	11160.06

Source: Finance Accounts 2015-16

Out of ₹ 19,914.93 crore credited to PD accounts (including receipts from other sources) during 2015-16, ₹ 2,106.58 crore (11 *per cent*) was credited in March 2016 alone.

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

2.7.2 Non-reconciliation in personal deposit/personal ledger accounts balances

As per Paragraph 589 of Maharashtra Treasury Manual, Treasury Officer is required to obtain a certificate of balance at the end of each year from the Administrator of PLA. After obtaining such certificate, differences if any, are required to be reconciled with the Treasury figures and the certificate of balance, after reconciliation with the Treasury, should be forwarded to Principal Accountant General (Accounts and Entitlements)-I, Maharashtra, Mumbai and Accountant General (Accounts and Entitlements)-II, Maharashtra, Nagpur for confirmation. Inspection of Treasuries revealed the following:

- In 222 of 2,659 Administrators holding PD accounts, there were differences between the Administrators' balances and the Treasury/Pay and Accounts Office balances.
- In 405 cases, there were differences between the Treasury balances and the Sub-Treasury balances.
- In 184 cases, there were differences between the Sub-Treasury balances and the Administrators' balances.

Besides, 1,301 out of 2,659 Administrators did not furnish certificates of balances as on March 2015 to Treasury Officers/ Pay and Accounts Office.

2.7.3 Inoperative Personal Ledger Accounts for more than one year not closed

As per Rule 495 of Maharashtra Treasury Rules and Maharashtra Treasury Manual, PLAs which are inoperative for more than three consecutive accounting years should be closed and the balances at the credit of such accounts should either be paid to the PLA holder or credited to the Consolidated Fund of the State. The time limit was revised (January 2014) by FD, GoM to one year.

It was observed that in 582 of 1,903 Administrators holding PD accounts (Table 2.8), PLAs were not operated by the Administrators for a period of one year and more, resulting in unutilized balance of ₹ 40.21 crore lying idle in the PLAs as of March 2016. District-wise details are given in Appendix 2.15. As per established practice, funds from the Consolidated Fund of the State to PLA should be transferred through 'Nil bills' (non-cash transaction). It was seen that all Treasuries (except Pune Treasury) did not follow the above practice and instead withdrew large funds through cheques and credited them to PLA subsequently. The

unspent amount so transferred from the Consolidated Fund and not credited back from the inoperative PLAs could not be ascertained since the PD accounts included receipts from sources other than the Consolidated Fund also.

2.7.4 Overpayment of Pension

Overpayment of pensionary benefits of ₹ 1.22 crore was made by Treasuries during 2015-16 on account of incorrect calculation of dearness relief, non-adjustment of provisional Death-cum-Retirement Gratuity, non-reduction of family pension from the specific dates mentioned in the pension payment orders *etc.* Of this, only ₹ 0.64 crore had been recovered up to September 2016 and the balance of ₹ 0.58 crore was outstanding.

2.8 Conclusion and Recommendations

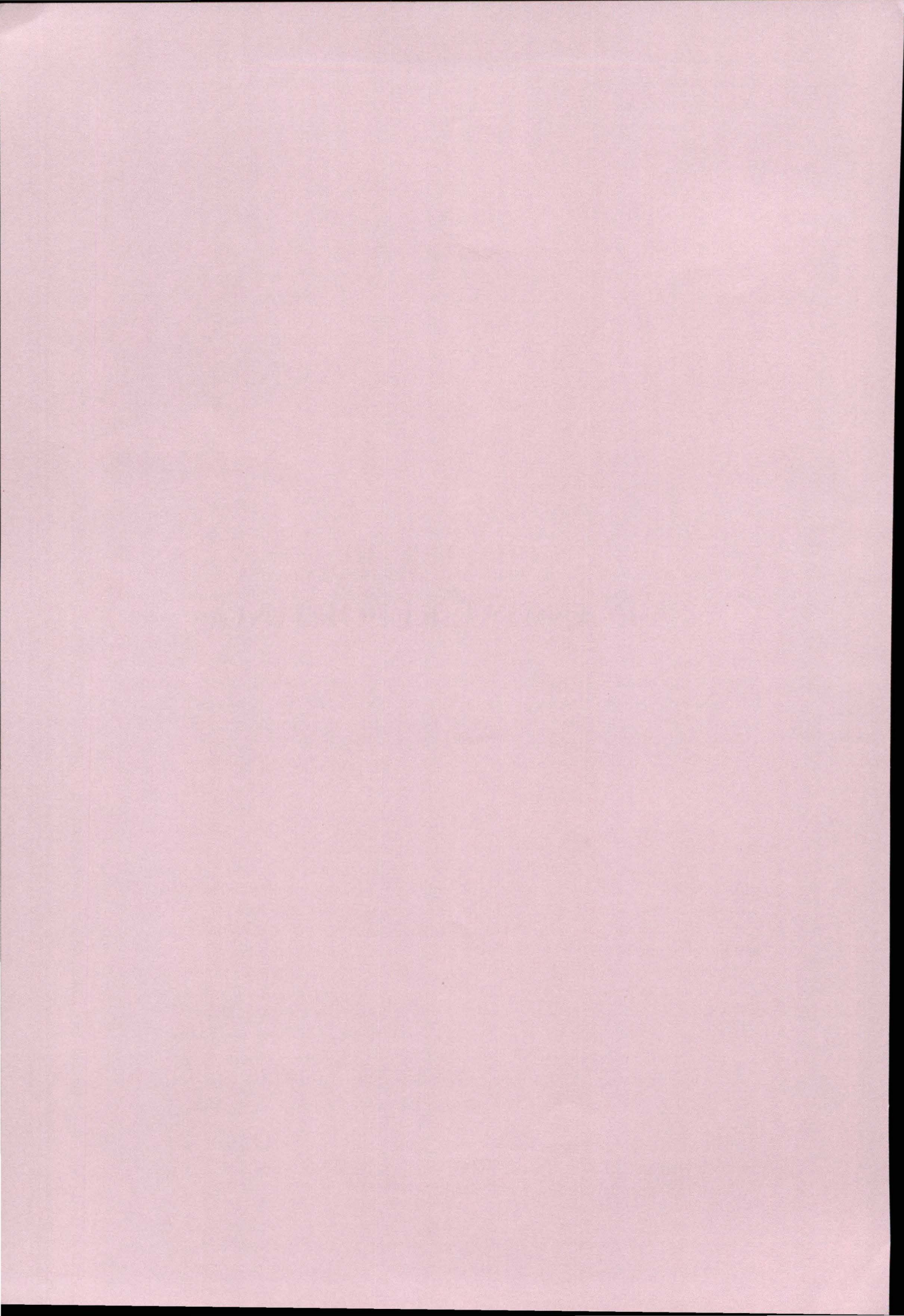
- (i) The overall savings of ₹ 52,994.04 crore were the net result of savings of ₹ 53,558.86 crore, set off by an excess of ₹ 564.82 crore. This excess expenditure requires regularization by the State Legislature. There was rush of expenditure (51 to 100 *per cent*) during the last quarter of 2015-16 and substantial portion of it was spent during the last month of the financial year.

All the Departments should closely monitor expenditure against allocations and excess expenditure over allocations be avoided to the extent possible. Funds may be surrendered well before the close of the year so as to enable their utilization for other developmental schemes.

- (ii) During 2015-16, grants-in-aid of ₹ 548.25 crore (six cases) and subsidies of ₹ 5.98 crore (one case) released by the GoM was classified and booked under capital expenditure heads instead of revenue expenditure heads of accounts, resulting in understatement of revenue deficit by ₹ 554.23 crore.

The Government may ensure compliance to IGAS in budget formulation so that expenditure is correctly accounted for in the Government accounts.

CHAPTER - III
FINANCIAL REPORTING



Financial Reporting

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

3.1 Delay in furnishing Utilisation Certificates

The Bombay Financial Rules, 1959 provide that for the Grants provided for specific purposes, utilisation certificates (UCs) should be obtained by the Departmental Officers from the grantee institutions and after verification, the UCs should be forwarded to the concerned Accounting Offices *i.e.* Principal Accountant General (Accounts and Entitlements)-I, Maharashtra, Mumbai, Accountant General (Accounts and Entitlements)-II, Maharashtra, Nagpur and Pay and Accounts Office, Mumbai within 12 months from the dates of their sanction. The Department-wise position of outstanding UCs is given in **Appendix 3.1**. The year-wise position of total outstanding UCs in the State as on 31 March 2016 for Grants released up to 2014-15 and grants released during 2015-16 for which UCs were to be received is given in **Table 3.1**.

Table 3.1: Year-wise position of Outstanding UCs as of 31 March 2016

Year	Number of UCs awaited	Amount involved (₹ in crore)
Upto 2013-14	36062	28854.21
2014-15	3896	6824.81
2015-16	16149	27410.20
Total	56107	63089.22

Source : Finance Accounts 2015-16

The major Departments with large pendency (amount-wise) were Urban Development; Planning; Tribal Development; Co-operation, Marketing and Textiles; Rural Development and Water Conservation; and Revenue and Forest. The large pendency in submission of UCs indicates lack of monitoring of utilisation of Grants and loans by the Departments.

3.2 Non-Submission/delay in submission of Accounts by Grantee Institutions

According to Rule 149 of Bombay Financial Rules, 1952 read with Appendix 22, for identification of institutions which attract audit under Section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, the Government/Heads of Departments are required to furnish to audit every year detailed information about the financial assistance given to various institutions, the purpose of assistance granted and the total expenditure of the institutions. The details of such assistance released to the institutions during the year were awaited from Government Departments (September 2016).

Table 3.2 shows age-wise arrears of Annual Accounts due up to 2015-16 in respect of 7,192 Annual Accounts as of August 2016.

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

Delay in number of years	Number of Accounts
0-1	1785
1-3	926
3-5	778
5-7	1303
7-9	666
9 and above	1734
Total	7192

Major pendency in submission of Accounts pertained to Higher and Technical Education Department, and School Education and Sports Department.

Non-submission of information regarding Grants and loans paid to various institutions and non-furnishing of Accounts by them and the risk of mis-utilisation of the funds has been brought to the notice of the Government.

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

Several Autonomous Bodies have been set up by the State Government in the fields of Environment, Housing, Industries, Irrigation, Urban Development, and Water Supply and Sanitation. The audit of Accounts of 21 bodies in the State has been entrusted to the Comptroller and Auditor General of India. The status of entrustment of audit, rendering of Accounts to audit, issuance of Separate Audit Reports and their placement in the Legislature by the Autonomous Bodies are indicated in **Appendix 3.2**.

The delay in submission of Annual Accounts ranged between one month and 138 months. The Accounts of Maharashtra State Human Rights commission had been rendered only upto 2002-03 in December 2014, after a delay of 138 months. The Accounts of Maharashtra State Legal Services Authority, Mumbai had been received only up to 2008-09 which was yet to be presented in the Legislature. The Accounts of Maharashtra Khadi and Village Industries Board and Maharashtra State Minorities Commission had been rendered only upto 2011-12. Further, Accounts from 2014-15 onwards of three bodies namely, Maharashtra Jeevan Pradhikaran, Maharashtra State Commission for Women and Maharashtra Pollution Control Board were yet to be received, and the Accounts of Maharashtra Maritime Board and Maharashtra Pollution Control Board were not presented to Legislature after 2004-05.

Inordinate delays in submission of Accounts and their presentation to the State Legislature resulted in delayed scrutiny of the functioning of these Bodies by the Legislature where Government investments are made.

3.4 Delay in finalisation of *Proforma* Accounts by Departmentally managed Commercial Undertakings

As per Rule 18 of Government Accounting Rules, 1990, 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 Government can assess their performance. The finalised Accounts of the Departmentally managed Commercial and Quasi-Commercial Undertakings reflect their overall financial health and efficiency in conducting their business.

Heads of Government Departments have to ensure that the Undertakings prepare such Accounts and submit the same to the Principal Accountant General (Audit)-I, Maharashtra, Mumbai for audit within a specified time frame. As of March 2016, there

were 49 such Undertakings of which, 40 had prepared Accounts up to 2014-15 and three up to 2013-14. In respect of five Undertakings, there was large pendency in finalisation of *Proforma* Accounts ranging from 16 to 29 years as these were sick units and not operational and had stopped preparing Accounts. Milk Transport Scheme, Worli has been closed since 2008-09 and Accounts have not been prepared. The Department-wise position of arrears in preparation of *Proforma* Accounts and investments made by the Government are given in **Appendix 3.3**.

3.5 Misappropriations, losses, defalcations etc.

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

The State Government reported 357 cases of misappropriations, defalcations etc., involving ₹ 81.69 crore up to March 2016 on which final action was pending. The Department-wise breakup of pending cases and age analysis are given in **Appendix 3.4**. The nature of these cases is given in **Appendix 3.5**. The age-profile of the pending cases and the number of cases pending in each category as emerged from these appendices are summarised in **Table 3.3**.

Table 3.3: Profile of Misappropriations, Losses, Defalcations etc.

Age-profile of the pending cases			Nature of the pending cases		
Range in Years	Number of cases	Amount involved (₹ in lakh)	Nature/characteristic of the cases	Number of cases	Amount involved (₹ in lakh)
0-5	55	1483.83	Theft	88	70.28
5 - 10	56	1839.06			
10 - 15	41	3653.75	Misappropriation/ Loss of material	269	8099.06
15 - 20	46	565.08			
20 - 25	31	443.01			
25 and above	128	184.61			
Total	357	8169.34	Total pending cases	357	8169.34

Source: Data furnished by various Departments and Accountant General (Accounts and Entitlements)-II, Maharashtra, Nagpur and Pay and Accounts Office, Mumbai

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

Table 3.4: Reasons for the delay/pendency of cases

Reasons for the delay/pendency of cases	Number of cases	Amount (₹ in lakh)
Departmental and criminal investigation awaited	93	5599.50
Departmental action initiated but not finalised	115	1435.05
Criminal proceedings finalised but recoveries were pending	13	43.78
Orders for recovery or write-off were awaited	53	61.03
Pending in the courts of law	83	1029.98
Total	357	8169.34

Source: Data furnished by various Departments and Accountant General (Accounts and Entitlements)-II, Maharashtra, Nagpur and Pay and Accounts Office, Mumbai

It may be seen from above that of 357 cases involving ₹ 81.69 crore, 246 cases (69 per cent) involving ₹ 48.46 crore (59 per cent) were pending for more than 10 years. Further, while 115 cases involving ₹ 14.35 crore were pending for final Departmental action, 53 cases involving ₹ 0.61 crore were pending recovery or write-off orders.

3.6 Opaqueness in Government Accounts

There is a global trend towards greater openness in Government finances. This is based on a belief that transparent budgetary and accounting practices can ensure that

funds raised by the Government for public purposes will be spent as promised by the Government, while maximizing the benefits derived from spending. One crucial component of a transparent system of accounting is that the forms of Accounts in which the receipts and expenditure of the Government are reported to the Legislature are constantly reviewed and updated so that they truly reflect receipts and expenditure in respect of all major activities of the Government in a transparent manner.

Minor Heads 800-Other Receipts/Other Expenditure are intended to be operated only when the appropriate Minor Head has not been provided in the Accounts. Routine operation of Minor Heads 800 is to be discouraged, since it renders the Accounts opaque. Details of significant transactions (involving more than ₹ 20 crore and constituting more than 20 per cent of the relevant Major Head) of receipts (two items involving ₹ 105.85 crore) and expenditure (39 items involving ₹ 14,829.25 crore) at sub-head level are given in **Appendix 3.6**.

3.7 Reconciliation of receipts and expenditure

All Controlling Officers are required to reconcile the receipts and expenditure of the Government with the figures accounted for by the Offices of the Principal Accountant General (Accounts and Entitlements)-I, Maharashtra, Mumbai or Accountant General (Accounts and Entitlements)-II, Maharashtra, Nagpur or the Pay and Accounts Office, Mumbai, as the case may be. Such reconciliation had been completed for an expenditure of ₹ 1,45,160 crore (77 per cent) against the total expenditure of the Government (₹ 1,89,100 crore), and for receipts of ₹ 1,25,710 crore (96 per cent) against the total receipts of the Government (₹ 1,31,376 crore). Major defaulting Departments were Tourism and Cultural Affairs; Food, Civil Supplies and Consumer Protection; Home; Urban Development; Employment and Self-employment; Water Supply and Sanitation; School Education and Sports; Industries, Energy and Labour; Sales Tax *etc.* Incomplete reconciliation affects the correctness and completeness of Accounts.

3.8 Pendency in submission of Detailed Contingent Bills against Abstract Contingent Bills

As per the Maharashtra Treasury Rules, 1968, the Drawing and Disbursing Officers are required to submit Detailed Contingent (DC) bills which are vouchers in support of final expenditure, against Abstract Contingent (AC) bills drawn, within 30 days to the Offices of the Principal Accountant General (Accounts and Entitlements)-I, Maharashtra, Mumbai or the Accountant General (Accounts and Entitlements)-II, Maharashtra, Nagpur or the Pay and Accounts Office, Mumbai, as the case may be.

As on 31 March 2016, 3,535 DC bills amounting to ₹ 863.13 crore were not received in the Offices of the Principal Accountant General (Accounts and Entitlements)-I, Maharashtra, Mumbai/Accountant General (Accounts and Entitlements)-II, Maharashtra, Nagpur/Pay and Accounts Office, Mumbai. Year-wise details and the Department-wise position are given in **Table 3.5** and **Appendix 3.7** respectively.

Table 3.5: Pendency in submission of Detailed Contingent Bills against Abstract Contingent Bills

(₹ in crore)

Year	AC bills drawn		DC bills received		Outstanding AC bills	
	Number	Amount	Number	Amount	Number	Amount
Up to 2013-14	109489	4379.88	107703	3839.03	1786	540.85
2014-15	4017	382.47	3622	205.81	395	176.66
2015-16	2508	182.42	1154	36.80	1354	145.62
Total	116014	4944.77	112479	4081.64	3535	863.13

Source : Finance Accounts 2015-16

3.9 Conclusion and Recommendations

- (i) Utilisation Certificates (56,107) amounting to ₹ 63,089.22 crore as on 31 March 2016 were not furnished by the Grantee Institutions indicating absence of adequate monitoring in utilization of Grants and loans given for specific purposes. Similarly, 3,535 Detailed Contingent Bills amounting to ₹ 863.13 crore were not submitted by the Drawing and Disbursing Officers of various Departments of which, 1,354 bills amounting to ₹ 145.62 crore pertained to 2015-16.

The sanctioning authorities/concerned Departments may evolve a mechanism to ensure that utilisation certificates in respect of the Grants released for specific purposes are furnished by the grantee institutions on time. The Government may also ensure timely submission of Detailed Contingent Bills by the Drawing and Disbursing Officers as stipulated in Maharashtra Treasury Rules, 1968, and disallow drawal of funds on Abstract Contingent Bills to Departments who have not rendered Detailed Contingent Bills for previous withdrawals.

- (ii) There were delays in submission/finalisation of Accounts by Autonomous Bodies/Commercial Undertakings which dilutes accountability and defeats the purpose of preparation of Accounts.

The Controlling Departments may identify the reasons for delay in finalisation of Accounts of Autonomous Bodies/Undertakings and institute remedial measures to ensure that arrears in Accounts are cleared in a time bound manner.

Mumbai,
The 30 January 2017


(SANGITA CHOURE)
Principal Accountant General (Audit)-I,
Maharashtra

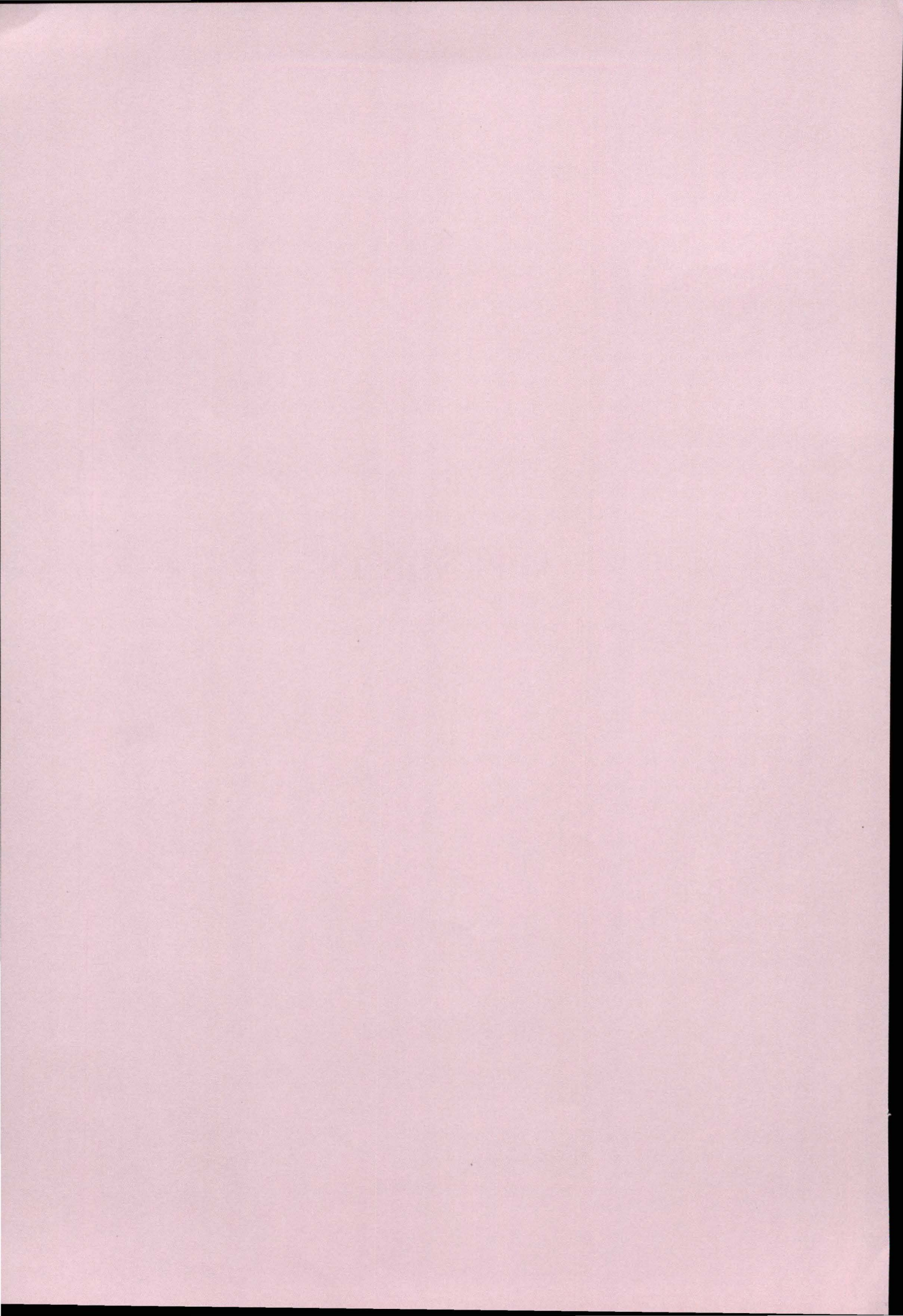
Countersigned

New Delhi,
The 01 February 2017


(SHASHI KANT SHARMA)
Comptroller and Auditor General of India



APPENDICES



Appendix

1.1

State Profile

(Reference: Profile of Maharashtra; Page 1)

A GENERAL DATA			
Sr. No.	Particulars		Maharashtra figures
1	Area		3.08 lakh sq. km.
2	Population		
	a	As per 2001 Census	9.69 crore
	b	As per 2011 Census	11.24 crore
3	a	Density of Population*(as per 2001 census) (All India Density = 325 persons per sq km)	315 persons per sq. km.
	b	Density of Population*(as per 2011 census) (All India Density = 382 persons per sq. km)	365 persons per sq. km.
4	Population Below Poverty Line (BPL)** (All India Average = 29.5 per cent)		20.0 per cent
5	a	Literacy* (2001) (All India Average = 64.8 per cent)	76.88 per cent
	b	Literacy* (2011) (All India Average = 73.0 per cent)	82.34 per cent
6	Infant mortality *** (per 1000 live births) (All India Average = 39 per 1000 live births)		22
7	Life Expectancy at birth **** (All India Average = 67.5 years)		70.8 years
8	Gini Coefficient* (A measure of inequality of income among the population. Value rate is from zero to one. Value closer to zero indicates inequality is less and <i>vice versa</i>)		
	a	Rural (All India = 0.29)	0.27
	b	Urban (All India = 0.38)	0.41
9	Gross State Domestic Product ⁵ (GSDP) 2015-16 at current price		1969184
10	Per capita GSDP CAGR (2006-07 to 2015-16)	Maharashtra	12.90 per cent
		General Category States	14.27 per cent
11	GSDP CAGR (2006-07 to 2015-16)	Maharashtra	14.45 per cent
		General Category States	15.75 per cent
12	Population growth [@] (2006-07 to 2015-16)	Maharashtra	13.03 per cent
		General Category States	12.24 per cent

B FINANCIAL DATA [#]					
Particulars		CAGR		Growth during 2015-16 over 2014-15	
		2006-07 to 2014-15			
		GCS	Maharashtra	GCS	Maharashtra
(in per cent)					
a	of Revenue Receipts	14.74	13.01	15.00	11.86
b	of Own Tax Revenue	15.08	14.08	13.28	10.03
c	of Non-Tax Revenue	10.20	6.65	6.00	6.69
d	of Total Expenditure	16.71	24.76	16.42	8.10
e	of Capital Expenditure	13.21	8.60	25.80	16.75
f	of Revenue Expenditure on Education	17.08	15.75	12.17	7.99
g	of Revenue Expenditure on Health	18.70	18.05	13.44	10.12
h	of Salary and Wages	15.49	14.77	9.95	13.28
i	of Pension	18.59	19.01	11.79	7.56

* Census Info India 2011 Final Population Totals

** Report of the expert group (Rangarajan), Planning Commission (June 2014)

*** SRS Bulletin of September 2014

**** Economic Survey of Maharashtra 2015-16

5 Central Statistical Office

6 http://planningcommission.nic.in/data/datatable/data_2312/DatabookDec2014%20106.pdf

@ Population Projections for India and States 2001-2006 (revised December 2006) Report of the Technical Group on Population Projections

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

Appendix 1.2

Structure and form of Government Accounts

(Reference: Paragraph 1.1; Page 2)

Part-A: Structure of Government Accounts

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

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

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

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

Part-B: Layout of Finance Accounts

Statement No.	About
1	Statement of Financial Position
2	Statement of Receipts and Disbursements
3	Statement of Receipts (Consolidated Fund)
4	Statement of Expenditure (Consolidated Fund)
5	Statement of Progressive Capital expenditure
6	Statement of Borrowings and Other Liabilities
7	Statement of Loans and Advances given by the Government
8	Statement of Investments of the Government
9	Statement of Guarantees given by the Government
10	Statement of Grants-in-aid given by the Government
11	Statement of Voted and Charged Expenditure
12	Statement on Sources and Application of funds for expenditure other than on revenue account
13	Summary of Balances under Consolidated Fund, Contingency Fund and Public Accounts
14	Detailed Statement of Revenue and Capital Receipts by Minor heads
15	Detailed Statement of Revenue Expenditure by Minor heads
16	Detailed Statement of Capital Expenditure by Minor Heads and Sub-Heads
17	Detailed Statement of Borrowings and Other Liabilities
18	Detailed Statement of Loans and Advances given by the State Government
19	Detailed Statement of Investments of the Government
20	Detailed Statement of Guarantees given by the Government
21	Detailed Statement on Contingency Fund and Other Public Account transactions
22	Detailed Statement on Investment of Earmarked Funds

Source: Finance Accounts

Appendix

1.3

Fiscal Responsibility and Budgetary Management Act and Rules*(Reference: Paragraph 1.1; Page 2)***MAHARASHTRA FISCAL RESPONSIBILITY AND BUDGETARY MANAGEMENT ACT, 2005**

The State Government has enacted the 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.

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

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

- The fiscal deficit of the State Government shall not exceed three *per cent* of GSDP in 2010-11 and thereafter.
- The State Government shall maintain the outstanding debt to GSDP upto 26.1 *per cent* in 2011-12, 25.8 *per cent* in 2012-13, 25.5 *per cent* in 2013-14, 25.3 *per cent* in 2014-15 and 17.6 *per cent* in 2015-16.

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

Medium Term Fiscal Policy Statement

- As prescribed in the Act, the State Government laid a Medium Term Fiscal Policy Statement (MTFPS) and a Fiscal Policy Strategy Statement along with the budget before the Legislature in March 2015. MTFPS presents three years rolling targets, assumptions underlying the fiscal indicators and assessment of sustainability relating mainly to (i) balance between revenue receipts and revenue expenditure and (ii) the use of capital receipts for generating productive assets.
- As per MTFPS 2015-16, the Government is committed to improve its spending pattern qualitatively and quantitatively, with focus on balanced sectoral and regional development. Government promised to make an attempt to analyse subsidies and reduce misdirected and wasteful public expenditure. The ultimate objective is to achieve both growth and improvement in Human Development Index. Borrowings would be well within the limit set by the Central Government. Present policy of making a judicious use of guarantees would be continued. Government would scrutinise proposals more carefully and would like to catalyse investment in infrastructure and agro business. Budget 2015-16 reflects an attempt to curtail non-productive non-plan revenue expenditure and it is ensured that public investment in priority sectors like agriculture, infrastructure, public health, water supply, sanitation, education and other aspects of Human Development is not curtailed.
- The State Government has developed its own Fiscal Correction Path (FCP) indicating the milestones of outcome indicators with target dates of implementation during the period from 2007-08 to 2018-19 keeping in view the fiscal targets laid down in the FRBM Act and/or the rules made thereunder.

Source: Budget 2015-16

Appendix

1.4

Outcome indicators of the
State's own Fiscal Correction Path

(Reference: Paragraph 1.1; Page 2)

(₹ in crore)

Item	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
	Actuals	Actuals	Actuals	RE	BE	Projections	Projections	Projections
A STATE REVENUE ACCOUNT								
1 States Own Tax Revenue (SOTR)	87647.62	103448.38	108640.60	119007.93	130634.71	148923.57	169772.87	193541.07
2 States own Non-Tax Revenue (NONTR)	8167.70	9984.40	11351.97	13519.70	20664.87	21698.11	22783.02	23922.17
3 SOTR + NONTR (1+2)	95815.32	113432.78	119992.57	132527.63	151299.58	170621.68	192555.89	217463.24
4 Share in Central Taxes	13304.18	15192.12	16587.80	17606.98	29061.95	36897.00	42631.00	49317.00
5 Plan Grants	2879.18	8644.11	7708.86	22058.43	11975.82	11975.82	11975.82	11975.82
6 Non-plan Grants	9287.46	5678.22	5532.58	8600.85	5893.15	5893.15	5893.15	5893.15
7 Total Central Transfer (4+5+ 6)	25470.82	29514.45	29829.24	48266.26	46930.92	54765.97	60499.97	67185.97
8 Total Revenue Receipts (3+7)	121286.14	142947.23	149821.81	180793.89	198230.50	225387.65	253055.86	284649.21
9 Plan Revenue Expenditure	22034.75	24568.24	25906.74	40593.69	47478.95	52290.09	57589.92	66645.65
10 Non-Plan Revenue Expenditure	101519.44	114167.74	128995.68	154083.63	154508.94	173667.98	197016.99	217285.33
11 Salary Expenditure	42734.33	50092.47	56928.16	61682.27	73437.66	85061.21	98529.34	109407.23
12 Pension	11682.00	13429.89	15186.23	17663.41	19929.09	24313.49	29662.46	34111.83
13 Interest Payments (Government Debt)	17504.63	19075.64	21207.00	24283.25	27662.56	29361.01	32394.20	35791.38
Subsidies - Total (14+15)	11499.92	9952.45	12440.78	20588.59	14687.27	15421.63	16192.72	17002.35
14 Subsidies - General	6325.12	5035.18	7165.26	10088.59	9724.58	10210.81	10721.35	11257.42
15 Subsidies - Power	5174.80	4917.27	5275.52	10500.00	4962.69	5210.82	5471.37	5744.93
16 Total Revenue Expenditure (9+10)	123554.19	138735.98	154902.42	194677.32	201987.89	225958.07	254606.91	283930.98
17 Salaries+Pension+Interest (11+12+13)	71920.96	82598.00	93321.39	103628.93	121029.31	138735.71	160586.00	179310.44
18 as percentage of Revenue Receipts (17/8)	59.30	57.78	62.29	57.32	61.05	61.55	63.46	62.99
19 Revenue Surplus/Deficit (8-16)	(-)2268.05	4211.25	(-)5080.61	(-)13883.43	(-)3757.39	(-)570.42	(-)1551.05	718.23
B CONSOLIDATED REVENUE ACCOUNT								
1 Interest payments (Off-Budget Debt)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2 Consolidated Revenue Deficit (A19-B1)	(-)2268.05	4211.25	(-)5080.61	(-)13883.43	(-)3757.39	(-)570.42	(-)1551.05	718.23
C CONSOLIDATED DEBT								
1 Outstanding debt and liability inclusive of off-budget	225975.95	246691.94	269355.42	302577.99	333159.97	367012.61	404927.56	447392.31
2 Total outstanding guarantees of which guarantee on account of borrowings and Special Purpose Vehicle borrowings	11314.21	9388.19	7709.31	6500.31	6200.31	6000.31	5700.31	5500.31
D CAPITAL ACCOUNT								
1 Capital Outlay	17879.54	17397.97	20020.45	23342.23	27104.23	33386.10	36501.14	43291.66
2 Disbursement of Loans and advances	836.28	1415.94	1645.09	1055.29	969.84	1049.89	1073.67	1162.77
3 Recoveries of Loans and advances	558.74	862.85	728.03	1034.90	1098.45	1153.37	1211.04	1271.59
4 Other Capital Receipts	455.83	0.00	0.00	0.00	0.00	0.00	0.00	0.00
E1 Fiscal Deficit (A19+D1+D2-D3-D4)	19969.30	13739.81	26018.12	37246.05	30733.01	33853.03	37914.82	42464.61
E2 Gross Fiscal Deficit (E1+B1)	19969.30	13739.81	26018.12	37246.05	30733.01	33853.03	37914.82	42464.61
GSDP at current prices	1170121	1322222	1510132	1686695	1889098	2115790	2369685	2654047

Source: Information received from Finance Department, Government of Maharashtra

Appendix

1.5

Abstract of Receipts and Disbursements for the year 2015-16 as compared to 2014-15*(Reference: Paragraph 1.1.1; Page 2)*

(₹ in crore)

Receipts				Disbursements						
2014-15			2015-16	2014-15			Non-Plan	Plan	Total	2015-16
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
SECTION-A : REVENUE										
165415.46	I	Revenue receipts	185035.68	177553.12	I	Revenue expenditure	154317.65	36056.40	190374.05	190374.05
115063.90		Tax revenue	126608.11	60485.77		General services	64092.74	277.02	64369.76	
				76952.49		Social services	60828.36	21488.87	82317.23	
12580.89		Non-tax revenue	13423.01	39695.71		Education, Sports, Art and Culture	40497.10	2370.37	42867.47	
				8497.24		Health and Family Welfare	5214.33	4143.06	9357.39	
17630.03		State's share of Union Taxes	28105.95	7428.70		Water Supply, Sanitation, Housing and Urban Development	3453.49	6119.83	9573.32 [#]	
				121.77		Information and Broadcasting	60.37	22.17	82.54	
7304.07		Non-Plan grants	6079.57	8096.66		Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	2973.56	5263.93	8237.49	
				895.30		Labour and Labour Welfare	594.59	114.57 [#]	709.16	
1665.45		Grants for State Plan Scheme	790.51	12111.73		Social Welfare and Nutrition	7990.64	3416.83	11407.47 [#]	
				105.38		Others	44.28	38.11 [*]	82.39	
11171.12		Grants for Central and Centrally Sponsored Plan Schemes	10028.53	37686.57		Economic Services	23913.59	14138.38	38051.97	
				8567.37		Agriculture and Allied Activities	5869.23	3791.12	9660.35	
				6171.79		Rural Development	1627.41	3982.02	5609.43	
				33.28		Special Areas Programmes	0.56	0.04	0.60	
				2486.82		Irrigation and Flood Control	2212.55	545.64	2758.19 [#]	
				10891.17		Energy	7804.06	1599.58	9403.64	
				2893.72		Industry and Minerals	3061.38	217.82	3279.20	
				5555.97		Transport	3105.33	2435.41 [#]	5540.74	
				77.37		Science, Technology and Environment	0.07	96.61	96.68	
				1009.08		General Economic Services	233.01	1470.12 [#]	1703.13	
				2428.29		Grants-in-aid and Contributions	5482.96	152.13	5635.09	
12137.66	II	Revenue deficit carried over to Section B	5338.37		II	Revenue Surplus carried over to Section B				

[#] Lower rounding * higher rounding

Appendix 1.5 (contd.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
SECTION-B :									
46883.46	III	Opening Cash balance including Permanent Advances and Cash Balance Investment	49648.41	0.00	III	Opening Overdraft from RBI			0.00
0.00	IV	Miscellaneous Capital receipts	16.89	19523.47	IV	Capital Outlay	2628.11	20165.05	22793.16
				865.31		General Services	249.11	1010.17	1259.28
				1957.82		Social Services	457.15	2127.07	2584.22
				95.81		Education, Sports, Art and Culture	0.00	114.19	114.19
				469.54		Health and Family Welfare	0.00	650.64	650.64
				466.68		Water Supply, Sanitation, Housing and Urban Development	463.21	486.81*	950.02*
				751.92		Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	0.00	709.26	709.26
				54.81		Social Welfare and Nutrition	(-)6.06	83.74	77.68*
				119.06		Others	0.00	82.43	82.43
				16700.34		Economic Services	1921.85	17027.81	18949.66
				3457.16		Agriculture and Allied Activities	623.47	2502.27	3125.74
				934.88		Rural Development	0.00	1463.85	1463.85
				63.71		Special Area Programme	0.00	58.10	58.10
				7011.24		Irrigation and Flood Control	814.74	7247.04	8061.78*
				1342.35		Energy	0.00	1379.06	1379.06
				116.21		Industry and Minerals	(-)0.01	72.07	72.06
				3699.85		Transport	419.50*	4305.96	4725.46
				74.94		General Economic Services	64.15	(-)0.54	63.61
				0		Science Technology and Environment	0.00	0.00	0.00
975.08	V	Recoveries of Loans and Advances	865.11	1140.54	V	Loans and Advances disbursed			1114.63
446.09		From Power Projects	391.16	589.67		For Power Projects			196.44
249.23		From Government Servants	263.52	306.27		To Government Servants			603.30
279.76		From others	210.43	244.61		To Others			314.89
0.00	VI	Revenue surplus brought down	0.00		VI	Revenue deficit brought down			5338.37

Lower rounding * higher rounding

Appendix 1.5 (concl.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
29373.28	VII Public Debt receipts		37976.41	8827.78	VII Repayment of Public Debt				10043.10
0.00	External debt	0.00		0.00	External debt			0.00	
28831.02	Internal debt other than Ways and Means Advances and Overdraft	37392.47		7941.54	Internal debt other than Ways and Means Advances and Overdraft			9138.48	
0.00	Net transactions under Ways and Means Advances including Overdraft	0.00		0.00	Net transactions under Ways and Means Advances including Overdraft			0.00	
542.26	Loans and Advances from Central Government	583.94		886.24	Repayment of Loans and Advances to Central Government			904.62	
2350	VIII Appropriation from Contingency Fund		2962	4350	VIII Appropriation to Contingency Fund				962
4360	IX Contingency Fund		962	2350	IX Contingency Fund				2962
83021.94	X Public Account receipts		72747.20	68985.90	X Public Account disbursements				66412.16
4642.54	Small Savings and Provident Funds	4798.96		3382.99	Small Savings and Provident Funds			3590.29	
5908.54	Reserve Funds	7226.12		2750.84	Reserve Funds			3761.02	
17039.01	Suspense and Miscellaneous	(-)569.16 [#]		11817.00	Suspense and Miscellaneous			306.93	
24182.45*	Remittances	26435.49		24196.78	Remittances			26670.89	
31249.40	Deposits and Advances	34855.79		26838.29	Deposits and Advances			32083.03	
	XI Closing Overdraft from Reserve Bank of India		0.00	49648.41	XI Cash Balance at end				55552.60
				0.04	Cash in Treasuries			0.04	
	XII Inter State Settlement		0.00	(-)2323.40	Deposits with Reserve Bank			(-)3375.55	
				57.88	Local Remittances			53.48	
				5.65	Departmental Cash Balance			6.92	
				0.57	Permanent Advances			0.63	
				32996.05	Cash Balance Investment			36169.84	
				18911.62	Investment of earmarked balances			22697.24	
166963.76	Total		165178.02	166963.76	Total				165178.02

Source: Finance accounts of respective years

* Higher rounding # Lower rounding

Appendix 1.6

Outcome of analysis of budgetary assumptions during 2015-16

(Reference: Paragraph 1.1.3; Page 5)

(₹ in crore)

	Budget estimates	Actuals	Increase(+)/ Decrease (-)	Increase (+)/ Decrease(-) (in per cent)
1	2	3	4 (3-2)	5
Revenue Receipts	198231	185036	(-13195)	(-6.66)
<i>of which</i>				
Tax Revenue	130635	126608	(-4027)	(-3.08)
<i>Taxes on Sales, Trade etc.</i>	74617	69661	(-4956)	(-6.64)
<i>State excise</i>	13500	12470	(-1030)	(-7.63)
<i>Taxes on vehicles</i>	5694	6017	323	5.67
<i>Stamps and Registration fees</i>	21000	21767	767	3.65
<i>Taxes on Goods and Passengers</i>	1150	1582	432	37.57
<i>Land Revenue</i>	3200	1748	(-1452)	(-45.38)
<i>Taxes and duties on electricity</i>	7150	8506	1356	18.97
<i>Other taxes</i>	4324	4857	533	12.33
Non-Tax Revenue	20665	13423	(-7242)	(-35.04)
<i>Interest Receipts</i>	2974	3079	105	3.53
<i>Miscellaneous General Services</i>	2434	477	(-1957)	(-80.40)
<i>Non-ferrous Mining and Metallurgical Industries</i>	3000	3064	64	2.13
<i>Other Non-Tax Revenue</i>	12257	6803	(-5454)	(-44.50)
Share of Union Taxes and Duties	29062	28106	(-956)	(-3.29)
Grants-in-aid from GoI	17869	16899	(-970)	(-5.43)
Revenue Expenditure	201988	190374	(-11614)	(-5.75)
<i>of which</i>				
General Services	73883	64370	(-9513)	(-12.88)
<i>Administrative services</i>	20739	16628	(-4111)	(-19.82)
<i>Pension and Miscellaneous General Services</i>	18502	15468	(-3034)	(-16.40)
<i>Appropriation for reduction or avoidance of debt/ transfer to RF</i>	2220	2220	0	0
<i>Interest Payments</i>	27663	25771	(-1892)	(-6.84)
<i>Fiscal Services</i>	2774	2424	(-350)	(-12.62)
<i>Organs of State</i>	1985	1859	(-126)	(-6.35)
Social Services	84944	82317	(-2627)	(-3.09)
<i>Education, Sports, Art and Culture</i>	45495	42867	(-2628)	(-5.78)
<i>Social Welfare and Nutrition</i>	7349	11407	4058	55.22
<i>Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes</i>	10243	8237	(-2006)	(-19.58)
<i>Health and Family Welfare</i>	9490	9357	(-133)	(-1.40)
<i>Water Supply, Sanitation, Housing and Urban Development</i>	11085	9573	(-1512)	(-13.64)
<i>Information and Broadcasting</i>	90	83	(-7)	(-7.78)
<i>Labour and Labour Welfare</i>	1017	709	(-308)	(-30.29)
<i>Others</i>	175	82	(-93)	(-53.14)

Appendix 1.6 (concl.)

1	2	3	4 (3-2)	5
Economic Services	40833	38052	(-)2781	(-)6.81
<i>Agriculture and Allied Services</i>	8614	9660	1046	12.14
<i>Rural Development</i>	12823	5609	(-)7214	(-)56.26
<i>Special Area Programme</i>	5	1	(-)4	(-)80
<i>Irrigation and Flood Control</i>	2848	2758	(-)90	(-)3.16
<i>Energy</i>	6306	9404	3098	49.13
<i>Industry and Minerals</i>	3720	3279	(-)441	(-)11.85
<i>Transport and Communication</i>	4642 [#]	5541	899	19.37
<i>Science, Technology and Environment</i>	96	97	1	1.04
<i>General Economic Services</i>	1779	1703	(-)76	(-)4.27
Grants-in-aid and contributions	2328	5635	3307	142.05
Capital expenditure	27104	22793	(-)4311	(-)15.91
<i>Irrigation and Flood Control</i>	5862	8062	2200	37.53
<i>Transport and Communication</i>	3914	4725	811	20.72
<i>Energy</i>	1168	1379	211	18.07
<i>Health and Family Welfare</i>	552	651	99	17.90
<i>Education, Sports, Art and Culture</i>	236	114	(-)122	(-)51.69
<i>Water Supply, Sanitation, Housing and Urban Development</i>	591	950	359	60.74
<i>Rural Development</i>	6711	1464	(-)5247	(-)78.19
<i>Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes</i>	2238	709	(-)1529	(-)68.32
<i>Others</i>	5832	4739	(-)1093	(-)18.74
Revenue surplus (+)/ deficit (-)	(-)3757	(-)5338	(-)1581	42.08
Fiscal surplus (+)/ deficit (-)	(-)30733	(-)28364	2369	(-)7.71
Primary surplus (+)/ deficit (-)	(-)3070	(-)2593	477	(-)15.54

Source: Finance Accounts and Budget for 2015-16

[#] Lower rounding

Appendix

1.7

Time series data on
State Government Finances

(Reference: Paragraph 1.3; Page 7)

(₹ in crore)

	2011-12	2012-13	2013-14	2014-15	2015-16
(1)	(2)	(3)	(4)	(5)	(6)
Part A: Receipts					
1. Revenue Receipts	121286.14¹	142947.23	149821.81	165415.46	185035.68
(i) Tax Revenue	87608.46 (72)	103448.58 (72)	108597.96 (72)	115063.90 (69)	126608.11 (69)
Taxes on Agricultural Income	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)
Taxes on Sales, Trade, etc.	50596.36 (58)	60079.72 (58)	62530.03 (58)	67466.29 (59)	69660.82 (55)
State Excise	8605.47 (10)	9297.11 (9)	10101.12 (9)	11397.08 (10)	12469.56 (10)
Taxes on Vehicles	4137.42 (5)	5027.42 (5)	5095.92 (5)	5404.97 (5)	6017.19 (5)
Stamps and Registration fees	14407.49 (16)	17548.25 (17)	18675.98 (17)	19959.29 (17)	21766.99 (17)
Land Revenue	963.81 (1)	1074.02 (1)	1088.85 (1)	1272.38 (1)	1748.31 (1)
Taxes on Goods and Passengers	574.25 (1)	690.74 (1)	1240.68 (1)	586.56 (0)	1582.13 (1)
Other Taxes	8323.66 (9)	9731.32 (9)	9865.38 (9)	8977.33 (8)	13363.11 (11)
(ii) Non-tax Revenue	8167.70 (7)	9984.40 (7)	11351.97 (8)	12580.89 (8)	13423.01 (7)
(iii) State's share of Union taxes and duties	13343.34 (11)	15191.92 (11)	16630.43 (11)	17630.03 (11)	28105.95 (15)
(iv) Grants-in-aid from GoI	12166.64 (10)	14322.33 (9)	13241.45 (9)	20140.64 (12)	16898.61 (9)
2. Miscellaneous Capital Receipts	455.83	0	0	0	16.89
3. Recoveries of Loans and Advances	558.74	862.85	728.03	975.08	865.11
4. Total revenue and non-debt capital receipts (1 + 2 + 3)	122300.71	143810.08	150549.84	166390.54	185917.68
5. Public Debt Receipts	24452.56	21725.12	26734.80	29373.28	37976.41
Internal Debt (excluding Ways and Means Advances and Overdrafts)	24146.19	20974.33	25770.33	28831.02	37392.47
Net transactions under Ways and Means Advances and Overdraft	0	0	0	0	0
Loans and Advances from Government of India ²	306.37	750.79	964.47	542.26	583.94
6. Appropriation from Contingency Fund	1000	725	1350	2350	2962
7. Inter-State settlement	0	0	0	0	0
8. Total receipts in the Consolidated Fund (4+5+6+7)	147753.27	166260.20	178634.64	198113.82	226856.09
9. Contingency Fund Receipts	511.20	875.00	859.62	4360.00	962.00
10. Public Account receipts	53389.38	47059.63	64020.19	83021.94	72747.20
11. Total receipts of the State (8+9+10)	201653.85	214194.83	243514.45	285495.76	300565.29
Part B: Expenditure					
12. Revenue expenditure (per cent of 15)	123554.19 (87)	138735.98 (88)	154902.42 (88)	177553.12 (89)	190374.05 (89)
Plan	22035.04 (18)	24530.08 (18)	25910.34 (17)	31308.28 (18)	36056.40 (19)
Non-Plan	101519.15 (82)	114205.90 (82)	128992.08 (83)	146244.84 (82)	154317.65 (81)
General Services (incl. Interest payments)	42852.88 (35)	47665.67 (34)	53979.27 (35)	60485.77 (34)	64369.76 (34)
Social Services	54812.21 (44)	62038.97 (45)	70879.08 (46)	76952.49 (43)	82317.23 (43)
Economic Services	24868.75 (20)	27550.82 (20)	27991.32 (18)	37686.57 (21)	38051.97 (20)
Grants-in-aid and Contribution	1020.35 (1)	1480.52 (1)	2052.75 (1)	2428.29 (1)	5635.09 (3)
13. Capital Expenditure (per cent of 15)	17879.54 (12)	17397.98 (11)	20020.45 (11)	19523.47 (10)	22793.16 (10)
Plan	15031.38 (84)	15094.60 (87)	17681.42 (88)	16244.67 (83)	20165.05 (88)
Non-Plan	2848.16 (16)	2303.38 (13)	2339.03 (12)	3278.80 (17)	2628.11 (12)
General Services	795.91 (4)	901.69 (5)	1038.52 (5)	865.31 (4)	1259.28 (6)
Social Services	2096.95 (12)	1823.98 (10)	2273.94 (11)	1957.82 (10)	2584.22 (11)
Economic Services	14986.68 (84)	14672.31 (84)	16707.99 (83)	16700.34 (86)	18949.66 (83)

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

¹ Includes ₹ 170.23 crore, the outstanding central loans under Central Plan Schemes and Centrally Sponsored Schemes advanced to State Governments by the Ministries other than Ministry of Finance written off as per recommendation of the ThFC

² Includes Ways and Means Advances

Appendix 1.7 (contd.)

(1)	(2)	(3)	(4)	(5)	(6)
14. Disbursement of Loans and Advances (per cent of 15)	836.28 (1)	1415.94(1)	1645.10 (1)	1140.54 (1)	1114.63 (1)
15. Total (12+13+14)	142270.01	157549.90	176567.97	198217.13	214281.84
16. Repayments of Public Debt	6458.35	6652.52	10261.86	8827.78	10043.10
Internal Debt (excluding Ways and Means Advances and Overdrafts)	5837.92	5959.59	9391.09	7941.54	9138.49
Net transactions under Ways and Means Advances and Overdrafts	0	0	0	0	0
Loans and Advances from Government of India ³	620.43	692.93	870.77	886.24	904.61
17. Appropriation to Contingency Fund	500	875	850	4350	962
18. Total disbursement out of Consolidated Fund (15+16+17)	149228.36	165077.42	187679.83	211394.91	225286.94
19. Contingency Fund disbursements	1000.00	734.62	1360.00	2350.00	2962.00
20. Public Account disbursements	46962.93	35511.03	56434.89	68985.90	66412.16
21. Total disbursement by the State (18+19+20)	197191.29	201323.07	245474.72	282730.81	294661.10
Part C: Deficits					
22. Revenue Deficit(-)/Surplus (+) (1-12)	(-)2438.05⁴	4211.25	(-)5080.61	(-)12137.66	(-) 5338.37
23. Fiscal Deficit (-)/Surplus (+) (4-15)	(-)20139.53⁴	(-)13739.82	(-)26018.13	(-)31826.59	(-) 28364.16
24. Primary Deficit (-)/Surplus (+) (23-25)	(-)2634.90⁴	5335.82	(-)4811.09	(-)7861.85	(-) 2592.75
Part D: Other Data					
25. Interest Payments (included in revenue expenditure)	17504.63	19075.64	21207.04	23964.74	25771.41
26. Financial Assistance to local bodies etc.	55363.01	63767.90	68049.83	72710.98	82100.62
27. Ways and Means Advances/Overdraft availed (days)					
Ways and Means availed (days)	nil	8	5	27 days	nil
Overdraft availed (days)	nil	nil	nil	nil	nil
28. Interest on WMA/Overdraft	0	0.22	0.40	5.12	0
29. Gross State Domestic Product (GSDP)	1272967	1448466	1647506	1792122	1969184
30. Outstanding Fiscal liabilities (year-end)	245338	269047	293805	319746	351341
31. Outstanding guarantees (year-end)⁵ (including interest)	13977.44⁶	9245.72	7234.57	7999.45	7234.57
32. Maximum amount guaranteed (year-end)	28139.20	41352.75	32247.11	34563.60	32247.11
33. Number of ongoing projects	614	782	753	592	460⁷
34. Capital blocked in ongoing projects	43681.43	62152.25	62145.87	65146.79	49957.03⁷

³ Includes Ways and Means Advances from GoI

⁴ Excludes write-off of Central Loans (₹ 170.23 crore) from the Revenue Receipts

⁵ As per Finance Accounts of respective years

⁶ Differs from closing balance for the year 2011-12 owing to updated information furnished by State Government

⁷ Maharashtra Krishna Valley Development Corporation and Konkan Irrigation Development Corporation were yet to furnish the information

Appendix 1.7 (concl'd.)

(1)	(2)	(3)	(4)	(5)	(6)
<i>Part E: Fiscal Health Indicators</i>					
I Resource Mobilization					
Own Tax revenue/GSDP	6.88	7.14	6.59	6.42	6.43
Own Non-Tax Revenue/GSDP	0.64	0.69	0.69	0.70	0.68
Central Transfers/GSDP	1.05	1.05	1.01	0.98	1.43
II Expenditure Management					
Total Expenditure/GSDP	11.18	10.88	10.72	11.06	10.88
Total Expenditure/Revenue Receipts	117.30	110.20	117.90	119.80	115.81
Revenue Expenditure/Total Expenditure	86.84	88.10	87.70	89.60	88.84
Expenditure on Social Services/Total Expenditure	40.00	40.50	41.40	38.80	38.42
Expenditure on Economic Services/Total Expenditure	28.01	26.80	25.30	27.40	17.76
Capital Expenditure/Total Expenditure	12.57	11.00	11.30	9.80	10.64
Capital Expenditure on Social and Economic Services/Total Expenditure.	12.01	10.50	10.80	9.40	10.05
III Management of Fiscal Imbalances					
Revenue deficit /GSDP	(-)0.19	0.29	(-)0.31	(-)0.68	(-)0.27
Fiscal deficit/GSDP	(-)1.58	(-)0.95	(-)1.58	(-)1.78	(-)1.44
Primary Deficit (surplus) /GSDP	(-)0.21	0.37	(-)0.29	(-)0.44	(-)0.13
Revenue Deficit (surplus)/Fiscal Deficit	12.11	(-)30.65	19.53	38.14	18.82
Primary Revenue Deficit (surplus)/GSDP	1.18	1.03	0.98	0.66	1.04
IV Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP	19.27	18.57	17.83	17.84	17.84
Fiscal Liabilities/RR	202.30	188.21	196.10	193.30	189.88
Primary deficit vis-à-vis quantum spread (percentage)	(-)12.36	32.51	(-)28.84	(-)275.86	(-)36.86
Debt Redemption (Principal +Interest)/ Total Debt Receipts	87.19	103.03	102.79	97.16	82.55
V Other Fiscal Health Indicators					
Return on Investment	0.04	0.05	0.02	0.03	0.05
Balance from Current Revenue (₹ in crore)	10331	20332	14713	8224	22119
Financial Assets/Liabilities	0.80	0.80	0.80	0.80	0.80
<i>Source: Finance Accounts of the respective years</i>					

Appendix

1.8

Details of the Centrally Sponsored Schemes*(Reference: Paragraph 1.3.2.4; Page 16)*

Sr. No.	Name of the Scheme/ Ministry/ Department of Government of India	Year of commencement	Amount/Date of sanction of Government of India	Scheme details	Amount/ Date of surrender to Government of India
1	Strengthening and Modernization of Pest Management Approach in India	2004-05	₹ 45.00 lakh 06/12/2004	The amount was sanctioned for setting up of State Bio Control Laboratory. GoI revalidated the amount for 2005-06. The amount was not utilized and surrendered to GoI.	₹ 45.00 lakh July 2014
2	Village Grain Bank Scheme	2006-07	₹ 135.54 lakh 05/03/2007 ₹ 32.45 lakh 30/03/2007	GoI released ₹ 135.54 lakh during 2006-07 for establishing 1111 village grain bank out of which ₹ 132.13 lakh was utilized. GoI sanctioned ₹ 32.45 lakh in March 2007 for setting up 266 village grain bank. Due to non-receipt of revalidation for the balance amount of ₹ 3.42 lakh, the total unspent amount of ₹ 35.86 lakh was surrendered to GoI.	₹ 35.86 lakh July 2015
3	National Project on Organic Farming	2008-09	₹ 51.57 lakh 30/03/2009	The amount was released for organisation of various trainings and demonstration programme during 2008-09. The sanction was revalidated for 2009-10. The amount was not utilized and surrendered to GoI.	₹ 51.57 lakh July 2014
4	Scheme for preparation of Disaster Management Plan	2009-10	₹ 10.63 lakh 29/01/2010	The amount was released by GoI for preparation of State Disaster Management Plan in 2009-10. The amount was not utilized. The draft plan was uploaded for suggestion from other relevant departments and general public. The expenditure is done from the funds available with the department. Hence the amount is surrendered.	₹ 10.63 lakh May 2016
5	Central Plan Scheme of Livestock Census and Breed Survey		₹ 200.00 Lakh during 2014-15 and revalidated ₹ 11.07 lakh pertaining to 2013-14	Towards 19 th Livestock Census and Breed Survey for 2014-15, GoI sanctioned ₹ 200 lakh and revalidated ₹ 11.07 lakh during 2014-15. GoM utilized ₹ 168.25 lakh. No expenditure was incurred in 2015-16.	₹ 37.00 lakh February 2016
6	Poultry Development (Rural Backyard Poultry Development component)	2011-12	₹ 154.776 lakh for General Plan and ₹ 28.224 lakh for Special Component Plan 07/01/2014	Under this scheme, four weeks old reared chick is supplied at the cost of ₹ 30 per chick to BPL. GoI released ₹ 12.79 lakh in 2011-12 which was revalidated till 2013-14. It again released ₹ 183.00 lakh in 2013-14 which was revalidated for 2014-15. Due to increased cost of feed, transport etc. GoM decided to discontinue the scheme and submit fresh proposal under National Livestock Mission considering the cost at ₹ 50 per chick. The unspent amount of ₹ 183.00 lakh was surrendered to GoI.	₹ 183.00 lakh May 2016

Source: Information obtained from Principal Accountant General (Accounts and Entitlements)-I, Maharashtra, Mumbai

Appendix

1.9

Profile of ongoing projects of Public Works Department

(Reference: Paragraph 1.7.1.2; Page 34)

(₹ in crore)

Department		No. of incomplete projects	Initial budgeted cost	Revised total cost	Cost overrun	Cumulative actual expenditure as on 31 March 2016
PWD	Buildings	8	38.96	NA-I(B)	0	25.21
		4	17.00	NA-II(C)	0	15.00
	Roads	12	61.37	-	0	18.45
		9	6.15	NA-I(B)	0	107.81
	Bridges	2	10.36	-	0	0.58
		5	18.72	NA-I(B)	0	28.86
Total		40	152.56		-	195.91

Source: Appendix IX of Finance Accounts 2015-16

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

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

Appendix 1.10

Details of Government investments and accumulated losses in Government Companies as of September 2016

(Reference: Paragraph 1.7.2; Page 35)

(₹ in crore)

Sr. No.	Sector and name of the Company	Period of accounts	Year in which accounts finalised	State Government		Net profit/loss for the year	Accumulated loss of loss making companies
				Equity	Loans outstanding		
A. Working Government Companies							
AGRICULTURE AND ALLIED							
1	Maharashtra State Farming Corporation Limited.	2014-15	2015-16	2.75	107.90	(-)5.82	(-)235.38
Sector-wise total				2.75	107.90	(-)5.82	(-)235.38
FINANCE							
2	Kolhapur Chitranagri Mahamandal Limited	1998-99	2013-14	3.24	0.13	(-)0.14	(-)1.61
3	Maharashtra State Handlooms Corporation Limited	2014-15	2015-16	88.01	22.63	(-)6.40	(-)124.64
Sector-wise total				91.25	22.76	(-)6.54	(-)126.25
INFRASTRUCTURE							
4	Aurangabad Industrial Township Limited	2014-15	2016-17	-	-	(-)1.73	(-)1.73
5	Development Corporation of Konkan Limited ^a	2015-16	2016-17	8.81	5.92	(-)0.39	(-)15.03
Sector-wise total				8.81	5.92	(-)2.12	(-)16.76
MANUFACTURING							
6	Haffkine Ajintha Pharmaceuticals Limited	2014-15	2015-16	-	-	(-)2.88	(-)6.02
7	Maharashtra State Power looms Corporation Limited	2013-14	2015-16	12.77	0.20	(-)0.31	(-)11.22
Sector-wise total				12.77	0.20	(-)3.19	(-)17.24
POWER							
8	MSEB Holding Company Limited	2014-15	2015-16	87392.75	-	(-)137.85	(-)4110.46
9	Maharashtra Power Development Corporation Limited	2014-15	2014-15	-	-	(-)0.25	(-)1012.73
10	Maharashtra State Electricity Distribution Company Limited	2014-15	2015-16	6091.87	154.09	(-)462.15	(-)7087.13
Sector-wise total				93484.62	154.09	(-)600.25	(-)12210.32
MISCELLANEOUS							
11	Nagpur Flying Club Limited	2014-15	2016-17	0.85	-	(-)0.29	(-)1.31
Sector-wise total				0.85	0.00	(-)0.29	(-)1.31
Total A (All sector-wise working Government companies)				93601.05	290.87	(-)618.21	(-)12607.25

Appendix 1.10 (concl.)

Sr. No.	Sector and name of the Company	Period of accounts	Year in which accounts finalised	State Government		Net profit/loss for the year	Accumulated loss of loss making companies
				Equity	Loans outstanding		
B. Working Statutory corporations							
SERVICE							
1	Maharashtra State Road Transport Corporation	2014-15	2015-16	3146.21	200.00	(-)391.01	(-)1685.34
2	Maharashtra State Financial Corporation	2014-15	2015-16	34.28	136.31	(-)13.78	(-)687.90
Sector-wise total				3180.49	336.31	(-)404.79	(-)2373.24
Total B (All sector wise working)				3180.49	336.31	(-)404.79	(-)2373.24
Grand Total (A+B)				96781.54	627.18	(-)1023.00	(-)14980.50
C. Non-working Government Companies							
AGRICULTURAL & ALLIED							
1	Ellora Milk Products Limited	2014-15	2014-15	-	-	(-)0.01	(-)1.53
2	Parbhani Krishi Go-samvardhan Limited	2014-15	2015-16	-	-	(-)0.01	(-)1.02
3	Dairy Development Corporation of Marathwada Limited	2014-15	2015-16	-	-	(-)0.01	(-)3.09
4	Vidarbha Tanneries Limited	2014-15	2015-16	-	-	(-)0.0030	(-)1.21
5	Vidarbha Quality Seeds Limited	2013-14	2014-15	-	-	(-)0.0006	(-)0.40
Sector-wise total				-	-	(-)0.03	(-)7.25
INFRASTRUCTURE							
6	Development Corporation of Vidarbha	2014-15	2016-17	7.17	8.37	(-)0.18	(-)17.24
Sector-wise total				7.17	8.37	(-)0.18	(-)17.24
MANUFACTURING							
7	Godavari Garments Limited	2014-15	2015-16	0.00	0.00	0.00	(-)8.17
8	Maharashtra Electronics Corporation Limited	2014-15	2016-17	9.69	176.82	(-)19.68	(-)315.16
9	Maharashtra State Textiles Corporation Limited	2014-15	2015-16	236.15	173.91	(-)37.89	(-)916.42
10	The Gondwana Paints and Minerals Limited ^{**}	2015-16	2016-17	-	-	(-)0.08	(-)1.42
11	The Pratap Spinning, Weaving and Manufacturing Company Limited	2014-15	2015-16	-	-	(-)0.01	(-)63.88
Sector-wise total				245.84	350.73	(-)57.66	(-)1305.05
MISCELLANEOUS							
12	Leather Industries Corporation of Marathwada Limited	2014-15	2015-16	0.00	0.00	0.00	(-)6.71
Sector-wise total				0.00	0.00	0.00	(-)6.71
Total C (All sector wise non-working)				253.01	359.10	(-)57.87	(-)1336.24
Grand Total (A+B+C)				97034.55	986.28	(-)1080.87	(-)16316.75
<i>Source: Information received from Accountant General (Audit)-III, Maharashtra, Mumbai</i>							
<i>* Development Corporation of Konkan Limited (2014-15 finalised-Nov 2015)</i>							
<i>**The Gondwana Paints and Minerals Limited (2014-15 finalised - Feb 2016)</i>							

Appendix 1.11

Summarised financial statement of Departmentally managed Commercial/ Quasi-Commercial Undertakings

(Reference: Paragraph 1.7.2.1; Page 35)

Sr. No.	Name of the Undertaking	Year of commencement	Period of accounts	Mean Government Capital	Block Assets at depreciated cost	Depreciation provided during the year	Turnover	Net Profit (+)/ Loss (-)	Interest on Capital	Total Return (9+10)	Percentage return on capital
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Amount (₹ in lakh)											(in per cent)
AGRICULTURE, ANIMAL HUSBANDRY, DAIRY DEVELOPMENT AND FISHERIES DEPARTMENT											
Mumbai Region											
1	Greater Mumbai Milk Scheme, Worli	1947	2014-15	1015.65	1739.93	67.01	3588.85	(-)3637.58	106.64	(-)3530.94	(-)347.65
2	Milk Transport Scheme, Worli	1951	2006-07	261.62	65.00	6.27	872.07	0.00	27.47	27.47	10.50
3	Mother Dairy, Kurla	1975	2014-15	2397.71	1348.17	54.43	1431.75	(-)2286.63	251.76	(-)2034.87	(-)84.87
4	Central Dairy, Goregaon	1951	2014-15	9169.28	677.72	38.19	1202.09	(-)1883.08	962.77	(-)920.31	(-)10.04
5	Unit Scheme, Mumbai	1950	2014-15	3143.95	2508.66	71.17	0.00	61.33	330.11	391.44	12.45
6	Agricultural Scheme, Mumbai	1950	2014-15	991.84	964.64	20.82	0.00	(-)140.14	104.14	(-)36.00	(-)3.63
7	Electrical Scheme, Mumbai	1950	2014-15	419.51	10.52	0.61	0.00	(-)274.60	44.05	(-)230.55	(-)54.96
8	Water Supply Scheme, Mumbai	1950	2014-15	1381.06	838.60	18.80	0.00	(-)605.49	145.01	(-)460.48	(-)33.34
9	Cattle Feed Scheme, Mumbai	1950	2014-15	(-)132.38	17.82	0.61	0.00	413.66	(-)13.90	399.76	(-)301.98
10	Cattle Breeding and Rearing Farm, Palghar	1979	2013-14	124.54	50.96	0.01	0.00	(-)86.25	13.08	(-)73.17	(-)58.75
11	Dairy Project, Dapchari	1960	2014-15	1149.56	387.58	20.82	0.18	(-)1109.94	120.70	(-)989.24	(-)86.05
12	Government Milk Scheme, Bhiwandi	1987	2014-15	110.53	24.97	0.07	46.15	(-)44.65	11.61	(-)33.04	(-)29.89
13	Government Milk Chilling Centre, Saralgaon (Dist.: Thane)	1978	2014-15	0.00	11.36	0.25	0.00	(-)15.87	0.00	(-)15.87	0.00
14	Government Milk Scheme, Khopoli	1966	2014-15	354.11	118.98	9.24	655.05	(-)182.59	37.18	(-)145.41	(-)41.06
15	Government Milk Scheme, Mahad	1966	2014-15	136.85	65.70	9.01	0.00	(-)55.92	14.37	(-)41.55	(-)30.36
16	Government Milk Scheme, Chiplun	1966	2014-15	299.42	65.52	3.86	338.37	(-)150.92	31.44	(-)119.48	(-)39.90
17	Government Milk Scheme, Ratnagiri	1965	2014-15	584.49	100.79	3.03	357.33	(-)216.07	61.37	(-)154.70	(-)26.47
18	Government Milk Scheme, Kankavali	1966	2014-15	218.58	211.95	5.95	35.88	(-)125.76	22.95	(-)102.81	(-)47.04
	TOTAL	---		21626.32	9208.87	269.25	8527.72	(-)10340.50	2270.75	(-)8069.75	(-)37.31
Pune Region											
19	Government Milk Scheme, Pune	1950	2014-15	688.77	362.54	15.96	855.32	(-)1212.73	72.32	(-)1140.41	(-)165.57
20	Government Milk Scheme, Mahabaleshwar	1966	2014-15	148.28	39.71	2.73	0.00	(-)78.83	15.57	(-)63.26	(-)42.66
21	Government Milk Scheme, Satara	1979	2014-15	412.50	285.51	4.81	0.00	(-)316.68	43.31	(-)273.37	(-)66.27
22	Government Milk Scheme, Miraj	1961	2014-15	3018.14	441.70	25.10	1817.06	(-)1192.08	316.91	(-)875.17	(-)29.00
23	Government Milk Scheme, Solapur	1960	2014-15	131.51	25.28	1.73	0.00	(-)240.94	13.81	(-)227.13	(-)172.71
	TOTAL			4399.20	1154.74	50.33	2672.38	(-)3041.26	461.92	(-)2579.34	(-)58.63
Nashik Region											
24	Government Milk Scheme, Nashik	1960	2014-15	153.28	61.41	2.52	0	(-)249.25	16.09	(-)233.16	(-)152.11
25	Government Milk Scheme, Wani (Dist.: Nashik)	1978	2014-15	15.27	13.50	0.04	0	(-)45.48	1.60	(-)43.88	(-)287.36
26	Government Milk Scheme, Ahmednagar	1969	2014-15	296.81	115.08	8.94	0	(-)324.47	31.17	(-)293.30	(-)98.82
27	Government Milk Scheme, Chalisgaon	1969	2014-15	167.14	2.50	1.39	0	(-)90.62	17.55	(-)73.07	(-)43.72
28	Government Milk Scheme, Dhule	1961	2014-15	778.43	206.89	9.62	0	(-)284.93	81.73	(-)203.20	(-)26.10
	TOTAL			1410.93	399.38	22.51	0	(-)994.75	148.14	(-)846.61	(-)60.00

Appendix 1.11 (concl.d.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Aurangabad Region											
29	Government Milk Scheme, Aurangabad	1962	2014-15	1524.78	232.49	6.90	668.12	(-758.99)	160.10	(-598.89)	(-39.28)
30	Government Milk Scheme, Udgir	1971	2014-15	1922.93	668.79	35.25	473.95	(-561.37)	201.91	(-359.46)	(-18.69)
31	Government Milk Scheme, Beed	1976	2014-15	2437.39	529.97	16.20	582.14	(-795.85)	255.93	(-539.92)	(-22.15)
32	Government Milk Scheme, Nanded	1977	2014-15	1098.61	95.40	4.40	1326.73	(-607.89)	115.35	(-492.54)	(-44.83)
33	Government Milk Scheme, Bhoom	1978	2014-15	1147.77	127.23	6.03	827.12	(-409.36)	120.52	(-288.84)	(-25.17)
34	Government Milk Scheme, Parbhani	1979	2014-15	1924.15	63.02	2.88	667.45	(-449.36)	202.04	(-247.32)	(-12.85)
	TOTAL			10055.63	1716.90	71.66	4545.51	(-3582.82)	1055.85	(-2526.97)	(-25.13)
Amravati Region											
35	Government Milk Scheme, Amravati	1962	2014-15	1064.54	903.48	5.50	624.61	(-409.39)	111.78	(-297.61)	(-27.96)
36	Government Milk Scheme, Akola	1962	2014-15	1367.84	449.12	17.62	719.41	(-695.02)	143.62	(-551.40)	(-40.31)
37	Government Milk Scheme, Yavatmal	2000	2014-15	681.45	183.64	5.45	370.60	(-208.97)	71.55	(-137.42)	(-20.17)
38	Government Milk Scheme, Nandura	1979	2014-15	279.78	56.07	1.53	99.23	(-105.59)	29.38	(-76.21)	(-27.24)
	TOTAL			3393.61	1592.31	30.10	1813.85	(-1418.97)	356.33	(-1062.64)	(-31.31)
Nagpur Region											
39	Government Milk Scheme, Nagpur	1958	2014-15	0.00	80.15	6.65	14.09	(-631.65)	0.00	(-631.65)	0.00
40	Government Milk Scheme, Wardha	1976	2014-15	963.38	30.57	1.19	889.68	(-212.53)	101.16	(-111.37)	(-11.56)
41	Government Milk Scheme, Chandrapur	1979	2014-15	0.00	83.23	3.23	1490.55	(-231.34)	0.00	(-231.34)	0.00
42	Government Milk Scheme, Gondia	1979	2014-15	2818.98	130.63	2.26	1352.05	(-649.30)	295.99	(-353.31)	(-12.53)
	TOTAL			3782.36	324.58	13.33	3746.37	(-1724.82)	397.15	(-1327.67)	(-35.10)
Land Development Bulldozer Scheme											
43	Land Development by Bulldozer Scheme, Pune	1944	1994-95	144.26	77.47	4.52	46.75	(-72.83)	18.75	(-54.08)	(-37.49)
44	Land Development by Bulldozer Scheme, Aurangabad	1960	1998-99	32.99	1.05	0.00	2.02	(-23.42)	4.78	(-18.64)	(-56.50)
45	Land Development by Bulldozer Scheme, Amravati	1965	1995-96	2.82	0.41	0.00	1.80	(-4.46)	0.40	(-4.06)	(-143.97)
46	Land Development by Bulldozer Scheme, Nagpur	1996	1996-97	2.17	0.23	0.00	1.81	0.21	0.32	0.53	24.42
	TOTAL			182.24	79.16	4.52	52.38	(-100.50)	24.25	(-76.25)	(-41.84)
Revenue and Forest Department											
47	Allapalli and Pendigundam Forest Ranges of Forest Divisions including Saw mills and Timber Depot	1926	1985-86	1857.85	15.27	9.27	826.24	383.32	170.74	554.06	29.82
	TOTAL			1857.85	15.27	9.27	826.24	383.32	170.74	554.06	29.82
Food Civil Supplies and Consumer Protection Department											
48	Procurement and Distribution and Price Control Scheme in Mumbai and Thane Rationing Area	1959	2013-14	92224.91	156.36	17.20	62884.18	13952.73	4044.39	17997.12	19.51
49	Procurement and Distribution and Price Control Scheme in Mofussil Area	1957	2013-14	91750.60	2499.22	58.19	185675.23	(-20718.50)	8683.23	(-12035.27)	(-13.12)
	TOTAL			183975.51	2655.58	75.39	248559.41	(-6765.77)	12727.62	5961.85	3.24

Source: Proforma Accounts

Proforma accounts of Government Milk Scheme, Kankavali (2013-14- finalized June 2016); Procurement and Distribution and Price Control Scheme in Mumbai and Thane Rationing Area (2011-12 and 2012-13 – finalized October 2015); and Procurement and Distribution and Price Control Scheme in Mofussil Area (2011-12 and 2012-13– finalized October 2015) were received during the year 2015-16

Proforma accounts of Government Milk Scheme, Parbhani (2012-13 - finalized June 2016) was received during the year

Appendix 1.12

Summarised financial position of the Government of Maharashtra as on 31 March 2016

(Reference: Paragraph 1.8.1; Page 38)

		(₹ in crore)	
As on 31/03/2015	Liabilities	As on 31/03/2016	
228905.46	Internal Debt		257159.44
147494.98	Market Loans bearing interest	176492.46	
81.09	Market Loans not bearing interest	21.18	
716.76	Loans from LIC	507.04	
80612.63	Loans from other institutions	80138.76	
--	Ways and Means Advances/Overdrafts from Reserve Bank of India	--	
8549.25	Loans and Advances from Central Government		8228.57
6.73	Pre 1984-85 Loans	6.73	
64.13	Non-Plan Loans	58.31	
8478.39	Loans for State Plan Schemes	8163.53*	
0	Loans for Central Plan Schemes	0	
0	Loans for Centrally Sponsored Plan Schemes	0	
0	Ways and Means Advances	0	
2150	Contingency Fund		150.00
22312.81	Small Savings, Provident funds etc.		23521.48
50122.29	Deposits		52896.22
28767.72	Reserve Funds		32232.81
10951.33	Suspense and Miscellaneous Balances		10075.27
1152.50	Remittances		917.10
352911.36	TOTAL		385180.89
As on 31/03/2015	Assets	As on 31/03/2016	
212878.51	Gross Capital Outlay on Fixed Assets		235671.67
110671.69	Investments in shares of Companies, Corporations etc.	120310.97	
102206.82	Other Capital Outlay	115360.70	
21822.25	Loans and Advances		22071.77
6534.85	Loans for Power Projects	6340.12	
13992.70	Other Development Loans	14097.17	
1294.70	Loans to Government servants	1634.48	
11.50	Advances		12.66
49648.41	Cash		55552.60
0.04	Cash in Treasuries	0.04	
(-)2323.40	Deposits with Reserve Bank	(-)3375.55	
57.88	Local remittances	53.48	
5.65	Departmental Cash Balance	6.92	
0.57	Permanent Advances	0.63	
32996.05	Cash Balance Investments	36169.84	
18911.62	Investment of earmarked balances	22697.24	
69067.51	Deficit on Government Accounts		72405.90
12137.66	(i) Revenue surplus/deficit of the current year	(-)5338.37	
(-)0.15	(ii) Proforma correction		
2000	(iii) Amount closed to Government Accounts	(-)1999.98	
54930	Accumulated deficit upto 31 March 2015	69067.51	
	Capital Receipts		(-)533.71
(-)516.82	Upto previous year	(-)516.82	
0.00	During the year	(-)16.89	
352911.36	TOTAL		385180.89

Source: Finance Accounts of respective years

Explanatory Notes for Appendices 1.5, 1.7 and 1.12

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 1.12, 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 ₹ 101.18 crore (credit) between the figures reflected in the Accounts and that intimated by the Reserve Bank of India under "Deposits with Reserve Bank". The difference is mainly due to "Treasury/Bank difference of ₹ 101.18 crore.

* Lower rounding

Appendix 1.13

Active and inoperative Reserve funds

(Reference: Paragraph 1.8.3; Page 41)

(₹ in crore)				
Classification	Opening balance	Receipts	Payments	Closing balance
Active Reserve Funds				
8115-103 - Depreciation Reserve Fund - Road Transport Department Depreciation Fund	0.26	0.01	0	0.27
8121-109 - General Insurance Fund	139.71	232.56	227.46	144.81
8222 - Sinking Funds	18886.23	3785.62	0	22671.85
8229-101-Dev. Fund for Edu.- Library fund	43.31	128.49	144.04	27.76
8229-119 - Employment Guarantee Fund	9387.41	0.01	314.35	9073.07
Fund for Development schemes-Cotton price Fluctuation Fund	8.94	0	0	8.94
Consumer Protection Fund	11.29	0.75	0.51	11.53
Maharashtra Mining Development Fund	223.22	0	0	223.22
8235-200 - Other funds - Special fund for compensatory Afforestation	38.34	0	0	38.34
TOTAL	28738.71	4147.44	686.36	32199.79
Inoperative Reserve Funds				
8115-103 - Depreciation Reserve Fund Road Transport Department Betterment Fund	0.08	0	0	0.08
8121-101 - General and Other Reserve Funds of Government Commercial Departments/ Undertakings	0.06	0	0	0.06
8229-102 - Development Funds for Medical and Public Health	0.08	0	0	0.08
8229-104 - Development Funds for Animal Husbandry Purposes	0.12	0	0	0.12
8229-107 - Funds for Development of Milk Supply	1.10	0	0	1.10
8229-200 - Other Development and Welfare Fund - Guarantee reserve Fund	23.36	0	0	23.36
8229-200 - Other Development and Welfare Fund - State Transport Road Development Fund	0.24	0	0	0.24
8235-101-Calamity Relief Fund	0.33	0	0	0.33
8235-200 - Other funds - Food grains Reserve Funds	3.64	0	0	3.64
TOTAL	29.01	0	0	29.01
GRAND TOTAL	28767.72	4147.44	686.36	32228.80

Source: Finance Accounts 2015-16

Appendix

2.1

Grants/appropriations closed with excess over provisions during 2015-16 requiring regularisation

(Reference: Paragraph 2.3.1; Page 53)

(₹ in crore)

Sr. No.	Name and title of the Voted Grant/Charged appropriation	Total Grant	Expenditure	Excess
Revenue Section				
1	C06 Relief on account of Natural Calamities	7803.12	8028.40	225.28
2	O15 District Plan - Mumbai Suburban	194.26	206.95	12.69
3	O17 District Plan - Raigad	107.24	108.54	1.30
4	O20 District Plan - Pune	300.65	311.83	11.18
5	O25 District Plan - Nasik	225.12	270.17	45.05
6	O28 District Plan - Ahmednagar	237.96	240.43	2.47
7	O32 District Plan - Parbhani	95.20	97.74	2.54
8	O36 District Plan - Osmanabad	108.71	112.47	3.76
9	O37 District Plan - Hingoli	76.57	78.63	2.06
10	O38 District Plan - Nagpur	204.39	219.39	15.00
11	O39 District Plan - Wardha	105.05	119.12	14.07
12	O40 District Plan - Bhandara	73.13	76.74	3.61
13	O41 District Plan - Chandrapur	121.79	134.31	12.52
14	O42 District Plan - Gadchiroli	124.25	127.13	2.88
15	O43 District Plan - Gondia	77.63	77.93	0.30
16	O46 District Plan - Yavatmal	140.98	165.46	24.48
17	O47 District Plan - Buldhana	174.65	180.09	5.44
18	O48 District Plan - Washim	101.48	104.71	3.23
19	Q02 Administrative Services	0.70	0.73	0.03
20	W07 Revenue Expenditure on Removal of Regional Imbalance	15.80	18.82	3.02
Capital Section				
21	O16 District Plan - Thane	82.23	82.26	0.03
22	O18 District Plan - Ratnagiri	47.27	47.52	0.25
23	O23 District Plan - Solapur	93.83	112.52	18.69
24	O27 District Plan - Jalgaon	115.56	116.77	1.21
25	O30 District Plan - Aurangabad	80.07	85.96	5.89
26	O31 District Plan - Jalna	63.23	100.17	36.94
27	O35 District Plan - Latur	58.91	72.12	13.21
Charged Appropriation				
28	D01 Interest Payments (Revenue Section)	29.33	32.27	2.94
29	L01 Interest Payments (Revenue Section)	959.02	1053.43	94.41
30	K03 Stationery and Printing (Revenue Section)	0.04	0.06	0.02
31	U01 Interest Payments (Revenue Section)	4.32	4.48	0.16
32	C11 Internal debt of the State Government (Capital Section)	0.02	0.18	0.16
TOTAL		11822.51	12387.33	564.82

Source: Appropriation Accounts 2015-16

Appendix

2.2

Grants/appropriations closed with excess over provisions of previous years requiring regularisation

(Reference: Paragraph 2.3.1.1; Page 53)

(₹ in crore)

Year	Number of grant/appropriations	Grant/appropriation numbers	Amount of excess required to be regularised as commented in the Appropriation Accounts/ Audit Reports
2012-13	33/5	C-6, C-7, G-3, H-3, O-5, O-14, O-18, O-19, O-20, O-21, O-22, O-23, O-24, O-25, O-26, O-27, O-28, O-29, O-30, O-31, O-32, O-33, O-34, O-35, O-36, O-37, O-38, O-40, O-41, O-42, O-43, O-45, O-46, O-47, W-1, W-7, X-2	1004.17
2013-14	36/3	C-2, C-11, G-6, I-1, I-6, L-2, O-15, O-16, O-17, O-18, O-19, O-20, O-21, O-22, O-23, O-24, O-25, O-26, O-27, O-28, O-29, O-30, O-31, O-32, O-33, O-35, O-36, O-37, O-38, O-40, O-41, O-42, O-43, O-44, O-45, O-46, O-47, O-48, W-7	604.64
2014-15	29/3	C-05, G-09, I-06, M-04, O-15, O-17, O-18, O-20, O-21, O-23, O-25, O-27, O-28, O-29, O-30, O-31, O-33, O-34, O-35, O-36, O-37, O-38, O-40, O-41, O-42, O-43, O-44, O-45, O-46, O-47, O-48, ZC-01	3817.72
TOTAL	98/11		5426.53

Source: Appropriation Accounts of respective years

Appendix

2.3

**Persistent excess over provision
(at Grant level)***(Reference: Paragraph 2.3.1.2; Page 53)*

(₹ in crore)

Sr. No.	Grant Number	Name of the Voted Grant/Charged appropriation	2013-14	2014-15	2015-16
Revenue Section					
1	O15	District Plan - Mumbai Suburban	2.29	0.03	12.69
2	O37	District Plan - Hingoli	0.58	0.37	2.05
3	O38	District Plan - Nagpur	8.99	8.84	15.00
4	O40	District Plan - Bhandara	1.81	2.09	3.62
5	O41	District Plan - Chandrapur	5.30	5.87	12.52
6	O43	District Plan - Gondia	3.18	0.19	0.30
Capital Section					
7	O18	District Plan - Raigad	2.94	0.36	0.25
8	O27	District Plan - Jalgaon	36.73	8.96	1.21

Source: Appropriation Accounts of respective years

Appendix 2.4

Persistent excess over provision (at Sub-head level)

(Reference: Paragraph 2.3.1.2; Page 53)

(₹ in lakh)

Sr. No.	Grant	Major Head	Sub Major Head	Minor Head	SCH [#]	Sub-head	Sub-head Description	V/C [§]	2013-14	2014-15	2015-16
1	D05	2404	00	102	C	071	Cattle Breeding and Rearing Farm Palghar - Administration	V	0.86	1.15	3.12
2	D05	2404	00	231	C	204	Government Milk Scheme Gondia - Processing	V	0.26	0.16	19.69
3	G06	2071	01	108		025	Contributions to Provident Funds	V	5.22	16.25	2.10
4	G06	2071	01	105		23	Family Pensions sanctioned under section III of the New Pension Rules, 1950 - For Service after 1st April 1936	V	527.62	0.04	14935.26
5	G06	2071	01	115		59	Leave Encashment Benefits	V	36589.79	4.42	39075.43
6	G06	2071	01	109		53	State Aided Non Government Technical and Technological Colleges and Polytechnics	V	123.38	14.17	648.82
7	J01	2014	00	114		31	Maharashtra State Legal Services Authority	V	260.00	208.16	218.91
8	L03	2406	01	102	A	190	Work charged daily rated staff-on Regular Establishment under Social Forestry	V	94.00	30.91	0.30
9	M04	4408	01	101	A	888	Personal Deposit Debits (Mofussil)	V	959.70	361.04	26192.42
10	N03	2225	01	001		013	Establishment Grant to Zilla Parishad under Section 183 of the Maharashtra Zilla Parishad and Panchayat Samitis Act,1961 (Local Sector) (Paid by Treasury)	V	1.04	23.49	45.79
11	O25	4059	01	051		160	Tools and Plant Charges	V	0.01	0.25	0.81
12	O29	5054	04	800		460	Establishment Charges	V	28.77	16.42	4.17
13	O38	4210	03	105		151	Purchase of Machinery and Equipment for Hospital	V	11.12	31.09	34.85
14	R01	2210	06	101		090	National Malaria Eradication Programme - (Local Sector) (Central Share) Centrally Sponsored Scheme	V	71.42	10.48	374.77
15	R01	2210	06	101		93	B.C.G. Vaccination and T.B. Control Programme Centrally Sponsored Scheme (Central Share)	V	1978.64	1007.46	6053.69
16	S01	2210	05	105	C	253	Government Dental College, Nagpur	V	0.26	2.12	2.02
17	S01	2210	05	105		505	Government Medical College, Latur	V	30.55	0.07	4.40
18	T05	2225	02	796		C89	Government of India Post matric scholarship	V	7.86	0.04	56.83
19	T05	2225	02	796		139	Tribal Development Commissionerate (State Plan Scheme)	V	6.49	6.80	604.28
20	T06	4406	01	796		035	Development of Minor Forest Produce - State Plan Schemes (TASP) (District Level Scheme)	V	0.04	0.26	108.67
21	W02	2202	03	103		H08	Opening of New Colleges of Forensic Science/Institute of Forensic Science in the State	V	3.35	180.83	240.56
22	W03	2203	00	105		265	Establishment of New Government Polytechnics	V	313.03	96.05	231.11

Source: Appropriation Accounts of respective years

[#] Scheme [§] Voted/Charged

Appendix

2.5

**Insufficient supplementary provisions
(₹ one crore or more in each case)***(Reference: Paragraph 2.3.1.3; Page 53)*

(₹ in crore)

Sr. No.	Grant Number	Name of grant	Original provision	Supplementary provision	Total	Expenditure	Excess
1	C06	Relief on account of Natural Calamities	2163.56	5639.5591	7803.12	8028.40	225.28
2	O15	District Plan - Mumbai Suburban	194.26	0.0001	194.26	206.95	12.69
3	O17	District Plan - Raigad	107.24	0.0001	107.24	108.54	1.30
4	O20	District Plan - Pune	300.65	0.0001	300.65	311.83	11.18
5	O25	District Plan - Nasik	225.12	0.0001	225.12	270.17	45.05
6	O28	District Plan - Ahmednagar	237.96	0.0001	237.96	240.43	2.47
7	O32	District Plan - Parbhani	95.20	0.0001	95.20	97.75	2.55
8	O36	District Plan - Osmanabad	108.71	0.0001	108.71	112.47	3.76
9	O37	District Plan - Hingoli	76.57	0.0001	76.57	78.63	2.06
10	O38	District Plan - Nagpur	204.39	0.0001	204.39	219.39	15.00
11	O39	District Plan - Wardha	105.05	0.0001	105.05	119.12	14.07
12	O40	District Plan - Bhandara	73.13	0.0001	73.13	76.74	3.61
13	O41	District Plan - Chandrapur	121.79	0.0002	121.79	134.31	12.52
14	O42	District Plan - Gadchiroli	124.25	0.0001	124.25	127.13	2.88
15	O46	District Plan - Yavatmal	140.99	0.0001	140.99	165.46	24.47
16	O47	District Plan - Buldhana	174.65	0.0001	174.65	180.09	5.44
17	O48	District Plan - Washim	101.48	0.0001	101.48	104.71	3.23
18	W07	Revenue Expenditure on Removal of Regional Imbalance	11.06	4.7404	15.80	18.82	3.02
Revenue Charged							
19	L01	Interest Payments	876.34	82.6736	959.01	1053.43	94.42
Capital Voted							
20	O23	District Plan - Solapur	69.58	24.2580	93.84	112.52	18.68
21	O27	District Plan - Jalgaon	89.96	25.6020	115.56	116.77	1.21
22	O30	District Plan - Aurangabad	56.26	23.8100	80.07	85.97	5.90
23	O31	District Plan - Jalna	41.74	21.5000	63.24	100.17	36.93
24	O35	District Plan - Latur	32.94	25.9700	58.91	72.12	13.21
			5732.88	5848.1148	11580.99	12141.92	560.93

Source: Appropriation Accounts 2015-16

Appendix

2.6

Rush of expenditure during the last quarter and last month of 2015-16*(Reference: Paragraph 2.3.3; Page 54)*

Sr. No.	Grant Number	Major Head	Total Expenditure during the year	Expenditure during the last quarter of the year		Expenditure during March 2016	
				Amount (₹ in crore)	Percentage of total expenditure	Amount (₹ in crore)	Percentage of total expenditure
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
VOTED GRANTS							
1	F02	3054 Roads and Bridges	450.09	450.09	100.00	450.09	100.00
2	B10	5055 Capital Outlay on Road Transport	419.49	419.49	100.00	419.49	100.00
3	H08	4070 Capital Outlay on Other Administrative Services	146.45	146.45	100.00	146.45	100.00
4	L07	5054 Capital Outlay on Roads and Bridges	100.00	100.00	100.00	100.00	100.00
5	B03	3055 Road Transport	96.51	96.51	100.00	96.51	100.00
6	F07	6217 Loans for Urban Development	62.67	62.67	100.00	62.67	100.00
7	O34	4515 Capital Outlay on Other Rural Development Programmes	61.83	61.83	100.00	61.83	100.00
8	K10	4875 Capital Outlay on Other Industries	62.27	55.24	88.71	55.24	88.71
9	T06	4402 Capital Outlay on Soil and Water Conservation	59.59	53.28	89.41	52.57	88.22
10	O46	4515 Capital Outlay on Other Rural Development Programmes	87.28	76.19	87.29	74.88	85.79
11	Q03	2216 Housing	208.50	163.81	78.57	161.06	77.25
12	N04	4225 Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes & Minorities	206.53	201.05	97.35	158.92	76.95
13	F05	4217 Capital Outlay on Urban Development	427.35	342.90	80.24	325.91	76.26
14	O15	2216 Housing	56.00	53.46	95.46	40.29	71.95
15	ZE01	2235 Social Security and Welfare	275.40	203.47	73.88	196.50	71.35
16	T06	5054 Capital Outlay on Roads and Bridges	407.15	316.99	77.86	285.82	70.20
17	B11	7610 Loans to Government Servants etc.	293.26	210.06	71.63	200.48	68.36
18	S04	4210 Capital Outlay on Medical and Public Health	63.39	60.73	95.80	41.96	66.19
19	ZD04	3452 Tourism	220.24	204.39	92.80	144.66	65.68
20	T05	2702 Minor Irrigation	112.40	88.17	78.44	71.55	63.66
21	O10	4515 Capital Outlay on other Rural Development Programmes	692.93	552.68	79.76	437.93	63.20

Appendix 2.6 (concl.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
22	T06	4406 Capital Outlay on Forestry and Wild Life	78.15	62.58	80.08	48.20	61.68
23	T05	2225 Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	2108.74	1472.46	69.83	1295.95	61.46
24	T06	4225 Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes & Minorities	502.24	364.08	72.49	304.44	60.62
25	N02	2216 Housing	72.33	72.33	100.00	42.97	59.41
26	K07	2851 Village and Small Industries	162.79	103.00	63.27	95.57	58.71
27	H03	2216 Housing	321.98	216.62	67.28	186.99	58.07
28	L07	4402 Capital Outlay on Soil and Water Conservation	1105.12	640.17	57.93	620.40	56.14
29	A02	2015 Elections	328.18	215.94	65.80	173.42	52.84
30	T05	2801 Power	120.42	86.04	71.45	63.21	52.49
31	O08	3452 Tourism	114.87	114.03	99.27	58.88	51.26
32	B10	4070 Capital Outlay on other Administrative Services	438.60	224.43	51.17	224.40	51.16
33	ZD02	2205 Art and Culture	156.43	102.47	65.51	79.87	51.06
34	ZE02	4235 Capital Outlay on Social Securities and Welfare	75.35	75.35	100.00	38.36	50.91
35	H08	4059 Capital Outlay on Public Works	441.75	272.63	61.72	222.56	50.38
		TOTAL	10536.28	7941.59		7040.03	

Source: Appropriation Accounts, Consolidated Abstract for March 2016, Information from Principal Accountant General (Accounts and Entitlements)-I and Accountant General (Audit)-II, Nagpur

Appendix 2.7

Grants/appropriations which closed with savings of more than ₹ 10 crore each and more than 20 per cent of the total provisions (Reference: Paragraph 2.3.4; Page 54)

(₹ in crore)

Sr. No.	Grant Number	Name of the grant/appropriation	Total Grants/ Appropriations	Savings	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
1	A03	Public Service Commission (Revenue - Charged)	47.29	14.89	31
2	A04	Secretariat and Miscellaneous General Services (Revenue - Voted)	336.49	109.61	33
3	A05	Social Services (Revenue - Voted)	175.98	39.00	22
4	A09	Capital Outlay on Public Works (Capital - Voted)	72.90	64.86	89
5	B02	State Excise (Revenue - Voted)	135.75	27.45	20
6	B07	Economic Services (Revenue - Voted)	111.32	23.42	21
7	B10	Capital Expenditure on Economic Services (Capital - Voted)	1425.86	488.45	34
8	C04	Secretariat and Other General Services (Revenue - Voted)	101.68	62.59	62
9	E03	Secretariat and Other Social Services (Revenue - Voted)	368.51	105.02	28
10	E04	Capital Outlay on Education, Sports and Culture (Capital - Voted)	117.80	113.92	97
11	F03	Secretariat and Other Social Services (Revenue - Voted)	160.46	146.86	92
12	G01	Sales Tax Administration (Revenue - Voted)	701.27	206.77	29
13	G02	Other Fiscal and Miscellaneous Services (Revenue - Voted)	3611.53	3491.79	97
14	G06	Pensions and Other Retirement Benefits (Revenue - Charged)	43.46	21.79	50
15	G08	Capital Outlay on Other Administrative Services (Capital - Voted)	20.00	20.00	100
16	H04	Secretariat and Other Economic Services (Revenue - Voted)	49.79	10.84	22
17	H06	Public Works and Administrative and Functional Buildings (Revenue - Voted)	2619.40	525.37	20
18	H09	Capital Outlay on Removal of Regional Imbalance (Capital - Voted)	117.77	59.26	50
19	I04	Secretariat-Economic Services (Revenue - Voted)	45.35	27.19	60
20	J02	Secretariat and Other Social and Economic Services (Revenue - Voted)	87.21	17.91	21
21	K04	Labour and Employment (Revenue - Voted)	173.78	42.31	24
22	K07	Industries (Revenue - Charged)	276.70	276.70	100
23	K08	Secretariat - Economic Services (Revenue - Voted)	35.73	21.31	60
24	K10	Capital Expenditure on Industries (Capital - Voted)	124.89	62.00	50
25	L03	Rural Development Programmes (Revenue - Voted)	5582.38	1308.33	23
26	L07	Capital Expenditure on Rural Development (Capital - Voted)	3001.60	1664.83	55
27	M03	Secretariat and Other Economic Services (Revenue - Voted)	88.21	20.61	23
28	M04	Capital Expenditure on Food (Capital - Voted)	5247.37	1154.57	22
29	N01	Interest Payments (Revenue - Charged)	20.37	10.22	50
30	N02	Secretariat and Other Social Services (Revenue - Voted)	424.78	277.84	65

Appendix 2.7 (concl'd.)

(1)	(2)	(3)	(4)	(5)	(6)
31	N03	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes (Revenue - Voted)	10258.10	2196.44	21
32	N04	Capital Expenditure on Social Services (Capital - Voted)	1429.51	1202.41	84
33	O01	District Administration (Revenue - Voted)	206.00	69.10	34
34	O04	Other Rural Development Programmes (Revenue - Voted)	7744.20	7744.13	100
35	O09	Census, Survey and Statistics (Revenue - Voted)	59.26	15.64	26
36	O10	Capital Outlay on Other Rural Development Programmes (Capital - Voted)	6562.39	5868.95	89
37	O11	Capital Outlay on Hill Areas (Capital - Voted)	90.50	32.40	36
38	O14	District Plan - Mumbai City (Capital - Voted)	32.08	10.82	34
39	O15	District Plan - Mumbai Suburban (Capital - Voted)	44.74	13.00	29
40	O17	District Plan - Raigad (Capital - Voted)	43.75	11.92	27
41	O25	District Plan - Nasik (Capital - Voted)	110.97	51.11	46
42	O31	District Plan - Jalna (Revenue - Voted)	141.59	36.94	26
43	O39	District Plan - Wardha (Capital - Voted)	47.04	12.18	26
44	O45	District Plan - Akola (Capital - Voted)	48.14	26.23	54
45	Q03	Housing (Revenue - Voted)	544.31	335.44	62
46	T01	Interest Payments (Revenue - Charged)	32.51	15.27	47
47	T05	Revenue Expenditure on Tribal Areas Development Sub-Plan (Revenue - Voted)	5347.37	1374.04	26
48	T06	Capital Expenditure on Tribal Areas Development Sub-Plan (Capital - Voted)	1705.62	582.03	34
49	V01	Interest Payments (Revenue - Charged)	50.00	15.77	32
50	V02	Co-operation (Revenue - Voted)	1501.98	395.08	26
51	W01	Interest Payments (Revenue - Charged)	159.19	50.95	32
52	W08	Capital Outlay on Other Social Services (Capital - Voted)	23.02	22.62	98
53	W09	Loans to Government Servants, etc. (Capital - Voted)	43.57	14.10	32
54	Y02	Water Supply and Sanitation (Revenue - Voted)	2955.05	1445.30	49
55	ZA01	Secretariat and Other Social Services (Revenue - Voted)	149.65	101.79	68
56	ZD02	Art and Culture (Revenue - Voted)	209.56	53.13	25
57	ZD04	Tourism (Revenue - Voted)	307.32	87.08	28
58	ZE01	Minorities Development (Revenue - Voted)	407.80	128.33	31
		TOTAL	65580.85	32327.91	49

Source: Appropriation Accounts 2015-16

Appendix 2.8

Grants closed with savings of ₹ 100 crore and above

(Reference: Paragraph 2.3.4; Page 54)

(₹ in crore)

Sr. No.	Number and name of the grant	Original provision	Supple- mentary provision	Total	Actual expenditure	Savings	Percentage of savings (7)/(5)*100
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Revenue - Voted							
1	A04 Secretariat and Miscellaneous General Services	307.41	29.08	336.49	226.88	109.61	32.57
2	B01 Police Administration	11604.77	157.33	11762.10	10046.21	1715.89	14.59
3	C01 Revenue and District Administration	1738.54	47.71	1786.25	1468.39	317.86	17.79
4	C07 Forest	1620.01	425.43	2045.44	1763.58	281.86	13.78
5	D03 Agriculture Services	3589.26	1709.56	5298.82	4575.75	723.07	13.65
6	D04 Animal Husbandry	905.70	79.13	984.83	818.74	166.09	16.86
7	E02 General Education	38314.29	807.36	39121.65	35804.08	3317.57	8.48
8	E03 Secretariat and Other Social Services	325.38	43.14	368.52	263.49	105.03	28.50
9	F02 Urban Development and Other Advance Services	5764.75	1737.73	7502.48	6350.53	1151.95	15.35
10	F03 Secretariat and Other Social Services	158.96	1.50	160.46	13.61	146.85	91.52
11	F04 Compensation and Assignments to Local Bodies and Panchayati Raj Institutions	1034.39	3332.46	4366.85	4225.79	141.06	3.23
12	G01 Sales Tax Administration	656.72	44.55	701.27	494.50	206.77	29.49
13	G02 Other Fiscal and Miscellaneous Services	3611.53	0.00	3611.53	119.74	3491.79	96.68
14	G06 Pensions and Other Retirement Benefits	16454.92	0.00	16454.92	15315.89	1139.03	6.92
15	H05 Roads and Bridges	2471.07	1202.22	3673.29	3161.48	511.81	13.93
16	H06 Public Works and Administrative and Functional Buildings	2497.31	122.09	2619.40	2094.03	525.37	20.06
17	I03 Irrigation, Power and Other Economic Services	2163.25	236.28	2399.53	2082.63	316.90	13.21
18	J01 Administration of Justice	1258.32	97.00	1355.32	1119.15	236.17	17.43
19	K07 Industries	3594.48	122.67	3717.15	3076.47	640.68	17.24
20	L02 District Administration	3169.14	98.14	3267.28	3131.68	135.60	4.15
21	L03 Rural Development Programmes	4285.41	1296.97	5582.38	4274.05	1308.33	23.44
22	N02 Secretariat and Other Social Services	424.78	0.00	424.78	146.94	277.84	65.41
23	N03 Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	9277.47	980.63	10258.10	8061.67	2196.43	21.41
24	O03 Rural Employment	2436.83	280.00	2716.83	2239.86	476.97	17.56

Appendix 2.8 (concl.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
25	O04 Other Rural Development Programmes	7744.20	0.00	7744.20	0.06	7744.14	100.00
26	Q03 Housing	499.31	45.00	544.31	208.87	335.44	61.63
27	R01 Medical and Public Health	6522.13	1627.31	8149.44	6741.91	1407.53	17.27
28	S01 Medical and Public Health	2059.94	187.83	2247.77	2037.84	209.93	9.34
29	T02 Welfare of Scheduled Castes and Scheduled Tribes, Other Backward Classes and Minorities	1285.27	9.86	1295.13	1131.38	163.75	12.64
30	T05 Revenue Expenditure on Tribal Areas Development Sub-Plan	4812.10	535.27	5347.37	3973.33	1374.04	25.70
31	V02 Co-operation	984.79	517.20	1501.99	1106.90	395.09	26.30
32	W03 Technical Education	1719.71	202.38	1922.09	1698.15	223.94	11.65
33	X01 Social Security and Nutrition	2992.71	614.41	3607.12	3054.87	552.25	15.31
34	Y02 Water Supply and Sanitation	2835.89	119.16	2955.05	1509.74	1445.31	48.91
35	ZA01 Secretariat and Other Social Services	45.21	104.44	149.65	47.85	101.80	68.03
36	ZE01 Minorities Development	285.19	122.61	407.80	279.47	128.33	31.47
	Revenue - Charged						
37	G03 Interest Payments and Debt Servicing	27139.45	0.00	27139.45	25216.33	1923.12	7.09
38	K07 Industries	276.70	0.00	276.70	0.00	276.70	100.00
	Capital - Voted						
39	B10 Capital Expenditure on Economic Services	1047.31	378.55	1425.86	937.41	488.45	34.26
40	E04 Capital Outlay on Education, Sports and Culture	113.39	4.41	117.80	3.88	113.92	96.71
41	H08 Capital Expenditure on Public Works Administrative and Functional Buildings	928.05	619.55	1547.60	1184.26	363.34	23.48
42	I05 Capital Expenditure on Irrigation	6331.73	2596.50	8928.23	8276.43	651.80	7.30
43	L07 Capital Expenditure on Rural Development	2635.30	366.30	3001.60	1336.77	1664.83	55.46
44	M04 Capital Expenditure on Food	5220.55	26.83	5247.38	4092.81	1154.57	22.00
45	N04 Capital Expenditure on Social Services	1349.90	79.61	1429.51	227.10	1202.41	84.11
46	O10 Capital Outlay on Other Rural Development Programmes	6387.18	175.20	6562.38	693.43	5868.95	89.43
47	T06 Capital Expenditure on Tribal Areas Development Sub-Plan	1639.85	65.77	1705.62	1123.59	582.03	34.12
	Capital - Charged						
48	G09 Public Debt and Inter State Settlement	12294.05	0.00	12294.05	9417.21	2876.84	23.40
	TOTAL	214814.60	21249.17	236063.77	185174.73	50889.04	21.56

Source: Appropriation Accounts 2015-16

Appendix 2.9

Grants closed with savings of more than ₹ 100 crore persistently during 2011-16

(Reference: Paragraph 2.3.4.1; Page 54)

(₹ in crore)

Sr. No.	Number and Name of the Grant	Voted/Charged (V/C)	Amount of savings (per cent to total grants)				
			2011-12	2012-13	2013-14	2014-15	2015-16
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Revenue-Voted							
1	B01-Police Administration	V	476.99 (7.16)	762.73 (9.48)	945.88 (10.32)	1250.17 (12.28)	1715.89 (14.59)
2	C01-Revenue and District Administration	V	147.45 (12.97)	182.33 (13.46)	219.70 (14.46)	304.46 (19.15)	317.86 (17.79)
3	D03-Agriculture Services	V	199.42 (7.05)	618.29 (16.17)	571.55 (14.58)	839.80 (17.04)	723.07 (13.65)
4	E02-General Education	V	1340.98 (5.01)	1092.15 (3.75)	1094.41 (3.39)	1639.51 (4.67)	3317.57 (8.48)
5	F02-Urban Development and Other Advance Services	V	1050.60 (19.40)	1609.44 (27.52)	1906.39 (30.45)	1592.83 (26.08)	1151.96 (15.35)
6	G02-Other Fiscal and Miscellaneous Services	V	2305.18 (96.93)	2200.97 (96.87)	1321.62 (94.41)	153.76 (52.41)	3491.79 (96.68)
7	H05-Roads and Bridges	V	374.46 (10.98)	559.41 (17.18)	1314.12 (33.52)	575.69 (13.77)	511.81 (13.93)
8	H06-Public Works and Administrative and Functional Buildings	V	116.42 (6.93)	227.26 (10.56)	376.95 (15.34)	479.34 (19.06)	525.37 (20.06)
9	I03-Irrigation, Power and Other Economic Services	V	262.48* (10.76)	380.42 (15.84)	405.87 (15.46)	340.75 (14.94)	316.90 (13.21)
10	J01-Administration of Justice	V	128.01 (13.36)	260.05 (23.31)	254.45 (20.89)	536.97 (34.42)	236.17 (17.43)
11	L03-Rural Development Programmes	V	392.15 (16.63)	678.36 (17.61)	1316.67 (29.15)	1844.17 (26.63)	1308.33 (23.44)
12	N03-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	V	694.33 (13.01)	516.35 (8.33)	741.64 (9.11)	1395.91 (15.65)	2196.44 (21.41)
13	Q03-Housing	V	882.50 (47.65)	676.78 (38.89)	742.99 (46.33)	979.95 (67.35)	335.44 (61.63)
14	R01-Medical and Public Health	V	153.25 (4.22)	405.43 (8.92)	117.90 (2.40)	2552.99 (29.50)	1407.53 (17.27)
15	T05-Revenue Expenditure on Tribal Areas Development Sub-Plan	V	693.72 (24.15)	468.93 (14.80)	511.09 (14.47)	1114.16 (23.83)	1374.05 (25.70)
Capital-Voted							
16	B10-Capital Expenditure on Economic Services	V	300.80 (43.15)	160.75 (21.07)	467.05 (37.04)	467.00 (43.72)	488.45 (34.26)
17	H08-Capital Expenditure on Public Works Administrative and Functional Buildings	V	324.97 (30.48)	367.39 (30.28)	488.03 (34.86)	542.74 (38.04)	363.33 (30.68)
18	I05-Capital Expenditure on Irrigation	V	813.03 (8.98)	1237.32 (14.41)	1548.29 (16.25)	2993.76 (28.80)	651.80 (7.30)
19	N04-Capital Expenditure on Social Services	V	675.12 (52.41)	508.86 (49.71)	610.73 (55.75)	1007.96 (69.12)	1202.41 (84.11)
20	O10-Capital Outlay on Other Rural Development Programmes	V	2643.39 (77.43)	2156.94 (74.73)	2700.50 (78.83)	5286.10 (86.48)	5868.95 (89.43)
21	T06-Capital Expenditure on Tribal Areas Development Sub-Plan	V	474.41 (33.95)	824.93 (54.14)	177.04 (13.41)	731.39 (39.07)	582.03 (34.12)

Source: Appropriation Accounts of respective years

* Differs from earlier years due to reconciliation

Appendix 2.10

Unnecessary supplementary provisions (₹ 10 crore or more in each case)

(Reference: Paragraph 2.3.4.2; Page 55)

(₹ in crore)

Sr. No.	Appropriation number	Name of the appropriation	Original	Actual expenditure	Savings out of original provision	Supplementary Provision
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Revenue-Voted						
1	A04	Secretariat and Miscellaneous General Services	307.41	226.88	80.53	29.08
2	B01	Police Administration	11604.77	10046.21	1558.56	157.33
3	B07	Economic Services	90.74	87.90	2.84	20.58
4	C01	Revenue and District Administration	1738.54	1468.39	270.15	47.71
5	C02	Stamps and Registration	195.67	189.31	6.36	20.63
6	D04	Animal Husbandry	905.70	818.74	86.96	79.13
7	E02	General Education	38314.29	35804.08	2510.21	807.36
8	E03	Secretariat and Other Social Services	325.38	263.49	61.89	43.14
9	G01	Sales Tax Administration	656.72	494.50	162.22	44.55
10	H06	Public Works and Administrative and Functional Buildings	2497.31	2094.03	403.28	122.09
11	I03	Irrigation, Power and Other Economic Services	2163.25	2082.63	80.62	236.28
12	J01	Administration of Justice	1258.32	1119.15	139.17	97.00
13	K07	Industries	3594.48	3076.47	518.01	122.67
14	K08	Secretariat - Economic Services	19.11	14.42	4.69	16.63
15	L02	District Administration	3169.14	3131.68	37.46	98.14
16	L03	Rural Development Programmes	4285.41	4274.05	11.36	1296.97
17	N03	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	9277.47	8061.67	1215.80	980.63
18	O03	Rural Employment	2436.83	2239.86	196.97	280.00
19	Q03	Housing	499.31	208.87	290.44	45.00
20	S01	Medical and Public Health	2059.94	2037.84	22.10	187.83
21	T05	Revenue Expenditure on Tribal Areas Development Sub-Plan	4812.10	3973.33	838.77	535.27
22	W03	Technical Education	1719.71	1698.15	21.56	202.38
23	Y02	Water Supply and Sanitation	2835.89	1509.74	1326.15	119.16
24	ZE01	Minorities Development	285.19	279.47	5.72	122.61

Appendix 2.10 (concl'd.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Capital-Voted						
25	B10	Capital Expenditure on Economic Services	1047.31	937.41	109.90	378.55
26	H09	Capital Outlay on Removal of Regional Imbalance	96.16	58.51	37.65	21.61
27	L07	Capital Expenditure on Rural Development	2635.30	1336.77	1298.53	366.30
28	M04	Capital Expenditure on Food	5220.55	4092.81	1127.74	26.83
29	N04	Capital Expenditure on Social Services	1349.90	227.10	1122.80	79.61
30	O10	Capital Outlay on Other Rural Development Programmes	6387.18	693.43	5693.75	175.20
31	O25	District Plan - Nasik	88.06	59.86	28.20	22.91
32	O38	District Plan - Nagpur	95.61	92.50	3.11	12.75
33	O45	District Plan - Akola	30.16	21.91	8.25	17.98
34	T06	Capital Expenditure on Tribal Areas Development Sub-Plan	1639.85	1123.59	516.26	65.77
		TOTAL	113642.76	93844.75	19798.01	6879.68

Source: Appropriation Accounts 2015-16

Appendix 2.11

Cases of surrender of funds in excess of ₹ 50 crore on 30 and 31 March 2016

(Reference: Paragraph 2.3.4.3; Page 55)

(₹ in crore)

Sr. No.	Grant Number	Major Head	Amount Surrendered
(1)	(2)	(3)	(4)
Revenue Section			
1	B01	2055 Police	1674.69
2	C06	2245 Relief on account of Natural Calamities	1618.00
3	D03	2401 Crop Husbandry	631.80
4	D03	2415 Agricultural Research and Education	90.29
5	E02	2202 General Education	3288.18
6	E03	2204 Sports and Youth Services	64.08
7	F02	2217 Urban Development	1251.31
8	F03	2230 Labour and Employment	143.40
9	F04	3604 Compensation and Assignments to Local Bodies and Panchayati Raj Institutions	141.93
10	G01	2040 Taxes on Sales	194.64
11	G02	2070 Other Administrative Services	1616.19
12	G02	2075 Miscellaneous General Services	1874.23
13	G03	2049 Interest Payments	1675.84
14	J01	2014 Administration of Justice	262.68
15	K07	2852 Industries	320.40
16	K07	2853 Non-ferrous Mining and Metallurgical Industries	559.16
17	L02	2053 District Administration	131.00
18	L03	2501 Special Programmes for Rural Development	89.33
19	L03	2505 Rural Employment	200.04
20	L03	2702 Minor Irrigation	238.75
21	L03	3054 Roads and Bridges	697.80
22	N02	2216 Housing	268.04
23	N03	2225 Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	1919.69
24	N03	2235 Social Security and Welfare	211.22
25	O03	2505 Rural Employment	476.90
26	O04	2515 Other Rural Development Programmes	7744.13
27	Q03	2216 Housing	335.26
28	R01	2210 Medical and Public Health	1384.84
29	R01	2211 Family Welfare	113.67
30	S01	2210 Medical and Public Health	211.21
31	T02	2225 Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	151.56

Appendix 2.11 (concl.d.)

(1)	(2)	(3)	(4)
32	T05	2210 Medical and Public Health	279.77
33	T05	2215 Water Supply and Sanitation	207.41
34	T05	2225 Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	509.97
35	T05	2501 Special Programmes for Rural Development	103.74
36	T05	2505 Rural Employment	146.70
37	V02	2425 Co-operation	337.18
38	W02	2202 General Education	109.64
39	W03	2203 Technical Education	241.50
40	W04	2230 Labour and Employment	57.85
41	X01	2236 Nutrition	524.68
42	Y02	2215 Water Supply and Sanitation	1440.43
43	ZA01	2230 Labour and Employment	65.46
44	ZD02	2205 Art and Culture	53.05
45	ZD04	3452 Tourism	85.58
46	ZE01	2235 Social Security and Welfare	124.06
Capital Section			
47	A09	4059 Capital Outlay on Public Works	64.86
48	B10	4055 Capital Outlay on Police	377.07
49	B10	5055 Capital Outlay on Road Transport	107.07
50	E04	4202 Capital Outlay on Education, Sports, Art and Culture	113.92
51	G09	6003 Internal Debt of the State Government	2704.71
52	G09	6004 Loans and Advances from the Central Government	171.54
53	K10	4875 Capital Outlay on Other Industries	61.73
54	L07	4402 Capital Outlay on Soil and Water Conservation	1286.18
55	L07	4702 Capital Outlay on Minor Irrigation	129.33
56	L07	5054 Capital Outlay on Roads and Bridges	250.00
57	M04	4408 Capital Outlay on Food Storage and Warehousing	1416.57
58	N04	4225 Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes & Minorities	1097.09
59	N04	6225 Loans for Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	68.42
60	O10	4515 Capital Outlay on other Rural Development Programmes	5866.53
61	T06	4225 Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes & Minorities	466.66
62	Y06	4215 Capital Outlay on Water Supply and Sanitation	65.36
		TOTAL	48114.32

Source: Appropriation Accounts 2015-16

Appendix 2.12

Sub-head wise surrender of entire provision

(Reference: Paragraph 2.4.1.1; Page 57)

(₹ in crore)

Sr. No.	Description	Original and Supplementary Grant	Amount Reappropriated	Total Grant	Actual Expenditure
(1)	(2)	(3)	(4)	(5)	(6)
Grant No. H-6 Public Works and Administrative and Functional Buildings					
1.	2059.80.001.(58) (01) Public Works, General, Direction and Administration, Superintending Engineer, Nashik (Electrical) Supervision	10.07	10.07	0	0
2.	2059.80.001.(58) (02) Public Works, General, Direction and Administration, Superintending Engineer, Nashik (Electrical) Execution	366.66	366.66	0	0
TOTAL		376.73	376.73	-	-
Grant No. T-5 Revenue Expenditure on Tribal Areas Development Sub-Plan					
1	3055.00.796.004 Development, Construction and Repairs of S.T. Depos in Tribal Area	100	100	0	0
2	2235.02.796.B28 Sukanya Yojana for Overall Development of Girl Child Scheduled Tribes	100	100	0	0
3	2235.02.796.B27 Sukanya Yojana for Overall Development of Girl Child Scheduled Tribes	100	100	0	0
4	2230.03.796.607 Industrial Training Institutes- Expansion of Tribal Industrial Training Institute (State Level Scheme)	150	150	0	0
5	2225.02.796.D04 To give Training of Air Hostess, Cabin Crew, Hotel Management and Customer care to boys and girls of Scheduled Tribes	200	200	0	0
6	2225.02.796.186 Planning and Monitoring Cell-Tribal Research and Training Institute (OTASP) (Centrally Sponsored Scheme)	200	200	0	0
7	2425.00.796.085 Financial Assistance to Maharashtra State Co-operative Tribal Development Corporation-State Plan Scheme	200	200	0	0
8	2225.02.796.358 Implementation of Health Programme in Tribal Districts - State Plan Scheme (District Level Scheme)	355	355	0	0
9	2210.01.796.F98 National AYUSHI Mission (Central Share)	375	375	0	0
10	2225.02.796.408 Special Coaching classes for upgradation of Merit of Scheduled Tribes Students (Central Scheme)	500	500	0	0
11	2215.01.796.223 Hydrofracturing of Bore Well-Source Strengthening (District) (District Level Scheme)	530.16	530.16	0	0

Appendix 2.12 (concl.)

(1)	(2)	(3)	(4)	(5)	(6)
12	2236.02.796.173 Grants to Z P under Section 123 and 261 of the Maharashtra ZP and Panchayat Samitis Act, 1961 for Construction of Anganwadi Buildings (State Level Scheme)	600	600	0	0
13	2702.01.796.875 Discretionary Grants (Extension and Improvement) (State Level Scheme)	600	600	0	0
14	2425.00.796.086 Financial Assistance to Maharashtra State Co-operative Tribal Development Corporation - Special Central Assistance Scheme (Central Scheme)	800	800	0	0
15	2230.02.796.106 Setting up of Coaching Guidance Centres - Special Central Assistance Scheme (Central Scheme)	800	800	0	0
16	2406.01.796.865 Development of Tourism in Forest Areas (State Level Scheme)	1000	1000	0	0
17	2202.01.796.116 Training to the Teachers (Central Share 75 per cent)	1693.38	1693.38	0	0
18	2225.02.796.300 Central Sector Scheme for Development of Primitive Tribes Centrally Sponsored Scheme (Central Scheme)	4000	4000	0	0
19	2225.02.796.C96 Lump sum Provision for unbudgeted Revenue Outlay	20285.07	20285.07	0	0
	TOTAL	32588.61	32588.61	0	0

Source: Appropriation Accounts 2015-16

Appendix 2.13

Rush of expenditure during the last month of 2015-16 (Grant No. H-6 and T-5) (Reference: Paragraph 2.4.2; Page 58)

Sr. No	Sub-Head	Sub-head description	Total Expenditure	Expenditure incurred in March	Percentage of expenditure incurred in March
			(₹ in crore)		
Grant No. H-6 Public Works and Administrative and Functional Buildings					
1	2059 01 053 40527	Public works Office Building Maintenance and Repairs	13.55	10.61	78
2	2217 01 053 02527	Urban Development State Capital development Maintenance and Repairs	26.33	13.28	50
Grant No. T-5 Revenue Expenditure on Tribal Areas Development Sub-Plan					
3.	222502796 D27	Shabari Tribal Housing Scheme	70.00	70.00	100
4.	250101796 295	Financial Assistance for special Skill Development Project Under Maharashtra State Rural Livelihood Mission (Central Share)	19.71	19.71	100
5.	222502796 242	Central Assistance under Article 275(1) of the Constitution of India - Central Scheme	128.74	128.74	100
6.	222502796 C88	Central Sector Scheme for Development of Primitive Tribes	14.00	14.00	100
7.	222502796 355	Special Central Assistance Scheme - Integrated Schemes under Special Central Assistance Schemes - (State Scheme) (Central Scheme)	116.26	116.26	100
8.	222502796 D75	Pre Secondary Golden Jubilee Tribal Scholarship Scheme (State level Scheme)	82.00	81.16	99
9.	222502796 D12	Various Schemes for the development of Pardi Samaj	16.58	16.00	97
10.	222502796 D03	Pre Secondary Golden Jubilee Tribal Scholarship Scheme	125.08	116.13	93
11.	222502796 D66	Innovative Schemes	35.07	29.54	84
12.	222502796 D26	Skill Development Programme for Tribal Youths	14.07	11.74	83
13.	222502796 362	Improvement Integral Programme of Thakkar Bappa Tribal Bastis - State Plan Scheme (District and State Scheme)	248.56	207.09	83
14.	222502796 170	Nucleus Budget for Tribal Areas Sub-Plan - State Plan Scheme	34.51	26.93	78
15.	222502796 D73	Ashramshala Complex (State level Scheme)	103.77	66.60	64
16.	270280796 477	Local Sector Minor Irrigation Schemes in the Local Sector (0 to 100 Hectares) (District Level Scheme)	47.52	30.24	64
17.	223601796 141	Grants to Zilla Parishad under Section 123 and 261 of the Maharashtra Zilla Parishad & Panchayat Samitis Act, 1961 for Construction of Anganwadi Buildings (District Level Scheme)	25.12	15.40	61
18.	270280796 479	Kolhapur Type Weirs (0 to 100 Hectares) (District Level Scheme)	38.39	22.53	59
19.	222502796 C89	Government of India Post matric scholarship	45.57	25.50	56
20.	221006796 280	Upgradation of Primary Health Centres into Rural Hospitals - (District Level Scheme)	37.48	20.82	56
21.	250560796 065	Indira Awas Yojana-State Plan Scheme (OTASP) (District Level Scheme)	36.07	20.00	55
22.	221502796 986	Construction of Latrine under Nirmal Bharat Abhiyan (CSS)	64.96	35.11	54
23.	305404796 272	Ordinary (State Road Fund) (State Level Scheme)	19.00	10.18	54
Total			1362.34	1107.57	

Source: VLC section O/o the Accountant General (Accounts and Entitlements), Mumbai and Nagpur

Appendix 2.14

Cases of drawal from Contingency Fund where the expenditure was foreseeable

(Reference: Paragraph 2.5; Page 59)

Sr. No.	Sanction number and date	Department / Grant number / Major Head	Purpose for which drawn	Amount sanctioned (₹ in crore)
1	CNF-2015/CR2 Budget-16 date 30.05.2015	Urban Development Department F-5/4217	Provision for Nagpur Metro Rail Corporation Nagar Vikas Ltd.	0.50
2	CNF-2015/CR8 Budget-9 date 1.07.2015	Public Health Department R-1/2210	Provision for paying premium for health insurance scheme "Jeevandayi Arogya Yojana"	15.35
3	CNF-2015/CR15 Budget-7 date 15.09.2015	Social Justice and Special Assistance Department N-4/4225	Provision for purchase of house in London where Bharatratna Babasaheb Ambedkar lived during 1921-22.	32.00
4	CNF-2015/CR16 Budget-11 date 4.11.2015	Home Department B-1/2070	Provision for updation of National Population Register	1.00
5	CNF-2015/CR14 Budget-15 date 4.11.2015	Agriculture, Animal Husbandry, Diary Development and Fisheries Department D-5/2404	Funds required for converting additional milk into milk powder	28.35
TOTAL				77.20

Source: Contingency Fund sanction orders from respective departments

Appendix
2.15

Inoperative Personal Ledger Account
(Reference: Paragraph 2.7.3 ; Page 61)

Sr. No.	Name of Treasury	No. of accounts non-operative for one or more than one year	Balance as on 31 March 2016 (₹ in crore)
1	Ahmednagar	67	0.48
2	Akola	2	0.02
3	Amravati	2	15.44
4	Aurangabad	4	(-)0.56
5	Bhandara	1	0.35
6	Buldhana	19	12.96
7	Dhule	11	0.00
8	Gadchiroli	1	0.04
9	Hingoli	3	0.00
10	Jalna	3	0.11
11	Kolhapur	10	0.00
12	Latur	1	0.00
13	Nagpur	2	0.59
14	Nanded	24	0.34
15	Nandurbar	10	0.00
16	Osmanabad	1	0.00
17	Parbhani	7	0.07
18	Pune	232	0.77
19	Raigad	1	0.69
20	Sangli	21	0.37
21	Satara	2	0.01
22	Solapur	11	0.00
23	Thane	135	7.53
24	Washim	1	0.00
25	Yavatmal	11	1.00
	Grand Total	582	40.21

Source: Information obtained from Pr. Accountant General (Accounts and Entitlements) I, Mumbai, Accountant General (Audit) II, Nagpur and Pay and Accounts office

Appendix 3.1

Department-wise breakup of outstanding utilisation certificates

(Reference: Paragraph 3.1; Page 63)

Sr. No.	Department	Number of certificates	Amount (₹ in crore)
1	Agriculture, Animal Husbandry, Dairy Development and Fisheries	4383	676.67
2	Co-operation, Marketing and Textiles	644	5203.41
3	Employment and Self-Employment	15	29.36
4	Environment	51	31.84
5	Finance	4	0.08
6	Food, Civil Supplies and Consumer Protection	127	25.93
7	General Administration	140	222.09
8	Higher and Technical Education	355	1250.69
9	Home	413	581.16
10	Housing	74	6.79
11	Industries, Energy and Labour	636	2438.19
12	Law and Judiciary	206	8.83
13	Maharashtra Legislature Secretariat	33	2.68
14	Marathi Language	3	1.78
15	Medical Education and Drugs	53	63.88
16	Minority Development	511	421.44
17	Planning	12909	5670.00
18	Public Health	908	1942.72
19	Public Works	355	92.23
20	Revenue and Forests	5054	2521.13
21	Rural Development and Water Conservation	3894	2724.40
22	School Education and Sports	2192	2506.57
23	Social Welfare, Cultural Affairs and Sports	5531	1968.33
24	Tourism and Cultural Affairs	335	765.44
25	Tribal Development	9758	5541.82
26	Urban Development	2948	27032.30
27	Water Resources	9	0.11
28	Water Supply and Sanitation	1152	1070.90
29	Women and Child Development	3414	288.45
	TOTAL	56107	63089.22

Source : Finance Accounts 2015-16

Appendix

3.2

**Delay in submission of Accounts/
Audit Reports by Autonomous Bodies***(Reference: Paragraph 3.3; Page 64)*

Sr. No.	Name of the Body	Period of Entrustment/ Audit under Section of CAG's DPC Act, 1971	Year up to which Accounts were rendered	Due date of submission of Accounts to audit	Delay in submission of Accounts		Period up to which SAR is issued	Placement of SAR in the Legislature
					Accounts received on	Period of delay (in months)		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Maharashtra Housing and Area Development Authority (MHADA), Mumbai	01/04/2013 to 31/03/2018/ Section 20(1)	2014-15	June 2016	18/08/2016	02	2014-15	SAR 2012-13 Presented on 24/12/2014
2	Mumbai Metropolitan Region Development Authority (MMRDA), Mumbai	01/04/2014 to 31/03/2019/ Section 20(1)	2014-15	June 2015	05/11/2015	04	2014-15	No provision for presentation in MMRDA's Act
3	Maharashtra Jeevan Pradhikaran (MJP), Mumbai	01/04/2012 to 31/03/2017/ Section 20(1)	2013-14	June 2014	30/06/2015	12	2013-14	SAR 2011-12 presented on 29/07/2015
4	Maharashtra Krishna Valley Development Corporation (MKVDC), Pune	01/04/2011 to 31/03/2016/ Section 19(3)	2014-15	June 2015	11/12/2015	05	2014-15	SAR 2013-14 and 2014-15 presented on 03/08/2016
5	Konkan Irrigation Development Corporation (KIDC), Thane	01/04/2013 to 31/03/2018/ Section 19(3)	2014-15	June 2015	21/01/2016	07	2014-15	SAR 2013-14 presented on 11/04/2016
6	Maharashtra Maritime Board (MMB), Mumbai	01/04/2011 to 31/03/2016/ Section 20(1)	2014-15	June 2015	23/06/2016	12	2013-14	SAR 2004-05 presented on 17/12/2006
7	Maharashtra State Commission for Women (MSCW), Mumbai	01/04/2013 to 31/03/2018/ Section 19(3)	2013-14	June 2014	21/05/2015	11	2013-14	SAR 2012-13 presented on 30/03/2015
8	Maharashtra Pollution Control Board (MPCB), Mumbai	01/04/2013 to 31/03/2018/ Section 20(1)	2013-14	June 2014	11/03/2015	08	2013-14	SAR 2004-05 presented in April 2008
9	Slum Rehabilitation Authority (SRA), Mumbai	01/04/2011 to 31/03/2016/ Section 20(1)	2014-15	June 2015	09/11/2015	04	2014-15	SAR 2013-14 presented on 21/12/2015
10	Maharashtra Water Resources Regulatory authority (MWRRA)	01/04/2015 to 31/03/2020/ Section 20(1)	2015-16	June 2016	16/08/2016	02	2014-15	SAR 2014-15 presented on 12/04/2016
11	Rajiv Gandhi Science and Technology Commission (RGSTC)	01/04/2010 onwards till existence/ Section 19(3)	2014-15	June 2015	16/06/2015	Nil	2014-15	SAR 2005-06 to 2010-11 presented on 21/04/2012
12	Maharashtra Khadi and Village Industries Board (MSKVIB), Mumbai	01/04/2012 to 31/03/2017/ Section 20(1)	2011-12	June 2012	26/02/2013	08	2011-12	SAR 2008-09 presented on 15/12/2010

Appendix 3.2 (concl.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
13	Maharashtra State Legal Services Authority (MSLSA) Mumbai	The audit of State District Legal services Authorities have been taken under Section 19(2) of the CAGs (DPC) Act 1971	2008-09	June 2009	11/03/2010	08	2008-09	SAR yet to be presented
14	Maharashtra State Commission for Protection of Child Rights (MSCPCR)	The audit has been taken up as per Section 19(2) of CAG's (DPC) Act 1971	2014-15	June 2015	11/08/2015	01	2014-15	SAR yet to be presented from the first year of Audit 2008-09
15	Maharashtra State Human rights commission (MSHRC)	The audit has been taken under section 19(2) of the CAG's (DPC) Act 1971 read with rule 35(2) of the protection of Human rights Act, 1993	2002-03	June 2003	26/12/2014	138 months	2002-03	No provision in the Act for placement of SAR in the legislature
16	Maharashtra State Minorities Commission (MSMC)	The audit has been taken under section 19(3) of the CAG's (DPC) Act 1971 read with section 12(3) of Maharashtra State Minorities Commission Act, 2004	2008-09 2009-10 2010-11 2011-12	Audit entrusted from December 2011 June 2012	22/09/2015 22/09/2015 28/04/2016 28/04/2016	45 months 45 months 52 months 46 months	2011-12	SAR yet to be presented from the first year of audit 2005-06
17	Maharashtra Electricity Regulatory Commission (MERC)	Under Section 104 of the Electricity Act, 2003 read with section 20(1) of the DPC Act, 1971	2015-16	July 2016	01/08/2016	01 month	2014-15	SAR for 2010-11, 2011-12 and 2012-13 is placed on 23/12/2014. SAR for 2013-14 placed on 16/03/2016. SAR of 2014-15 is placed on 07/04/2016
18	Tapi Irrigation Development Corporation (TIDC), Jalgaon	01/04/2013 to 31/03/2018 Section 19	2013-14 2014-15	30/06/2014 30/06/2015	06/10/2015 27/06/2016	15 months 12 months	2012-13	SAR for the year 2012-13 placed in December 2015
19	Vidharba Irrigation Development Corporation (VIDC), Nagpur	01/04/2012 to 31/03/2017 Section 19(3)	2013-14 2014-15	30/06/2014 30/06/2015	08/12/2015 08/12/2015	17 months 05 months	2011-12 2012-13	SAR for the year 2011-12 and 2012-13 placed on 18/12/2015
20	Godavari Marathwada Irrigation Development Corporation (GMIDC), Aurangabad	01/04/2014 to 31/03/2019 Section 19(3)	2013-14 2014-15	30/06/2014 30/06/2015	27/10/2015 15/07/2016	16 months 12 months	2012-13	SAR for 2012-13 yet to be presented
21	Maharashtra Water Conservation Corporation (MWCC), Aurangabad	Entrustment awaited	2011-12	30/06/2012	28/03/2014	-	-	-

Source: Information obtained from the Offices of Pr. Accountant General (Audit)-I, Mumbai; Accountant General (Audit), II, Nagpur; and Accountant General (Audit)-III, Mumbai

Appendix

3.3

Status of finalisation of Accounts and Government investments in Departmentally managed Commercial and Quasi-Commercial Undertakings

(Reference: Paragraph 3.4; Page 65)

Sr. No.	Name of Undertaking	Accounts finalised up to	Investment as per the last Accounts (₹ in crore)	Remarks/Reasons for delay in preparation of Accounts
(1)	(2)	(3)	(4)	(5)
Agriculture, Animal Husbandry, Dairy Development and Fisheries Department				
Mumbai Region				
1	Greater Mumbai Milk Scheme, Worli	2014-15	22.60	
2	Milk Transport Scheme, Worli	2006-07	2.34	MTS Worli has been closed vide Government order dated 17/07/2008
3	Mother Dairy, Kurla	2014-15	36.94	
4	Central Dairy, Goregaon	2014-15	80.67	
5	Unit Scheme, Mumbai	2014-15	30.33	
6	Agricultural Scheme, Mumbai	2014-15	10.45	
7	Electrical Scheme, Mumbai	2014-15	5.16	
8	Water Supply Scheme, Mumbai	2014-15	15.57	
9	Cattle Feed Scheme, Mumbai	2014-15	(-)3.33	
10	Cattle Breeding and Rearing Farm, Palghar	2013-14	1.57	
11	Dairy Project, Dapchari	2014-15	16.87	
12	Government Milk Scheme, Gove-Bhiwandi	2014-15	0.80	
13	Government Milk Chilling Centre, Saralgaon, Thane	2014-15	0.27	
14	Government Milk Scheme, Khopoli	2014-15	3.50	
15	Government Milk Scheme, Mahad	2014-15	1.56	
16	Government Milk Scheme, Chiplun	2014-15	2.15	
17	Government Milk Scheme, Ratnagiri	2014-15	5.54	
18	Government Milk Scheme, Kankavali	2014-15	2.67	
Pune Region				
19	Government Milk Scheme, Pune	2014-15	13.41	
20	Government Milk Scheme, Mahabaleshwar	2014-15	1.18	
21	Government Milk Scheme, Satara	2014-15	5.49	
22	Government Milk Scheme, Miraj	2014-15	31.74	
23	Government Milk Scheme, Solapur	2014-15	2.63	
Nagpur Region				
24	Government Milk Scheme, Nagpur	2014-15	1.25	
25	Government Milk Scheme, Wardha	2014-15	10.22	
26	Government Milk Scheme, Chandrapur	2014-15	(-)9.74	
27	Government Milk Scheme, Gondia	2014-15	32.32	

Appendix 3.3 (concl.)

(1)	(2)	(3)	(4)	(5)
Aurangabad Region				
28	Government Milk Scheme, Aurangabad	2014-15	16.68	
29	Government Milk Scheme, Udgir	2014-15	38.46	
30	Government Milk Scheme, Beed	2014-15	25.21	
31	Government Milk Scheme, Nanded	2014-15	11.54	
32	Government Milk Scheme, Bhoom	2014-15	13.62	
33	Government Milk Scheme, Parbhani	2014-15	25.57	
Nashik Region				
34	Government Milk Scheme, Nashik	2014-15	3.07	
35	Government Milk Scheme, Dhule	2014-15	0.61	
36	Government Milk Scheme, Chalisgaon	2014-15	4.38	
37	Government Milk Scheme, Ahmednagar	2014-15	1.96	
38	Government Milk Scheme, Wani	2014-15	7.30	
Amravati Region				
39	Government Milk Scheme, Amravati	2014-15	13.31	
40	Government Milk Scheme, Akola	2014-15	17.93	
41	Government Milk Scheme, Yavatmal	2014-15	9.01	
42	Government Milk Scheme, Nandura	2014-15	3.56	
Agriculture, Animal Husbandry, Dairy Development and Fisheries Department				
43	Land Development by Bulldozer Scheme, Pune	1994-95	4.00	These are sick units with no operations. Hence they have stopped preparing Accounts
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 and Timber Depot	1985-86	0.00	These are sick units with no operations. Hence they have stopped preparing Accounts
Food, Civil Supplies and Consumer Protection Department				
48	Procurement, Distribution and Price Control Scheme in Mumbai and Thane Rationing Area	2013-14	1,031.41	
49	Procurement, Distribution and Price Control Scheme in Mofussil Area	2013-14	893.13	
	TOTAL		2469.03	

Source: Proforma Accounts

Appendix

3.4

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

(Reference: Paragraph 3.5; Page 65)

(₹ in lakh)

Name of the Department	Upto 5 years	5-10yrs	10-15 yrs	15-20 yrs	20-25 yrs	25 yrs and more	TOTAL
Agriculture, Animal Husbandry, Dairy Development and Fisheries	5 (18.87)	5 (0.09)	4 (3.89)	6 (11.88)	4 (3.30)	56 (33.96)	80 (71.99)
Co-operation, Marketing and Textile	0 (0.00)	0 (0.00)	1 (10.83)	1 (0.53)	0 (0.00)	0 (0.00)	2 (11.36)
Finance	0 (0.00)	0 (0.00)	2 (53.96)	19 (370.25)	1 (0.70)	4 (1.68)	26 (426.59)
Food, Civil Supplies and Consumer Protection	1 (4.97)	0 (0.00)	1 (3.05)	0 (0.00)	5 (19.68)	3 (8.56)	10 (36.26)
General Administration	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	2 (2.58)	2 (2.58)
Higher and Technical Education	1 (1.39)	0 (0.00)	1 (29.65)	0 (0.00)	1 (290.36)	0 (0.00)	3 (321.40)
Home	4 (4.56)	3 (428.38)	6 (18.15)	4 (12.27)	6 (17.65)	8 (5.97)	31 (486.98)
Housing	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	1 (0.07)	1 (0.07)
Industries, Energy and Labour	1 (0.94)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	1 (0.94)
Law and Judiciary	2 (0.79)	2 (0.28)	1 (0.01)	1 (0.04)	0 (0.00)	0 (0.00)	6 (1.12)
Marathi Language	1 (2.69)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	1 (2.69)
Medical Education and Drugs	0 (0.00)	2 (4.82)	0 (0.00)	1 (7.96)	0 (0.00)	2 (7.02)	5 (19.80)
Milk Supply Development	1 (0.73)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	1 (0.73)
Planning	2 (0.29)	4 (0.46)	4 (0.27)	1 (0.00)	0 (0.00)	0 (0.00)	11 (1.02)
Public Health	2 (1368.98)	3 (1313.53)	12 (3528.49)	1 (1.19)	1 (4.59)	2 (2.32)	21 (6219.10)
Public Works	1 (0.00)	1 (0.00)	0 (0.00)	3 (0.57)	6 (1.15)	9 (8.22)	20 (9.94)
Revenue and Forests	3 (0.96)	2 (63.74)	3 (3.82)	0 (0.00)	1 (0.08)	27 (16.65)	36 (85.25)
Rural Development and Water Conservation	0 (0.00)	0 (0.00)	1 (0.35)	6 (150.84)	3 (100.47)	7 (7.14)	17 (258.80)
School Education and Sports	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	1 (2.02)	1 (2.02)
Social Justice and Special Assistance	1 (48.00)	0 (0.00)	0 (0.00)	2 (6.27)	0 (0.00)	4 (87.92)	7 (142.19)
Tribal Development	3 (9.43)	3 (0.23)	0 (0.00)	1 (3.28)	0 (0.00)	0 (0.00)	7 (12.94)
Water Resources	25 (18.58)	29 (23.48)	5 (1.28)	0 (0.00)	3 (5.03)	2 (0.50)	64 (48.87)
Water Supply and Sanitation	2 (2.65)	2 (4.05)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	4 (6.70)
TOTAL	55 (1483.83)	56 (1839.06)	41 (3653.75)	46 (565.08)	31 (443.01)	128 (184.61)	357 (8169.34)

Source: Information obtained from respective Departments; Pay and Accounts Office, Mumbai; Accountant General (Audit)-II, Maharashtra, Nagpur
 Figures in parenthesis indicate the amount of misappropriation, loss, defalcation etc.

Appendix 3.5

Department-wise/category-wise details of losses to Government due to theft, misappropriation/loss of Government material (Reference: Paragraph 3.5; Page 65)

(₹ in lakh)

Name of the Department	Theft cases		Misappropriation/loss of Government material		Total	
	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
Agriculture, Animal Husbandry, Dairy Development and Fisheries	6	5.75	74	66.24	80	71.99
Co-operation, Marketing and Textiles	1	0.53	1	10.83	2	11.36
Finance	1	13.89	25	412.70	26	426.59
Food, Civil Supplies and Consumer Protection	1	4.97	9	31.29	10	36.26
General Administration	0	0	2	2.58	2	2.58
Higher and Technical Education	1	1.39	2	320.01	3	321.40
Home	1	4.25	30	482.73	31	486.98
Housing	0	0	1	0.07	1	0.07
Industries, Energy and Labour	0	0	1	0.94	1	0.94
Law and Judiciary	4	0.56	2	0.56	6	1.12
Marathi Language	0	0	1	2.69	1	2.69
Medical Education and Drugs	0	0	5	19.80	5	19.80
Milk Supply Development	1	0.73	0	0	1	0.73
Planning	10	0.89	1	0.13	11	1.02
Public Health	0	0	21	6219.10	21	6219.10
Public Works	1	0	19	9.94	20	9.94
Revenue and Forests	3	3.44	33	81.81	36	85.25
Rural Development and Water Conservation	2	3.51	15	255.29	17	258.80
School Education and Sports	0	0	1	2.02	1	2.02
Social Justice and Special Assistance	0	0	7	142.19	7	142.19
Tribal Development	2	1.80	5	11.14	7	12.94
Water Resources	50	21.87	14	27.00	64	48.87
Water Supply and Sanitation	4	6.70	0	0	4	6.70
TOTAL	88	70.28	269	8099.06	357	8169.34

Source: Information obtained from respective Departments; Pay and Accounts Office, Mumbai; Accountant General (Audit)-II, Maharashtra, Nagpur

Appendix

3.6

Details of sub-heads (schemes) booked under Minor Head 800 for the year 2015-16

(Reference: Paragraph 3.6; Page 66)

Major Head	Sub Major Head	Minor Head	Sub-head description	Amount (₹ in crore)
(i) Other Receipts				
6216	80	800	Loans to Co-operative Housing Societies of Government Servants, Zilla Parishad Employees	54.20
0216	02	800	800(02)- Licence Fee from Slum Dwellers	51.65
TOTAL				105.85
(ii) Other Expenditure				
2801	05	800	800(00)(01)-Subsidy to the Distribution/Transmission Licensee for reduction in Agriculture and Power loom Tariff (3 years)	7716.83
2217	80	800	800(00)(03)- Grant-in-aid to Urban Local Bodies in accordance to the 14th Finance Commission (CSS)	1197.07
2801	05	800	800(00)(06)- Grant-in-aid to Maharashtra State Power Distribution Company Limited for Removal of Regional Imbalance of Agriculture Pump sets/Rural Electrification (3 years)	1039.00
2210	06	800	800(01)(18)-National Rural Health Mission	640.23
2701	80	800	800(03)(01) - Interest	569.07
2210	06	800	800 (01) (15)-National Rural Health Mission (State Share) Centrally Sponsored Scheme	411.13
4801	02	800	800(01)(07)- Capital Investment in Koradi TSP Extension	387.95
4801	05	800	800(00)(02)-Gaothan Feeder Separation Scheme and Infrastructure Development (3 years)	337.00
4070	00	800	800(00)(05)-Construction of Maharashtra State Police Housing	247.43
2801	05	800	800(00)(09)-Grant in Aid to MSEDCL for Street Lights to Scheduled Caste and Nav Bouddha Basti under SCP	212.33
4801	02	800	800(00)(08)-Capital Investment in Chandrapur Thermal Extension Project (3 years)	206.15
2217	80	800	800(00)(02)- Grants-in-aid for expenditure on Planning and Implementation of Sinhasta Kumbha Mela.	178.60
4070	00	800	800(00)(11)-Construction of Office Building for Police Department of Maharashtra State Police Housing	149.67
4070	00	800	800(00)(01)-Major Works	146.45
2210	06	800	800(01)(16)-National Rural Health Mission	102.63
2210	06	800	800 (01)(19)-National Urban Health Mission	91.94
4515	00	800	800(63)(01)-Other District Schemes	87.28
2701	80	800	800(02)(05)-S.E.T.I.C Thane	87.05
2216	80	800	800(00)(02)-Payment to Maharashtra Housing and Area Development authority as Government contribution to Bombay Building Repairs and Reconstruction Fund	74.28
4515	00	800	800(01)(01)-Pradhan Mantri Gram Sadak Yojana	71.00

Appendix 3.6 (concl.d.)

Major Head	Sub Major Head	Minor Head	Sub-head description	Amount (₹ in crore)
2210	06	800	800(01)(20)-National Urban Health Mission Centrally Sponsored Scheme (Central Share 25 per cent)	67.81
4515	00	800	800(51)(01)-Other District Schemes	61.83
4515	00	800	800(52)(01)-Other District Schemes	59.31
2810	60	800	800(00)(05)- Expenditure met from Maharashtra Energy Development Fund	58.80
2216	03	800	800(00)(01)-Gharkul Yojana for Scheduled Castes and Nav Boudh	58.33
2701	80	800	800(16)(01)- Maintenance and Receipts works under XIII Finance Commission Grants	58.16
4515	00	800	800(32)(01) - Removal and Rehabilitation of Slum Dwellers	56.00
2216	80	800	800(00)(05)-Payment of cess collection to Maharashtra Housing and Area Development Authority for credit to Bombay Building Repairs and Reconstruction Fund	55.28
4055	00	800	800(00)(05)- Installation of CCTV Surveillance System in public places	54.46
4801	02	800	800(01)(05)- Capital Investment in Bhusaval TPS Expansion	43.53
2210	06	800	800(01)(21)- Revised National Tuberculosis Control Programme	43.34
2070	00	800	800(00)(03)- Regional Staff of the Charity Commissioner of the city	43.02
2801	80	800	800(00)(04)- Grant-in-aid to MSEB Holding Company Limited	42.50
4875	60	800	800(00)(01)- Creation and Development of Industrial Infrastructure	42.00
2210	06	800	800(01)(02)- Upgradation of Primary Health Centres into Rural Hospitals	39.50
2801	05	800	800(63)(01)- Grant in Aid to Maharashtra State Electricity Distribution Company Limited for Development and System Improvement	24.57
2210	06	800	800(01)(07)- Grants for Plan Schemes under Section 187 of the Maharashtra Zilla Parishads and Panchayat Samities Act, 1961	24.29
2216	02	800	800(31)(01)- Removal and Rehabilitation of Slum Dwellers	22.21
2210	03	800	800(02)(02)- Mofussil Hospitals and other Medical Services (Local Sector)	21.22
			TOTAL	14829.25

Source: Finance Accounts 2015-16

Appendix

3.7

**Details of pending Detailed
Contingent Bills up to 2015-16***(Reference: Paragraph 3.8; Page 66)*

Sr. No.	Department	No. of AC Bills	Amount (₹ in crore)
1	Agriculture, Animal Husbandry, Dairy Development and Fisheries	125	1.61
2	Co-operation, Marketing and Textiles	31	0.26
3	Employment and Self Employment	14	0.14
4	Environment	3	0.01
5	Finance	145	5.22
6	Food, Civil Supplies and Consumer Protection	13	1.48
7	General Administration	707	70.08
8	Higher and Technical Education	34	0.87
9	Home	1035	717.79
10	Housing	12	0.02
11	Industries, Energy and Labour	74	1.52
12	Law and Judiciary	201	6.46
13	Maharashtra Legislature Secretariat	2	0.01*
14	Marathi Language Division	1	0
15	Medical Education and Drugs	66	7.85
16	Minorities Development	14	0.02
17	Planning	76	3.87
18	Public Health	52	15.83
19	Public Works	1	0.03
20	Revenue and Forests	312	5.06
21	Rural Development and Water Conservation	216	4.46*
22	School Education and Sports	74	1.31
23	Social Justice and Special Assistance	163	2.92
24	Tourism and Cultural Affairs	65	15.48
25	Tribal Development	32	0.09
26	Urban Development	11	0.03
27	Water Resources	5	0.02
28	Water Supply and Sanitation	20	0.05
29	Women and Child Development	31	0.64
Grand Total		3535	863.13

Source : Finance Accounts 2015-16

*higher rounding

Appendix

Glossary of terms

4.1

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	Interest payment/[(Amount of previous year's Fiscal Liabilities + Current year's Fiscal Liabilities)/2]*100
Interest received as per cent to Loans Outstanding	Interest Received [(Opening balance + 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
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
Terms	Description
Sufficiency of non-debt receipts	Adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. Debt sustainability could be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure
Net availability of borrowed funds	Defined as the ratio of the debt redemption (Principal + Interest Payments) to total debt receipts and indicates the extent to which the debt receipts are used in debt redemption indicating the net availability of borrowed funds
Appropriation Accounts	Appropriation Accounts present the total amount of funds (Original and Supplementary) authorised by the Legislative Assembly in the budget grants under each voted grants and charged appropriation <i>vis-à-vis</i> the actual expenditure incurred against each and the unspent provisions or excess under each grant or appropriation. Any expenditure in excess of the grants requires regularisation by the Legislature

Appendix 4.1 (contd.)

Terms	Description
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 Shiksha 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 205 or Article 206 of the Constitution
Consolidated fund of the State	The fund constituted under Article 266 (1) of the Constitution of India into which all receipts, revenues and loans flow. All expenditure from the CFS is by appropriation: voted or charged. It consists of two main divisions namely Revenue Account (Revenue Receipts and Revenue Expenditure) and Capital Account (Public Debt and Loans, etc.)
Contingent liability	Contingent liabilities may or may not be incurred by an entity depending on the outcome of a future event such as a court case
Sinking Fund	A Fund into which the government sets aside money over time, in order to retire its debt
Guarantee Redemption Fund	Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee has been extended. As per the terms of the Guarantee Redemption Fund, the State Government was required to contribute an amount equal to at least 1/5 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, before the close of the financial year, all the anticipated unspent provisions noticed in the grants or appropriations controlled by them. The Finance is to communicate the acceptance of such surrenders, as are accepted by them to the Audit Officer and/or the Accounts Officer, as the case may be, before the close of the financial year

Appendix 4.1 (concl.)

Terms	Description
Supplementary grants	If the amount authorised by any law made in accordance with the provisions of Article 114 of the Constitution to be expended for a particular service for the current financial year is found to be insufficient for the purpose of that year or when a need has arisen during the current financial year for the supplementary or additional expenditure upon some 'new service' not contemplated in the original budget for that year, Government is to obtain supplementary grants or appropriations in accordance with the provision of Article 115 (1) of the Constitution
Suspense and Miscellaneous	Items of receipts and payments which cannot at once be taken to a final head of receipt or charge owing to lack of information as to their nature or for any other reasons, may be held temporarily under the major head "8658-Suspense Account" in the sector "L. Suspense and Miscellaneous" of the Accounts, (Footnotes under the major head in the list of major/minor heads of account may be referred to for further guidance). A service receipt of which full particulars are not given must not be taken to the head "Suspense Account" but should be credited to the minor head "Other Receipt" under the revenue major head to which it appears to belong pending eventual transfer to the credit of the correct head on receipt of detailed particulars
Public Accounts committee	A Committee constituted by the Legislative Assembly for the examination of the reports of the Comptroller and Auditor General of India relating to the Appropriation Accounts of the State, the Annual Financial Accounts of the State or such other Accounts or financial matters as are laid before it or which the Committee deems necessary to scrutinize
Block Grant	A block grant is a lump sum grant provided by the Government of India to the State Government, 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, <i>e.g.</i> enforcement of law and order, security and protection of our rights; pollution free air and other environmental goods and road infrastructure <i>etc.</i>
Merit goods	Merit goods are commodities that the public sector provides free or at subsidized rates because an individual or society should have them on the basis of some concept of need, rather than ability and willingness to pay the government and therefore wishes to encourage their consumption. The examples of such goods include the provision of free or subsidized food for the poor to support nutrition, the delivery of health services to improve quality of life and reduce morbidity, providing basic education to all, drinking water and sanitation <i>etc.</i>
Absorptive capacity	Absorptive capacity in this case refers to the ability of a State to implement a developmental scheme in such a way that with given resources, there is maximum benefit to the people. This is usually achieved when the design of schemes are well planned with careful risk mitigation strategy in place, administrative costs are low, operation, maintenance, monitoring and control mechanisms are in place <i>etc.</i> so that the state is able to effectively achieve targeted outcomes.

Appendix

Acronyms and abbreviations**4.2**

Acronyms	Full Form
AC Bill	Abstract Contingency Bill
AE	Aggregate Expenditure
BE	Budget Estimates
CAG	Comptroller and Auditor General of India
CE	Capital Expenditure
DC Bill	Detailed Contingency Bill
DE	Development Expenditure
FCP	Fiscal Correction Path
FFC	Fourteenth Finance Commission
FRBM	Fiscal Responsibility and Budgetary Management Act, 2005
GoI	Government of India
GSDP	Gross State Domestic Product
IP	Interest Payment
MTFPS	Medium Term Fiscal Policy Statement
O and M	Operation and Maintenance
PAC	Public Accounts Committee
RE	Revenue Expenditure
RR	Revenue Receipts
S and W	Salaries and Wages
SAR	Separate Audit Report
SSE	Social Sector Expenditure
TE	Total Expenditure
TFC	Twelfth Finance Commission
ThFC	Thirteenth Finance Commission
UC	Utilisation Certificate
VAT	Value Added Tax

