

This Report is Presented to
the State Legislature on.

10 APR 2015

**Report of the
Comptroller and Auditor
General of India
on
State Finances
for the year ended 31 March 2014**

Government of Maharashtra

The Record is Presented to
the State Legislature on
10 Apr 1917

Journal of the
Legislature of the State of
California
1917

Published by the State Printer

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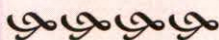
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Preface

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 2014. 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 and third in terms of geographical area. The State has shown higher economic growth in the past decade as the compound annual growth rate of its Gross State Domestic Product for the period 2004-05 to 2013-14 has been 16.73 *per cent* as compared to 15.49 *per cent* in the General Category States of the country. The population below the poverty line in Maharashtra (17.35 *per cent*) is lower than the all India average of 21.92 *per cent*. During the above mentioned period, its population grew by 16 *per cent* against 12.94 *per cent* in General Category States. However, the per capita income compound annual growth rate in Maharashtra (14.83 *per cent*) has been lower than that of the General Category States (14.88 *per cent*) in the current decade.

This Report on the Finances of the Government of Maharashtra is being brought out with a view to objectively assess the financial performance of the State during 2013-14 and to provide the State Government and State Legislature with timely inputs based on audit analysis of financial data. In order to give a perspective to the analysis, an effort has been made to compare the achievements with the targets envisaged by the State Government Fiscal Responsibilities and Budgetary Management Act, 2005 and in the budget estimates of 2013-14.

The Report

Based on the audited accounts of the Government of Maharashtra for the year ended March 2014, this Report provides an analytical review of the Annual Accounts of the Government. The Report is structured in three Chapters.

Chapter I is based on the audit of Finance Accounts and makes an assessment of the Maharashtra Government's fiscal position as on 31 March 2014. It provides an insight into trends of committed expenditure and the borrowing pattern.

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

Chapter III is an inventory of the Maharashtra Government's compliance 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 2013-14, the State achieved two of the three major parameters specified by the Thirteenth Finance Commission and under Maharashtra Fiscal Responsibility and Budgetary Management Act viz. (i) the ratio of fiscal liability to Gross State Domestic Product at 19.9 *per cent* was lower than the norm of 25.5 *per cent*, and (ii) the fiscal deficit at 1.76 *per cent* of Gross State Domestic Product was lower than the norm of three *per cent*. However, the third parameter of revenue surplus could not be achieved during 2013-14. The significant gap between the growth rates of the revenue receipts (five *per cent*) and revenue expenditure (12 *per cent*) over the previous year resulted in revenue deficit of ₹ 5,081 crore during 2013-14 from revenue surplus of ₹ 4,211 crore in 2012-13.

Revenue receipts: The State could not maintain the momentum of growth of revenue receipts it achieved during 2010-11 to 2012-13. The rate of growth of revenue receipts decreased from 17.86 *per cent* in 2012-13 to 4.81 *per cent* in 2013-14. There was a decrease in grants-in-aid from Government of India in 2013-14 as compared to 2012-13, mainly due to under-utilisation/non-utilisation of Thirteenth Finance Commission grants. There was a short-receipt of interest relief of ₹ 406.52 crore during 2010-12 and ₹ 418.30 crore during 2013-14 on account of reset of National Small Savings Fund interest rates.

Interest payments: Interest payments (₹ 21,207 crore), which increased by 11 *per cent* during the year over 2012-13, were less than the projections made in the Thirteenth Finance Commission (₹ 23,577 crore) and Fiscal Correction Path (₹ 23,647 crore) but, marginally higher than the projections made in the Medium Term Fiscal Policy Statement (₹ 21,098 crore).

Non-plan revenue expenditure: The revenue expenditure (₹ 1,54,902 crore) constituted 88 *per cent* of the total expenditure (₹ 1,76,568 crore). Of the revenue expenditure (₹ 1,54,902 crore), 83 *per cent* (₹ 1,28,992 crore) was incurred on the non-plan component and as a percentage of revenue receipts, it increased to 86 *per cent* in 2013-14 from 80 *per cent* in 2012-13. The non-plan revenue expenditure remained higher than the normative assessments made by the Thirteenth Finance Commission (₹ 93,328 crore), the projections made in the Medium Term Fiscal Policy Statement/Budget (₹ 1,25,647 crore) and that projected in the Fiscal Correction Path (₹ 1,21,699 crore).

Capital expenditure: The percentage of capital expenditure to total expenditure showed a declining trend from 15 *per cent* in 2009-10 to 11 *per cent* in 2013-14. The ratio of capital expenditure to aggregate expenditure in 2013-14 was lower than the ratio of General Category States. Greater fiscal priority needs to be given to this area as increased priority to physical capital formation will increase the growth prospects of the State by creating durable assets.

Fiscal priority: The priority given to health and family welfare in the State was less (4.17 *per cent*) than that given to the General Category States (4.51 *per cent*). Greater fiscal priority needs to be given to this area.

Review of Government investments: The average return on the State Government's investment in Statutory Corporations, Rural Banks, Joint Stock

Companies and Co-operatives varied between 0.02 and 0.05 *per cent* in the past three years while the Government paid an average interest of 7.42 *per cent* to 7.54 *per cent* on its borrowings. Thus, this was an unsustainable proposition.

The Government should take steps to ensure better value for money in investments. Otherwise, high-cost borrowed funds will continue to be invested in projects with low financial returns. Projects which are justified on account of low financial but high socio-economic returns may be identified and prioritized with full justification for channeling high-cost borrowings there. The working of State Public Sector Undertakings which are incurring huge losses should be reviewed and a strategy should be worked out for those undertakings which can be made viable.

Loans given by the State Government: The recovery of loan and share capital given by the Co-operation, Marketing and Textiles Department to various co-operative societies was poor. As of March 2014, the Co-operation, Marketing and Textiles Department released loans and share capital of ₹ 7,033.89 crore to various co-operative societies of which, the amount due for recovery was ₹ 2,605.34 crore. However, the recoveries were meagre at ₹ 370.21 crore (14.20 *per cent*).

Cash balances: There was a decrease of four *per cent* in the cash balances of the State Government over the previous year, significant part of which pertained to balances in public accounts. The cash balances (₹ 46,883 crore) was nearly 27 *per cent* of the total expenditure (₹ 1,76,568 crore) of the State Government during 2013-14.

Debt sustainability: The resource gap in the State during 2011-12 and 2013-14 was negative, indicating decreasing capacity of the State to sustain the debt in the medium to long run. This was a result of insufficiency of the incremental non-debt receipt to meet the incremental primary expenditure and incremental interest payments.

Chapter II

Financial Management and Budgetary Control

The slow pace of programme implementation of various social and developmental programmes in the State left an overall saving of ₹ 27,625.88 crore, set-off by an excess of ₹ 604.64 crore. This requires regularisation 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 2014, leaving no scope for utilising these funds for other developmental purposes.

All the departments should submit realistic budget estimates, keeping in view the trends of expenditure and the actual requirement of funds in order to avoid large savings/excesses. All the departments should closely monitor the expenditure against the allocations and incurring of excess expenditure over the grants should be strictly avoided. Surrender of funds should be done much before the last working day of the closing year so as to enable the 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 lacking in various departments which was evident from delays in furnishing of utilisation certificates by various grantee institutions against the loans and grants-in-aid. Delays were also seen in submission of annual accounts by autonomous bodies and departmentally managed commercial undertakings. There were instances of large outstanding cases of losses and misappropriations for which departmental action was pending since long. There were delays in submission of detailed contingent bills drawn against abstract contingent bills. Significant amounts of expenditure and receipts under Central and State Schemes, booked under the Minor head '800-Other expenditure' and '800-Other receipts' were not distinctly depicted in the State Finance Accounts of 2013-14 thus, adversely affecting its transparency.

The departments should ensure timely submission of utilisation certificates in respect of the grants released to the grantee institutions for specific purposes. The annual accounts in respect of the autonomous bodies should be submitted timely to the Principal Accountant General (Audit)-I, Maharashtra, Mumbai and Accountant General (Audit)-II, Maharashtra, Nagpur. Departmental enquiries in respect of all fraud and misappropriation cases should be expedited to bring the defaulters to book and internal controls in all the organisations should be strengthened. 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

Profile of Maharashtra

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

The percentage of population below the poverty line at 17.35* per cent is lower than the all India average of 21.92 per cent. The Gross State Domestic Product (GSDP) in 2013-14 at current prices was ₹ 14,76,233 crore. The State has shown higher economic growth in the past decade as the compound annual growth rate of its GSDP for the period 2004-05 to 2013-14 has been 16.73 per cent as compared to 15.59 per cent in the General Category States of the country. The State's literacy rate increased from 76.88 per cent (as per 2001 census) to 82.30 per cent (as per 2011 census). The per capita income of the state stands at ₹ 1,03,991¹ against the country average of ₹ 67,839. General data relating to the State is given in **Appendix 1.1**.

Gross State Domestic Product

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

Table 1.1: Trends in annual growth rate of GSDP

Year	2009-10	2010-11	2011-12	2012-13	2013-14
India's GDP (₹ in crore)*	6108903	7248860	8391691	9388876	10472807
Growth rate of GDP (percentage)	15.18	18.66	15.77	11.88	11.54
State's GSDP (₹ in crore)*	855751	1049150	1175419	1323768	1476233
Growth rate of GSDP (percentage)	13.50	22.60	12.04	12.62	11.52

Annual growth rate of GDP and GSDP at current price

* Figures as per Directorate of Economics and Statistics, Government of Maharashtra and for All India – Central Statistics Office

Table 1.1 shows that the annual growth rate of GSDP of the State was uneven and ranged between 22.60 (2010-11) to 11.52 (2013-14). It was marginally lower than the growth rate of GDP during 2013-14.

1.1 Introduction

This chapter is based on the audit of the Finance Accounts and makes an assessment of the State's fiscal position as on 31 March 2014. It provides a broad perspective of the finances of the State during 2013-14 and analyses critical changes observed in

* Source: Press Note on Poverty Estimates, 2011-12, Planning Commission of India, July 2013

¹ Source: Economic Survey of Maharashtra 2013-14

the major fiscal aggregates in relation to the previous year, keeping in view the overall trends during the last five years. The structure and form of Government accounts have been explained in **Appendix 1.2 Part A** and the layout of the Finance Accounts is depicted in **Appendix 1.2 Part B**. The methodology adopted for assessment of the fiscal position and norms/ceilings prescribed by the Maharashtra Fiscal Responsibility and Budgetary Management (MFRBM) Act, 2005; MFRBM (Amendment) Act, 2006; MFRBM Rules, 2006; MFRBM (Amendment) Rules, 2008; MFRBM (Second Amendment) Rules, 2011 and MFRBM (Amendment) Rules, 2012 of the State are given in **Appendix 1.3**. According to the Act, Government developed its own Fiscal Correction Path (FCP) given in **Appendix 1.4**. As prescribed in the Act, Government laid its Medium Term Fiscal Policy Statement (MTFPS) for 2013-14 in the State Legislature in March 2013.

1.1.1 Summary of fiscal transactions in 2013-14

The **Table 1.2** presents the summary of the State Government's fiscal transactions during the current year (2013-14) *vis-à-vis* the previous year (2012-13), 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 in 2013-14

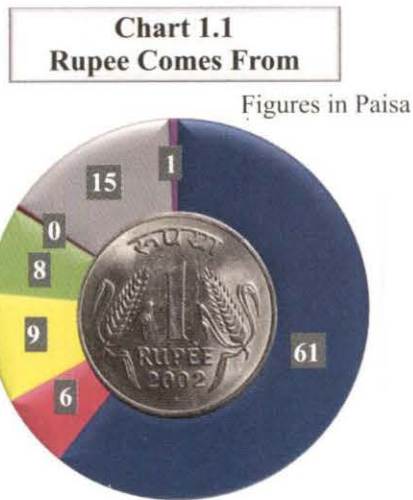
(₹ in crore)

2012-13	Receipts	2013-14	2012-13	Disbursements	2013-14		
Section-A: Revenue					Non-Plan	Plan	Total
142947.23	Revenue receipts	149821.81	138735.98	Revenue expenditure	128992.09	25910.33	154902.42
103448.58	Tax revenue	108597.96	47665.67	General services	53495.62	483.65	53979.27
9984.40	Non-tax revenue	11351.97	62038.97	Social services	54118.88	16760.20	70879.08
15191.92	Share of Union Taxes/ Duties	16630.43	27550.82	Economic services	19433.30	8558.02	27991.32
14322.33	Grants from Government of India	13241.45	1480.52	Grants-in-aid and Contributions	1944.29	108.46	2052.75
Section B: Capital							
0.00	Miscellaneous Capital Receipts	0.00	17397.98	Capital Outlay	2339.03	17681.42	20020.45
862.85	Recoveries of Loans and Advances	728.03	1415.94	Loans and Advances disbursed			1645.10
21725.12	Public debt receipts*	26734.80	6652.52	Repayment of Public Debt*			10261.86
725.00	Appropriation from Contingency fund	1350.00	875.00	Appropriation to Contingency fund			850.00
875.00	Contingency Fund	859.62	734.62	Contingency Fund			1360.00
47059.63	Public Account Receipts	64020.19	35511.02	Public Account Disbursements			56434.89
35971.95	Opening Cash Balance	48843.72	48843.72	Closing Cash Balance			46883.45
250166.78	Total	292358.17	250166.78	Total			292358.17

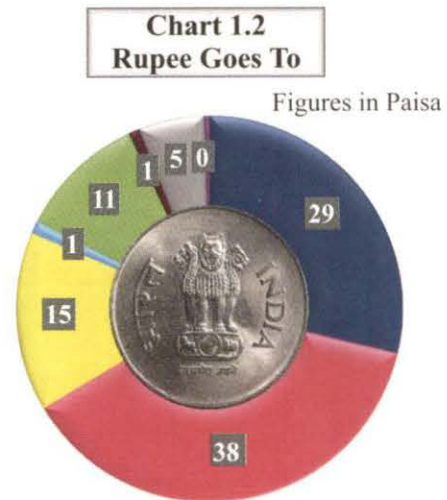
Source: Finance Accounts of respective years

* Excluding ways and means advances on two occasions for five days
(Receipt: ₹ 1,152.33 crore and Disbursement: ₹ 1,152.33 crore)

Composition of sources and application of funds in the Consolidated Fund during 2013-14 is given in **Chart 1.1** and **1.2**



- Tax revenue
 - Non-tax revenue
 - Share of Union Taxes/Duties
 - Grants from Government of India
 - Recoveries of Loans and Advances
 - Public debt receipts
 - Appropriation from Contingency fund
- Note: Recoveries of Loans and Advances is negligible*
(Source: Finance Accounts 2013-14)



- 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
- Note: Appropriation to Contingency fund is negligible*
(Source: Finance Accounts 2013-14)

The following are the major changes in fiscal transactions during 2013-14 over the previous year:

Revenue Receipts	<ul style="list-style-type: none"> • Increased by five <i>per cent</i> • Own tax revenue increased by five <i>per cent</i>
Revenue Expenditure	<ul style="list-style-type: none"> • Increased by 12 <i>per cent</i> • Plan expenditure increased by six <i>per cent</i>
Capital Expenditure	<ul style="list-style-type: none"> • Increased by 15 <i>per cent</i>
Loans and Advances	<ul style="list-style-type: none"> • Recoveries decreased by 16 <i>per cent</i> • Disbursements increased by 16 <i>per cent</i>
Public Debt	<ul style="list-style-type: none"> • Receipts increased by 23 <i>per cent</i> • Disbursement increased by 54 <i>per cent</i>
Cash Balance	<ul style="list-style-type: none"> • Decreased by four <i>per cent</i>

1.1.2 Review of the fiscal situation

Major fiscal variables provided in the budget based on the recommendations of the Thirteenth Finance Commission (ThFC) and as targeted in the FRBM Act of the State are shown in **Table 1.3**.

Table 1.3: Review of the fiscal situation

Fiscal variables	2013-14				Actuals
	ThFC targets for the State in percentage	Targets as prescribed in FRBM Act	Targets proposed in the budget/ MTFPS	Projections made in five year fiscal correction path	
Revenue deficit (-) /surplus (+) (₹ in crore)	0	+184	+184	+256	(-) 5081
Fiscal deficit/GSDP (in per cent)	Below 3	Below 3	1.57	2	1.76
Ratio of total outstanding debt of the Government to GSDP (in per cent)	25.5	25.5	17.6	19.0	19.9

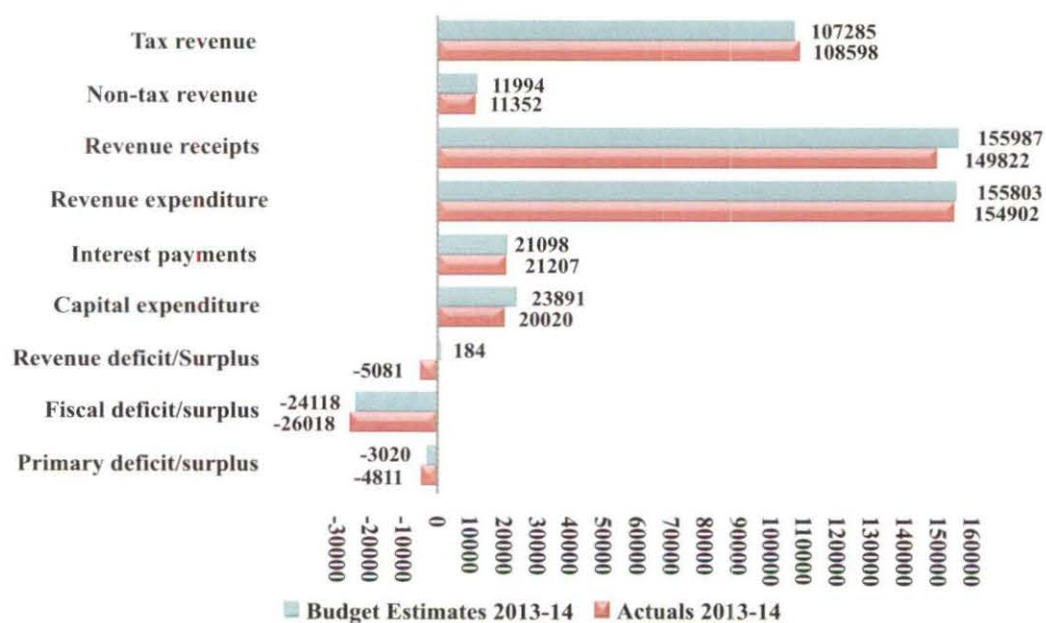
Source: MTFPS/FCP/ThFC

From **Table 1.3** it can be seen that during 2013-14, the State achieved two of the three major parameters specified by the ThFC and under Maharashtra Fiscal Responsibility and Budgetary Management Act *viz.* (i) the ratio of fiscal liability to GSDP at 19.9 *per cent* was lower than the norm of 25.5 *per cent*, and (ii) the fiscal deficit at 1.76 *per cent* of Gross State Domestic Product was lower than the norm of three *per cent*. However, the third parameter of revenue surplus could not be achieved during 2013-14. Similarly, the target prescribed in the budget/MTFPS in respect of fiscal deficit was also not achieved. In as far as ratio of total outstanding debt of the Government to GSDP, the State is slightly above the target proposed in the Budget/MTFPS and FCP.

1.1.3 Budget estimates and actuals

There was a revenue deficit in 2013-14 as the actual revenue receipts was less than the budget estimates by 3.95 *per cent*, while revenue expenditure was less than the budget estimates by 0.58 *per cent*. The capital expenditure decreased by 16.20 *per cent* and interest payments increased by 0.52 *per cent* over the budget estimates.

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



(Source: Finance Accounts 2013-14)

As may be observed from **Chart 1.3** (also see **Appendix 1.6**), there was considerable variation between budget estimates and actuals in the case of several key parameters. Revenue receipts had a negative variation (₹ 6,165 crore: 3.95 *per cent*) over budget estimates and Land Revenue and State Excise were lower than the budget estimates. Revenue expenditure decreased by 0.58 *per cent* over the budget estimates, mainly because of less expenditure under Social Services, *i.e.* Water Supply, Sanitation, Housing and Urban Development.

The decrease in revenue receipts was the net result of decrease in non-tax revenue by five *per cent*, share of Union Taxes and Duties by eight *per cent* and grants-in-aid from Government of India (GoI) by 29 *per cent*, set off by increase in tax revenue by one *per cent*.

The actual capital expenditure was less by ₹ 3,871 crore (16 *per cent*) compared to the original budget estimates of 2013-14. The decrease was mainly under Rural development (₹ 2,647 crore), Energy (₹ 803 crore), Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes (₹ 751 crore) and Irrigation and Flood Control (₹ 551 crore).

Revenue surplus of ₹ 184 crore as per the budget estimates turned into revenue deficit of ₹ 5,081 crore during 2013-14 because of decrease in revenue receipts by ₹ 6,165 crore.

Fiscal deficit (₹ 26,018 crore) was more than the assessment made in the budget estimates (₹ 24,118 crore) by eight *per cent*, mainly due to higher growth of revenue expenditure and capital expenditure *vis-à-vis* growth of revenue receipts.

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 Accounts after disbursement is 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	2009-10	2010-11	2011-12	2012-13	2013-14
Revenue receipts	86910	105868	121286	142947	149822
Capital receipts	22104	21397	25467	22588	27463
Contingency Fund	352	853	511	875	860
Public Account receipts	44072	48406	53389	47060	64020
Total receipts	153438	176524	200653	213470	242165

Source: Finance Accounts of respective years

Chart 1.4 depicts the trends in various components of the receipts of the State during 2009-14. **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

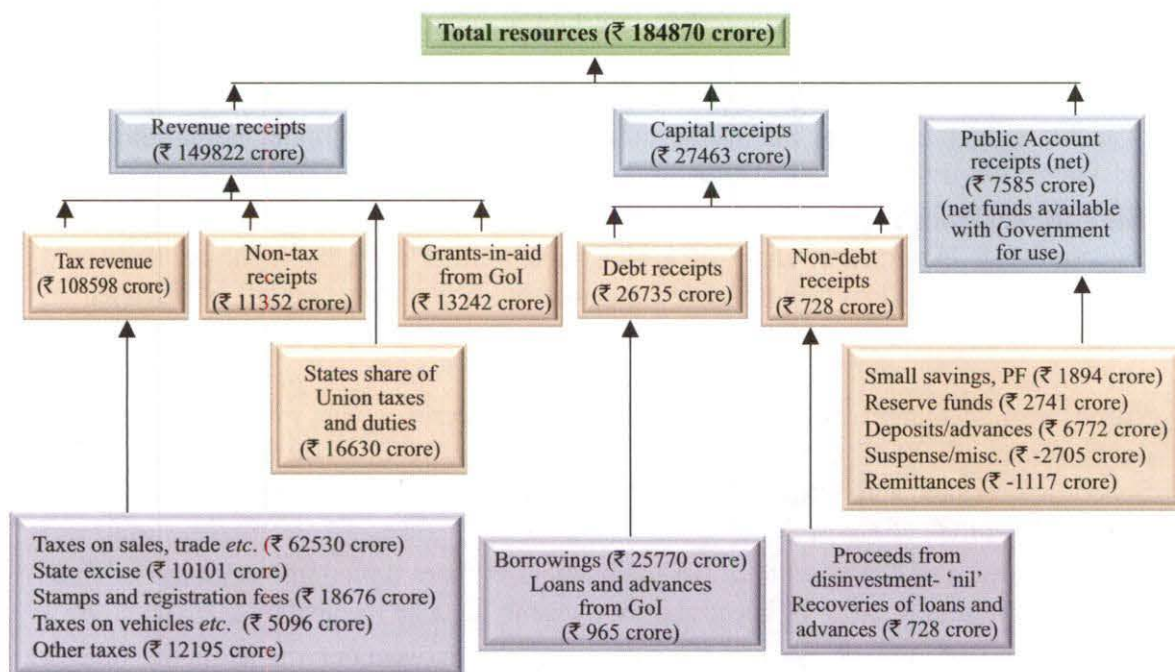
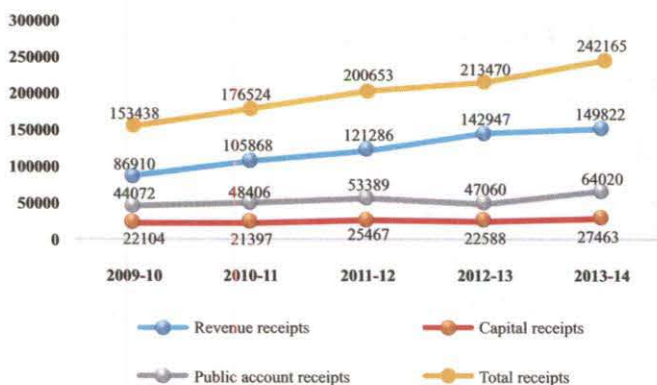
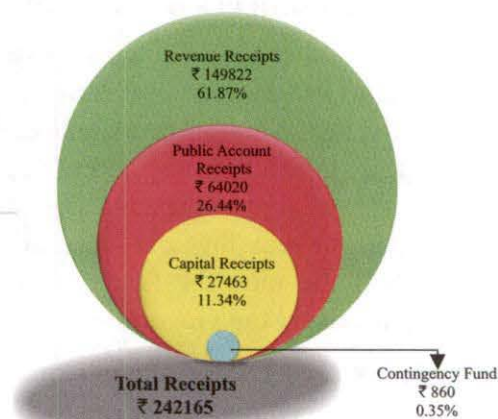


Chart 1.4: Trends in Aggregate receipts (₹ in crore)



(Source: Finance Accounts of respective years)

Chart 1.5: Composition of aggregate receipts during 2013-14 (₹ in crore)



(Source: Finance Accounts 2013-14)

The total receipts of the State increased by ₹ 88,727 crore (57.83 per cent) from ₹ 1,53,438 crore in 2009-10 to ₹ 2,42,165 crore in 2013-14. The share of revenue receipts in total receipts of the State increased from 57 per cent in 2009-10 to 62 per cent in 2013-14, while the share of public account receipts in total receipts of the State decreased from 29 per cent in 2009-10 to 26 per cent in 2013-14.

Public Account disbursements increased by 58.92 per cent (₹ 20,924 crore) in 2013-14 mainly due to increase under Deposit and Advances by 26.51 per cent (₹ 5,359 crore), Remittances by 18.57 per cent (₹ 3,928 crore) and Small Savings, Provident Fund etc. by 15.65 per cent (₹ 402 crore), set off by decrease under Reserve Funds by 6.21 per cent (₹ 185 crore).

1.2.2 Funds transferred to State implementing agencies outside the State budget

The Central Government has been transferring a sizeable amount of funds directly to State implementing agencies² for implementation of various schemes/programmes in social and economic sector, which is recognised as critical. As in the present mechanism these funds are not routed through the State Budget/State Treasury System and hence, do not find mention in the Finance Accounts of the State. As such, the annual Finance Accounts of the State does not provide a complete picture of the resources under the control of the State Government.

During the year 2013-14, Central funds of ₹ 6,837 crore were transferred directly to the State implementing agencies. The programmes assisted by GoI whose funds were transferred are presented in **Appendix 1.7**. The major transfers were to:

- District Rural Development Agency (₹ 2,369.20 crore *i.e.* 35 per cent) for Indira Awas Yojana, Swarnajayanti Gram Swarajgar Yojana, Integrated Watershed Management Programme, DRDA administration and the National Rural Employment Guarantee Scheme;
- National Rural Health Mission (₹ 937.19 crore *i.e.* 14 per cent);
- State Water and Sanitation Mission (₹ 726.73 crore *i.e.* 11 per cent);
- National Horticulture Mission (₹ 688.38 crore *i.e.* 10 per cent); and
- Maharashtra Prathmik Shikshan Parishad (₹ 656.54 crore *i.e.* 10 per cent) for Sarva Shiksha Abhiyan.

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

As compared to the previous year, the decrease in transfer of funds (₹ 651.44 crore) was mainly under (a) the State Water and Sanitation Mission for the Accelerated Rural Water Supply Scheme (₹ 371.44 crore *i.e.* 35 per cent), (b) DRDAs (₹ 517.19 crore *i.e.* 18 per cent) for the Integrated Watershed Management Programme and the National Rural Employment Guarantee Scheme.

The transfer of funds increased mainly in Maharashtra State Horticulture and Medicinal Plants Board under the National Horticulture Mission (₹ 128 crore during 2012-13 and ₹ 675 crore in 2013-14).

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

² State implementing agencies include any organisation/institutions including non-governmental organisations which are authorized by the State Government to receive funds from the GoI for implementing specific programmes in the State, *e.g.* Sarva Shiksha Abhiyan, National Rural Health Mission, *etc.*

1.2.3 Funds operated outside legislative scrutiny

As per ThFC recommendations, public expenditure through creation of funds outside the Consolidated Fund of the State needs to be discouraged. An instance wherein public expenditure was met through creation of fund outside the Consolidated Fund is discussed below.

The Housing Department, GoM created (May 2010) Maharashtra Nivara Nidhi (MNN) with the objective of supplementing the resources of the Government for undertaking various housing schemes through Central assistance. Since its inception till March 2014, MNN received ₹ 3,649.30 crore from GoM, Maharashtra Housing and Area Development Authority (MHADA) and a recurring contribution from Slum Rehabilitation Authority by way of 90 per cent of the land premium collected by the Authority. This fund was created under the jurisdiction of MHADA (without any amendment to the MHADA Act, 1976) outside the Consolidated Fund as well as the public accounts of the GoM.

Further, the annual accounts and the audit reports of receipts and expenditure incurred out of MNN were not submitted (October 2014) to the State Legislature, despite the fact that ₹ 2,476.14 crore was spent from this fund till March 2014. Thus, creation and operation of MNN outside the Government accounts escaped the legislative scrutiny through the regular process of authorisation. It would be appropriate if the activities planned under MNN are carried out through regular budgetary process.

1.3 Revenue receipts

Statement 11 of the Finance Accounts details the revenue receipts of the Government. These consist of the State's own tax and non-tax revenues, Central tax transfers and grants-in-aid from GoI. The trends of revenue receipts over the period 2009-14 are presented in **Chart 1.6** and also in **Appendix 1.8**.

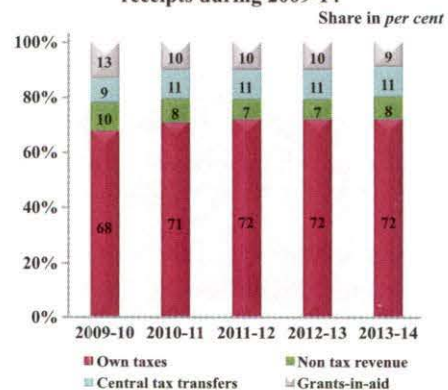
The composition of revenue receipts over the period 2009-14 are presented in **Chart 1.7**.

Chart 1.6: Trends in revenue receipts
(₹ in crore)



(Source: Finance Accounts of respective years)

Chart 1.7: The composition of revenue receipts during 2009-14



(Source: Finance Accounts of respective years)

Revenue receipts (RR) grew by ₹ 6,875 crore (five per cent) over 2012-13. The increase was the net effect of increase in tax revenue by ₹ 5,149 crore (five per cent), non-tax revenue by ₹ 1,368 crore (14 per cent), State's share of Union Taxes and Duties by ₹ 1,439 crore (nine per cent) and decrease in

grants from GoI by ₹ 1,081 crore (eight *per cent*). The revenue receipts at ₹ 1,49,822 crore were almost 100 *per cent* of the assessments made by the State Government in its FCP (₹ 1,49,705 crore) and 96 *per cent* of the MTFPS (₹ 1,55,987 crore) for the year 2013-14.

The revenue receipts have shown a progressive increase over the period 2009-14. As shown in **Chart 1.7**, there was an increasing trend in the share of the State's own taxes during the period 2009-12. The share of non-tax revenue showed a declining trend during 2009-13 and marginally increased in 2013-14 while the share of Central transfers was relatively stable during 2010-14. The share of grants-in-aid decreased during 2009-11 and remained stable during 2010-13 and marginally decreased again in 2013-14.

During 2004-05 to 2012-13, the compound annual growth rate of revenue receipts (16.89 *per cent*) was less than the growth rate of General Category States (16.93 *per cent*). This growth rate decreased to 15.48 *per cent* for the period 2004-05 to 2013-14 (**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 GSDP

	2009-10	2010-11	2011-12	2012-13	2013-14
Revenue receipts (₹ in crore)	86910	105868	121286	142947	149822
Rate of growth ³ of RR (<i>per cent</i>)	6.94	21.81	14.56	17.86	4.81
RR/GSDP (<i>per cent</i>)#	10.16	10.09	10.32	10.80	10.15
Buoyancy Ratios⁴					
Revenue receipts buoyancy w.r.t. GSDP#	0.514	0.965	1.209	1.415	0.418
State's own taxes buoyancy w.r.t. GSDP#	1.007	1.192	1.393	1.433	0.432
Gross State Domestic Product (₹ in crore)[@]	855751	1049150	1175419	1323768	1476233
Revenue receipts buoyancy w.r.t. State's own taxes	0.510	0.810	0.868	0.988	0.966
<i>Source: Finance Accounts of respective years</i>					
<i>[@] GSDP figures had been revised</i>					
<i>[#] Figures differ from previous year due to correction in GSDP</i>					

The State could not maintain the momentum of growth of revenue receipts during 2013-14, as achieved during 2010-11 to 2012-13. The rate of growth of revenue receipts decreased from 17.86 *per cent* in 2012-13 to 4.81 *per cent* in 2013-14, though there was increase in revenue receipts during 2013-14 (five *per cent*) as compared to previous year. The increase in revenue receipts was due to the net effect of increase in non-tax revenue by 14 *per cent* (₹ 1,368 crore), tax revenue by five *per cent* (₹ 5,149 crore) and the State's share of Union taxes and duties by nine *per cent* (₹ 1,439 crore) and decrease in grants from GoI by eight *per cent* (₹ 1,081 crore).

The ratio of State's own tax buoyancy with reference to GSDP gradually increased from 1.007 in 2009-10 to 1.433 in 2012-13 but it decreased to 0.432 in 2013-14.

³ see Glossary at page 142

⁴ 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 142)

1.3.1 State's own resources

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

The State's actual tax and non-tax receipts for the year 2013-14 *vis-à-vis* assessment made by the ThFC and the MTFPS (2013-14) are given in **Table 1.6**.

Table 1.6: Actual tax and non-tax receipts

(₹ in crore)

	ThFC projections	Budget estimates	MTFPS projection	Actual
Tax revenue	106406	107285	107285	108598
Non-tax revenue	13586	11994	11994	11352

Source: Finance Accounts/ThFC/Budget/MTFPS

Table 1.6 shows that the actual realisation of tax revenue during the year was higher than the normative assessment of the ThFC, projections made in the budget and MTFPS. The non-tax revenue of the Government was lower than the normative assessment of the ThFC (16 *per cent*) and also the Budget/MTFPS projections (five *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**.

Table 1.7: Components of State's own resources

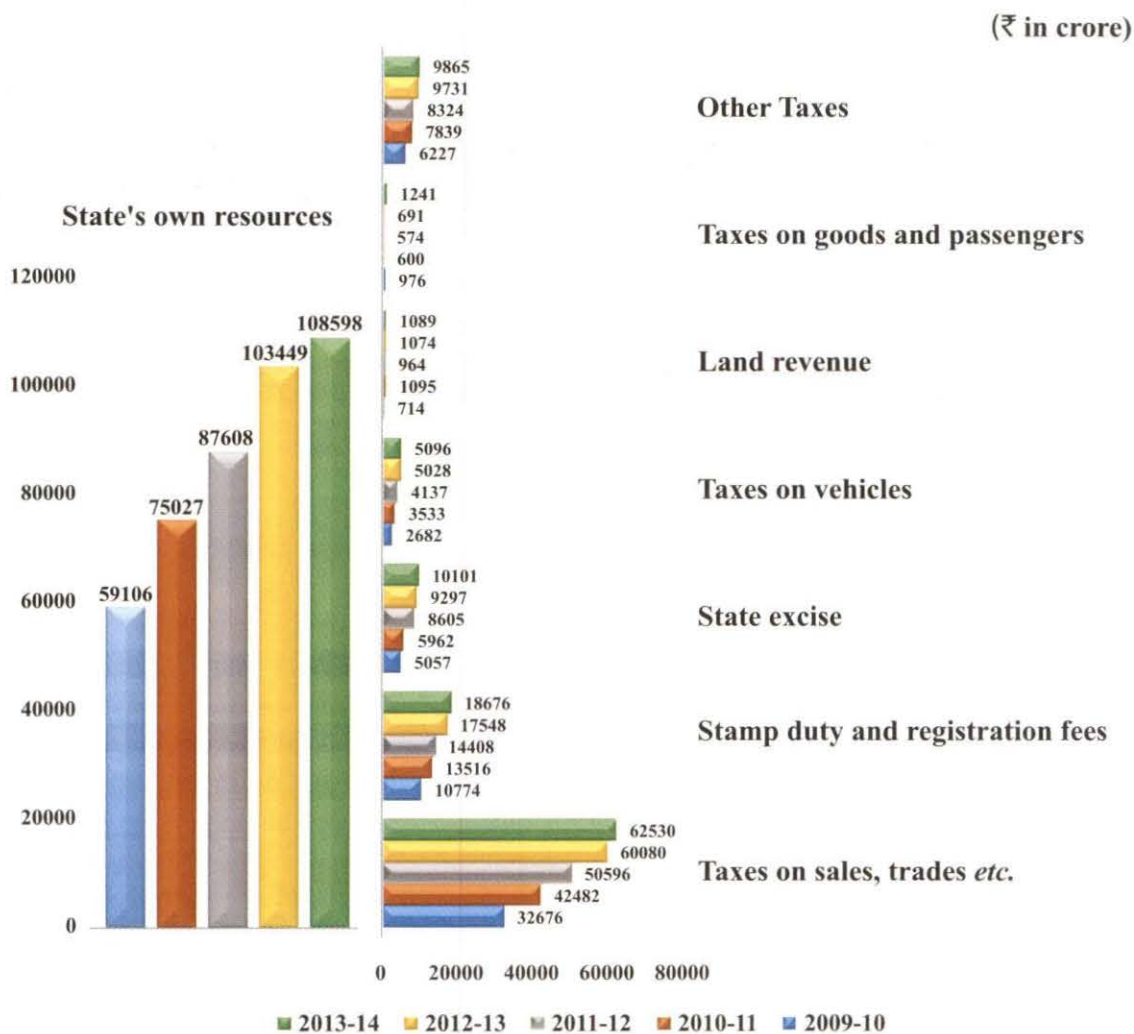
Revenue Head	2009-10	2010-11	2011-12	2012-13	2013-14	Percentage increase in 2013-14 over previous year
	(₹ in crore)					
Taxes on sales, trades etc.	32676	42482	50596	60080	62530	4
Stamp duty and registration fees	10774	13516	14408	17548	18676	6
State excise	5057	5962	8605	9297	10101	9
Taxes on vehicles	2682	3533	4137	5028	5096	1
Land revenue	714	1095	964	1074	1089	1
Taxes on goods and passengers	976	600	574	691	1241	80 *
Other taxes ⁵	6227	7839	8324	9731	9865	1
Total	59106	75027	87608	103449	108598	5

* This exceptional variation is due to book adjustment of dues on Passenger Tax amounting to ₹ 456.89 crore payable by the Maharashtra State Road Transport Corporation to the State Government

Source: Finance Accounts of respective years

⁵ Other taxes include taxes on professions, trades, callings and employment; and taxes and duties on electricity

Chart 1.8: Components of State's own resources



(Source: Finance Accounts of respective years)

The increase in tax revenue by ₹ 5,149 crore (five per cent) over the previous year was mainly under (a) Taxes on sales, trades, etc. by ₹ 2,450 crore (four per cent) due to increase in tax collection under 'Value Added Tax', (b) Stamps and registration fees by ₹ 1,128 crore (six per cent) due to more collection of Stamp duty and registration fees, (c) State excise by ₹ 804 crore (nine per cent) due to receipt of more excise duty on wines and spirits, and (d) Taxes on goods and passengers by ₹ 550 crore (80 per cent) due to receipt of more taxes on entry of goods into local areas.

During 2004-05 to 2012-13, the compound annual growth rate of tax revenue (16.44 per cent) was more than the growth rate of General Category States (16.42 per cent). This growth rate for the period 2004-05 to 2013-14 decreased to 15.11 per cent (Appendix 1.1).

The tax revenue as a percentage of GSDP (7.36 per cent) was less than the normative assessment of the ThFC (8.56 per cent), MTFPS (8.15 per cent) and marginally higher than the FCP (7.10 per cent).

1.3.1.2 Non-tax revenue

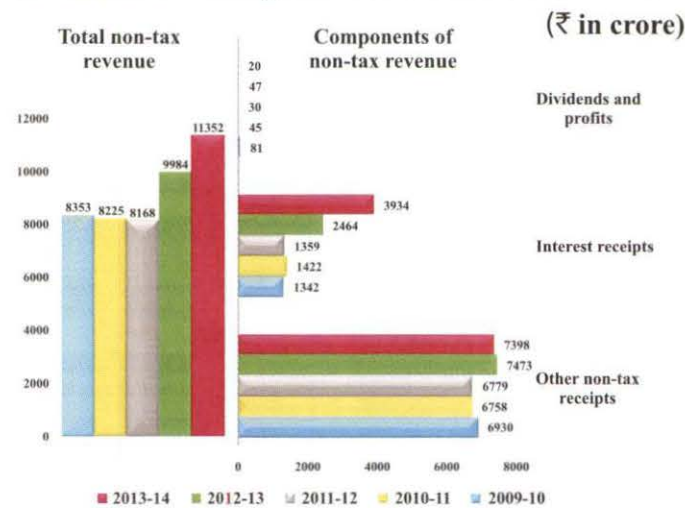
Growth rate of non-tax revenue is shown in **Table 1.8** and **Chart 1.9**.

Table 1.8: Growth rate of non-tax revenue

Revenue Head	2009-10	2010-11	2011-12	2012-13	2013-14	Percentage increase in 2013-14 over previous year
	(₹ in crore)					
Interest receipts	1342	1422	1359	2464	3934	60
Dividends and profits	81	45	30	47	20	(-)57
Other non-tax receipts	6930	6758	6779	7473	7398	(-)1
Total	8353	8225	8168	9984	11352	14

Source: Finance Accounts of respective years

Chart 1.9: Trend of growth rate of non-tax revenue



(Source: Finance Accounts of respective years)

The increase in non-tax revenue receipts by ₹ 1,368 crore (14 per cent) over 2012-13 was mainly due to 83 per cent increase (₹ 1,419 crore) in interest receipts under ‘Interest realised on investment of cash balances’, set off by decrease in Miscellaneous receipts (₹ 90 crore) because of less receipts on account of unclaimed deposits and Guarantee Fees, etc. The non-tax revenue receipts (₹ 11,352 crore) of the Government was more than the projections made

in the FCP (₹ 10,934 crore) by four per cent and lower than the MTFPS/Budget (₹ 11,994 crore) of the Government by five per cent as well as the normative assessment of the ThFC by 16 per cent (₹ 13,586 crore).

During 2004-05 to 2012-13, the compound annual growth rate of non-tax revenue (11.70 per cent) was less than the growth rate of General Category States (12.49 per cent). This growth rate for the period 2004-05 to 2013-14 increased to 11.92 per cent (**Appendix 1.1**).

1.3.2 Grants-in-aid from Government of India

The grants-in-aid from GoI decreased by eight per cent from ₹ 14,322 crore in 2012-13 to ₹ 13,242 crore in 2013-14. The increase was mainly under non-plan grants (18 per cent) and grants under Central Plan Schemes (473 per cent), while the grants for State Plan Schemes and Centrally Sponsored Plan Schemes decreased by 35 per cent and 13 per cent respectively in 2013-14 as shown in **Table 1.9**. The trend of total grants from GoI as a percentage of Revenue receipts is continuously decreasing. This shows that the State is less dependent on Centre.

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

	(₹ in crore)				
	2009-10	2010-11	2011-12	2012-13	2013-14
Non-plan grants	3707	2304	1723	4676	5533
Grants for State Plan Schemes	5396	5805	6380	5630	3684
Grants for Central Plan Schemes	87	245	65	113	648
Grants for Centrally sponsored Plan Schemes	2013	2842	3999	3903	3377
Total	11203	11196	12167	14322	13242
Percentage of increase/decrease over previous year	(-) 2.0	(-) 0.06	8.67	17.71	(-)7.54
Total grants as a percentage of revenue receipts	12.89	10.58	10.03	10.02	8.84

Source: Finance Accounts of respective years

The drop in grants-in aid from GoI in 2013-14 as compared to 2012-13 was as a result of decrease in grants for State Plan Schemes which was due to non-utilisation of ThFC grants as discussed in **Paragraph 1.3.5.2**

The increase under Non-Plan grants (₹ 857 crore) was mainly under (a) other Grants (₹ 735 crore) and (b) Grants from Central Road Fund (₹ 387 crore). The increase under Central Plan Schemes (₹ 535 crore) was mainly under Social Securities and Welfare (₹ 354 crore), Crop Husbandry (₹ 146 crore) and Census, Survey and Statistics (₹ 44 crore).

The overall decrease under grants from the State Plan Schemes (₹ 1,946 crore) was mainly due to decrease under grants under proviso to Article 275(1) of the Constitution (₹ 909 crore), Other Grants (₹ 623 crore) and Accelerated Irrigation Benefits Programme and other Water related Schemes (₹ 744 crore), set off by increase under Urban Infrastructural Development for Small and Medium Towns (₹ 495 crore). The overall decrease under grants from Centrally Sponsored Plan Schemes (₹ 526 crore) was mainly due to decrease under (a) Social Securities and Welfare (₹ 542 crore), and (b) Family Welfare (₹ 449 crore), set off by increase under (a) General Education (₹ 169 crore), (b) Nutrition (₹ 140 crore), and (c) Other Administrative Services (₹ 100 crore).

1.3.3 Debt waiver under the debt consolidation and relief facilities

The ThFC had framed a scheme of debt relief of Central loans named the 'Debt consolidation and relief facilities' based on the fiscal performance of the States linked to the reduction of deficits in the States. The GoM had received a debt write-off of ₹ 170.23 crore during 2011-12. In the meanwhile, the GoM repaid ₹ 71.94 crore towards loan and interest (principal ₹ 31.61 crore and interest ₹ 40.33 crore) during 2010-13 and thereafter, Ministry of Power refunded ₹ 0.04 crore. As per provision in the write off order of GoI, the repayment of loan and interest made by the GoM after 31 March 2010 has been adjusted to the extent of ₹ 30.38 crore only by the Ministry of Finance, leaving an unadjusted balance of ₹ 41.52 crore.

The GoM received provisional relief of ₹ 118.55 crore during 2011-12, ₹ 454.73 crore during 2012-13 and ₹ 447.40 crore during 2013-14 on account of reset of National Small Savings Fund (NSSF) interest rates. The actual receipt of interest relief was compared with the ThFC's assessment as shown in **Table 1.10**.

Table 1.10: Actual receipt of interest relief vis-à-vis ThFC's assessment

(₹ in crore)

Particulars	2010-11	2011-12	2012-13	2013-14
ThFC's tentative interest relief on NSSF loans	503.29	476.51	447.40	418.30
Interest relief received	0	0	573.28	447.40

Source: Report of the ThFC and Finance Accounts of respective years

From **Table 1.10**, it can be seen that State Government has received only ₹ 1,020.68 crore as against its entitled interest relief of ₹ 1,845.50 crore. Thus, there was a short-receipt of ₹ 406.52 crore during 2010-12 and ₹ 418.30 crore during 2013-14. Incidentally, the GoM could not achieve revenue surplus during these three years (2010-11, 2011-12 and 2013-14) as targeted under FRBM Act.

1.3.4 Central tax transfers

Central tax transfers increased by nine *per cent* from ₹ 15,192 crore in 2012-13 to ₹ 16,630 crore in 2013-14. The increase was mainly under service tax (₹ 484 crore), taxes on income other than corporation tax (₹ 406 crore), union excise duties (₹ 196 crore) and corporation tax (₹ 121 crore).

1.3.5 Optimisation of Thirteenth Finance Commission grants

1.3.5.1 Introduction

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

Audit of records pertaining to the ThFC grants was conducted in nine departments of GoM *viz.*, Finance, Rural Development, Public Health, Tourism, Law and Judiciary, Medical Education and Drugs, General Administration (Information Technology), Revenue and Forests and Higher and Technical Education.

The details of the ThFC grants released, disbursed and utilised during the period 2010-14 are given in **Table 1.11**.

Table 1.11: Details of grants released, disbursed and utilised

(₹ in crore)

Sr. No	Purpose for which grant is released	2010-14					
		Amount to be released by Gol as per recommendation of the ThFC	Actual release by Gol	Shortfall in release of grants	Excess release/ release without provision	Actual utilisation/ Amount for which UCs submitted	Percentage of utilisation of grants released
1 a	Local Bodies (PRI)	3913.90	3813.87	567.87	467.84	2027.35	53.16
1 b	Local Bodies (ULB)	2232.23	2177.92	289.63	235.32	939.24	43.13
2	Disaster Relief	1451.04	1446.05	5.00	0.01	516.33	35.71
3	Improving outcome grants	761.04	472.37	520.02	231.35	69.02	14.61
4	Environment Related Grants	508.20	416.20	92.00	0.00	153.20	36.81
5	Elementary Education	579.00	579.00	0.00	0.00	578.93	99.99
6	Roads and Bridges	1519.00	1519.00	0.00	0.00	Not applicable*	Not applicable*
7	State Specific Grants	926.25	611.87	314.75	0.37	321.74	52.58
GRAND TOTAL		11890.66	11036.28	1789.27	934.89	4605.81	41.73

Source: Information furnished by Finance and other departments
** UC is not mandatory as per ThFC guideline*

As of March 2014, GoM received financial assistance of ₹ 11,036.28 crore against the recommended amount of ₹ 11,890.66 crore. The grant-wise details are indicated in **Appendix 1.9**. In respect of some grants, the amount received by GoM was less than that recommended by the ThFC till 2014 by ₹ 1,789.27 crore and in some grants, the amount received was more than that recommended by the ThFC by ₹ 934.89 crore. The grant-wise short receipts/excess releases and the reasons for short-receipts are given in **Appendix 1.10**. Of the total grants released during 2010-14 (₹ 3,813.87 crore) to PRIs, the actual utilisation by the PRIs during 2010-14 was only 53.16 *per cent* (₹ 2,027.35 crore) as indicated in Sr. No. 1a of **Table 1.11**.

1.3.5.2 Slow pace of utilisation of grants

In the following instances, the utilisation of ThFC grants was found to be very less/slow and thus, the chances of subsequent releases were remote. Due to slow utilisation, the plan grants from GoI decreased in 2013-14 as discussed in **paragraph 1.3.2**.

State specific grants

- Grant of ₹ 115 crore (2011-15) was recommended by ThFC for GoM for Strengthening of Industrial Training Institutes (ITIs) through provision of additional infrastructure and replacement of machineries. UC for the first instalment of ₹ 28.75 crore released in March 2012 was not submitted to GoI (July 2014), though an expenditure of ₹ 21.79 crore was incurred.
- Grant of ₹ 100 crore (2011-15) was recommended by ThFC for GoM for heritage conservation, in four equal instalments. The first instalment of ₹ 25 crore pertaining to 2011-12 was released by GoI only in August 2013. Work relating to development and conservation of monuments was in progress and the UC was not submitted to GoI (August 2014).
- Grant of ₹ 32 crore (2011-15) was recommended by ThFC for GoM for setting up food testing laboratories at Aurangabad, Mumbai, Nagpur, Nashik and Pune. The first instalment of ₹ eight crore pertaining to 2011-12 was released by GoI in February 2012. GoM released it in November 2012 and decided to execute the work in four phases. UC for ₹ 7.52 crore (out of ₹ eight crore) was submitted in March 2014 on completion of first phase. The final action plan for 2013-14 and tentative action plan for 2014-15 for the remaining three phases were not submitted by the Medical Education and Drugs Department as of March 2014 for the approval of the High Level Monitoring Committee.

Improving outcome grants

- During the award period (2010-15), GoM was due to receive ₹ 542.66 crore towards improvement in Justice Delivery (Capital). However, the GoM received only ₹ 182.27 crore (33.59 per cent) between 2010-11 and 2013-14. As per ThFC guidelines, GoM provided funds against eight components, the details of which is shown in **Appendix 1.11**. The amount utilised by GoM on these eight components was only ₹ 84.20 crore up to July 2014.
- Grant of ₹ 317.40 crore (2010-15) was allocated to GoM for issuing Unique Identification to people Below Poverty Line (BPL). The first instalment of ₹ 31.74 crore was released by GoI in July 2010. In addition, GoM released ₹ 1.20 crore in April 2011 and May 2011. The total amount of ₹ 32.94 crore was kept in the State SETU⁶ society account since May 2011 onwards. Scrutiny of records in General Administration (Information Technology) Department revealed that the entire amount of ₹ 32.94 crore could not be utilised as the Rural/Urban Development Departments could not provide the updated and approved BPL list.

1.3.5.3 Diversion of grants

Principal Chief Conservator of Forest (PCCF), Nagpur and Deputy Conservator of Forest, Amravati spent an amount of ₹ 0.38 crore on inadmissible items of work (**Appendix 1.12**). The Member Secretary, Maharashtra State Bio-Diversity Board, Nagpur stated (August 2014) that pay and allowances amounting to ₹ 2.30 lakh (**Sr No. 21 of Appendix 1.12**) was paid out of ThFC grants since no separate budget head was allotted and no specific grant for salary was received from GoM.

1.3.5.4 Violation of guidelines

The ThFC guidelines do not permit the grants to be kept outside the Consolidated Fund of the State. However, in the following cases, ThFC grants were kept outside the Consolidated Fund of the State:

- The Director of Archaeology, Mumbai, to whom the work of heritage conservation was entrusted, kept the ThFC grant of ₹ 25 crore pertaining to 2011-12 in the Personal Ledger Account (PLA). As of July 2014, the PLA had an unutilised grants received under the Twelfth Finance Commission (₹ 17.13 crore), grant received under the Chief Minister's Special Programme (₹ 17 crore) and an unutilised grant of ThFC (₹ 6.81 crore)
- The Law and Judiciary Department, GoM permitted (June 2011) the Maharashtra Judicial Academy and Indian Mediation Centre and Training Institute, Uttan, Thane to keep ₹ 10 crore in the personal/saving account, which was at variance with the ThFC guidelines. A balance of ₹ 1.16 crore was available in this account as on March 2014. The Law and Judiciary Department stated (July 2014) that in order to avoid delay in receipt of grants through budgetary process, it was decided to keep the funds in the academy's saving account.
- An amount of ₹ 31.74 crore released by GoI for issue of Unique Identification to BPL beneficiaries remained unutilised and kept in the State SETU Society

⁶ State SETU society is a registered apex body at the State level chaired by the Chief Secretary to guide and monitor the district level bodies

account with Bank of India since March 2011. In addition, GoM released an amount of ₹ 1.20 crore (April 2011 and May 2011) which was also kept in the SETU account.

- An amount of ₹ 0.93 crore released by the Public Health Department, GoM as an incentive grant towards reduction in infant mortality rate was withdrawn by the Joint Director (Health and Administration) in April 2014 and the same was deposited in the bank account of the State Health Society, Mumbai.
- PCCF, Nagpur released a grant of ₹ one crore during 2012-13 and ₹ 0.75 crore during 2013-14 to the Maharashtra State Bio-Diversity Board. The Board could spend only ₹ 0.05 crore during 2012-13 and the balance of ₹ 0.95 crore was utilised in the subsequent year without revalidation. During 2013-14, the Board incurred an expenditure of ₹ 0.02 crore against the grant of ₹ 0.75 crore and the unspent balance of ₹ 0.73 crore was parked in the savings account of a public sector bank.

1.3.5.5 Delay in release of grants by Government of Maharashtra

Incentive grant for reduction in infant mortality rate

A grant of ₹ 133.08 crore for 2012-13 and ₹ 98.27 crore for 2013-14 was released by GoI as an incentive grant for reduction in infant mortality rate during December 2012 and September 2013 respectively. Audit scrutiny revealed that against the grant of ₹ 133.08 crore for 2012-13, the GoM made a supplementary provision (December 2013) of only ₹ 133.08 lakh by mistake and released ₹ 93.16 lakh (70 per cent) in March 2014. Against the grant of ₹ 98.27 crore for 2013-14, no budgetary provision was made as of October 2014. Thus, against the receipt of ₹ 231.35 crore, GoM released only ₹ 0.93 crore, belatedly.

Delay in release to Panchayati Raj Institutions

As per GoI instructions (September 2010), grants to the Panchayat Raj Institutions (PRIs) should be released by the Rural Development Department within 15 days from the date of receipt of grant from GoI. In the event of delay in release of grants, the State Governments were liable to release the instalment with interest at the bank rate of Reserve Bank of India for the number of days of delay. Similarly, the ZPs were to release the grants to the GPs within a time limit of five to 10 days. In two instances, as discussed below, there were delays in release of ThFC grants by more than 15 days and the GoM had to pay interest to the PRIs.

- During 2010-11, an amount of ₹ 1.32 crore was paid to 33 PRIs towards interest for delay of 31 days in payment of first instalment of General Basic Grant (₹ 255.98 crore) and Special Area Basic Grant (₹ 3.95 crore). Further, due to insufficient budgetary provision, an amount of ₹ 0.21 crore was paid as interest to the PRIs for delay of 24 days in payment of balance amount of second instalment of General Basic Grant (₹ 54.23 crore) for 2011-12.
- ThFC grants received by the CAFO, ZP, Chandrapur were distributed to Gram Panchayats (GPs) beyond the prescribed time limit of five to 10 days.

1.3.6 Foregone revenue

Revenue receipts like guarantee fees due to GoM from some of the agencies (as discussed below) were adjusted by GoM by payment of subsidy or by investment as

share capital contribution. To that extent, guarantee fee and subsidy were overstated. It also resulted in revenue being foregone.

- The Agriculture Department, GoM in March 2012 made Maharashtra State Co-operative Marketing Federation Limited, Mumbai; Vidarbha Co-operative Marketing Federation Limited, Nagpur; and Maharashtra Agriculture Industry Development Corporation Limited, Mumbai as the nodal agencies for purchase, storage and supply of chemical fertilizers for agricultural activities. The GoM stood as a guarantor for the loans raised by these three marketing federations and also sanctioned (June 2013 to March 2014) a subsidy of ₹ 52.45 crore to meet expenditure on guarantee fee, bank interest and insurance. Thus, GoM has not only given guarantees against the loans taken by the three marketing federations but also given subsidy to meet all the loan related expenditure, except repayment of principal amount.
- Similarly guarantee fees of ₹ 6.22 crore receivable from the Maharashtra Jeevan Pradhikaran and the Maharashtra Irrigation Finance Corporation Limited were set-off against equity investment in these two entities.

1.4 Capital receipts

The details of Capital receipts and its composition during 2009-14 are given in Table 1.12.

Table 1.12: Trends in growth and composition of capital receipts

Sources of State's receipts	2009-10	2010-11	2011-12	2012-13	2013-14
Capital Receipts (CR)	22104	21397	25467	22588	27463
Miscellaneous Capital Receipts	25	17	456	0	0
Recovery of Loans and Advances	515	640	559	863	728
Public Debt Receipts	21564	20740	24452	21725	26735
Rate of growth of debt capital receipts	4.13	(-)3.82	17.90	(-)11.15	23.06
Rate of growth of non-debt capital receipts	(-)6.57	21.67	54.49	(-)14.98	(-)15.64
Rate of growth of GSDP	13.50	22.60	12.04	12.62	11.52
Rate of growth of CR (per cent)	3.84	(-) 3.20	19.02	(-) 11.30	21.58

Source: Finance Accounts of respective years

Table 1.12 shows that the capital receipts registered a positive growth of 22 per cent in 2013-14 as compared to the negative growth of 11 per cent in 2012-13. Non-debt capital receipts registered a negative growth of 15.64 per cent in 2013-14.

1.4.1 Proceeds from disinvestment

The proceeds on account of disinvestment were nil.

1.4.2 Recoveries of loans and advances

Recoveries of loans and advances decreased by 15.64 per cent (₹ 135 crore), mainly on account of less recoveries from Loans for Co-operatives (₹ 105 crore).

1.4.3 Public Debt receipts

A time series data on public debt receipts is shown in Table 1.13

Table 1.13: Time Series data on public debt receipts

	(₹ in crore)				
	2009-10	2010-11	2011-12	2012-13	2013-14
Open Market Borrowings	15500 (71.88)	11500 (55.45)	21000 (85.88)	17500 (80.55)	23600 (88.27)
National Small Savings Fund	4314 (20.01)	7505 (36.19)	1965 (8.04)	2664 (12.26)	1425 (5.33)
Other Financial Institutions	998 (4.63)	915 (4.41)	1181 (4.83)	810 (3.73)	745 (2.79)
Loans and Advances from Government of India	752 (3.49)	820 (3.95)	306 (1.25)	751 (3.46)	965 (3.61)
Public Debt Receipts	21564	20740	24452	21725	26735
Public Debt Repayments	3825	4774	6458	6653	10262

Figures in parenthesis indicate percentages to Public Debt receipts
Source: Finance Accounts of respective years

Table 1.13 indicates that the share of open market borrowings in public debt receipts has increased to 88.27 per cent in 2013-14 from 80.55 per cent in 2012-13. Share of NSSF loans decreased to 5.33 per cent in 2013-14 from 12.26 per cent in 2012-13. Ministry of Finance, Department of Economic Affairs, GoI in November 2011 reduced the minimum share of the States in net small savings collections in a year, for investment in State Government securities from 80 per cent to 50 per cent. Based on this, the State considerably reduced loans from NSSF during 2013-14 and correspondingly open market borrowing increased. Loans and advances from GoI was less than four per cent of public debt receipts during 2009-14.

During 2013-14, the public debt receipts increased by 23 per cent (₹ 5,010 crore) and public debt repayment also increased by 54 per cent (₹ 3,609 crore) over 2012-13, resulting in net increase of ₹ 1,401 crore in public debt receipts.

1.5 Public accounts receipts

Receipts and disbursements in respect of certain transactions such as small savings, provident funds, reserve funds, deposits, suspense, remittances etc., which do not form part of the Consolidated Fund 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 1.14: Trends of receipts under Public Account

	(₹ in crore)				
Resources under various heads	2009-10	2010-11	2011-12	2012-13	2013-14
Public Account receipts					
a. Small Savings, Provident Fund etc.	3308.73 (1790)	3882.03 (2022)	4449.03 (2260)	4759.89 (2188)	4868.46 (1894)
b. Reserve Fund	2559.11 (875)	3346.12 (2153)	3052.51 (1399)	4960.13 (1976)	5540.03 (2742)
c. Deposits and Advances	14150.16 (3502)	21917.52 (6259)	25544.27 (4532)	26657.82 (6442)	32347.23 (6772)
d. Suspense and Miscellaneous	4165.71 (4020)	(-) 992.59 (-1104)	(-) 1491.27 (-1509)	(-) 11307.73 (100)	(-)2693.61 (-2705)
e. Remittances	19887.80 (2163)	20253.24 (-482)	21834.84 (-256)	21989.52 (842)	23958.08 (-1117)
Total	44071.51 (12350)	48406.32 (8849)	53389.38 (6426)	47059.63 (11549)	64020.19 (7585)

Figures in parenthesis indicate net receipts
Source: Finance Accounts of respective years

Public Account receipts increased by 45.26 per cent over the period 2009-14. Increase of 36.04 per cent (₹ 16,961 crore) in Public Account receipts in 2013-14 over the previous year was on account of increase under Suspense and Miscellaneous (₹ 8,614 crore), Deposits and Advances (₹ 5,689 crore) and Remittances (₹ 1,969 crore).

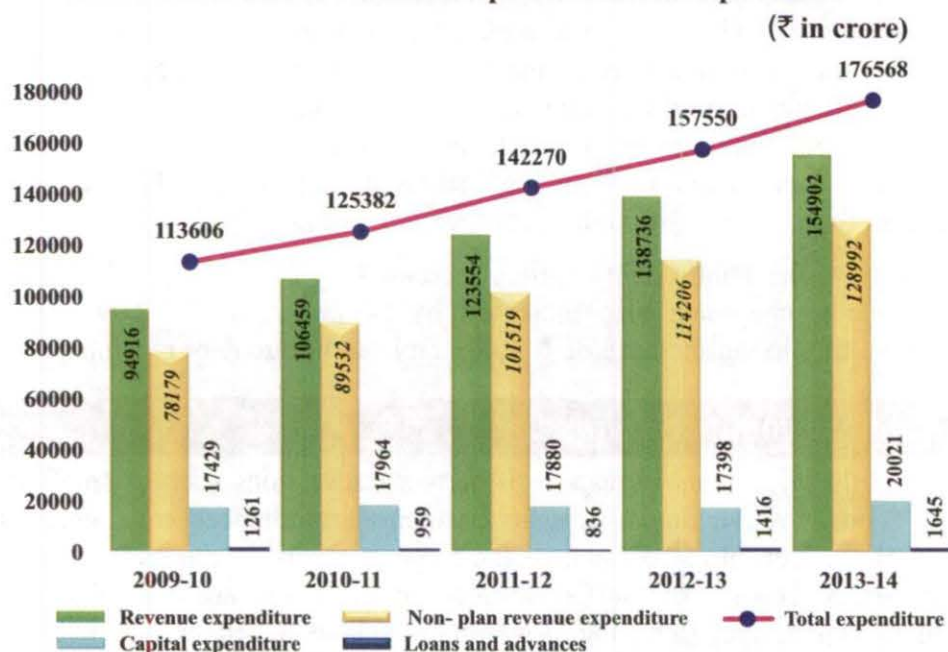
1.6 Application of resources

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

1.6.1 Growth and composition of expenditure

Chart 1.10 presents the trends in total expenditure over a period of the last five years (2009-14) and its composition both in terms of 'economic classification' and 'expenditure by activities' depicted in Charts 1.11 and 1.12 respectively.

Chart 1.10: Trends in various components of total expenditure



(Source: Finance Accounts of respective years)

Total expenditure

The total expenditure and its compositions during 2009-14 are presented in Table 1.15 and Chart 1.11.

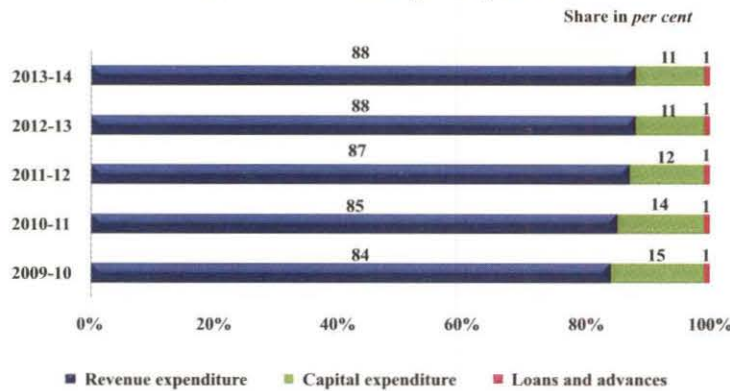
Table 1.15: Total expenditure and its composition

	2009-10	2010-11	2011-12	2012-13	2013-14
Total expenditure	113606	125382	142270	157550	176568
Revenue expenditure	94916	106459	123554	138736	154902
of which, Non-Plan revenue expenditure	(84)	(85)	(87)	(88)	(88)
Capital expenditure	78179	89532	101519	114206	128992
Loans and advances	17429	17964	17880	17398	20021
	(15)	(14)	(12)	(11)	(11)
	1261	959	836	1416	1645
	(1)	(1)	(1)	(1)	(1)

Figures in parenthesis indicate percentage to total expenditure

Source: Finance Accounts of respective years

Chart 1.11: Total expenditure
Trends in share of its components (2009-14)



(Source: Finance Accounts of respective years)

The total expenditure of the State increased at an average growth rate of 14 per cent from ₹ 1,13,606 crore in 2009-10 to ₹ 1,76,568 crore in 2013-14 but, the percentage of capital expenditure to total expenditure decreased from 15 per cent in 2009-10 to 11 per cent in 2013-14. 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 1.16.

During 2004-05 to 2012-13, the compound annual growth rate of total expenditure (22.40 per cent) was more than the growth rate of General Category States (15.37 per cent). This growth rate decreased to 21.19 per cent for the period 2004-05 to 2013-14 (Appendix 1.1).

Table 1.16: Total expenditure – basic parameters

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Total expenditure (TE) (₹ in crore)	113606	125382	142270	157550	176568
Rate of growth of TE over previous year (per cent)	18.53	10.37	13.47	10.74	12.07
TE/GSDP ratio (per cent)	13.28	11.95	12.10	11.90	11.96
RR /TE ratio (per cent)	76.50	84.40	85.30	90.70	84.85
Buoyancy of Total expenditure with reference to:					
GSDP (ratio)	1.373	0.459	1.119	0.851	1.048
RR (ratio)	2.681	0.476	0.925	0.601	2.509

Source: Finance Accounts of respective years

The increase of ₹ 19,018 crore (12.07 per cent) in total expenditure in 2013-14 over the previous year was on account of an increase of ₹ 16,166 crore in revenue expenditure, ₹ 2,622 crore in capital expenditure and ₹ 229 crore in disbursement of loans and advances.

The ratio of total expenditure to GSDP decreased from 13.28 per cent in 2009-10 to 11.96 per cent in 2013-14, mainly due to increase in the GSDP at a faster rate as compared to total expenditure during the same period. The ratio of revenue receipts to total expenditure increased from 76.50 per cent in 2009-10 to 84.85 per cent in 2013-14 which shows that 85 per cent of the total expenditure was met from revenue receipts.

The ratio of buoyancy of total expenditure with reference to GSDP and revenue receipts showed a fluctuating trend. The ratio of buoyancy of total expenditure with reference to GSDP increased to 1.048 in 2013-14 from 0.851 in 2012-13. This indicated that during 2013-14 for each one per cent increase in GSDP, total expenditure grew by 1.048 per cent. The ratio of buoyancy of total expenditure with reference to revenue receipts increased to 2.509 in 2013-14 from 0.601 in 2012-13.

This was due to the rate of growth of total expenditure being higher than the rate of growth of revenue receipts during 2013-14 as compared to the previous year.

Of the total expenditure during 2013-14, non-plan expenditure contributed 74 per cent while plan expenditure was 26 per cent. Of the increase of ₹ 19,018 crore in total expenditure, the share of plan expenditure increased by 28 per cent, while non-plan expenditure increased by 72 per cent.

During 2004-05 to 2012-13, the compound annual growth rate of capital expenditure (10.41 per cent) was lower than the growth rate of General Category States (17.01 per cent). This growth rate for the period 2004-05 to 2013-14 further increased to 10.92 per cent (Appendix 1.1).

Trends in total expenditure in terms of activities

In terms of the activities, total expenditure could be considered as being composed of expenditure on General Services including interest payments, Social and Economic Services, grants-in-aid and loans and advances. Relative shares of these components in the total expenditure are indicated in Table 1.17 and Chart 1.12.

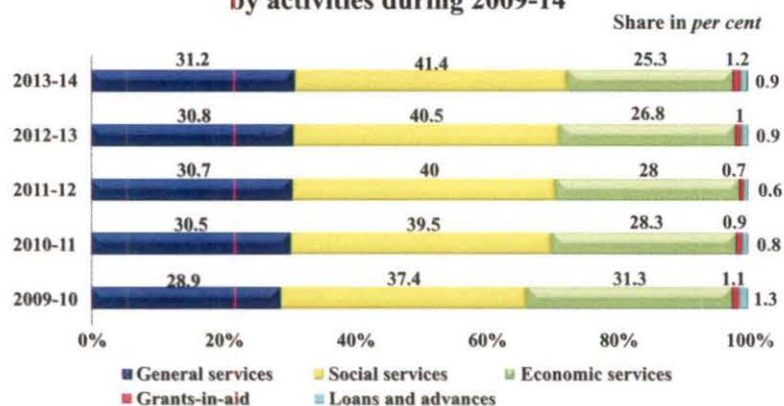
Table 1.17: Components of expenditure – relative shares

(in per cent)

	2009-10	2010-11	2011-12	2012-13	2013-14
General Services	28.9	30.5	30.7	30.8	31.2
<i>of which, Interest Payments</i>	12.4	12.5	12.3	12.1	12.0
Social Services	37.4	39.5	40.0	40.5	41.4
Economic Services	31.3	28.3	28.0	26.8	25.3
Grants-in-aid	1.1	0.9	0.7	1.0	1.2
Loans and Advances	1.3	0.8	0.6	0.9	0.9

Source: Finance Accounts of respective years

Chart 1.12: Trends in composition of total expenditure by activities during 2009-14



(Source: Finance Accounts of respective years)

The movement of the relative share of the above components of expenditure indicated that the share of General Services and Social Services in the total expenditure increased during 2013-14 over the previous year. These increases were set-off by decrease in the respective share of Economic Services.

The share of General Services in total expenditure increased mainly on account of increase in Interest Payments (₹ 2,131 crore), Pension and Other Retirement Benefits (₹ 1,506 crore), Police (₹ 919 crore), Taxes on Vehicles (₹ 565 crore) and District Administration (₹ 389 crore). Whereas, the share of Social Services increased mainly due to increase in General Education (₹ 4,145 crore), Relief on account of Natural Calamities (₹ 1,794 crore), Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes (₹ 1,535 crore) and Medical and Public Health (₹ 847 crore). The decrease in the share of Economic Services was

mainly due to decrease in Rural Employment (₹ 978 crore) and Other Rural Development Programmes (₹ 233 crore) and Industries (₹ 227 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' (₹ 852 crore).

Though the share of Economic Services in total expenditure decreased, the expenditure on Economic Services increased in real terms by ₹ 2,476 crore, mainly on Capital Outlay on Roads and Bridges (₹ 1,274 crore), Capital Outlay on Major and Medium Irrigation (₹ 548 crore), Capital Outlay on Other General Economic Services (₹ 157 crore), Capital Outlay on Minor Irrigation (₹ 100 crore) and on Investments in General Financial Institutions (₹ 140 crore).

Revenue expenditure

Revenue expenditure during 2013-14 increased by ₹ 16,166 crore (12 per cent) over 2012-13, mainly due to increase in expenditure on General Services (₹ 6,314 crore), Social Services (₹ 8,840 crore), Economic Services (₹ 441 crore) and increase in Grants-in-aid and Contributions (₹ 572 crore). While nine per cent of the increase was under Plan head, the remaining 91 per cent was under Non-Plan head. The major heads that registered increases include General Education, Interest Payment, Relief on account of Natural Calamities, District Administration, Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes, Pension and other Retirement Benefits and Police. The revenue expenditure during 2013-14 (₹ 1,54,902 crore) was more than the assessment made by the State Government in its FCP by 3.65 per cent and lower than MTFPS/Budget by 0.58 per cent. The Non-Plan Revenue expenditure (₹ 1,28,992 crore) exceeded the normative assessments made by the ThFC (₹ 93,328 crore), the State Government's projections in FCP (₹ 1,21,699 crore) and the MTFPS/Budget (₹ 1,25,647 crore) (Table 1.19).

Revenue expenditure constituted 88 per cent of the total expenditure (Chart 1.11). The increase in revenue expenditure was mainly on (a) General Education (₹ 4,145 crore), (b) Interest Payments (₹ 2,131 crore), (c) Relief on account of Natural Calamities (₹ 1,794 crore), (d) Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes (₹ 1,535 crore), (e) Pension and other Retirement Benefits (₹ 1,506 crore), (f) Police (₹ 919 crore), (g) Compensation and Assignments to Local Bodies and Panchayati Raj Institutions (₹ 852 crore), and (h) Medical and Public Health (₹ 847 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 1.18.

Table 1.18: Revenue expenditure – basic parameters

(₹ in crore)

	2009-10	2010-11	2011-12	2012-13	2013-14
Revenue expenditure (RE), of which	94916	106459	123554	138736	154902
Non-Plan Revenue expenditure (NPRE)	78179	89532	101519	114206	128992
Plan Revenue expenditure (PRE)	16737	16927	22035	24530	25910
Rate of Growth of					
RE (per cent)	25.4	12.2	16.1	12.3	11.6
NPRE (per cent)	23.5	14.5	13.4	12.5	12.9
PRE (per cent)	34.9	1.1	30.2	11.3	5.6
Revenue Expenditure as percentage to TE	83.5	84.9	86.8	88.0	87.7
NPRE/GSDP (per cent)	9.1	8.5	8.6	8.6	8.7
NPRE as percentage of TE	68.8	71.4	71.4	72.5	73.1
NPRE as percentage of RR	90.0	84.6	83.7	79.9	86.1
Buoyancy of Revenue expenditure with					
GSDP (ratio)	1.881	0.540	1.337	0.975	1.011
Revenue Receipts (ratio)	3.660	0.560	1.106	0.689	2.427

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 ₹ 1,380 crore (six per cent) in 2013-14 over the previous year, mainly due to increase in expenditure under Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes (₹ 793 crore), Health and Family Welfare (₹ 380 crore) and Water Supply and Sanitation (₹ 364 crore).

The State Government is entrusted with the execution of the Central Plan and Centrally Sponsored Schemes in the State for which, grants are released by the Government of India. The State Government provides for the Central and State's share in its budget. During the year, GoI released ₹ 8,340.35 crore towards Centrally Sponsored Schemes, Central Plan Schemes and additional Central Assistance. The State Government's budget of 2013-14 provided for expenditure of ₹ 8,349.12 crore (Central share ₹ 7,170.08 crore and State share ₹ 1,179.04 crore). Against this, the State Government spent ₹ 8,052.10 crore, a shortfall of ₹ 297.02 crore between the budget and expenditure under these schemes. Against the Central receipt of ₹ 8,340.35 crore, the expenditure of ₹ 8,052.10 crore including State share indicates a shortfall of ₹ 288.25 crore resulting in understatement of revenue deficit to that extent. Details of releases of Central share and State share in respect of major schemes are given in Annexure to Statement 12 of Finance Accounts 2013-14.

Non-plan revenue expenditure

The Non-Plan Revenue Expenditure (NPRE) in 2013-14 constituted a dominant share of 83 per cent in the revenue expenditure and increased by ₹ 14,786 crore (13 per cent) over the previous year, mainly due to increase under General Services (₹ 6,437 crore), Education, Sports, Art and Culture (₹ 4,374 crore) and Social Welfare and Nutrition (₹ 2,103 crore), Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes (₹ 742 crore), and Health and Family Welfare (₹ 500 crore).

The NPRE as a percentage of revenue receipts (Table 1.18) decreased from 90 per cent in 2009-10 to 80 per cent in 2012-13. It increased to 86 per cent in 2013-14 indicating that on an average 86 per cent of the revenue receipts were used to meet the NPRE.

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

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

(₹ in crore)

Year	Assessments made by the ThFC	Projection in FCP	Projection in MTFPS/Budget	Actuals
2012-13	85884	109832	107755	114206
2013-14	93328	121699	125647	128992

Source: Finance Accounts and budget documents of respective years and Report of the ThFC

As may be seen, the NPRE remained significantly higher than the normative assessments of the ThFC, the FCP and MTFPS/Budget projections during 2012-13 and 2013-14.

Subsidies

Subsidies given during the years 2009-10 to 2013-14 are presented in the **Table 1.20**.

Table 1.20: Expenditure on subsidies

(₹ in crore)

	2009-10	2010-11	2011-12	2012-13	2013-14	
					BE	Actuals
Subsidies	8041 (9)	5485 (5)	9833 (8)	9268 (6)	11181 (7)	12063 (8)
Total Revenue Expenditure	94916	106459	123554	138736	155803	154902
Revenue Receipts	86910	105868	121286	142947	155987	149822

Figures in parenthesis indicate percentage to Revenue Receipts

Source: Finance Accounts of respective years

Table 1.20 indicates that expenditure under subsidies increased by 30 per cent from ₹ 9,268 crore in 2012-13 to ₹ 12,063 crore in 2013-14. During the current year, subsidies constituted about eight per cent of the total revenue expenditure. The major schemes which received subsidy include subsidy to Distribution/Transmission Licencees for reduction in Agriculture and Powerloom Tariff (44 per cent), subsidy to Medium and Large Industries under the Graded Package Scheme of Incentives (19 per cent), Transport (11 per cent), Financial Assistance under Rashtriya Krishi Vikas Yojana (schemes in Five Year Plan) (eight per cent) and covering the deficit in Foodgrain Transactions (one per cent).

The subsidies projected by the Government in the FCP and the actual expenditure incurred during 2012-13 and 2013-14 are presented in **Table 1.21**.

Table 1.21: Subsidies vis-à-vis FCP

(₹ in crore)

	2012-13		2013-14	
	Projections in FCP	Actuals	Projections in FCP	Actuals
Power (Subsidy for reduction in Agriculture and Powerloom Tariff)	3240	4729	3499	5276
General/Others	4428	4539	4782	6787
Total	7668	9268	8281	12063

Source: Finance Accounts and Budget documents of respective years

The subsidies given to Power (subsidy for reduction in Agriculture and Powerloom Tariff) and for other schemes with reference to the projections made in the FCP

increased during 2013-14. As against the budget provision of ₹ 3,499 crore on subsidy given to Power, the actual expenditure was more by ₹ 1,319 crore (₹ 5,276 crore - ₹ 3,957 crore).

The major components under 'General/Others' as shown in **Table 1.21** are (a) food subsidy under which the Government provided ₹ 350 crore in the State budget 2013-14 but, the actual expenditure was ₹ 201 crore, (b) Subsidy to Medium and Large Industries under the Graded Package Scheme of Incentives under which the Government provided ₹ 2,500 crore in the State budget 2013-14 but, the actual expenditure incurred was ₹ 2,250 crore, and (c) subsidy on loss to State Road Transport Corporation for which Government provided ₹ 1,208 crore during 2013-14 but, the actual expenditure incurred was ₹ 1,358 crore.

Capital expenditure

During 2013-14, capital expenditure (₹ 20,021 crore) constituted 11 per cent of the total expenditure (**Chart 1.11**) and increased by 15 per cent over 2012-13. The increase was mainly on account of increase in Capital Outlay on Roads and Bridges (₹ 1,274 crore), Capital Outlay on Major and Medium Irrigation (₹ 548 crore), Capital Outlay on Urban Development (₹ 404 crore), Maharashtra Irrigation Finance Company Limited (₹ 114 crore) and Capital Outlay on Welfare of Schedule Castes, Scheduled Tribes and Other Backward Classes (₹ 126 crore). During 2013-14, the capital expenditure (₹ 20,021 crore) was lower than the assessment made by the State Government in its FCP (₹ 29,473 crore) by 32.07 per cent, Budget (₹ 23,891.13 crore) by 16 per cent and the projections made in MTFPS (₹ 25,129 crore) by 20 per cent. The major areas of decrease are commented in **Paragraph 1.1.3**.

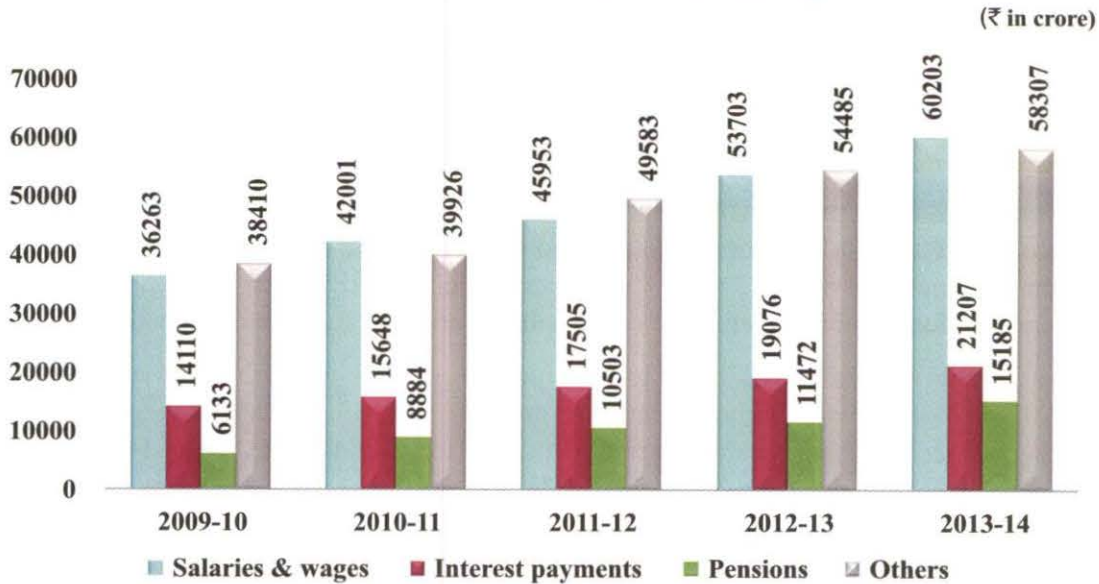
Loans and advances

Loans and advances constituted one per cent of the total expenditure during 2009-14 (**Chart 1.11**). Disbursements of loans and advances during 2013-14 increased by 16.18 per cent (₹ 229 crore) over 2012-13. This increase was mainly in Loans for Power Projects – Loans to Public Sector and other Undertakings (₹ 1,126 crore), set-off by decrease under Expenditure awaiting transfer to other heads/departments (₹ 519 crore) and Loans for Other General Economic Services (₹ 379 crore).

1.6.2 Committed expenditure

The committed expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages and pensions. Despite recommendations of the Twelfth Finance Commission, the statement of committed liabilities has not been included in the Finance Accounts due to non-receipt of the complete information from the Government. **Chart 1.13** and **Table 1.22** present the trends in the expenditure on these components during 2009-14.

Chart 1.13: Trend of committed expenditure during 2009-14



(Source: Finance Accounts of respective years)

Table 1.22: Components of committed expenditure

(₹ in crore)

Components of committed expenditure	2009-10	2010-11	2011-12	2012-13	2013-14	
					BE	Actuals
Salaries and Wages	36263	42001	45953	53703	60677	60203 ⁵
	(42)	(40)	(38)	(38)	(39)	(40)
of which	34574	40917	42955	50165		56985
Non-Plan Head	(40)	(39)	(35)	(35)		(38)
of which	1689	1084	2998	3538		3218
Plan Head**	(2)	(1)	(2)	(2)		(2)
Interest Payments	14110	15648	17505	19076	21098	21207
	(16)	(15)	(14)	(13)	(14)	(14)
Pensions	6133	8884	10503	11472	15293	15185
	(7)	(8)	(9)	(8)	(10)	(10)
Total Committed expenditure	56506	66533	73961	84251	97068	96595
	(65)	(63)	(61)	(59)	(62)	(64)
Other Components ⁷	38410	39926	49583	54485	58735	58307
	(44)	(38)	(41)	(38)	(38)	(39)
Total Revenue Expenditure	94916	106459	123554	138736	155803	154902
Revenue Receipts	86910	105868	121286	142947	155987	149822

Figures in parenthesis indicate percentage to Revenue Receipts

⁵ Salaries: ₹ 58,811 crore (Finance Accounts 2013-14) + Wages: ₹ 1,392 crore (Finance Accounts 2013-14)

** 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 2009-10 (₹ 22,666 crore), 2010-11 (₹ 25,937 crore), 2011-12 (₹ 27,358 crore), 2012-13 (₹ 32,870 crore) and 2013-14 (₹ 37,334 crore)

Source: Finance Accounts of respective years

Salaries and wages

The average annual growth in salaries and wages during 2009-14 was 16.50 per cent. The expenditure on salaries and wages increased by ₹ 6,500 crore (12 per cent) from ₹ 53,703 crore in 2012-13 to ₹ 60,203 crore in 2013-14. The expenditure of ₹ 60,203 crore on salaries and wages during 2013-14 was lower than the State's own FCP (₹ 60,665 crore) and the projections made in MTFPS (₹ 61,525 crore).

⁷ Revenue expenditure under General Services, Social Services, Economic Services and grants-in-aid (excluding salary and wages, interest payments and pension payments)

During 2004-05 to 2012-13, the compound annual growth rate of salary and wages (14.15 *per cent*) was lower than the growth rate of General Category States (14.73 *per cent*). This growth rate for the period 2004-05 to 2013-14 further decreased to 13.66 *per cent* (**Appendix 1.1**).

Pension payments

The expenditure on pension payments had increased at an average annual growth of 37 *per cent* from ₹ 6,133 crore in 2009-10 to ₹ 15,185 crore in 2013-14. The increase in pension payments of ₹ 3,713 crore (32 *per cent*) during 2013-14 over the previous year was mainly due to more expenditure on Pensions and Other Retirement Benefits.

During 2004-05 to 2012-13, the compound annual growth rate of pension (18.90 *per cent*) was higher than the growth rate of General Category States (18.34 *per cent*). This growth rate for the period 2004-05 to 2013-14 however, decreased to 18.24 *per cent* (**Appendix 1.1**).

Table 1.23 shows actual pension payments with reference to assessment made by the ThFC, the FCP and MTFPS/Budget projections of the State Government.

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

(₹ in crore)

Year	Projection in MTFPS	Assessment made by the ThFC	Projection in FCP	Actuals
2012-13	13393	7346	12803	13429
2013-14	15293	8081	14339	15185

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

The pension payment during 2012-13 was higher than the normative assessments made by the ThFC as well as under MTFPS and FCP. The pension payments during 2013-14 was higher than the normative assessments made by the ThFC and FCP but, lower than the projections of the State Government under MTFPS.

In order to limit future pension liabilities, the Government had introduced the Defined Contribution Pension Scheme for employees recruited after 01 November 2005. An amount of ₹ 1,392.38 crore⁸ was deposited by GoM during 2013-14 towards employee's contribution and employer's share. The State Government's liability on this account as on 31 March 2014 was ₹ 4,145.59 crore, which was not invested till 31 March 2014. The State Government has not transferred any amount to the New Pension Scheme Trust/Fund Managers since the inception of the scheme. Therefore, the main objective of introducing the Defined Contribution Pension Scheme to limit future pension liabilities was defeated. Retention of these amounts assisted the State Government in enhancing its liquidity position. This aspect was also pointed out in the State Finance Reports of 2010-11, 2011-12 and 2012-13.

Interest payments

Interest payments increased by 50 *per cent* from ₹ 14,110 crore in 2009-10 to ₹ 21,207 crore in 2013-14, primarily due to increase in debt liabilities. Relative to revenue receipts, interest payments revealed a marginal declining trend till 2012-13. This increased to 11 *per cent* in 2013-14.

⁸ Employees contribution: ₹ 574.68 crore; Employers' contribution: ₹ 817.70 crore inclusive of interest

Table 1.24: Interest payments *vis-à-vis* ThFC, FCP and MTFPS assessments

(₹ in crore)

Year	Projection in MTFPS	Assessment made by the ThFC	Projection in FCP	Actuals
2012-13	18523	20783	21117	19076
2013-14	21098	23577	23647	21207

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

The interest payments with reference to the assessments made by the ThFC and the FCP were lower during 2012-13 as well as in 2013-14. With reference to the projections made in the MTFPS, interest payments were marginally higher during 2012-13 and 2013-14.

The increase in interest payments by ₹ 2,131 crore in 2013-14 over the previous year was mainly due to increase in interest paid on market loans (₹ 1,541 crore) and State Provident Fund (₹ 519 crore).

The balance in interest bearing deposit account was ₹ 25,401.87 crore at the end of March 2013, which was not invested. The GoM paid an interest of ₹ 1,601.86 crore during 2013-14 on ₹ 24,752.62 crore. No interest was paid on the balance portion of funds of ₹ 649.25 crore. The interest liability on the balance portion of funds during the year works out to ₹ 48.69 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.

Of the total accumulated balance of reserve funds of ₹ 22,868.45 crore as on March 2013, ₹ 22,605.15 crore related to non-interest bearing funds and ₹ 263.30 crore related to interest bearing reserve funds. Out of ₹ 263.30 crore, only ₹ 10.88 crore was invested during the year, leaving a balance of ₹ 252.42 crore. However, the State Government paid ₹ 8.54 crore towards interest on uninvested portion of ₹ 252.01 crore (General Insurance Fund). The liability on the balance uninvested amount of ₹ 0.41 crore works out to ₹ 0.03 crore, at the average rate of 7.5 per cent for 2013-14 on Ways and Means Advances. In the circumstances, the revenue expenditure and resultantly, the revenue deficit was understated to the extent of ₹ 0.03 crore.

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

Local bodies (LBs) in Maharashtra consist of PRIs and Urban Local Bodies (ULBs). In conformity with the provisions of the 73rd and 74th Constitutional Amendment, the State Government established a three tier system of PRIs comprising ZPs at the district level, PSs at block level and Village Panchayats (VPs) at village level. There are Municipal Corporations (MC), Municipal Councils and Nagar Panchayats (NPs) for urban area population in the State. Though the Second State Finance Commission (SFC) recommended (March 2002) allocation of 40 per cent of State revenues to LBs, it was not accepted by the State Government. The Third SFC was constituted in January 2005 for the period 2006-07 to 2010-11 and submitted its report in June 2006. However, the report was presented to the State Legislature only in December 2013. The Fourth SFC was constituted in February 2011 for the period 2011-12 to 2015-16 and was to submit its report by September 2012. However, the period has been extended by the State Government up to December 2014.

1.6.3.1 Accounts and finances of Panchayati Raj Institutions

ZPs are required to prepare the budget for the planned development of the district and utilisation of the resources. GoI schemes, funded through the DRDA and State Government schemes are also implemented by ZPs. The district fund consist of moneys received from the State budget funds for planned and non-planned schemes, assigned tax and non-tax revenue, receipts of ZPs, interest on investment, *etc.* (Table 1.25; Sr. No. 3). ZPs are empowered to impose water tax, pilgrim tax and special tax on land and buildings. The intermediate tier at the block level (PSs) in the State do not have their own source of revenue and are totally dependent on the block grants received from ZPs. PSs undertake development works at the block level. VP is the body consisting of persons registered in the electoral rolls of the village within a VP. VPs are empowered to levy tax on buildings, betterment charges, pilgrim tax, taxes on fairs/festivals/entertainment, taxes on bicycles, vehicles, shops, hotels, *etc.*

Accounting arrangements

Under provision of Section 136 (2) of ZP Act, 1961 the Block Development Officer (BDO) forward the accounts approved by the PSs to the ZPs and these form part of the ZPs account. Under provision of Section 62 (4) of the VP Act, 1958 the Secretaries to the VPs are required to prepare annual accounts of VPs. The Chief Executive Officer (CEO) of ZPs are required to prepare every year statements of account of revenue and expenditure of the ZPs for placement before the Finance Committee. The accounts are finally placed before the ZPs for approval along with the Finance Committee reports.

Audit arrangements

The audit of PRIs is conducted by the Director, Local Fund Audit (DLFA) in accordance with the provisions of the Maharashtra Local Fund Act, 1930, the Maharashtra Village Panchayat (Audit of Accounts) Rules, 1961 and VP Act, 1958. The DLFA prepares an Annual Audit Review Report on the financial working of PRIs for placement before the State Legislature.

The Comptroller and Auditor General (CAG) of India conducts audit of ZPs and PSs under Section 14 of the Comptroller and Auditor General's (Duties, Powers and Condition of Services) Act, 1971. Section 142 A of the ZP Act, 1961 also contains an enabling provision for audit by the CAG.

Audit of GPs was also entrusted (March 2011) to the CAG under Technical Guidance and Supervision by the GoM under Section 20 (1) of the Comptroller and Auditor General's (DPC) Act, 1971.

Transfer of functions and functionaries

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

As on October 2014, the State Government has transferred 11 functions and 15,480 functionaries to PRIs. Non-transfer of 18 functions and related functionaries has been commented in earlier two Local Bodies Audit Reports.

Status of accounts

As per Section 136 of ZP Act and Rule 66 of Maharashtra Zilla Parishads and Panchayat Samitis Account Code, 1968, the prescribed date for preparation and approval of annual accounts of ZPs for a financial year is 30 September of the following year and accounts of ZPs are required to be published in the Government Gazette by 15 November of the year. Accordingly, the Accounts for 2012-13 should have been finalized by September 2013 and published by November 2013. However, information provided by the Rural Development Department (June 2014) indicated that only the accounts up to the year 2010-11 have been published in the Government Gazette and submitted to the State Legislature. The Annual Accounts of all 33 ZPs for the year 2011-12 and 2012-13 have been finalized and submitted to DLFA for Certification. After Certification by DLFA, Accounts would be published in the Government Gazette.

1.6.3.2 Accounts and finances of urban local bodies

In accordance with the 74th Constitutional Amendment (1992), the GoM amended (December 1994) the existing Mumbai Municipal Corporation Act, 1888; The Maharashtra Municipal Corporation Act, 1949; The Nagpur City Municipal Corporation (NCMC) Act, 1948; and The Maharashtra Municipal Councils, Nagar Panchayats and Industrial Townships Act, 1965. All the Municipal Corporations (MCs), except Municipal Corporation of Greater Mumbai (MCGM) and NCMC which had their own Acts, are governed by the provisions of the amended Maharashtra Municipal Corporation Act, 1949. There are 26 MCs which have been created for urban agglomerations having a population of more than three lakh. These MCs have been classified into four categories *i.e.* A, B, C and D based on the criteria of population, per capita income and per capita area. Similarly, 233 Municipal Councils including 13 NPs have been created for smaller urban areas and categorized based on their population.

Financial profile

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

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

Accounting arrangements

Section 93 of the Maharashtra Municipal Corporation Act, 1949 and Section 123 of Mumbai Municipal Corporation Act, 1888 provide that the accounts of the MCs should be maintained in the formats prescribed by the Standing Committee.

Audit arrangements

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

Status of accounts

As per information furnished (August 2013 to March 2014) by 17 out of the 26 MCs which have prepared their annual accounts, audit by MCA has been completed up to 2012-13 in four⁹ MCs and up to 2011-12 in three¹⁰ MCs and reports submitted to the respective Standing Committees. In the remaining 10¹¹ MCs, there were arrears in audit by MCA ranging between two and 10 years.

1.6.3.3 Quantum of assistance

The quantum of assistance provided by way of grants and loans to local bodies and others during 2013-14 relative to the previous years is presented in **Table 1.25**.

Table 1.25: Financial assistance to local bodies and other institutions

(₹ in crore)

Sr. No.	Institutions	2009-10	2010-11	2011-12	2012-13	2013-14
1	Educational institutions (Aided Schools, Aided Colleges, Universities, etc.)	11638.18	11482.61	13844.84	20167.02	22292.50
2	Municipal Corporations and Municipalities	1708.89	4350.04 ¹²	4871.33	4401.93	5179.74
3	Zilla Parishads and other Panchayati Raj Institutions	11726.62	13260.93	14294.73	16444.42	18184.73
4	Development agencies	299.45	187.26	276.83	246.51	250.70
5	Hospital and other charitable institutions	1065.48	1084.74	1313.33	1792.44	2196.33
6	Other Institutions	18150.70	17280.87	20761.95	20715.59 ¹³	19945.82 ¹⁴
Total		44589.32	47646.45	55363.01	63767.91	68049.82
Assistance as percentage of RE		47	45	45	46	44

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

⁹ Kolhapur, Malegaon, Mira Bhayander and Ulhasnagar

¹⁰ Ahmednagar, Bhiwandi-Nizampur and Vasai-Virar

¹¹ Dhule, Jalgaon, Kalyan Dombivali, MCGM, Nashik, Navi Mumbai, Pimpri Chinchwad, Pune, Sangli Miraj Kupwad and Solapur

¹² Huge variation due to misclassification in the previous year

¹³ Includes Education, Sports, Art and Culture: ₹ 7,019.59 crore; Social Welfare and Nutrition: ₹ 4,106.58 crore; Agriculture and Allied Activities: ₹ 2,128.53 crore; Welfare of SC, ST and OBC: ₹ 2,397.81 crore; Administrative Services: ₹ 1,415.51 crore and Housing: ₹ 1,267.28 crore

¹⁴ Includes Education, Sports, Art and Culture: ₹ 1,875.89 crore; Social Welfare and Nutrition: ₹ 5,601.02 crore; Agriculture and Allied Activities: ₹ 1,287.51 crore; Welfare of SC, ST and OBC: ₹ 1,962.03 crore; Administrative Services: ₹ 1,257.77 crore and Housing: ₹ 708.97 crore

It would be seen from **Table 1.25** that the financial assistance to local bodies and other institutions by the State Government increased from ₹ 44,589 crore in 2009-10 to ₹ 68,050 crore in 2013-14. As compared to the previous year, the assistance during 2013-14 increased by seven *per cent*. During 2013-14, more financial assistance was given to (a) Educational Institutions (₹ 2,125 crore) mainly due to payment of more assistance to non-Government colleges and (b) Zilla Parishads and other Panchayati Raj Institutions (₹ 1,740 crore) due to payment of more educational grants under Section 182 of the Maharashtra Zilla Parishads and Panchayat Samitis Act, 1961.

1.7 Quality of expenditure

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

1.7.1 Adequacy of public expenditure

The expenditure responsibilities relating to the social sector and the economic infrastructure assigned to the State Governments are largely State subjects. Enhancing human development levels requires the States to step up their expenditure on key Social Services like education, health *etc.* Low fiscal priority (ratio of expenditure under a category to aggregate expenditure) is attached to a particular sector if it is below the respective national average. The fiscal priorities given by the GoM for development expenditure, social expenditure and capital expenditure during 2010-11 and 2013-14 is indicated in **Table 1.26**.

Table 1.26: Fiscal Priority of the State in 2010-11 and 2013-14

Fiscal Priority of the State	AE / GSDP	DE* / AE	SSE / AE	CE / AE	Education, Sports, Art and Culture / AE	Health and Family Welfare / AE
General Category States Average (Ratio) 2010-11	15.78	65.09	36.88	13.49	17.48	4.37
Maharashtra Average (Ratio) 2010-11	11.95	68.36	39.75	14.33	21.60	3.71
General Category States Average (Ratio) 2013-14	15.92	66.45	37.56	13.62	17.20	4.51
Maharashtra Average (Ratio) 2013-14	11.96	67.49	41.54	11.34	21.71	4.17

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

Analysis of the fiscal priorities of the State Government as shown in **Table 1.26** reveals the following:

- The ratios of AE to GSDP in 2010-11 and 2013-14 (11.95 *per cent* and 11.96 *per cent*) were lower in the State as compared to General Category States (15.78 *per cent* and 15.92 *per cent*). This meant that the General Category States were spending more as a proportion of their GSDP when compared to Maharashtra.

- The State Government has given adequate fiscal priority to development expenditure and social sector expenditure during 2010-11 and 2013-14, as their ratios to AE were higher than the average ratio of General Category States.
- The ratio of CE to AE in the State (14.33 *per cent*) was higher in 2010-11 as compared to the ratio (13.49 *per cent*) of General Category States whereas, in 2013-14 it was lower (11.34 *per cent*) than the ratio (13.62 *per cent*) of General Category States. Greater fiscal priority needs to be given to this area as increased priority to physical capital formation will increase the growth prospects of the State by creating durable assets.
- Significant improvement was observed in the ratio of expenditure on education, sports, art and culture to AE which increased from 21.60 *per cent* in 2010-11 to 21.71 *per cent* in 2013-14. The priority given to these areas in Maharashtra was higher than that given to General Category States.
- Less priority was given to Health and Family Welfare in Maharashtra than the General Category States during 2010-11 and 2013-14. This trend is continuing from 2005-06 onwards. Greater fiscal priority needs to be given to this area by the State Government.

1.7.2 Efficiency of expenditure use and its effectiveness

In view of the importance of public expenditure on development heads from the point of view of social and economic development, it is important for the State Government to take appropriate expenditure rationalization measures and lay emphasis on provision of core public and merit goods¹⁵. Apart from improving the allocation towards development expenditure¹⁶, particularly in view of the fiscal space being created on account of decline in debt servicing in recent years, the efficiency of expenditure use is also reflected by the ratio of capital expenditure to total expenditure (and/or GSDP) and the proportion of revenue expenditure being spent on operation and maintenance of the existing social and economic services. The higher the ratio of these components to total expenditure (and/or GSDP), the better would be the quality of expenditure. **Table 1.27** and **Chart 1.14** present the trends in DE relative to the AE of the State during the current year *vis-à-vis* budget estimates of the current year and the actual expenditure during the previous years.

Table 1.27: Development expenditure

(₹ in crore)

Components of Development Expenditure	2009-10	2010-11	2011-12	2012-13	2013-14	
					BE	Actuals
Development expenditure (a to c)	79118 (69.6)	85708 (68.4)	97389 (68.4)	107184 (68)	122055 (67)	119169 (67)
a. Development revenue expenditure	61377 (54)	67567 (53.9)	79681 (56)	89590 (56.9)	98543 (54)	98870 (56)
b. Development capital expenditure	16717 (14.7)	17422 (13.9)	17084 (12)	16496 (10.5)	22274 (12)	18982 (11)
c. Development Loans and Advances	1024 (1)	719 (0.6)	624 (0.4)	1098 (0.7)	1238 (0.7)	1317 (0.7)

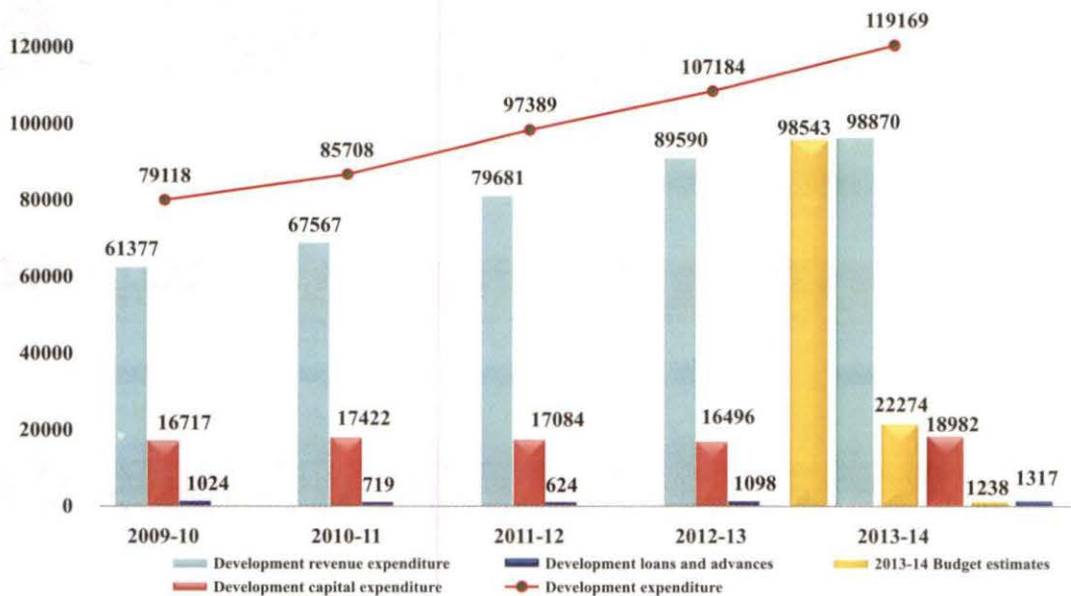
Figures in parenthesis indicate percentage to total expenditure
Source: Finance Accounts of respective years

¹⁵ See Glossary at page 142

¹⁶ 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

Chart 1.14: Development expenditure for the years 2009-10 to 2012-13 and budget estimates vis-a-vis actuals 2013-14

(₹ in crore)



(Source: Finance Accounts of respective years)

Development revenue expenditure

The development revenue expenditure increased by ₹ 9,280 crore from ₹ 89,590 crore in 2012-13 to ₹ 98,870 crore in 2013-14. The increase was under Social Services (₹ 8,840 crore) and Economic Services (₹ 440 crore). The actual development revenue expenditure was more than the State's projection in the budget by ₹ 327 crore.

Development capital expenditure

The development capital expenditure increased by ₹ 2,486 crore from ₹ 16,496 crore in 2012-13 to ₹ 18,982 crore in 2013-14. The increase was under Economic Services ₹ 2,036 crore. The main components of increase were Capital Outlay on Roads and Bridges (₹ 1,274 crore) and Capital Outlay on Major and Medium Irrigation (₹ 548 crore). The actual development capital expenditure was less than the State's projection in the budget by ₹ 3,292 crore.

Development loans and advances

Development loans and advances increased by ₹ 219 crore from ₹ 1,098 crore in 2012-13 to ₹ 1,317 crore in 2013-14. The actual development loans and advances were more than the State's projections in the budget by ₹ 79 crore.

Efficiency of expenditure use in selected social and economic services

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

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

(in per cent)

Social/Economic infrastructure	2012-13			2013-14		
	Ratio of CE to TE	In RE, the share of		Ratio of CE to TE	In RE, the share of	
		S and W	O and M		S and W	O and M
Social Services (SS)						
Education, Sports, Art and Culture	0.49	83.90	4.06	0.27	84.64	0.00
Health and Family Welfare	7.20	67.56	0.03	7.50	65.76	0.06
Water Supply, Sanitation, Housing and Urban Development	5.06	3.52	13.27	9.31	3.26	14.41
Total (SS)	2.10	52.36	3.74	3.10	57.41	1.76
Economic Services (ES)						
Agriculture and Allied Activities	16.56	21.65	0.29	15.77	48.41	0.62
Irrigation and Flood Control	73.74	40.90	1.53	74.13	41.32	14.94
Energy	26.12	0.56	0.03	19.77	0.38	2.08
Transport	42.52	1.19	0.34	49.24	1.21	1.56
Total (ES)	41.31	9.79	0.28	36.47	20.18	2.34
Total (SS+ES)	18.15	39.27	2.68	15.93	46.87	1.92

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

Source: Finance Accounts of respective years

The trends presented in **Table 1.28** reveal that development capital expenditure as a percentage to total expenditure decreased from 18.15 in 2012-13 to 15.93 in 2013-14. The percentage of capital expenditure on Social Services to the total expenditure increased from 2.10 in 2012-13 to 3.10 in 2013-14. The increase was mainly seen under Water Supply, Sanitation, Housing and Urban Development and Health and Family Welfare. The percentage of capital expenditure on Economic Services to the total expenditure decreased from 41.31 in 2012-13 to 36.47 in 2013-14. The decrease was mainly seen under Energy.

The share of salary and wages in revenue expenditure increased from 39.27 per cent in 2012-13 to 46.87 per cent in 2013-14. The share of salary and wages in revenue expenditure on Social Services increased from 52.36 per cent in 2012-13 to 57.41 per cent in 2013-14. The increase was mainly under Education, Sports, Art and Culture. The share of salary and wages in revenue expenditure on Economic Services increased from 9.79 per cent in 2012-13 to 20.18 per cent in 2013-14. The increase was mainly under Agriculture and Allied Activities.

The share of operations and maintenance in revenue expenditure decreased from 2.68 per cent in 2012-13 to 1.92 per cent in 2013-14. The share of operations and maintenance in revenue expenditure on Social Services decreased from 3.74 per cent in 2012-13 to 1.76 per cent in 2013-14. The decrease was seen mainly under Education, Sports, Art and Culture. The share of operations and maintenance in revenue expenditure on Economic Services increased from 0.28 per cent in 2012-13 to 2.34 per cent in 2013-14. The increase was seen mainly under Irrigation and Flood Control.

1.8 Financial analysis of Government expenditure and investments

In the post-MFRBM framework, the State is expected to keep its fiscal deficit (and borrowings) not only at low levels but also meet its capital expenditure/ investment (including loans and advances) requirements. In addition, in a transition to complete

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

1.8.1 Ongoing projects

1.8.1.1 Water Resources Department

Cost overrun and delays in execution of projects

As of June 2013, there were 601 ongoing irrigation projects in the five¹⁷ Irrigation Development Corporations (IDCs) under Water Resources Department. Data of all the ongoing projects as of June 2013 furnished by the IDCs were analyzed in audit to assess the number of years these projects have been under execution. The summarized position is given in **Table 1.29**.

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

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

Source: Information furnished by IDCs; Status as of June 2013

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

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

(₹ in crore)

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

Source: Information furnished by the IDCs; Status as of June 2013

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

¹⁷ Maharashtra Krishna Valley Development Corporation; Konkan Irrigation Development Corporation; Tapi Irrigation Development Corporation; Vidarbha Irrigation Development Corporation; and Godavari Marathwada Irrigation Development Corporation

1.8.1.2 Public Works Department

As on 31 March 2014, an expenditure of ₹ 507.44 crore was incurred on 152 ongoing projects (**Appendix 1.13**). There was time overrun up to seven years in respect of 99 projects of roads and bridges (expenditure: ₹ 270.42 crore) and up to five years in respect of 50 projects of buildings and housing (expenditure: ₹ 234.76 crore). In three projects pertaining to roads and bridges (expenditure: ₹ 2.26 crore), the target dates of completion were beyond March 2014.

1.8.2 Investment and returns

As of 31 March 2014, Government invested ₹ 1,01,867 crore in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives (**Table 1.31**). The average return on this investment was 0.06 *per cent* in the last five years while the Government paid average interest rate of 7.51 *per cent* on its borrowings during 2009-14.

Table 1.31: Return on investment

Investment/Return/Cost of Borrowings	2009-10	2010-11	2011-12	2012-13	2013-14
Investment at the end of the year (₹ in crore)	64192.68	74391.39	83016.00	90677.84*	101867.20
Return (₹ in crore)	80.88	44.82	30.20	47.00	19.68
Return (<i>per cent</i>)	0.13	0.06	0.04	0.05	0.02
Average rate of interest on Government borrowing (<i>per cent</i>)	7.61	7.49	7.51	7.42	7.54
Difference between interest rate and return (<i>per cent</i>)	7.48	7.43	7.47	7.37	7.52

Source: Finance Accounts of respective years
* Figure differs from previous year

The increase in investments of ₹ 11,189 crore during 2013-14 was mainly attributable to capital contributions to Vidarbha Irrigation Development Corporation (₹ 3,406 crore), Godavari Marathwada Irrigation Development Corporation (₹ 1,511 crore), Maharashtra Krishna Valley Development Corporation (₹ 1,407 crore), Maharashtra State Power Generation Corporation Limited (₹ 1,066 crore), Konkan Irrigation Development Corporation (₹ 586 crore), Tapi Irrigation Development Corporation (₹ 472 crore), Maharashtra State Road Transport Corporation (₹ 457 crore) and Maharashtra Irrigation Finance Company Limited (₹ 228 crore).

As on 31 March 2014, 26 Companies (**Appendix 1.14**) in which Government had invested ₹ 24,401.81 crore (share capital: ₹ 17,170.23 crore and loans: ₹ 7,231.58 crore), were incurring losses and their net accumulated losses as on September 2014 amounted to ₹ 15,377.56 crore.

Information furnished by the Commissioner for Cooperation and Registrar of Co-operative Societies revealed that of the 7,641 Societies with an aggregate investment of ₹ 368.10 crore (equity: ₹ 226.97 crore and loan: ₹ 141.14 crore), 3,938 Societies had incurred losses (31 March 2014) and their accumulated losses (₹ 172.23 crore) were 47 *per cent* of the initial investments made in these Societies. Further, 1,163 societies were under liquidation which had ₹ 56.96 crore as investments by Government.

The Government should take steps to ensure better value for money in investments. Otherwise, high-cost borrowed funds will continue to be invested in projects with low financial returns. Projects which are justified on account of low financial but

high socio-economic returns may be identified and prioritized with full justification for channelling high-cost borrowings there. The working of State Public Sector Undertakings which are incurring huge losses should be reviewed and a strategy should be worked out for those undertakings which can be made viable.

1.8.2.1 Departmental commercial undertakings

Activities of quasi-commercial nature are also performed by departmental undertakings of certain Government departments. The State Government has 49 Departmental Commercial Undertakings (DCUs). The position of department-wise investments by the Government up to the year for which *proforma* accounts have been finalised, net profits/loss as well as return on capital invested in these undertakings are given in **Appendix 1.15**. It was observed that:

- An amount of ₹ 2,085.49 crore had been invested by the State Government in four¹⁸ undertakings at the end of the financial year up to which their accounts were finalised (**Appendix 3.6**).
- Of the four undertakings having 49 units, only one¹⁹ unit could earn net profit amounting to ₹ 2.41 crore against capital investment of ₹ 0.12 crore, thereby yielding a rate of return of 472 *per cent*.
- Of the loss-making DCUs, 25²⁰ DCUs had been incurring losses continuously since the last five years.
- As per accounting system being followed by the departmental commercial undertakings of 'Government Milk Schemes', 'Procurement, Distribution and Price Control Scheme in Mumbai and Thane Rationing Area and in Mofussil Area', the net loss/profit for the year is deducted/added directly from/to the Capital Account in the Balance Sheet. Therefore, the figures of accumulated loss cannot be ascertained from the *proforma* accounts of the departmental undertakings.

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

1.8.3 Loans and advances by State Government

In addition to investments in Co-operative Societies, Corporations and Companies, the Government has also been providing loans and advances to many institutions/organizations. **Table 1.32** presents the outstanding loans and advances as on 31 March 2014, interest receipts *vis-à-vis* interest payments during the last three years.

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

¹⁹ Cattle feed Scheme, Mumbai (2012-13); refer Sr No. 9 of Appendix 1.15

²⁰ Greater Mumbai Milk Scheme, Worli; Electrical Scheme, Mumbai; Dairy Project, Dapchari; Government Milk Chilling Centre, Saralgaon (District Thane); Government Milk Schemes in Khopoli, Ratnagiri, Kankavli, Nashik, Wani, Ahmednagar, Chalisgaon, Dhule, Aurangabad, Udgir, Beed, Nanded, Bhoom, Amravati, Akola, Yavatmal, Nandura, Nagpur, Wardha and Gondia; and Procurement and Distribution and Price Control Scheme in Mofussil Area

Table 1.32: Average interest received on loans advanced by the State Government

		(₹ in crore)		
Quantum of loans/interest receipts/ cost of borrowings	2011-12	2012-13	2013-14	
Opening Balance	19909	20187	20740	
Amount advanced during the year	837	1416	1645	
Amount repaid during the year	559	863	728	
Closing Balance	20187	20740	21657	
<i>of which</i>				
Outstanding balance for which terms and conditions have been settled	NA	NA	NA	
Net addition	278	553	917	
Interest Receipts	228	167	166	
Interest receipts as <i>per cent</i> to outstanding loans and advances	1.15	0.81	0.77	
Interest payments as <i>per cent</i> to outstanding fiscal liabilities of the State Government	7.14 [#]	7.09 [#]	7.29	
Difference between interest receipts and interest payments (<i>per cent</i>)	(-) 5.99 [#]	(-) 6.28 [#]	(-) 6.52	

Source: Finance Accounts of respective years

[#] Figures differ from previous year due to rectification of fiscal liability figures

As can be seen from the **Table 1.32**, the total outstanding loans and advances as on 31 March 2014 was ₹ 21,657 crore. The amount of loans disbursed during the year increased from ₹ 1,416 crore in 2012-13 to ₹ 1,645 crore in 2013-14. Of the total amount of loans and advances disbursed during the year, ₹ 1,116 crore went to Economic Services and ₹ 200 crore to Social Services. Under the Economic Services, the major portion of loans went to Power (90 *per cent*). However, interest received against these loans decreased from 0.81 *per cent* during 2012-13 to 0.77 *per cent* in 2013-14, mainly due to less interest receipts from Water Supply and Sanitation (₹ 29 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. Consequently, the information contained in Finance Accounts 2013-14 in accordance with the Indian Government Accounting Standards (IGAS)-3 was incomplete.

1.8.3.1 Management of loans given by Co-operation, Marketing and Textiles Department

Introduction

The Co-operation, Marketing and Textile Department (CM&TD), GoM extends financial assistance to the Co-operative Spinning Mills (CSMs), Powerloom Co-operative Societies (PLCSs), Co-operative Sugar Factories (CSFs) and Agro Processing Co-operative Societies (APCSs). The financial assistance is given in the form of share capital contribution, loans, subsidies and guarantees for loans availed of by these entities from financial institutions for expansion, modernization, renovation, *etc.* Both share capital and loan paid by GoM are refundable within a period of 15 years in case of CSMs and CSFs and in case of powerloom, within a period of 10 years. In case of share capital, there is no repayment of interest whereas, in case of loan, interest is to be repaid to GoM. As of 31 March 2014, of the total outstanding loan of ₹ 21,657 crore, the CM&TD accounted for 32 *per cent*.

Organizational set up

The CM&TD is headed by three Secretaries/Additional Chief Secretaries who looks after the Co-operation, Marketing and Textile Departments separately. They are assisted by four Controlling Officers viz. Commissioner of Co-operation and Registrar of Co-operative Societies, Pune; Commissioner of Sugar, Pune; Director of Marketing, Pune and Director of Textiles, Nagpur. The Controlling Officers are assisted by Regional Joint Directors and Deputy Directors. The proposals for loans/share capital submitted by the co-operative societies are first scrutinised at the level of Regional Joint Directors/Deputy Directors and then forwarded to the respective Controlling Officers for further recommendations. The proposals, after recommendations, are sent to the respective Secretaries for sanction, with the concurrence of the Finance Department, GoM.

Audit coverage

Records of (i) Commissioner of Sugar, Pune and their Regional Joint Directors at Pune, Ahmednagar and Kolhapur; (ii) Director of Textiles, Nagpur and their Regional Deputy Directors at Mumbai, Nagpur, Solapur and Aurangabad; (iii) Director of marketing, Pune; and (iv) Commissioner of Co-operation and Registrar of Co-operative Societies, Pune were test-checked in audit covering a five years period from 2009-10 to 2013-2014.

Overview of loans/share capital transactions

As on March 2014, GoM has provided financial assistance in the form of loans and/or repayable share capital contribution to 123 spinning mills, 425 PLCs, 175 CSFs and 89 APCs. A summary of loan transaction/share capital is given in **Table 1.33** and **Table 1.34**.

Table 1.33: Loan released, due for recovery, recovered and outstanding

(₹ in crore)

Particulars	Loan (Government loan, National Cooperative Development Corporation loan, SDF ²¹ loan)					
	Released	Due for recovery	Recovered	Outstanding		Percentage of recovery
				Principal	Interest	
Spinning Mills	539.13	288.63	35.99	252.64	178.03	12.47
PLCs	230.98	183.10	14.37	168.73	347.37	7.85
CSFs	3013.90	972.67	244.79	727.88	320.89	25.17
APCs	209.42	153.34	2.18	151.16	107.90	1.42
Total	3993.43	1597.74	297.33	1300.41	954.19	18.61

Source: Information obtained from Director of Textiles, Nagpur, Director of Marketing, Pune and Commissioner of Sugar, Pune and CM&TD

²¹ Government of India created (1982) a Sugar Development Fund (SDF) by levying a cess of ₹ 14 per quintal of sugar produced for developmental activities of Sugar factories.

Table 1.34: Share capital released, due for redemption, redeemed and outstanding

(₹ in crore)

Particulars	Share Capital				
	Released	Due for redemption	Redeemed	Outstanding amount	Percentage of recovery
Spinning Mills	1616.38	220.66	25.64	195.02	11.62
PLCSs	100.62	81.06	2.64	78.42	3.26
CSFs	1211.69	649.76	43.73	606.03	6.73
APCSs	111.77	56.12	0.87	55.25	1.55
Total	3040.46	1007.60	72.88	934.72	7.23

Source: Information obtained from Director of Textiles, Nagpur; Director of Marketing, Pune and Commissioner of Sugar, Pune and CM&TD

Audit findings

General observations

The CM&TD was not maintaining year-wise details of loans sanctioned to the co-operative societies during the last five years. The postings in the ledgers/registers of loan were incomplete and age-wise analysis of outstanding amounts due was not done. The revenue receipts on account of recovery of loans were not reconciled with the records of treasuries. The CM&TD did not sign any agreements with the co-operative societies for the loans advanced nor did it safeguard its financial interest, as the loans were advanced without any collaterals.

The Controlling Officers were not monitoring the loans in order to ensure that the same were being utilised for the purpose for which it was sanctioned. The utilisation certificates were not obtained from the loanees and submitted to the Government from time to time.

Closure/liquidation of the co-operative units to whom loans were advanced or where the State Government had invested in redeemable shares, was one of the major reasons (as discussed subsequently) for meagre recovery of loans as could be seen from **Table 1.33** and **Table 1.34**.

National Co-operative Development Corporation (NCDC) gives loans to the State Government, which in turn are passed on by the State Government to the co-operative societies, either under the same terms and conditions stipulated by NCDC or more liberal or stringent terms and conditions, as deemed fit by the State Government. In case of defaults in payments of the principal and interest by the loanees, the State Government has to honour its commitments and obligations to the NCDC by repaying the loans. Hence, this is a liability of the State Government. The status of loans/share capital given by NCDC to GoM up to March 2014 is shown below.

Table 1.35: Details of NCDC loans/share capital

(₹ in crore)

Sr. No.	Particulars	NCDC loan/share capital ²²		
		Principal due	Recovered	Outstanding
1	Spinning Mills (NCDC loan)	146.73	34.27	112.46
2	PLCSs (NCDC loan)	183.10	14.37	168.73
3	CSFs (NCDC loan)	184.01	104.25	79.76
4	APCSs (NCDC loan)	153.34	2.18	151.16
5	APCSs (NCDC share capital)	39.64	0.04	39.60
Total		706.82	155.11	551.71

Source: Information obtained from Director of Textiles, Nagpur, Director of Marketing, Pune and Commissioner of Sugar, Pune and CM&TD

Audit observed that CM&TD repaid ₹ 963.82 crore (principal plus interest) to NCDC during the period 2009-10 to 2013-14 which included the principal amount of ₹ 706.82 crore. But, recoveries to the extent of only ₹ 155.11 crore (principal) were effected from the beneficiary societies thus, leaving an outstanding liability of ₹ 551.71 crore which was also paid by the GoM to NCDC. This arrangement put a drain on the State exchequer.

Audit findings on co-operative spinning mills

- (i) The financial assistance to spinning mills started from 1992 onwards and the status of share capital contribution of the GoM in 123 spinning mills as on March 2014 is given in **Table 1.36**

Table 1.36: Status of spinning mills to whom share capital was given by GoM

Status of Spinning Mills	No. of units	Share capital (₹ in crore)
Fully operational	34	500.65
Partly operational	29	645.63
Under construction	21	361.33
Converted to PLCSs	02	5.25
Closed	06	11.38
Under liquidation	31	92.15
TOTAL	123	1616.39

Source: Information furnished by Director of Textiles, Nagpur

Of the total 123 units, only 34 units involving Government share capital of ₹ 500.65 crore (31 per cent) were fully operational and 37 units which received share capital of ₹ 103.53 crore (six per cent) have either been closed or liquidated, as of March 2014. Government funds to the extent of ₹ 361.33 crore (22 per cent) was blocked in 21 units which were under construction (March 2014). The remaining 31 units (share capital ₹ 650.88 crore; 40 per cent) were being partially operated or converted to PLCSs as of March 2014. Considering the fact that no clear directions have been issued by CM&TD regarding recovery of share capital from these spinning mill units and the first right for recoveries being vested with the financial institutions/banks²³, the recovery of share capital given by the Government appeared to be doubtful.

²² The due amount of ₹ 706.82 crore stands included in the overall position shown in Table 1.33 and Table 1.34

²³ The spinning mills can avail of long term loans (50 per cent of the total project cost) from financial institutions; 45 per cent of the project cost from the State Government as share capital; five per cent as self-contribution

- (ii) As per Section 155 (1) of Maharashtra Co-operative Societies Act, 1960, all sum dues from a society to the Government are to be recovered according to the law and under the rules for the time being in force for the recovery of arrears of land revenue.

Audit scrutiny however, revealed that the recoveries of loans and refunds of share capital were poor. As of March 2014, of the total amount of ₹ 509.29 crore due for recovery from 123 spinning mills, an amount of only ₹ 61.63 crore was recovered (12 per cent), leaving an outstanding balance of ₹ 447.66 crore (Table 1.33 and Table 1.34). Even in the case of 34 fully operational spinning mills, the amount due for recovery in respect of 28 spinning mills was ₹ 192.81 crore of which, ₹ 25.64 crore was recovered, leaving an outstanding balance of ₹ 167.17 crore as of March 2014.

- (iii) As per Government Resolution (June 2006), when a spinning mill is converted into a powerloom co-operative society, the financial assistance already provided to the spinning mill should be re-adjusted in accordance with the prescribed financial arrangements of the new scheme failing which, the whole amount is to be refunded in lump sum to the Government account.

Two spinning mills²⁴ (Table 1.36) to whom share capital of ₹ 5.25 crore was provided by the GoM, were converted to PLCSSs. However, the share capital was neither re-adjusted against the new scheme nor refunded in lump sum to the Government even after lapse of eight years (2006 to 2014).

The CM&TD stated (April 2014) that these spinning mills were earlier under the jurisdiction of Director of Textiles, Nagpur and when they got converted to powerlooms, they went under the jurisdiction of District Deputy Registrars, Beed and Osmanabad. The CM&TD added that the issue of adjustment of share capital has been brought to the notice of the District Deputy Registrars.

The reply is not tenable as both the District Deputy Registrars were also within CM&TD and an effective co-ordination could have ensured the timely re-adjustment of share capital.

- (iv) The GoM decided in October 2011 to provide interest free soft loan to co-operative spinning mills for a period of three years to combat recession in textile industry. As per the decision, the soft loan was to be recovered in three equal annual instalments after a moratorium of one year. The first instalment was due in 2013-14. CM&TD released (December 2011) soft loan of ₹ 106.30 crore to 54 out of 123 spinning mills. As per the terms of sanctions, the first instalment of ₹ 35.43 crore was required to be recovered by 2013-14 from these spinning mills. However, only ₹ 1.67 crore was recovered from three²⁵ out of 54 spinning mills as of March 2014.
- (v) The CM&TD sanctioned (March 2011) ₹ two crore share capital to Shri Kulswamini Sahkari Soot Girni Limited, Taluka Tuljapur, Osmanabad. The Director of Textiles, Nagpur informed (March 2012) the Principal Secretary, Textiles that ₹ two crore share capital given to the mill was utilised for repayment of medium term loan taken from Maharashtra State Co-operative

²⁴ Majalgaon Shetkari Sahkari Soot Girni Majalgaon, Beed and Shree Terna Sahkari Sooti Girni Maryadit, Osmanabad

²⁵ Indira Sahkari Sakhar Karkhana, Latur (₹ 0.41 crore), Sheshrao Wankhede Sahkari Sakhar Karkhana, Nagpur (₹ 1.16 crore) and Hutatma Swami Warke Sahkari Sakhar Karkhana, Kolhapur (₹ 0.10 crore)

Bank, Mumbai and thus, breached the terms and conditions of financial assistance given to the co-operative societies. Audit however, observed that CM&TD again released (April 2012) ₹ five crore to the same spinning mill through vote on account, despite the fact that the initial instalment of ₹ two crore was not utilised by the mill for the purpose for which it was sanctioned.

Audit findings on co-operative sugar factories

- (i) The CSFs in Maharashtra are processing Societies under the Maharashtra Co-operative Societies Act, 1960. They manufacture sugar from the sugarcane purchased from the local farmers. Besides producing sugar from sugarcanes, CSFs also take up electricity production by setting up cogeneration units. The financial assistance to CSFs started from 1995-96 onwards. As of March 2014, of the total amount of ₹ 1,622.43 crore due for recovery from 175 CSFs, only ₹ 288.52 crore was recovered (18 *per cent*), leaving an outstanding balance of ₹ 1,333.91 crore.
- (ii) New CSFs are to complete their erection and commissioning within three years of their registration with Commissioner of Sugar, Pune. Audit observed that six CSFs registered between 1992 and 2001 did not complete their erection and commissioning as of March 2014, resulting in delay of nine to 19 years (**Appendix 1.16**). Consequently, share capital amounting to ₹ 59.89 crore released to these CSFs by CM&TD, without linking it with the progress of work, remained blocked for significant period.
- (iii) Road development grants are given by the Commissioner of Sugar, Pune to the CSFs for development of roads leading to the sugarcane farms, in order to ensure smooth transportation during the crushing season. The CSFs are required to utilise the funds in the year in which it is sanctioned. The Commissioner of Sugar, Pune released road grant of ₹ 5.70 crore to 11 CSFs during 2009-10 to 2011-12²⁶. Of the total road grant of ₹ 5.70 crore released to 11 CSFs, the share of four CSFs was ₹ 1.54 crore. However, these four CSFs could utilise only ₹ 0.21 crore thus, leaving an unspent balance of ₹ 1.33 crore, which was not recovered as of March 2014. The details are shown in **Appendix 1.17**.
- (iv) The GoM promulgated (February 2008) a policy of financial assistance to the cogeneration²⁷ projects of CSFs. As per policy, CSFs were to raise 10 *per cent* share capital of which, five *per cent* was to be given by GoM through green cess²⁸. The financial institutions/banks were to contribute 60 *per cent* and the remaining 30 *per cent* was to be contributed by SDF.

As per the terms and conditions of release of Government share capital to CSF, 50 *per cent* of the share capital was redeemable by the fifth year and the remaining 50 *per cent* by the tenth year. In order to ensure timely redemption, CSFs was to create a Redeemable Reserve Fund by contributing 10 *per cent* of the Government contribution every year.

²⁶ No road grants were sanctioned during 2012-13 and 2013-14

²⁷ Cogeneration is the process whereby a single fuel source, such as natural gas, is used to produce both electrical and thermal energy

²⁸ This cess is to be used for executing schemes for generation of renewable energy

Audit observed that CM&TD disbursed (March 2009) ₹ 35 crore to 16 CSFs as share capital, as detailed in **Appendix 1.18**. As per terms and conditions of release, the CSFs should have contributed five annual instalments totalling ₹ 17.50 crore (*i.e.* 50 per cent of ₹ 35 crore) to the Redeemable Reserve Fund, in order to redeem the share capital. This was, however, not done and share capital was not redeemed.

- (v) Being a liquidated sugar factory, the Commissioner of Sugar, Pune leased out (November 2012) M/s Karmveer Kakasaheb Wagh Sahkari Sakhar Karkhana Limited, Nasik to M/s Chhatrapati Sambhaji Rajee Sakhar Udyog Limited, Aurangabad (lessee) for a period of six crushing seasons (2012-13 to 2017-18) on an annual lease rent of ₹ 2.01 crore. The lease agreement signed between the lessee and Commissioner of Sugar, Pune had suitable provisions to safeguard the financial interests of the Government. According to the lease agreement, 50 per cent of the lease rent was to be paid by the lessee to the Commissioner of Sugar, Pune before commencement of the crushing season, 25 per cent after three months of commencement of crushing and the balance 25 per cent was to be paid 10 days before conclusion of the crushing season. Audit observed that lease rent of two years amounting to ₹ 4.02 crore for 2012-13 and 2013-14 was not paid by the lessee as of March 2014. Further, security deposit in the form of bank guarantee equivalent to 25 per cent of the annual rent (₹ 0.50 crore) was also not furnished by the lessee before the start of crushing years 2012-13 and 2013-14.

The Commissionerate of Sugar stated (June 2014) that the matter was taken up with the lessee and the lessee has agreed to pay the entire outstanding rent along with interest. The Commissioner added that the bank guarantee would be taken from the lessee before the commencement of crushing season 2014-15.

Audit findings on agro processing co-operative societies

The financial assistance to APCSs started from 2007. The repayment of loan and redemption of share capital in respect of APCSs was significantly low as could be seen from **Table 1.33** and **Table 1.34**. The CM&TD attributed (May 2014) the low recoveries to non-functioning of APCSs to their full capacity, some APCSs being under-construction, non-availability of financial assistance in time from the State Government, lack of sufficient electricity, non-availability of skilled staff in APCSs, *etc.* Further, a meeting headed by the Additional Chief Secretary (Marketing) was held in July 2013 to initiate steps to speed up the recoveries.

Audit observed that of the total 89 units, 28 units to whom loans amounting to ₹ 104.47 crore were given had closed their operations and 12 units, with an outstanding dues of ₹ 113.72 crore, were under liquidation (December 2013). The CM&TD stated (May 2014) that ₹ 14 lakh had been recovered from closed units in Sangli and Sindhudurg districts and action has been initiated against the remaining units under Section 155 of Maharashtra State Co-operatives Societies Act, 1960.

Unless tangible efforts are made by the State Government for timely recovery of outstanding loans, the chances of recoveries of the outstanding dues from the APCSs would remain bleak.

1.8.4 Cash balances and investment of cash balances

Table 1.37 and Chart 1.15 depict the cash balances and investments made by the State Government out of cash balances during the year.

Table 1.37: Cash balances and investment of cash balances

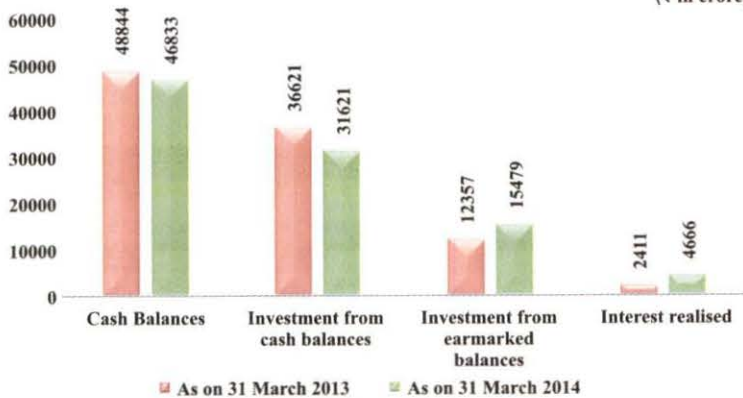
(₹ in crore)

Particulars	As on 31 March 2013	As on 31 March 2014	Increase (+)/ Decrease(-)
Cash in treasuries	0.14	0.17	0.03
Deposits with Reserve Bank of India	(-)194.42	(-)277.04	(-)82.62
Remittances in transit-Local	55.10	54.88	(-)0.22
Cash with the departmental officers	4.61	4.76	0.15
Permanent advance for contingent expenditure with departmental officers	0.49	0.50	0.01
Investments from cash balances (a to d)	36621.16	31620.91	(-)5000.25
a. GoI Treasury Bills	36620.46	31620.22	(-)5000.24
b. GoI Securities	-	-	-
c. Other Securities, if any specify	-	-	-
d. Other Investments	0.70	0.69	(-)0.01
Fund-wise break-up of investment from Earmarked balances (a to e)	12356.64	15479.27	3122.63
a. General and other Reserve Funds	10.88	10.88	0.00
b. Sinking Fund	12331.26	15453.89	3122.63
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	48843.72	46883.46	(-)1960.26
Interest Realised	2411.21	4666.37	2255.16

Source: Finance Accounts of respective years

Chart 1.15: Cash balance and investment of cash balance

(₹ in crore)



(Source: Finance Accounts of respective years)

The State Government’s cash balances of ₹ 46,883 crore at the end of the current year showed a decrease by four per cent (₹ 1,961 crore) over the previous year. Of the above, ₹ 31,621 crore was invested in GoI Treasury Bills which earned an interest of ₹ 3,136 crore during the year. Further, ₹ 15,479 crore was

invested in earmarked funds. The State Government resorted to ways and means advances on two occasions during the year as shown in the notes below Table 1.2.

The cash balances of the State Government at the end of March 2014 (₹ 46,883 crore) was nearly 27 per cent of the total expenditure of the State Government during the year (₹ 1,76,568 crore).

1.8.4.1 Outstanding balances under the head 'Cheques and Bills'

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

As on 31 March 2014, there was an outstanding balance (cumulative) of ₹ 7,480.37 crore. During 2013-14, the total value of lapsed cheques amounted to ₹ 31.43 crore (₹ 0.17 crore on salaries, ₹ 7.45 crore on pension payments, ₹ 0.55 crore on refunds of revenue, ₹ 0.13 crore on Provident Fund disbursements, ₹ 0.10 crore on Insurance and Pension Funds and ₹ 23.03 crore on Others).

1.9 Assets and liabilities

1.9.1 Growth and composition of assets and liabilities

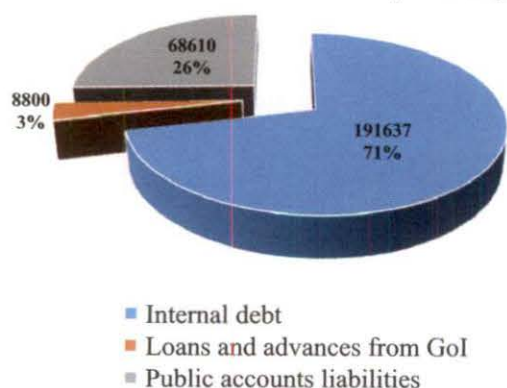
In the existing cash-based Government accounting system, comprehensive accounting of fixed assets like land and buildings owned by the Government is not done. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred. **Appendix 1.19** gives an abstract of such liabilities and the assets as on 31 March 2014, compared with the corresponding position on 31 March 2013. While the liabilities consist mainly of internal borrowings, loans and advances from the GoI, receipts from the Public Account and Reserve Funds, the assets mainly comprise the capital outlay and loans and advances given by the State Government and cash balances.

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

1.9.2 Fiscal liabilities

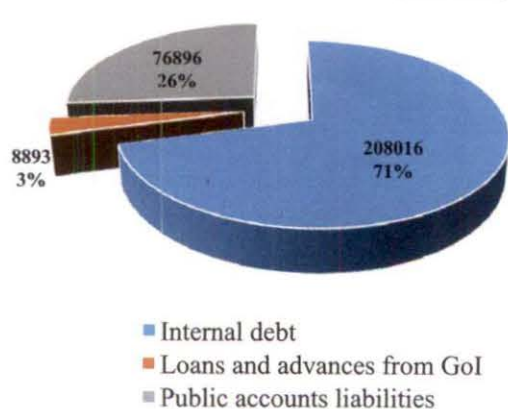
The composition of fiscal liabilities during the current year *vis-à-vis* the previous year is presented in **Charts 1.16** and **1.17**.

Chart 1.16: Composition of outstanding fiscal liabilities as on 31 March 2013
(₹ in crore)



(Source: Finance Accounts 2012-13)

Chart 1.17: Composition of outstanding fiscal liabilities as on 31 March 2014
(₹ in crore)



(Source: Finance Accounts 2013-14)

Table 1.38 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 1.38: Fiscal liabilities – basic parameters

	2009-10	2010-11	2011-12	2012-13	2013-14
Fiscal Liabilities (₹ in crore) [#]	196826	220950	245338	269047	293805
Rate of Growth (per cent) [#]	13.02	12.26	11.04	9.66	9.20
Ratio of Fiscal Liabilities to					
GSDP (per cent) [#]	23.00	21.06	20.87	20.32	19.90
Revenue Receipts (per cent) [#]	226.50	208.70	202.30	188.20	196.10
Own Resources (per cent) [#]	291.80	265.40	256.20	237.20	244.90
Buoyancy of Fiscal Liabilities with reference to :					
GSDP (ratio) [#]	0.964	0.542	0.917	0.765	0.799
Revenue Receipts (ratio) [#]	1.876	0.562	0.758	0.541	1.917
Own Resources (ratio) [#]	1.428	0.524	0.734	0.524	1.600

Source: Finance Accounts of respective years

[#] Figures differ from previous year due to adoption of net figures of reserve funds

The overall fiscal liabilities of the State increased at an average annual rate of 12.32 per cent during the period 2009-14. The growth rate decreased continuously from 13 per cent in 2009-10 to 9.19 per cent in 2013-14. During 2013-14, the debt to GSDP ratio at 19.9 per cent was higher than the projections made in MTFPS (17.60 per cent) but lower than the ThFC (25.5 per cent) and MFRBM Rules, 2011 (25.5 per cent). These liabilities were nearly twice the revenue receipts and more than twice the State's own resources at the end of 2013-14. The buoyancy of these liabilities with respect to GSDP during 2013-14 was 0.798, indicating that for each one per cent increase in GSDP, fiscal liabilities grew by 0.798 per cent.

Of the total fiscal liabilities, the share of public debt was maximum (74 per cent), followed by deposits²⁹ (16 per cent), reserve funds (three per cent) and Small Savings, Provident fund³⁰, etc. (seven per cent). Fiscal liabilities increased by ₹ 24,758 crore from ₹ 2,69,047 crore in 2012-13 to ₹ 2,93,805 crore in 2013-14, mainly due to increase in Public Debt (₹ 16,473 crore), Deposits (₹ 6,772 crore) and Small Savings and Provident Funds (₹ 1,894 crore), set-off by decrease in Reserve Fund (₹ 381 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 2014, the closing balance in the Sinking Fund was ₹ 15,453.89 crore which included ₹ 3,123 crore for 2013-14 and the entire balance was invested.

1.9.2.1 Increasing trend of balance under 8443-Civil Deposits

During 2009-10 to 2013-14, 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 1.39**.

²⁹ 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

³⁰ 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

Table 1.39: 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 (percentage)
2009-10	6619.45	10413.01	8812.68	8219.78	1600.33	4583.58 (56)
2010-11	8219.78	15806.01	13489.28	10536.51	2316.73	6626.45 (63)
2011-12	10536.51	19517.15	18721.93	11331.72	795.22	6533.47 (58)
2012-13	11331.72	19509.83	17331.91	13509.64	2177.92	7952.89 (59)
2013-14	13509.64	24727.68	22545.07	15692.25	2182.61	9254.78 (59)

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. Further, all funds which 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. From the notes to accounts to the Finance Accounts 2013-14, it would be seen that funds which need to be transferred back to the Consolidated Fund at the end of the financial year was not ascertainable. As a result, the actual liabilities under the Major Head 8443–Civil Deposits were also not ascertainable.

1.9.2.2 Unreconciled differences between closing balances in the account and subsidiary records

As per the Finance Accounts 2013-14, there was an unreconciled balance of ₹ 3,243.42 crore under Civil Deposits and Other Civil Deposits pertaining to the period 1960-61 to 2013-14. Of the above, ‘Provident Fund Accounts maintained by Departmental Officers’ was the major item pertaining to 1960-61 to 2013-14 that remained unreconciled (₹ 3,236.22 crore) as of March 2014.

1.9.3 Transactions under reserve fund

There were 18 reserve funds earmarked for specific purposes of which, nine funds were active as shown in **Appendix 1.20**. The total accumulated balance as on 31 March 2014 in these funds was ₹ 25,610.02 crore (₹ 25,581.01 crore in active funds and ₹ 29.01 crore in inoperative funds). However, the investment out of this balance was only ₹ 15,479.19 crore (60 per cent).

1.9.4 Contingent liabilities

1.9.4.1 Status of guarantees

Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee has been extended. Mention was made in the Report of the Comptroller and Auditor General of India on State Finances for the year ended 31 March 2013 (paragraph 1.9.4.2) regarding guarantees given by the GoM to the Co-operative Sugar Factories and to the State Social Welfare Corporations.

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 9 of the Finance Accounts (Volume-II) 2013-14 are summarised in **Table 1.40**.

Table 1.40: Guarantees given by the Government of Maharashtra

(₹ in crore)

Guarantees	2011-12	2012-13	2013-14
Maximum amount guaranteed	45515	41353	32247
Outstanding amount of guarantees	15041	9246	7235
Percentage of maximum amount guaranteed to total revenue receipt	38	29	22

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 2013-14, guarantees of ₹ 490 crore were given by the State Government to (a) Maharashtra State Co-operative Marketing Federation (₹ 285 crore); (b) Maharashtra Agricultural Industries Development Corporation (₹ 140 crore); (c) Social Justice and Special Assistance Federation (₹ 50 crore); and (d) Minority Development Federation (₹ 15 crore). Outstanding guarantees (₹ 7,235 crore) during 2013-14 accounted for five *per cent* of the revenue receipts (₹ 1,49,822 crore) and 0.49 *per cent* of the GSDP (₹ 14,76,233 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 stated 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 2014.

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 ₹ 68.09 crore during 2013-14 from ₹ 82.01 crore during 2012-13. The guarantee fee of ₹ 68.09 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.

1.9.4.2 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 1.40**, the State also guaranteed loans availed of by the Government companies and corporations. These companies and corporations borrowed funds from the market and financial institutions for implementation of various State Plan programmes projected outside the State budget. Although the State Government projects that funds for these programmes would be met out of the resources 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 2013-14. However, at the close of 2013-14, ₹ 1,216 crore was outstanding on account of off-budget borrowings made prior to 2005-06.

1.9.4.3 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 as a result, the Finance Accounts are incomplete to this extent.

1.10 Debt management

Debt profile

Per capita debt of the State Government is as given in **Table 1.41**

Table 1.41: Time series analysis showing the per capita debt

	2009-10	2010-11	2011-12	2012-13	2013-14
Internal Debt	142685	158314	176622	191637	208016
Loans and Advances from GoI	8749	9086	8772	8830	8893
Total	151434	167400	185394	200467	216909
Population (as per Census 2001/2011)	9.69 crore	9.69 crore	11.24 crore	11.24 crore	11.24 crore
Per Capita Debt (in ₹)	15627.86	17275.54	16494.13	17835.14	19297.95

(₹ in crore)

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

The per capita debt increased from ₹ 15,627.86 in 2009-10 to ₹ 19,297.95 in 2013-14.

Debt sustainability

Apart from the magnitude of debt of the State Government, it is important to analyse various indicators that determine the debt sustainability³¹ of the State. This section assesses the sustainability of debt of the State Government in terms of debt stabilisation³¹, sufficiency of non-debt receipts³¹, net availability of borrowed funds³¹, burden of interest payments (measured by interest payments to revenue receipts ratio) and maturity profile of State Government securities. **Table 1.42** analyses the debt sustainability of the State according to these indicators for the period of three years beginning from 2011-12.

Table 1.42: Debt sustainability: indicators and trends

Indicators of debt sustainability	2011-12	2012-13	2013-14
Debt Stabilisation (₹ in crore) ^a			
(Quantum Spread + Primary Deficit/Surplus) ³¹	7374	18094	5897
Sufficiency of non-debt receipts (Resource Gap) (₹ in crore)	(-)1283	6400	(-)12278
Net Availability of Borrowed Funds (₹ in crore)	6883	4633	3551
Burden of Interest Payments(IP/RR Ratio) (in per cent)	14	13	14

^a Figures differ from previous year due to correction in fiscal liability figures

Source: Finance Accounts of respective years

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

³¹ see Glossary at page 142

Table 1.42 reveals that though the sum of quantum spread and primary deficit in 2013-14 remained positive, it reduced from ₹ 18,094 crore (2012-13) to ₹ 5,897 crore (2013-14) indicating a tendency towards non-sustainability of debt position of the State.

Sufficiency of non-debt receipts

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

The negative resource gap indicates the non-sustainability of debt while the positive resource gap strengthens the capacity of the State to sustain the debt. **Table 1.42** reveals that during the year 2011-12 the resource gap was negative which turned positive during 2012-13, indicating the capacity of the State to sustain the debt in the medium to long run. However, during the current year, the resource gap turned negative indicating the beginning of risk of non-sustainability of debt.

The negative resource gap (₹ 12,278 crore) was a result of insufficiency of the incremental non-debt receipt (₹ 6,740 crore) to meet the incremental primary expenditure (₹ 16,886 crore) and incremental interest payments (₹ 2,131 crore). Thus, for debt stability, the State needs to improve its resource mobilisation as well as prune unproductive expenditure.

Net availability of borrowed funds

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

Table 1.42 reveals that the net availability of borrowed funds decreased from ₹ 6,883 crore in 2011-12 to ₹ 4,633 crore in 2012-13 and further reduced to ₹ 3,551 crore in 2013-14.

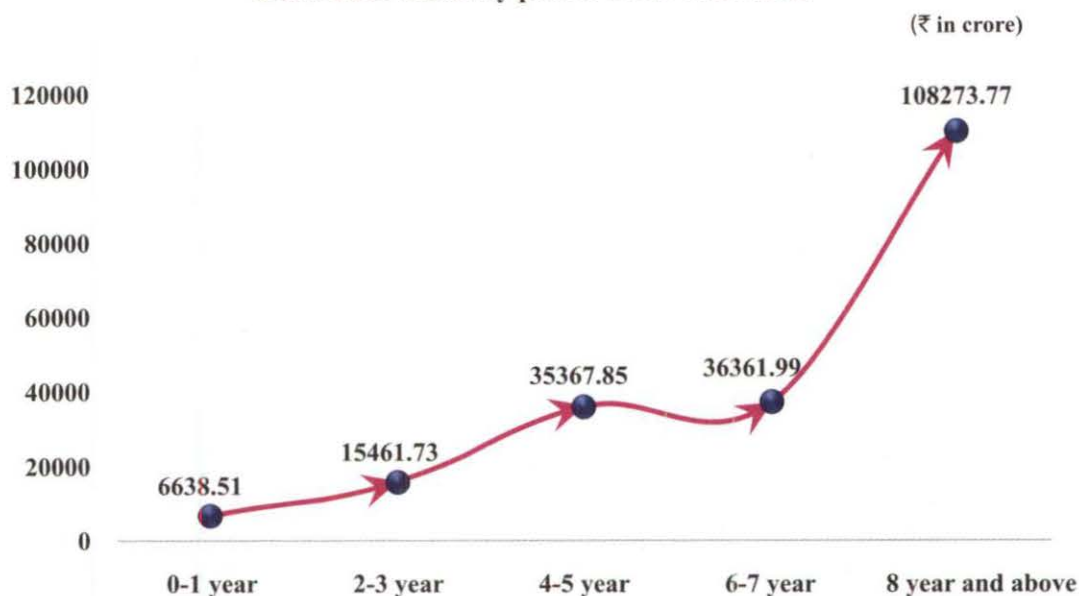
During 2013-14, Government raised internal debt of ₹ 25,770 crore, GoI loans of ₹ 964 crore and other obligations of ₹ 42,756 crore. Government repaid internal debt of ₹ 9,391 crore, GoI loans of ₹ 871 crore and discharged other obligations of ₹ 34,470 crore and paid interest of ₹ 21,207 crore, resulting in net availability of borrowed funds to the extent of ₹ 3,551 crore during the year.

Table 1.43: Maturity profile of State debt

Maturity Profile (in years)	Amount (₹ in crore)	per cent
0 - 1	6638.51	3.20
2 - 3	15461.73	7.43
4 - 5	35367.85	17.00
6 - 7	36361.99	17.48
8 and above	108273.77	52.05
Information not furnished by the State Government	5912.13	2.84
Total	208015.98	100.00

Source: Finance Accounts 2013-14

Chart 1.18: Maturity profile of the State debt



(Source: Finance Accounts 2013-14)

The maturity of the State debt as per **Table 1.43** and **Chart 1.18** indicates that nearly 27.63 per cent of the total State debt is repayable within the next five years while the remaining 72.37 per cent is payable from sixth year onwards. **Table 1.43** further indicates that the liability of the State to repay the debt would be ₹ 35,367.85 crore during the period 2017-19 and ₹ 36,361.99 crore during 2019-21 which would put a strain on the Government budget during that period.

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

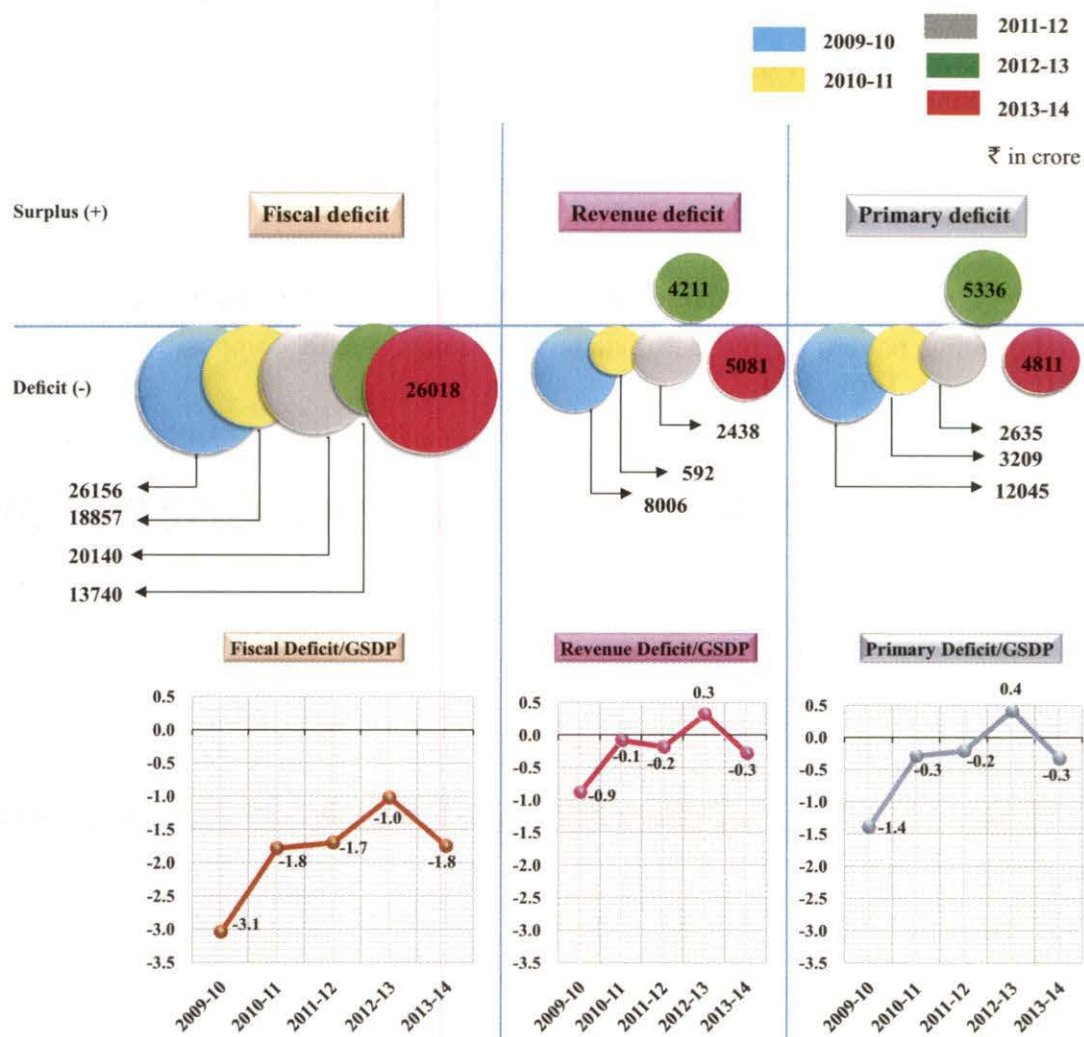
1.11 Fiscal imbalances

Three key fiscal parameters – revenue, fiscal and primary deficits - indicate the extent of overall fiscal imbalances in the Finances of the State Government during a specified period. The deficit in the Government accounts represents the gap between its receipts and expenditure. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further the ways in which the deficit is financed and the resources raised are applied are important pointers to its fiscal health. This section presents trends, nature 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 2013-14.

1.11.1 Trends in deficits

Charts 1.19 presents the trends in deficit indicators over the period 2009-14.

Chart 1.19: Trends in deficit indicators



(Source: Finance Accounts of respective years)

The revenue deficit of ₹ 8,006 crore during 2009-10 was mainly due to increase in revenue expenditure. The revenue deficit was to be brought down to zero by 2011-12 and revenue surplus was to be generated thereafter as per the MFRBM Rules (Second Amendment), 2011. The target of bringing down the revenue deficit to zero could not be achieved in 2011-12 but, a revenue surplus of ₹ 4,211 crore was achieved in 2012-13. This revenue surplus during 2012-13 was achieved mainly due to increase in revenue receipts by 18 per cent as against an increase in revenue expenditure by 12 per cent. During 2013-14, the revenue deficit was ₹ 5,081 crore due to sharp increase in revenue expenditure by 12 per cent as against an increase in revenue receipts of only five per cent.

The fiscal deficit of ₹ 13,740 crore during 2012-13 increased to ₹ 26,018 crore during 2013-14, as a result of increase in revenue expenditure (₹ 16,166 crore) and net capital expenditure (₹ 2,622 crore) and increase in net loans and advances disbursed (₹ 229 crore) over the previous year.

Primary deficit³² during 2009-12 turned to primary surplus during 2012-13 (₹ 5,336 crore). This again turned to primary deficit during 2013-14 (₹ 4,811 crore),

³² see Glossary at page 142

due to increase in fiscal deficit (₹ 12,278 crore) and increase in interest payment (₹ 2,131 crore) over the previous year.

During the year 2013-14, 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 ₹ 41.56 crore and understated by ₹ 1,212.97 crore. The details are shown in the notes to accounts of Finance Accounts (Volume-I) 2013-14.

1.11.2 Composition of fiscal deficit and its financing pattern

The financing pattern of the fiscal deficit has undergone a compositional shift as reflected in the **Table 1.44**.

Table 1.44: Components of fiscal deficit and its financing pattern

		(₹ in crore)				
Particulars		2009-10	2010-11	2011-12	2012-13	2013-14
Composition of Fiscal Deficit(-)/ Surplus (+) (1+2+3) (a)		(-)26156	(-)18857	(-)20140	(-)13740	(-)26018
		(-3.06)	(-1.8)	(-1.71)	(-1.04)	(-1.76)
1	Revenue Deficit(-)/Surplus (+)	(-)8006	(-)592	(-)2438	4211	(-)5081
		(-0.94)	(-0.06)	(-0.21)	(0.32)	(-0.34)
2	Net Capital Expenditure	(-)17404	(-)17946	(-)17424	(-)17398	(-)20020
		(-2.03)	(-1.71)	(-1.48)	(-1.31)	(-1.36)
3	Net Loans and Advances	(-)746	(-)319	(-)277	(-)553	(-)917
		(-0.09)	(-0.03)	(-0.02)	(-0.04)	(-0.06)
Financing Pattern of Fiscal Deficit*						
1	Market Borrowings	14509	10484	19420	16324	19163
		(1.7)	(1)	(1.65)	(1.23)	(1.3)
2	Loans from GoI	325	337	(-)144	58	94
		(0.04)	(0.03)	(-0.01)	(0)	(0.01)
3	Special Securities Issued to National Small Savings Fund	2751	5155	(-)1172	(-)936	(-)2285
		(0.32)	(0.49)	(-0.1)	(-0.07)	(-0.15)
4	Loans from Financial Institutions and other Loans	154	(-)9	60	(-)373	(-)499
		(0.02)	(0)	(0.01)	(-0.03)	(-0.03)
5	Small Savings, PF etc.	1790	2022	2260	2188	1893
		(0.21)	(0.19)	(0.19)	(0.17)	(0.13)
6	Deposits and Advances	3502	6259	4532	6442	6772
		(0.41)	(0.6)	(0.39)	(0.49)	(0.46)
7	Suspense and Miscellaneous	4020	(-)1104	(-)1509	100	(-)2705
		(0.47)	(-0.11)	(-0.13)	(0.01)	(-0.18)
8	Remittances	2163	(-)482	(-)256	843	(-)1117
		(0.25)	(-0.05)	(-0.02)	(0.06)	(-0.08)
9	Reserve Funds	875	2153	1400	1976	2742
		(0.1)	(0.21)	(0.12)	(0.15)	(0.19)
10	Contingency Fund	(-)251	842	(-)489	140	(-)500
		(-0.03)	(0.08)	(-0.04)	(0.01)	(-0.03)
11	Appropriation to/from Contingency fund	250	(-)850	500	(-)150	500
		(0.03)	(-0.08)	(0.04)	(-0.01)	(0.03)
12	Total (1 to 11) (b)	30088	24807	24602	26612	24058
13	Increase(-)/Decrease (+) in Cash Balance (a) – (b)	(-)3932	(-)5950	(-)4462	(-)12872	1960
		(-0.46)	(-0.57)	(-0.38)	(-0.97)	(0.13)
14	Overall deficit (12+13)	26156	18857	20140	13740	26018
		(3.06)	(1.8)	(1.71)	(1.04)	(1.76)

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

The fiscal deficit increased by ₹ 12,278 crore during 2013-14 due to the revenue deficit. The net capital expenditure as a percentage of the fiscal deficit decreased from 127 *per cent* during 2012-13 to 77 *per cent* during 2013-14.

As can be seen from **Table 1.45**, during the period 2013-14 there was an overall deficit (decrease in cash balance) after financing the fiscal deficit.

Table 1.45: Receipts and disbursements under components financing the fiscal deficit during 2013-14

(₹ in crore)

Particulars		Receipts	Disbursements	Net
1	Market Borrowings	23600	4437	19163
2	Loans from GoI	965	871	94
3	Special Securities Issued to NSSF	1425	3710	(-)2285
4	Loans from Financial Institutions and other Loans	745	1244	(-)499
5	Small Savings, PF <i>etc.</i>	4868	2975	1893
6	Deposits and Advances	32347	25575	6772
7	Suspense and Miscellaneous	(-)2694	11	(-)2705
8	Remittances	23958	25075	(-)1117
9	Reserve Funds	5540	2798	2742
10	Contingency Fund	860	1360	(-)500
11	Appropriation to/from Contingency Fund	1350	850	500
12	Total (1 to 11) (b)	94116	70058	24058
13	Increase(-)/Decrease (+) in Cash Balance (a) – (b)			1960
14	Overall deficit (12+13) (a)			26018

Source : Finance Accounts 2013-14

Cost of borrowings

During the year 2013-14, the State Government raised market loans of ₹ 23,600 crore under internal debt. The cost of raising of this internal debt being ₹ 26.16 crore was 0.11 *per cent* of the market loan taken by the State Government.

1.11.3 Quality of deficit/surplus

The ratio of revenue deficit to fiscal deficit and the bifurcation of primary deficit into primary revenue deficit and capital expenditure (including loans and advances) would indicate the quality of deficit in the States' finances. The ratio of revenue deficit to fiscal deficit indicates the extent to which borrowed funds were used for current consumption. During the current year, this ratio was 0.20 i.e. 20 *per cent* of the borrowing was used for current consumption.

Non-debt receipts of the State were enough to meet the primary expenditure requirements in the revenue account. But, the non-debt receipts were not enough to meet the expenditure requirements under capital account resulting in primary deficit during 2009-12 as well as in 2013-14. 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 1.46**.

Table 1.46: Primary deficit/surplus – bifurcation of factors

(₹ in crore)

Year	Non-debt receipts	Primary Revenue Expenditure	Capital Expenditure	Loans and Advances	Primary Expenditure	Primary revenue deficit(-)/surplus(+)	Primary deficit (-) / surplus (+)
1	2	3	4	5	6 (3+4+5)	7 (2-3)	8 (2-6)
2009-10	87450	80806	17429	1261	99496	6644	(-) 12046
2010-11	106525	90812	17963	959	109734	15713	(-) 3209
2011-12	122131	106050	17880	836	124766	16081	(-) 2635
2012-13	143810	119660	17398	1416	138474	24150	5336
2013-14	150550	133695	20021	1645	155361	16855	(-)4811

Source: Finance Accounts of respective years

The capital expenditure as a percentage to primary expenditure³³ continuously decreased from 17.52 per cent during 2009-10 to 12.56 per cent during 2012-13 and marginally increased to 12.89 per cent during 2013-14.

1.12 Follow up

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

1.13 Conclusion and recommendations

1. The revenue receipts (₹ 1,49,822 crore) increased during the year by five per cent over the previous year which was the net effect of increase in tax revenue (five per cent), Central tax transfers (nine per cent) and decrease in grants-in-aid from GoI (eight per cent). The decrease in grants-in-aid was mainly due to under-utilisation/non-utilisation of ThFC grants. The revenue receipts were 96 per cent of budget estimates for the year 2013-14. The non-tax revenue receipts of the State Government was more than the projections made in the FCP by four per cent but, lower than the budget estimates and the ThFC by five per cent and 16 per cent respectively. During the past three years, the growth rate of revenue receipts was more than the growth rate of GSDP. There was a short-receipt of interest relief of ₹ 406.52 crore during 2010-12 and ₹ 418.30 crore during 2013-14 on account of reset of NSSF interest rates.
2. The revenue expenditure increased by 12 per cent over the previous year and constituted 88 per cent of the total expenditure during 2013-14. Non-plan revenue expenditure (NPRE) constituted 83 per cent of the revenue expenditure and as a percentage of revenue receipts it increased to 86 per cent in 2013-14 from 80 per cent in 2012-13. The NPRE at ₹ 1,28,992 crore remained higher than the normative assessment made by the ThFC (₹ 93,328 crore) and the State Government's projections in FCP (₹ 1,21,699 crore) and budget estimates (₹ 1,25,647 crore). The Plan revenue expenditure and NPRE increased by six per cent and 13 per cent respectively over the previous year.

As against the targeted revenue surplus during 2013-14, there was revenue deficit of ₹ 5,081 crore due to the significant gap between the growth rates of

³³ 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

the revenue receipts (five *per cent*) and revenue expenditure (12 *per cent*) over the previous year. The fiscal deficit (₹ 26,018 crore) increased as compared to the previous year and constituted 1.76 *per cent* of GSDP which was within the limit of three *per cent* set under FRBM. The primary deficit during 2013-14 was ₹ 4,811 crore.

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.

- 3 Expenditure under subsidies increased by 30 *per cent* over the previous year and constituted about eight *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 FCP and the projections made in the budget estimates. Financial assistance to local bodies and other institutions, which constituted 44 *per cent* of the revenue expenditure during 2013-14, increased by seven *per cent* over the previous year.
4. The capital expenditure, which constituted 11 *per cent* of the total expenditure, increased by 15 *per cent* during 2013-14 over the previous year. The percentage of capital expenditure to total expenditure showed a declining trend from 15 *per cent* in 2009-10 to 11 *per cent* in 2013-14. The ratio of capital expenditure to aggregate expenditure in 2013-14 was lower than the ratio of General Category States.

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.

5. The recovery of loan and share capital given by the Co-operation, Marketing and Textiles Department to various co-operative societies was poor. As of March 2014, the CM&TD released loans and share capital of ₹ 7,033.89 crore to various co-operative societies of which, the amount due for recovery was ₹ 2605.34 crore. However, the recoveries were meagre at ₹ 370.21 crore (14.20 *per cent*). There were inadequacies in the system of account of recoveries of loans and the monitoring as well. There was breach of terms and conditions of financial assistance given to the co-operative societies. In order to honour the obligations of financial assistance given by National Co-operative Development Corporation, the State Government had to pay the outstanding liabilities of the defaulter societies also. Share capital of ₹ 59.89 crore released to six co-operative sugar factories, without linking it with the progress of work, remained blocked for significant period. Substantial Government dues were locked in those co-operative societies which had either closed down their operations or were under liquidation.

There is a need to review the system of extending loans and share capital to co-operative societies in order to ensure that the financial interests of the Government are not harmed.

6. The average return on the State Government's investment in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives varied between 0.02 and 0.05 *per cent* in the past three years while the Government paid an average interest of 7.42 to 7.54 *per cent* on its borrowings.

The Government may review the working of state undertakings/rural banks/co-operatives which are making losses and where substantial Government investments are blocked.

7. During 2013-14, the fiscal liabilities (₹ 2,93,805 crore) increased over the previous year. The ratio of fiscal liabilities to GSDP at 19.9 *per cent* was lower than the norm of 25.5 *per cent* recommended by the ThFC and the MFRBM Rules, 2011. These liabilities were nearly twice the revenue receipts.
8. The resource gap in the State during 2011-12 and 2013-14 was negative, indicating decreasing capacity of the State to sustain the debt in the medium to long run. This was a result of insufficiency of the incremental non-debt receipt to meet the incremental primary expenditure and incremental interest payments.
9. Under the new Pension Scheme 2005, the State Government has not transferred any amount to the Trust/Fund Managers since the inception of the scheme. The total amount available in the fund as on 31 March 2014 was ₹ 4,145.59 crore. Retention of these amounts assisted the State Government in enhancing its liquidity position.
10. There was a decrease of four *per cent* in the cash balances of the State Government over the previous year, significant part of which pertained to balances in public accounts. Cash balances of the State at the close of 2013-14 was ₹ 46,883 crore of which, ₹ 31,621 crore was in cash balance investment account.

CHAPTER - II

**FINANCIAL MANAGEMENT AND
BUDGETARY CONTROL**

CHAPTER I

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

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

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

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

2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2013-14 against 249 grants/appropriations is as given in **Table 2.1**.

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

(₹ in crore)

	Nature of expenditure	Original grant/ appropriation	Supplementary grants/ appropriation	Total	Actual expenditure	Saving (-)/ Excess (+)
Voted	I Revenue	136544.31	14889.67	151433.98	135209.13	(-)16224.85
	II Capital	27505.83	5143.22	32649.05	23283.35	(-) 9365.70
	III Loans and Advances	1238.32	634.48	1872.80	1904.52	(+)31.72
Total Voted		165288.46	20667.37	185955.83	160397.00	(-) 25558.83
Charged	IV Revenue	23785.76	459.10	24244.86	23898.85	(-) 346.01
	V Capital	3.59	0.36	3.95	3.76	(-) 0.19
	VI Public Debt- Repayment	13135.04	0.00	13135.04	11414.19	(-) 1720.85
Total Charged		36924.39	459.46	37383.85	35316.80	(-) 2067.05
Appropriation to Contingency Fund		850.00	–	850.00	850.00	–
Grand Total		203062.85	21126.83	224189.68	196563.80	(-)27625.88

Source: Appropriation Accounts 2013-14

Note: The expenditure excludes the recoveries adjusted as reduction of expenditure under revenue expenditure ₹ 4,205.56 crore and capital expenditure ₹ 3,526.09 crore as detailed in Appendix II of Appropriation Accounts

Supplementary provisions of ₹ 21,126.83 crore obtained during the year constituted 10.40 per cent of the original provision as against 9.58 per cent in the previous year.

The overall savings of ₹ 27,625.88 crore was the result of savings of ₹ 28,230.52 crore in 131 grants and 58 appropriations under the revenue section, 88 grants and nine appropriations under the capital section, set-off by an excess of ₹ 604.64 crore in 36 grants and three appropriations.

As may be seen from **Table 2.1**, against the original provision of ₹ 2,03,062.85 crore, expenditure of only ₹ 1,96,563.80 crore was incurred, thereby requiring no supplementary funds. The actual savings of ₹ 27,625.88 crore includes 100 per cent of the supplementary budget of ₹ 21,126.83 crore and three per cent of the original provision, which clearly indicates inaccurate estimation of funds and lack of control mechanism. Cases where supplementary provisions proved unnecessary as the expenditure did not come up to the level of the original provisions are discussed in **Paragraph 2.3.5**.

The savings and excesses were intimated by the offices of the Accountants General (Accounts and Entitlements)³⁴ 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 2014, requesting the Controlling Officers to explain the reasons for the significant variations, but no explanations were received (October 2014).

³⁴ Principal Accountant General (Accounts and Entitlements)-I, Maharashtra, Mumbai and Accountant General (Accounts and Entitlements)-II, Maharashtra, Nagpur

2.3 Financial accountability and budget management

2.3.1 Appropriation *vis-à-vis* allocative priorities

Appropriation Accounts revealed that savings in 59 cases exceeded ₹ 10 crore in each case and were more than 20 *per cent* of the respective budget provisions (**Appendix 2.1**). Out of the total savings of ₹ 27,625.88 crore, savings of ₹ 25,482.40 crore (92 *per cent*) occurred in 44 cases relating to 42 grants and two appropriations. The savings in these cases exceeded ₹ 100 crore in each case as detailed in **Appendix 2.2**.

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

2.3.1.1 Grant Number “F-2 Urban Development and Other Advance Services”

The grant closed with a saving of ₹ 1,906.39 crore. Substantial savings occurred in 14 sub-heads of Major Head 2217 and one sub-head of Major Head 3054. Of the 15 sub-heads, major savings occurred in sub-head 191(00)(48) - Grant to Municipal Corporations under Jawaharlal Nehru National Urban Renewal Mission, due to non-receipt of Central share; in sub-head 191(00)(54) - Assistance to Municipal Corporations for Urban Development Sector under Jawaharlal Nehru National Urban Renewal Mission (State share), due to non-receipt of Central share, revised estimates and non-incurring of expenditure by Mumbai Metropolitan Region Development Authority; in sub-head 191(00)(57) - Grants to Municipal Corporations in the State under Maharashtra Nagarothan Maha-Abhiyan, due to the revised estimates approved by FD.

2.3.1.2 Grant Number “L-3 Rural Development Programmes”

Against the total provision of ₹ 4,517.27 crore, expenditure (₹ 3,200.60 crore) under the grant was well within the original provision of ₹ 3,337.33 crore. Thus, the supplementary provision of (₹ 1,179.94 crore) proved unnecessary since the expenditure did not even come up to the original provision.

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

The grant closed with a saving of ₹ 2,700.50 crore. The savings mainly occurred due to surrender of grants under the Major Head 4515 - Capital Outlay on Other Rural Development Programmes; sub-head 102(00)(01) - MLA/MLC’s Local Development Programme, due to non-receipt of proposals within the stipulated time from implementing agency and code of conduct of Lok Sabha elections. Similarly, in sub-head 102(01)(42) - Sevagram Development Plan – District Wardha, funds were withdrawn by surrender/re-appropriation in March 2014 due to non-receipt of administrative approval and in sub-head 102(00)(02) - Development Programmes in the areas of statutory Development Board, funds were withdrawn due to receipt of incomplete proposals from District Rural Development Agencies and non-receipt of proposal for preparation of study report from Development Boards.

2.3.2 Persistent savings

In 12 cases, during the last five years, there were persistent savings of more than ₹ 100 crore in each case, as shown in **Appendix 2.3**.

The persistent savings indicated that the budgetary controls in the departments were not effective and previous years’ trends were not taken into account while allocating the funds for the year.

2.3.3 Excess expenditure

During 2013-14, excess expenditure was incurred in 39 grants/appropriations aggregating ₹ 604.64 crore over the grants/appropriations authorized by the State Legislature. The excess expenditure requires regularisation under Article 205 of the Constitution of India. The details are given in **Appendix 2.4**.

2.3.4 Excess over provisions relating to previous years requiring regularisation

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/appropriation regularised by the State Legislature. Although, no time limit for regularisation of expenditure has been prescribed under the Article, the regularisation of excess expenditure is done after the completion of discussions on the Appropriation Accounts by the Public Accounts Committee. However, the excess expenditure amounting to ₹ 6,850.31 crore in respect of 176 grants and 30 appropriations for the period from 2008-09 to 2012-13 was yet to be regularised as of October 2014 as detailed in **Appendix 2.5**.

2.3.5 Unnecessary/excessive/inadequate supplementary provisions

A supplementary grant or appropriation is an addition to the original authorized grant or appropriation. Para 170 of the Budget Manual specifies that great care should be taken in submitting proposals for supplementary appropriations, as the procedure for obtaining them involves considerable labour. After the close of the financial year, the supplementary appropriations found to be unnecessary or excessive will be commented as an irregularity in the Appropriation Accounts. Supplementary provision of ₹ 10 crore or more obtained in 34 grants/appropriations aggregating ₹ 5,201.66 crore during the year proved unnecessary as the expenditure did not come up to the level of the original provision as detailed in **Appendix 2.6**.

Further, in 12 grants supplementary provision totalling ₹ 438.17 crore proved insufficient by more than ₹ one crore in each case, leaving an aggregate uncovered excess expenditure of ₹ 475.10 crore (**Appendix 2.7**).

2.3.6 Unexplained re-appropriations

According to Para 165 of the Budget Manual, the orders sanctioning re-appropriation of funds of ₹ 500 and above and those which involve some unique or special feature should briefly specify reasons for the additions to and deductions from the sub-heads affected by them. However, scrutiny of re-appropriation orders issued by the administrative departments revealed that the reasons given for additional provision/withdrawal of provision in re-appropriation in respect of 295 (10 per cent) out of 2,857 items commented in the Appropriation Accounts were of general nature such as, '*actual requirement, revised estimates, release of 90 per cent grants by the FD*' etc. Besides, in 564 items (20 per cent), no specific reasons for additional provision/withdrawal of provision were furnished. This also goes against the principle of transparency envisaged in Section 6 of the Maharashtra Fiscal Responsibility and Budgetary Management Act.

2.3.7 Anticipated savings not surrendered

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

At the close of the year 2013-14 no part of the savings (₹ 10 crore and above), which occurred in nine grants/appropriations (₹ 502.38 crore), had been surrendered by the departments concerned (**Appendix 2.8**). Besides, in 57 cases, savings in excess of ₹ 10 crore, aggregating ₹ 11,794.69 crore were surrendered on the last two working days of March 2014 (29 and 31 March), indicating inadequate financial control as well as non-utilisation of these funds for other development purposes (**Appendix 2.9**).

2.3.8 Rush of expenditure

According to the Bombay Financial Rules, 1959, rush of expenditure in the closing month of the financial year should be avoided. Contrary to this, in respect of 495 sub-heads, expenditure exceeding ₹ 10 crore, which also constituted more than 50 per cent of the total expenditure under these sub-heads, was incurred in March 2014. **Table 2.2** presents 23 Major Heads where 51 to 100 per cent expenditure was incurred during the last quarter of 2013-14. In all these Major Heads, expenditure incurred in March 2014 was also to the extent of 14 to 100 per cent.

Table 2.2: Rush of expenditure during the last quarter and last month of 2013-14

(₹ in crore)

Sr. No.	Major Head	Total expenditure during the year	Expenditure during the last quarter of the year		Expenditure during March 2014	
			Amount	Percentage of total expenditure	Amount	Percentage of total expenditure
1	2216 Housing	339.73	246.09	72.44	214.24	63.06
2	2217 Urban Development	34.06	23.06	67.70	21.92	64.36
3	2245 Relief on account of Natural Calamities	6557.05	3348.24	51.06	2820.06	43.01
4	2551 Hill Areas	33.35	18.88	56.61	18.79	56.34
5	2702 Minor Irrigation	82.88	61.84	74.61	43.63	52.64
6	2801 Power	46.42	23.48	50.58	15.63	33.67
7	3054 Roads and Bridges	2606.45	1470.62	56.42	1024.74	39.32
8	3454 Census, Surveys and Statistics	72.51	40.99	56.53	37.91	52.28
9	3604 Compensation and Assignments to Local Bodies and Panchayati Raj Institutions	60.04	60.04	100	9	14.99
10	4055 Capital Outlay on Police	108.20	95.68	88.43	90.77	83.89
11	4059 Capital Outlay on Public Works	497.77	259.61	52.15	174.19	34.99
12	4210 Capital Outlay on Medical and Public Health	462.24	255.77	55.33	184.82	39.98
13	4216 Capital Outlay on Housing	49.74	35.54	71.45	27.83	55.95
14	4402 Capital Outlay on Soil and Water Conservation	736.97	468.60	63.58	397.08	53.88
15	4415 Capital Outlay on Agricultural Research and Education	21.02	12.78	60.80	3.01	14.32
16	4405 Capital Outlay on Fisheries	25	18.75	75	8.01	32.04
17	4701 Capital Outlay on Major and Medium Irrigation	46.16	42	90.99	42.17	91.36

Sr. No.	Major Head	Total expenditure during the year	Expenditure during the last quarter of the year		Expenditure during March 2014	
			Amount	Percentage of total expenditure	Amount	Percentage of total expenditure
18	4801 Capital Outlay on Power Projects	279.91	143.53	51.28	80.95	28.92
19	5054 Capital Outlay on Roads and Bridges	3005.78	1751.79	58.28	1059.46	35.25
20	5452 Capital Outlay on Tourism	16	16	100	16	100
21	6003 Internal Debt of the State Government	76.78	52.83	68.81	52.83	68.81
22	6425 Loans for Co-operation	70.22	48	68.36	48	68.36
23	7610 Loans to Government Servants etc.	102.67	83.42	81.25	66.56	64.83

Source: Appropriation Accounts 2013-14, Monthly Civil Accounts for March 2014, Information from Principal Accountant General (Accounts and Entitlements)-I, Maharashtra, Mumbai and Accountant General (Accounts and Entitlements)-II, Maharashtra, Nagpur

Uniform flow of expenditure is the primary requirement of proper budgetary control which was lacking in the Major Heads as shown in **Table 2.2**, indicating deficient financial management. An analysis of this aspect in the selected grant is included in **Paragraph 2.4.3**.

2.4 Outcome of review of selected grant

Audit conducted (October 2014) a review of the budgetary procedure and control over expenditure of M-4 'Capital Expenditure on Food'. Important findings are detailed below.

2.4.1 Introduction

Grant M-4 (Capital Expenditure on Food) accounts for transactions relating to purchase of food grains for Public Distribution System under Major Head - 4408 Capital Outlay of Food grains, Storage and Warehousing. Further, the difference in the purchase cost and selling price of food grain is treated as subsidy and the same is debited to Major Head - 2408. The budget provision kept under Major Head - 4408 for procurement reduced by Part III recoveries (Part III- Receipts realized by selling food grains is treated as reduction of expenditure) is kept as the budget provision under Major Head - 2408 towards subsidy under the scheme sub-heads.

The overall position of budget provisions, actual disbursements and savings under M-4 grant during the last three years is shown in **Table 2.3**.

Table 2.3: Financial overview of grant M-4

Year	Original provision	Supplementary provision	Total grant or appropriation	Actual expenditure	Savings
Grant number M-4					
2011-12	3910.81	0	3910.81	3529.37	381.44
2012-13	4164.31	50.00	4214.31	3638.64	575.67
2013-14	3686.31	60.00	3746.31	3572.48	173.83

(₹ in crore)

Source: Appropriation Accounts of respective years

2.4.2 Substantial savings/excesses under sub-heads

Scrutiny of the Appropriation Accounts revealed that under Grant M-4, of the total 10 sub-heads commented upon by audit on savings/excesses occurred during the years 2011-12 to 2013-14, there were five such sub-heads where savings/excesses were more than ₹ one crore, as detailed in **Table 2.4**.

Table 2.4: Scheme-wise savings of more than ₹ one crore

						(₹ in crore)
Sr. No	Year	Sub-head	Total grant	Expenditure	Saving (-) / excess (+)	
1	2011-12	4408-01-101(02)(02) Mofussil-Cost of Purchase	2310.53	2317.53	(+)7.00	
2	2012-13	4408-01-101(02)(02) Mofussil-Cost of Purchase	1973.79	1967.78	(-)6.01	
3	2012-13	4408-02-101(01)(01) Construction of New Godowns (Mofussil)	60.00	45.99	(-)14.01	
4	2013-14	4408-01-101(02)(09) Provision for purchase under National Food Security Scheme – Mofussil	77.04	65.01	(-)12.03	
5	2013-14	4408-01-101(02)(01) Mumbai City – Cost of Purchase	791.52	851.53	(+)60.01	

Source : Appropriation Accounts of respective years

In respect of sub-head 4408-01-101(02)(02) at Sr. No. 1 above, the Food, Civil Supplies and Consumer Protection Department had proposed two notes of error in February 2013 and November 2013 which increased the expenditure to ₹ 2,328.29 crore and the excess to ₹ 17.76 crore from ₹ seven crore.

2.4.3 Rush of expenditure

Under the Grant M-4, expenditure ranging from 21 per cent to 64 per cent was incurred in the month of March during 2011-12 and 2012-13, as detailed in **Table 2.5**.

Table 2.5: Rush of expenditure in grant number M - 4

					(₹ in crore)
Month and year	Major Head and sub-head	Total grant	Expenditure incurred in March	Percentage of expenditure incurred in March	
March 2012	4408-02-101(01)(01) Construction of new godowns (Mofussil)	36.88	23.70	64	
March 2012	4408-01-101(02)(01) Mumbai City - Cost of Purchase	864.88	179.45	21	
March 2013	4408-101(02)(01) Mumbai City - Cost of Purchase	1004.46	338.87	34	

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

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

2.4.4 Observations on compilation of accounts under Grant M-4

Test check of six³⁵ District Supply Officers (DSOs) holding personal ledger accounts under Grant M-4 revealed the following:

- No uniformity was maintained in the submission of accounts by the DSOs to the Financial Advisor and Deputy Secretary of Food, Civil Supplies and Consumer Protection Department.
- There were differences in the balances between the departmental accounts and the treasury accounts. These differences (₹ 211.62 crore) were pending for a long period (1960-2013). Further action to account for this difference has not been taken by the department as of March 2014. As a result possibility of embezzlement/loss cannot be ruled out.
- The registers of monthly expenditure were incomplete. Corrections in the compiled accounts were carried out in pencil. There were differences between the figures shown in the treasury certificates and that shown in the compiled accounts.
- There were delays in submission of compiled accounts to the Principal Accountant General (Accounts and Entitlement)-I, Maharashtra, Mumbai for the years 2011-12 and 2012-13, resulting in their exclusion from the Monthly Civil Accounts.

2.5 Advances from Contingency Fund

The Contingency Fund of the State has been established under the Bombay Contingency Fund Act, 1956 in terms of provisions of Article 267 (2) and 283 (2) of the Constitution of India. Advances from the fund are to be made only for meeting expenditure of an unforeseen and emergent character, postponement of which till its authorisation by the Legislature would be undesirable. The fund is in the nature of an imprest and its corpus is ₹ 150 crore, which was temporarily raised from time to time to ₹ 500 crore. The balance at the beginning of 2013-14 was ₹ 650 crore. During the year 2013-14, ₹ 10 crore drawn from the fund has not been recouped till the close of the year. The closing balance of the fund as on 31 March 2014 was ₹ 140 crore.

During 2013-14, of the 18 sanctions issued by FD for an amount of ₹ 761.24 crore, 15 withdrawals amounting to ₹ 205.44 crore were made from the fund. In three out of 18 sanctions, advances amounting to ₹ 18.61 crore were not drawn by the departments concerned, indicating that the funds were not required to meet expenses of emergent character. In another three cases, as listed in **Appendix 2.10**, the character of expenditure for which the departments concerned had obtained advances from the fund was foreseeable. Therefore, the draws from the Contingency Fund was irregular. Further, in respect of seven sanctions amounting ₹ 623.61 crore, the actual expenditure ranged between zero and 18.43 per cent of the sanctioned amount, as detailed in **Appendix 2.11**.

2.6 Misclassification of expenditure especially from grants-in-aid

During 2013-14, grants-in-aid of ₹ 783.56 crore (13 cases) and subsidies of ₹ 14.35 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 the revenue deficit by ₹ 797.91 crore.

³⁵ DSO- Mumbai, DSO-Pune, DSO-Sindhudurg, DSO-Ratnagiri, DSO-Raigad and DSO-Nashik

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 33 district treasuries (including 323 sub-treasuries) and the Pay and Accounts Office, Mumbai during 2013-14 are brought out in the succeeding paragraphs:

2.7.1 Transfer of funds to personal deposit accounts

The Personal Deposit (PD) accounts, also known as Personal Ledger Accounts (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, administrators³⁶ 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 2014, 4,221 PD accounts showing a total balance of ₹ 9,254.78 crore were not transferred back to the Consolidated Fund, as indicated in **Table 2.6**.

Table 2.6: Status of personal deposit accounts during 2013-14

Sr. No.	Particulars	Number	Particulars	Amount (₹ in crore)
1	Opening balance	6242	Opening balance	7952.89 [#]
2	Newly opened	39	Amount credited	19636.48
3	Closed accounts	2060	Amounts disbursed	18334.59
4	Closing Balance	4221	Closing balance	9254.78

Source: Finance Accounts 2013-14

[#] Difference in opening balance is due to rectification of misclassification during previous year

Out of ₹ 19,636.48 crore credited to PD accounts (including receipts from other sources) during 2013-14, ₹ 3,700.48 crore (19 per cent) was credited in March 2013 alone.

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

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, is 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 for confirmation. Inspection of treasuries revealed the following:

- In 216 cases, there was difference between the administrators' balance and the treasury/Pay and Accounts Office balance.
- In 357 cases, there was difference between the treasury balance and the sub-treasury balance.
- In 276 cases, there was difference between the sub-treasury balance and the administrators' balance.

³⁶ Personal deposit/Personal ledger account holders

Besides, 1,496 out of 6,242 administrators have not furnished the certificates of balances as on March 2013 to Treasury Officers/ Pay and Accounts Office.

2.7.3 Personal ledger accounts in Government hospitals and medical colleges

2.7.3.1 Transaction of Government revenue and expenditure outside Consolidated Fund

As per Article 266 and 204 of the Constitution of India, all revenues received by the State shall form part of the Consolidated Fund of the State and no money shall be withdrawn from the Consolidated Fund of the State except under appropriation made by law. The GoM however, authorised the heads of Government hospitals and medical colleges to retain the fees and other hospital charges received from patients in their PLA under the Public Account and utilise the same for meeting various expenses. The position of receipts into and payments from PLA in Government hospitals and medical colleges during 2013-14 is shown in **Table 2.7**.

Table 2.7: Position of receipts into and payments from Personal Ledger Accounts during 2013-14

Particulars	Amount (₹ in crore)
Opening balance	134.79
Amount credited (including recoupment) to PLA during the year	94.64
Expenditure incurred from PLA during the year	53.08
Unspent balance in the PLA as on 31 March 2014	176.35

Source: Finance Accounts of 2013-14

2.7.3.2 Drawal of funds to avoid lapse of budget grants

On GoM instructions, Cama and Alless hospital drew (March 2010) an amount of ₹ 10.91 crore on Abstract Contingent (AC) bill for purchase of equipment and credited the same into the PLA of the hospital. In March 2011, an amount of ₹ one crore drawn on AC bill for the same purpose was also credited into the PLA though, there was no specific authorisation for the same. Scrutiny of the records revealed that out of the total ₹ 11.91 crore drawn, an amount of ₹ 1.47 crore was lying unutilized as of July 2014 and the Detailed Contingent bills against these AC bills were pending for a period of three to four years. This clearly showed that the amounts were drawn on AC bills and kept in PLA to avoid lapse of budgetary grants.

2.7.3.3 Unexplained deficit in cash balances

As per the provisions of Bombay Financial Rules, 1959 and MTR, 1968, the cash book should be closed and balanced each day and the balance of each column at the end of each month should be verified with the balance of cash in hand and a certificate to that effect recorded in the cash book under the signature of Government servant responsible for the money.

In V S General hospital, Thane, the cash balance as per PLA cash book as on 10 July 2014 was ₹ 36,97,316. In support of this balance, there were pending advances of ₹ 13,98,007 and paid vouchers of ₹ 6,88,789 only. Thus, there was a deficit of ₹ 16,10,520 in the cash balance. On enquiry by audit, the Chief Administrative Officer of the hospital stated (July 2014) that the cashier could not hand over the cash due to his sudden illness.

The fact remained that the PLA cash balance was reduced by an amount of ₹ 16,10,520 which was kept out of Government account. Further, the chances of misappropriation of cash in this case can also not be ruled out. This also indicated

lack of monitoring at the level of the hospital, Directorate of Health Services (DHS) and the Public Health Department (PHD).

2.7.3.4 Unnecessary continuation of personal ledger accounts

- In September 2007, Civil Surgeon, Government hospital, Latur was merged with the Dean, Government medical college and hospital, Latur. However, the balance of ₹ 11,14,698 lying dormant since September 2007 in the PLA of Civil Surgeon, Government hospital, Latur was not merged.
- As per the PHD directives of June 1970, the DHS, Mumbai was declared as the administrator of PLA for crediting specific proceeds and interest received from various funds³⁷.

Scrutiny of PLA cash book of DHS, Mumbai for the period 2011-12 to 2013-14 revealed that there were no transactions for the items (as indicated in the footnote) for which it was opened. Instead, the funds disbursed by Water Supply and Sanitation Department to DHS, for strengthening of district level health laboratories and water quality monitoring facilities, was credited into the PLA. This PLA was having a closing balance of ₹ 7.71 crore as on March 2014. The action of DHS, Mumbai was not in order because the National Rural Drinking Water Programme guidelines (2009) and Water Supply and Sanitation Department instructions (July 2012) stipulated opening of a separate savings bank account and the interest earned thereon were to be utilised for the programme activities.

2.7.3.5 Unadjusted advances

As per Rule 8 of MTR, 1968, all moneys received by or tendered to Government Officers on account of the revenues of Maharashtra State shall not be appropriated to meet departmental expenditure, nor otherwise kept apart from the Government Account. Audit scrutiny revealed that ₹ 53.20 lakh advanced by 10 Government hospitals and medical colleges for meeting various contingent expenditure was pending settlement since 2003-04. The details are given in **Appendix 2.12**.

2.7.3.6 Violation of codal provisions/Government directives

- In seven out of 25 PLA test-checked, there were differences between the balances in PLA cash books and corresponding treasury pass books, due to non-reconciliation (**Appendix 2.13**).
- As per Rule 586 (2) of MTR, 1968, withdrawals should be made only on personal deposit cheque signed by administrators of the deposits accounts and should never be allowed to exceed the balance at credit in the deposit account concerned. However, there were minus balances in the PLA operated by two rural hospitals/medical colleges³⁸.
- As per Rule 8(1) of MTR, 1968, all moneys received by or tendered to Government Officers on account of the revenues of Maharashtra State shall without undue delay and that at any rate within two days of the receipt of the money be paid in full into a treasury or into the bank and shall be included in the treasury accounts. However, in 17 out of 23 Government hospitals/medical

³⁷ Race Day Proceeds, Interest received on securities of Bombay Hospital Maintenance Fund, Interest received on securities of Bombay Women's Victoria Fund, Interest received on securities of William Moore Memorial Fund, Interest received on securities Ardeshir Moos Memorial Scholarship Fund

³⁸ Shri Ramanand Thirth rural medical college and hospital, Ambejogai and Rural hospital, Vaijapur, Dist. Aurangabad

colleges, there were delays ranging from one to 365 days in crediting the daily receipts into PLA (Appendix 2.14).

2.7.4 Overpayment of pension

Overpayment of pensionary benefits of ₹ 1.64 crore was made during 2013-14 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 ₹ 0.39 crore had been recovered up to October 2014. Thus, a balance of ₹ 1.25 crore was still outstanding.

2.8 Conclusion and recommendations

1. The overall savings of ₹ 27,625.88 crore in the Appropriation accounts was the net result of savings of ₹ 28,230.52 crore, set off by an excess of ₹ 604.64 crore. This excess expenditure requires regularisation by the State Legislature. There was rush of expenditure (14 to 100 per cent) during the last month of the financial year under 23 Major Heads.

All departments may closely monitor the expenditure against the 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 utilisation for other developmental schemes.

2. During 2013-14, grants-in-aid of ₹ 783.56 crore (13 cases) and subsidies of ₹ 14.35 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 the revenue deficit by ₹ 797.91 crore.

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

CHAPTER - III
FINANCIAL REPORTING

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

3.1 Delay in furnishing utilisation certificates

The Bombay Financial Rules, 1959 provide that for the grants provided for specific purposes, utilisation certificates (UCs) should be obtained by the departmental officers from the grantee institutions and after verification, the UCs should be forwarded to the concerned accounting offices (Principal Accountant General (Accounts and Entitlements) I, Mumbai, Accountant General (Accounts and Entitlements) II, Nagpur and Pay and Accounts Office 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 2014 is given in **Table 3.1**.

Table 3.1: Year-wise position of outstanding UCs as of 31 March 2014

Year	Number of UCs awaited	Amount involved (₹ in crore)
Upto 2011-12	78520	38206.76
2012-13	8117	8840.38
2013-14	20313	21612.61
Total	106950	68659.75

Source : Finance Accounts of respective years

The major departments with large pendency (amount-wise) were Urban Development, School Education and Sports, Planning Department, Co-operation, Marketing and Textiles Department, Tribal Development and Rural Development and Water Conservation Department. The large pendency in submission of UCs indicates lack of monitoring of utilisation of grants and loans by the departments.

3.1.1 Utilisation certificates in Urban Development Department

3.1.1.1 Introduction

Audit of records pertaining to submission of UCs in Urban Development Department (UDD) was conducted to assess whether the grants-in-aid (GIA) disbursed by the Controlling Officers were properly utilised by the grantee institutions for the purpose for which it was sanctioned.

3.1.1.2 Audit coverage

Audit examined the process of submission of UCs and their pendencies in respect of GIA given by the UDD during the period 2009-10 to 2013-14. In this regard, test check of records in the UDD and its Controlling Officers³⁹ was conducted.

3.1.1.3 Audit criteria

Bombay Financial Rules (BFR) 1959, annual circulars/instructions of Finance Department, GoM and instructions/directives issued by GoM from time to time through Government Resolutions.

3.1.1.4 Pendency of utilisation certificates

UDD being the administrative department is responsible to have an adequate supervisory and inspectoral machinery to keep a constant watch on the outstanding UCs till the UCs are received,

The position of pending UCs in UDD as on 31 March 2014 was as shown in **Table 3.2**.

Table 3.2: Year wise position of pending utilisation certificates as on 31 March 2014

Year	No. of UCs pending	UCs pending per cent	Amount (₹ in crore)	Amount in per cent
Up to 2008-09	2114	56.94	2346.53	14.76
2009-10	433	11.66	2604.65	16.39
2010-11	152	4.09	1745.32	10.98
2011-12	189	5.09	2052.66	12.92
2012-13	364	9.80	2826.83	17.79
2013-14	461	12.42	4316.56	27.16
Total	3713	100	15892.55	100

Source: Data obtained from Principal Accountant General (Accounts and Entitlements)-I, Maharashtra, Mumbai, Accountant General (Accounts and Entitlements)-II, Maharashtra, Nagpur and Pay and Accounts Office, Mumbai

Table 3.2 indicates large pendencies of UCs up to 2008-09 in terms of number of outstanding UCs (56.94 per cent) and more than 31 per cent in terms of amount prior to March 2010.

The State Public Accounts Committee (PAC) in its meeting held in September 2012 expressed concerns over the pendency of UCs in UDD and directed the Finance Department to institute remedial measures for clearance of pendencies. Despite the concerns expressed by the PAC in September 2012, the pendencies in UC, in terms of number and amount, has shown an increasing trend during 2011-14, except a marginal decrease in number during 2012-13, as shown in **Table 3.3**.

Table 3.3: Year wise pendency of UCs in UDD

Year	Number	Amount (₹ in crore)
2011-12	3676	11835.51
2012-13	3598	12660.56
2013-14	3713	15892.55

Source: Information received from Principal Accountant General (Accounts and Entitlement)-I, Maharashtra, Mumbai, Pay and Accounts Office, Mumbai and Principal Accountant General (Accounts and Entitlement)-II, Maharashtra, Nagpur

3.1.1.5 Audit findings

Systemic deficiencies

Non maintenance of grants-in-aid register

As per Rule 149 read with Section – II of Appendix 22 of BFR 1959, a register of grant indicating the grant sanctioned and released; purpose of grant; conditions

³⁹ Director of Municipal Administration (DMA), Mumbai; Director of Maharashtra Fire Services (DMFS), Mumbai; Director of Town Planning and Valuation (DTP), Pune; Mumbai Metropolitan Region Development Authority (MMRDA), Mumbai

attached to the grant; date by which statement of accounts are required to be furnished by the grantee institutions and the reasons for the delay, if any; date by which the UC is to be furnished to the Accountant General and the reasons for delay, if any; unspent balance *etc.* should be invariably maintained by the sanctioning authority. Audit observed that no such register was being maintained by the UDD and three of the four Controlling Officers (DMA, Mumbai; DMFS, Mumbai; and DTP, Pune). As a result, audit could not verify the status of pending UCs with respect to the sanctions and releases of GIA, unspent balances *etc.* made by the UDD and Controlling Officers.

Non-maintenance of database of utilisation certificates

The UDD did not evolve a system for creating a database of sanctions so as to enable them to monitor the releases, utilisations, rendition of UCs by the grantee institutions, unspent balances, *etc.* Since the department did not maintain any database, it was not able to determine the quantum of pendencies, scheme-wise. Test-check of six schemes revealed that the GoI and the GoM sanctioned/released GIA amounting to ₹ 192.40 crore to 58 Urban Local Bodies (ULBs) and 35 District Collectors during 2007-08 to 2013-14. However, the ULBs and the District Collectors did not furnish UCs amounting to ₹ 192.40 crore as of March 2014. The details are indicated in **Appendix 3.2**. The UDD did not furnish (October 2014) any specific reasons for pendency of UCs in these schemes.

Absence of condition for submission of utilisation certificates

Provision was made (May 2012) by UDD for the year 2012-13 for an amount of ₹ 372.34 crore towards the State Plan Scheme of 'Nagari Dalit Vasti Improvement Scheme'. The UDD released ₹ 279.25 crore to 35 districts in September 2012 and March 2013. Audit observed that the sanction orders did not carry the condition regarding submission of UCs. UDD stated (August 2014) that while the initial Government Resolution of 2002 necessitated submission of UCs, it was not reiterated in the sanction orders. However, instructions have been issued to all the Collectors to submit UCs in respect of this scheme. This indicates lack of monitoring and inadequate control by the department.

Direct disbursement of grants

In one case, the UDD sanctioned (March 2013) an amount of ₹ 30.82 crore to Udgir Municipal Council, Latur for road development work under Maharashtra Swarnajayanti Nagarotthan Maha Abhyian. Audit observed that the UDD bypassed the nodal agency for this scheme (DMA, Mumbai) and disbursed the amount directly to the Municipal Council. No reasons were found on record for such deviation in the procedure. Direct disbursement of GIA to the implementing agencies affects the monitoring of UCs by the Controlling Officer.

Causes for the pendencies of utilisation certificates

Common discrepancies in submission of utilisation certificates

The Principal Accountant General (Accounts and Entitlement) had been regularly communicating to the departments the discrepancies noticed in the UCs furnished by the Controlling Officers. The UCs which were not found acceptable are returned in original due to (i) non-signing of the UCs by the Controlling Officers; (ii) mismatch of voucher number and date indicated in the treasury drawals with that mentioned in the UCs; (iii) non-mentioning of voucher number and date; (iv) non-mentioning of specific purpose for which GIA was drawn; (v) mismatch of sanction order and date indicated in the GIA with that indicated in the UCs;

(vi) non-mentioning of sanction order and date; *etc.* The UCs are also required to be furnished in the prescribed format.

The GoM should ensure that UCs in the proper format are furnished by the Controlling Officers, without any discrepancies.

Slow progress of work

Slow progress of work leads to delay in submission of UCs and increases the pendencies. Four projects sanctioned under JNNURM at a cost of ₹ 809.52 crore and scheduled for completion between March 2011 and March 2014 remained incomplete even after lapse of two to five years and incurring an expenditure of ₹ 479.45 crore as of March 2014. The physical progress of these works ranged between 41.28 *per cent* and 70.12 *per cent* (**Appendix 3.3**).

Non-submission of utilisation certificates to the PAO/Accountant General

Audit observed that in the following cases UCs received by the Controlling Officers were not forwarded to the PAO/Accountant General:

- Under the Centrally Sponsored Scheme for “Strengthening of Fire and Emergency Services in the State” grants amounting to ₹ 2.10 crore (State Share) and ₹ 6.65 crore (Central Share) were released to DMFS, Mumbai during 2010-11 to 2012-13. It was seen that while DMFS submitted UCs pertaining to Central Share and endorsed the same to the UDD, the same was not forwarded to the PAO by UDD.
- Under JNNURM, 2,530 buses were planned to be procured for 10⁴⁰ mission cities. A grant of ₹ 260.29 crore (GoI share: ₹ 184.76 crore and GoM share: ₹ 75.53 crore) was released to all the 10 mission cities. It was observed that though UCs were collected from eight mission cities⁴¹ by the Nodal Agency (MMRDA, Mumbai), the same was not forwarded to the PAO/Accountant General.

Unutilised grants not surrendered

As per Rule 149 read with Section – II of Appendix 22 of BFR 1959, unspent balances of GIA, if any, are to be surrendered by the grantee institutions. In the following cases discussed below the unspent balances of GIA were not surrendered by the grantee institutions.

- Special grants of ₹ 1,510.07 crore was sanctioned by UDD during 2006-07 to 2013-14 to various Municipal Councils (MCs) for distinctive works especially for development of basic amenities. It was observed that though ₹ 313.26 crore remained unutilised at the end of March 2014, the same was not surrendered to UDD by the MCs (**Appendix 3.4**).
- UDD approved 49 projects to 37 ULBs for which an amount of ₹ 1,022.93 crore was disbursed during 2009-10 to 2013-14 as State share. An expenditure of ₹ 582.92 crore was incurred by the ULB as on March 2014. Twenty three projects for which ₹ 326.34 crore was disbursed to 22 ULBs during 2010-11 to 2013-14 did not commence even after lapse of one to four years. However, this unspent balance was not surrendered to UDD.
- UDD sanctioned and disbursed ₹ 19.86 crore to 35 ULBs during 2009-10 to 2012-13 for building fire stations and procurement of fire engines. Scrutiny of

⁴⁰ Mumbai, Navi Mumbai, Thane, Nagpur, Pune, Pimpri, Nanded, Kalyan, Mira-Bhayander and Nashik

⁴¹ The project was incomplete in Pune and Pimpri

records at DMFS, Mumbai revealed that the ULBs utilised only ₹ 5.52 crore (28 per cent) for procurement of fire engines only and the unspent balance of ₹ 14.34 crore was not surrendered.

- UDD sanctioned GIA amounting to ₹ 35.78 crore to 30 Municipal Councils between 1991-92 and 2004-05 under the Centrally Sponsored Scheme of Integrated Development of Small and Medium Towns (since subsumed in UIDSSMT) against which, an expenditure of ₹ 29.22 crore was incurred. The unspent balance of ₹ 6.56 crore was however, lying unutilised for a long period from nine to 22 years as of March 2014.
- The UDD stated (September 2014) that the GIA was expected to be utilised for the purpose for which it was sanctioned. However, efforts were being made to utilise the entire grant.
- Of the total grant of ₹ 201.63 crore released to two Municipal Corporations (Amravati and Aurangabad) for various schemes⁴² during 2011-12 to 2013-14, only ₹ 71.08 crore (35 per cent) could be utilised leaving an unspent balance of ₹ 130.55 crore (65 per cent) at the end of March 2014, which was not surrendered.

3.2 Non-submission/delay in submission of accounts by grantee institutions

In order to identify the institutions which attract audit under Section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, the Government/heads of departments are required to furnish to audit every year, detailed information about the financial assistance given to various institutions, the purpose of assistance granted and the total expenditure of the institutions. The details of such assistance released to the institutions during the year were awaited from Government departments (October 2014).

According to the accounts received for the year 2013-14, 647 institutions attracted audit by the Comptroller and Auditor General of India. Of these, 52 institutions have been audited during 2013-14.

Table 3.4 shows age-wise arrears of annual accounts due up to 2013-14 in respect of 6,501 annual accounts as of September 2014.

Table 3.4: Age-wise arrears of Annual Accounts due from institutions

Delay in number of years	Number of accounts
0-1	1779
1-3	2228
3-5	1502
5-7	837
7-9	85
9 and above	70
Total	6501

Source : Information compiled by Principal Accountant General (Audit)-I, Maharashtra, Mumbai and Principal Accountant General (Audit)-II, Maharashtra, Nagpur

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.

⁴² Nagari Dalit Vasti Sudhar Yojana, Ramai Awaas Yojana, Swarnajayanti Shahari Rozgar Yojana, etc.

3.3 Delay in submission of accounts/audit reports of autonomous bodies

Several autonomous bodies have been set up by the State Government in the fields of Environment, Housing, Industries, Irrigation, Urban Development and Water Supply and Sanitation. The audit of accounts of 18 bodies in the State has been entrusted to the Comptroller and Auditor General of India. The status of entrustment of audit, rendering of accounts to audit, issuance of Separate Audit Reports and their placement in the Legislature by the autonomous bodies are indicated in **Appendix 3.5**.

Delays in submission of annual accounts ranging between one month and 32 months were noticed in the case of 10 autonomous bodies. The accounts of Maharashtra Electricity Regulatory Commission for the year 2010-11, 2011-12 was furnished to audit only in March 2014, with delay of 32 and 20 months respectively. Further, the accounts of Maharashtra State Legal Services Authority, Mumbai for the year 2008-09 was yet to be presented in the Legislature. The delays were mainly due to delays in approval of the accounts by the respective Governing Bodies. Accounts of four bodies from 2012-13 onwards and of Maharashtra State Legal Services Authority from 2009-10 onwards were yet to be received.

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

3.4 Delay in finalisation of *proforma* accounts by departmentally managed commercial undertakings

The departmental undertakings of certain Government departments, performing activities of quasi-commercial nature, are required to prepare *proforma* accounts in the prescribed format annually showing the working results of financial operations so that 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 2014, there were 49 such undertakings of which, 39 had prepared accounts up to 2012-13. In respect of five undertakings, there was large pendency in finalisation of *proforma* accounts ranging from 14 to 27 years as these were sick units and not operational and had stopped preparing accounts. Milk Transport Scheme, Worli has been closed from 2007-08 onwards. The department-wise position of arrears in preparation of *proforma* accounts and investment made by the Government are given in **Appendix 3.6**.

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 360 cases of misappropriations, defalcations, *etc.* involving ₹ 81.24 crore up to March 2014 on which final action was pending. The department-wise breakup of pending cases and age analysis is given in **Appendix 3.7**. The nature of these cases is given in **Appendix 3.8**. 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 3.5**.

Table 3.5: 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	135	1635.58	Theft	102	70.74
5 - 10	21	1759.86			
10 - 15	39	3624.12	Misappropriation/ Loss of material	258	8053.79
15 - 20	32	544.41			
20 - 25	23	394.62	Total	360	8124.53
25 and above	110	165.94	Cases of losses written off during the year	0	0.00
Total	360	8124.53	Total pending cases	360	8124.53

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 3.6**.

Table 3.6: 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	168	2164.63
Departmental action initiated but not finalised	39	4806.13
Criminal proceedings finalised but execution of certificate cases for the recovery of the amount was pending	16	41.12
Orders for recovery or write-off awaited	54	66.94
Pending in the courts of law	83	1045.71
Total	360	8124.53

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

It is seen from the above, that out of 360 cases involving ₹ 81.24 crore, 204 cases (57 per cent) involving ₹ 47.29 crore (58 per cent) were pending for more than 10 years. Further, while 39 cases involving ₹ 48.06 crore were pending for final departmental action, 54 cases involving ₹ 0.66 crore were pending for recovery or write-off orders.

3.6 Opaqueness in Government accounts

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

Minor Heads 800-Other Expenditure/Other Receipts are intended to be operated only when the appropriate Minor Head has not been provided in the accounts.

Routine operation of Minor Heads 800 is to be discouraged, since it renders the accounts opaque. Details of significant transactions (involving more than ₹ 50 crore and constituting more than 50 per cent of the relevant Major Head) of receipts (one item involving ₹ 65.86 crore) and expenditure (17 items involving ₹ 9,857.52 crore) at sub-head level, are given in **Appendix 3.9**.

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 ₹ 1,20,142.02 crore (75 per cent) against the total expenditure of the Government amounting to ₹ 1,60,633.08 crore and for receipts of ₹ 21,481.77 crore (20 per cent) against the total receipts of the Government amounting to ₹ 1,09,435.36 crore.

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 (DDOs) 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 2014, 6,673 DC bills amounting to ₹ 985.02 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 3.7** and **Appendix 3.10** respectively.

Table 3.7: Pendency in submission of DC bills against AC bills

(₹ in crore)

Year	AC bills drawn		DC bills received		Outstanding AC bills	
	Number	Amount	Number	Amount	Number	Amount
Upto 2011-12	103753	3648.58	99113	3181.21	4640	467.37
2012-13	2930	419.36	2602	191.86	328	227.50
2013-14	2746	311.64	1041	21.49	1705	290.15
Total	109429	4379.58	102756	3394.56	6673	985.02

Source : Finance Accounts 2013-14

3.9 Conclusion and recommendations

1. Non-submission of utilisation certificates (1,06,950) amounting to ₹ 68,659.75 crore indicated lack of proper monitoring by the departments in utilisation of grants and loans given for specific purposes. In the Urban Development Department, 3,713 utilisation certificates amounting to ₹ 15,892.55 crore were pending at the end of March 2014.

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.

2. There were delays in submission/finalisation of accounts by autonomous bodies/commercial undertakings as a result, Government's investments in these organisations could not be scrutinised by audit.

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 28 January 2015



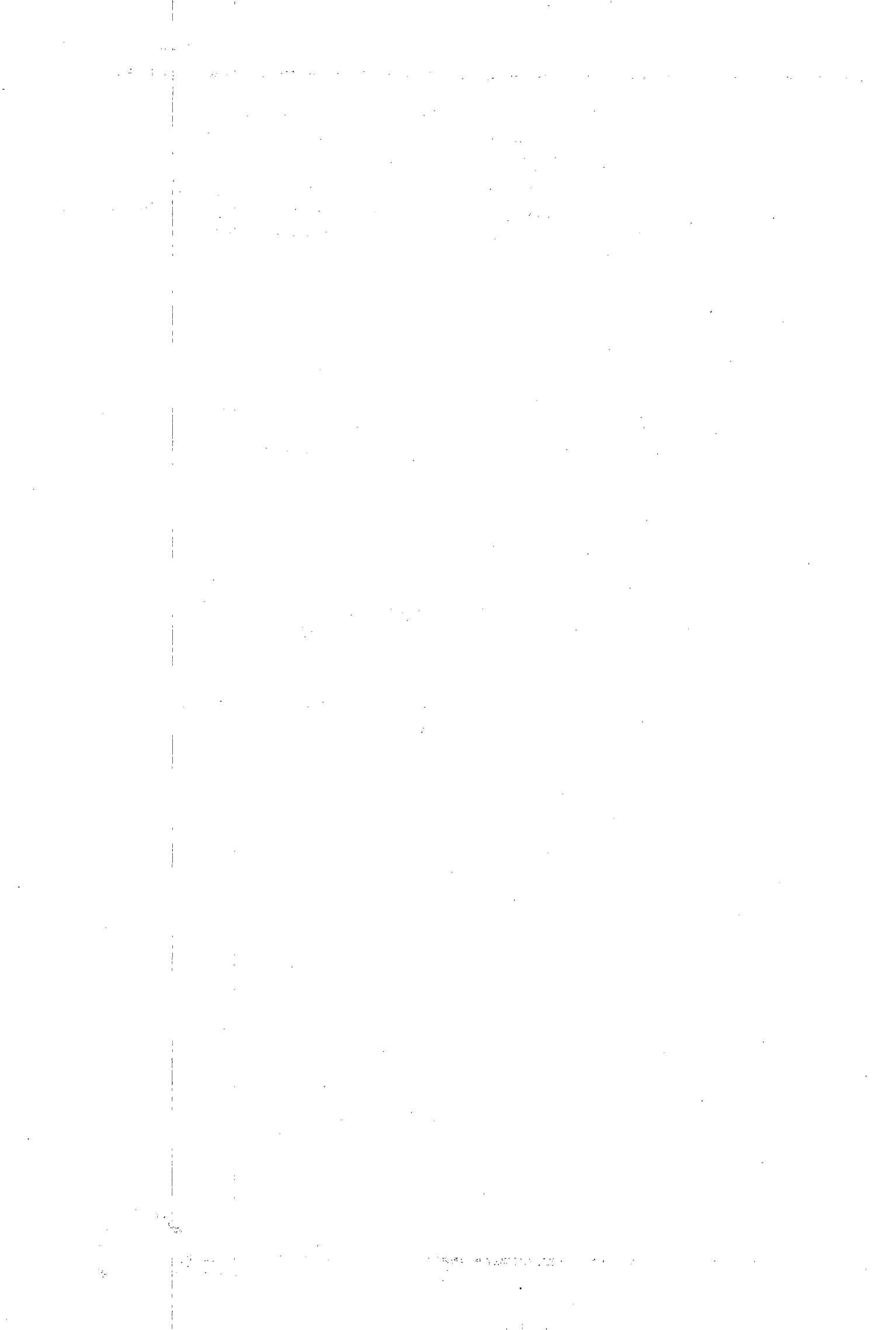
(MALA SINHA)
Principal Accountant General (Audit)-I,
Maharashtra

New Delhi,
The 02 February 2015

Countersigned



(SHASHI KANT SHARMA)
Comptroller and Auditor General of India



APPENDICES

State Profile

(Reference: Profile of Maharashtra; Page 1)

A GENERAL DATA		
Sr. No.	Particulars	Maharashtra figures
1	Area	3.08 lakh sq. km.
	Population	
2	a As per 2001 Census	9.69 crore
	b As per 2011 Census	11.24 crore
3	a Density of Population (as per 2001 census) (All India Density = 325 persons per sq. km.)	315 persons per sq. km.
	b Density of Population (as per 2011 census) (All India Density = 382 persons per sq. km.)	365 persons per sq. km.
4	* Population Below Poverty Line (BPL) (All India Average = 21.92 per cent)	17.35 per cent
5	a Literacy (2001) (All India Average = 64.8 per cent)	76.88 per cent
	b Literacy (2011) (All India Average = 74.4 per cent)	82.30 per cent
6	Infant mortality **(per 1000 live births) (All India Average = 40 per 1000 live births)	25
7	Life Expectancy at birth *** (All India Average = 65.8 years)	69.9 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 vice versa)	
	a Rural (All India = 0.29)	0.27
	b Urban (All India = 0.38)	0.41
9	Gross State Domestic Product (GSDP) 2013-14 at current price	1476233 crore
10	Per capita GSDP CAGR (2004-05 to 2013-14)	Maharashtra General Category States
		13.23 per cent 14.88 per cent
11	GSDP CAGR (2004-05 to 2013-14)	Maharashtra General Category States
		15.59 per cent 15.49 per cent
12	Population growth@ (2004-05 to 2013-14)	Maharashtra General Category States
		16.00 per cent 12.94 per cent

B FINANCIAL DATA [#]				
Particulars		2004-05 to 2012-13		2004-05 to 2013-14
		General Category States	Maharashtra	Maharashtra
CAGR		(In per cent)		
a	of Revenue Receipts	16.93	16.89	15.48
b	of Own Tax Revenue	16.42	16.44	15.11
c	of Non-Tax Revenue	12.49	11.70	11.92
d	of Total Expenditure	15.37	22.40	21.19
e	of Capital Expenditure	17.01	10.41	10.92
f	of Revenue Expenditure on Education	17.44	16.20	15.83
g	of Revenue Expenditure on Health	16.50	15.37	15.31
h	of Salary and Wages	14.73	14.15	13.66
i	of Pension	18.34	18.90	18.24

* Press Note on Poverty Estimates (2011-12), Planning commission, Government of India, July 2013 (Tendulkar methodology)

** Sample Registration System, Registrar General, India bulletin of September 2013

*** Economic Survey indicators for 2010-11 as shown in Economic Survey of Maharashtra 2013-14

**** Planning Commission data for 2009-10

@ Projected total population 2001-2026 by Census India

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

Structure and form of Government Accounts

(Reference: Paragraph 1.1: Page 2)

Part-A: Structure of Government Accounts :

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

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

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

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

Part-B: Layout of Finance Accounts

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

Source: Finance Accounts

Fiscal Responsibility and Budgetary Management Act and Rules

(Reference: Paragraph 1.1 ; Page 2)

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

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

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

The 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 State Government shall maintain a revenue surplus in 2011-12 and thereafter.
- 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 26.3 *per cent* in 2010-11, 26.1 *per cent* in 2011-12, 25.8 *per cent* in 2012-13, 25.5 *per cent* in 2013-14 and 25.3 *per cent* in 2014-15.

The MFRBMR were further amended in March 2012 and was renamed as 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 2013. 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 2013-14, the Government has been making steady and continuous efforts to achieve improvement in spending quality to great extent. The Government is focused to improve the balanced sectoral and regional development with Central theme to achieve inclusive growth. The present policy of balanced sectoral allocation to achieve both growth and improvement in Human Development Index would continue. Borrowings would be contained well within the limit set by the Central Government and will be ensured that these are used optimally to create Capital Assets for public goods. As the guarantees given to sugar factories and textile mills have been invoked in recent past, the Government will scrutinize any future such proposals more carefully and would like to catalyse investment in infrastructure and agro-business. Budget 2013-14 reflects an attempt to gradually curtail non-productive non-plan revenue expenditure and to move towards revenue surplus status.
- The State Government has developed its own Fiscal Correction Path (FCP) indicating the milestones of outcome indicators with target dates of implementation during the period from 2007-08 to 2013-14 keeping in view the fiscal targets laid down in the FRBM Act and/or the rules made thereunder.

Source: Budget 2013-14

Outcome indicators of the State's own
Fiscal Correction path

(Reference: Paragraph 1.1 ; Page 2)

		(₹ in crore)					
	Item	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
		Actuals	RE	BE	Projections	Projections	Projections
A	STATE REVENUE ACCOUNT						
1	States Own Tax Revenue (SOTR)	59106.30	73495.65	83686.07	93945.98	105412.63	119554.95
2	States Own Non-Tax Revenue (NONTR)	8352.61	8993.45	9730.83	10314.68	10933.56	11589.57
3	SOTR + NONTR (1+2)	67458.91	82489.10	93416.90	104260.66	116346.19	131144.52
4	Share in Central Taxes	8248.16	11419.24	13718.05	15089.86	16598.84	18424.71
5	Plan Grants	7496.25	10573.60	11232.74	12131.36	13101.87	14150.02
6	Non-plan Grants	3706.97	2677.29	3136.23	3387.13	3658.10	3950.75
7	Total Central Transfer (4+5+ 6)	19451.38	24670.13	28087.02	30608.34	33358.81	36525.48
8	Total Revenue Receipts (3+7)	86910.29	107159.23	121503.92	134869.00	149705.00	167670.00
9	Plan Revenue Expenditure	16723.58	21164.60	25904.01	25000.00	27750.00	30802.50
10	Non-Plan Revenue Expenditure	78192.59	91682.27	95541.70	109832.00	121699.00	135130.00
11	Salary Expenditure	35173.00	43391.00	48761.00	55805.00	60665.00	63545.00
12	Pension	6946.12	11384.00	11431.00	12802.72	14339.05	16059.73
13	Interest Payments (Government Debt)	14110.50	15565.55	17540.13	21117.00	23647.00	26491.00
	Subsidies - Total (14+15)	9346.96	7949.10	7099.63	7667.60	8281.01	8943.49
14	Subsidies - General	5992.67	4817.66	4099.63	4427.60	4781.81	5164.35
15	Subsidies - Power	3354.29	3131.44	3000.00	3240.00	3499.20	3779.14
16	Total Revenue Expenditure (9+10)	94916.17	112846.87	121445.71	134832.00	149449.00	165932.50
17	Salaries+Pension+Interest (11+12+13)	56229.62	70340.55	77732.13	89724.72	98651.05	106095.73
18	as percentage of Revenue Receipts (17/8)	64.70%	65.64%	63.97%	66.53%	65.90%	63.28%
19	Revenue Surplus/Deficit (8-16)	(-)8005.88	(-)5687.64	58.21	37.00	256.00	1737.50
B	CONSOLIDATED REVENUE ACCOUNT						
1	Interest payments(Off-Budget Debt)	727.50	536.45	508.87	500.00	500.00	490.00
2	Consolidated Revenue Deficit (A19-B 1)	(-)8733.38	(-)6224.09	(-)450.66	(-)463.00	(-)244.00	1247.50
C	CONSOLIDATED DEBT						
1	Outstanding debt and liability inclusive of off-budget	181447.00	205689.00	226926.00	253449.48	283154.48	316424.08
2	Total outstanding guarantees of which guarantee on account of borrowings and Special Purpose Vehicle borrowings	17319.55	15040.87	14992.00	14678.00	14222.00	13982.00
D	CAPITAL ACCOUNT						
1	Capital Outlay	17428.66	18823.27	22438.91	26099.06	29473.42	34491.99
2	Disbursement of Loans and advances	1261.06	1108.59	898.72	982.94	1061.58	1148.51
3	Recoveries of Loans and advances	514.84	577.82	474.58	522.00	574.00	631.40
4	Other Capital Receipts	25.07	0.00	0.00	0.00	0.00	0.00
E1	Fiscal Deficit (A19+D1+D2-D3-D4)	26155.69	25041.68	22804.84	26523.00	29705.00	33269.60
E2	Gross Fiscal Deficit (E1+B1)	26883.19	25578.13	23313.71	27023.00	30205.00	33759.60
	GSDP at current prices	901330	1029621	1184064	1326152	1485290	1663525

Source: Information received from Government of Maharashtra

Abstract of Receipts and Disbursements for the year 2013-14 as compared to 2012-13

(Reference: Paragraph 1.1.1; Page 2)

(₹ in crore)										
Receipts					Disbursements					
2012-13			2013-14	2012-13			Non-Plan	Plan	Total	2013-14
(1)		(2)	(4)	(5)		(6)	(7)	(8)	(9)	(10)
SECTION-A: REVENUE										
142947.23	I	Revenue receipts	149821.81	138735.98	I	Revenue expenditure	128992.09	25910.33	154902.42	154902.42
103448.58		Tax revenue	108597.96	47665.67		General services	53495.62	483.65	53979.27	
				62038.97		Social services	54118.88	16760.20	70879.08	
9984.40		Non-tax revenue	11351.97	33856.59		Education, Sports, Art and Culture	36365.26	1872.55	38237.81	
				5935.77		Health and Family Welfare	4536.22	2279.74	6815.96	
15191.92		State's share of Union Taxes	16630.43	7113.92		Water Supply, Sanitation, Housing and Urban Development	2152.57	4798.95*	6951.52*	
				57.01		Information and Broadcasting	58.75	9.07	67.82	
4675.86		Non-Plan grants	5532.58	6416.64		Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	3161.10	4790.28	7951.38	
				730.18		Labour and Labour Welfare	582.43	184.97	767.40	
5630.13		Grants for State Plan Scheme	3683.57	7854.51		Social Welfare and Nutrition	7193.65	2801.96	9995.61	
				74.35		Others	68.89	22.69	91.58	
4016.34		Grants for Central and Centrally sponsored Plan Schemes	4025.30*	27550.82		Economic Services	19433.30	8558.02	27991.32	
				7217.93		Agriculture and Allied Activities	5041.02	2780.21	7821.23	
				4399.25		Rural Development	913.01	2216.97	3129.98	
				48.13		Special Areas Programmes	0.50*	32.86	33.36*	
				2573.75		Irrigation and Flood Control	2127.81*	613.99	2741.80	
				5470.80		Energy	5371.95	354.17#	5726.12	
				2600.10		Industry and Minerals	2463.37	85.19	2548.56	
				4216.34		Transport	3321.04	1408.02	4729.06	
				72.06		Science, Technology and Environment	0.06	83.67	83.73	
				952.49		General Economic Services	194.54	982.94	1177.48	
				1480.52		Grants-in-aid and Contributions	1944.29	108.46	2052.75	
0.00	II	Revenue deficit carried over to Section B	5080.61	4211.25	II	Revenue Surplus carried over to Section B				0

* Higher rounding

Lower rounding

Appendix - 1.5 (contd.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
SECTION B									
35971.95	III.	Opening Cash balance including Permanent Advances and Cash Balance Investment	48843.72	0	III.	Opening Overdraft from RBI			0
0.00	IV.	Miscellaneous Capital receipts	0.00	17397.98	IV.	Capital Outlay	2339.03	17681.42	20020.45
				901.69		General Services	241.57	796.95	1038.52
				1823.98		Social Services	86.67	2187.27	2273.94
				166.01		Education, Sports, Art and Culture	0.00	102.24	102.24
				460.47		Health and Family Welfare	0.00	553.00	553.00
				379.11		Water Supply, Sanitation, Housing and Urban Development	79.31	635.45	714.76
				580.35		Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	0.00	705.99	705.99
				93.03		Social Welfare and Nutrition	7.36	68.88	76.24
				145.01		Others	0.00	121.71	121.71
				14672.31		Economic Services	2010.79	14697.20	16707.99
				1432.97		Agriculture and Allied Activities	404.72	1059.64	1464.36
				804.37		Rural Development	0.00	802.87	802.87
				66.76		Special Area Programme	0.00	71.11	71.11
				7225.56		Irrigation and Flood Control	921.63	6956.89	7878.52
				1933.91		Energy	0.00	1658.59	1658.59
				2.24		Industry and Minerals	(-)0.02	0.41	0.39
				3119.08		Transport	456.89#	4131.19	4588.08
				87.42		General Economic Services	227.58#	16.49	244.07
				0		Science Technology and Environment	0.00	0.00	0.00
862.85	V	Recoveries of Loans and Advances	728.03		V	Loans and Advances disbursed			1645.10
208.84		From Power Projects	215.40	426.67		For Power Projects			1004.41
220.07		From Government Servants	238.37	318.45		To Government Servants			328.54
433.94		From others	274.26	670.82		To Others			312.15
4211.25	VI	Revenue surplus brought down	0.00		VI	Revenue deficit brought down			5080.61

* Higher rounding

Lower rounding

Appendix - 1.5 (concl.d.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
21725.12	VII. Public Debt receipts		26734.80	6652.52	VII. Repayment of Public Debt				10261.86
	External debt	0		0	External debt			0	
20974.33	Internal debt other than Ways and Means Advances and Overdraft	25770.33		5959.59	Internal debt other than Ways and Means Advances and Overdraft			9391.09	
0	Net transactions under Ways and Means Advances including Overdraft	0		0	Net transactions under Ways and Means Advances including Overdraft			0	
750.79	Loans and Advances from Central Government	964.47		692.93	Repayment of Loans and Advances to Central Government			870.77	
725	VIII. Appropriation from Contingency Fund		1350.00	875	VIII. Appropriation to Contingency Fund				850
875.00	IX. Contingency Fund		859.62	734.62	IX. Contingency Fund				1360
47059.63	X. Public Account receipts		64020.19	35511.03	X. Public Account disbursements				56434.88
4759.89	Small Savings and Provident Funds	4868.46		2572.25	Small Savings and Provident Funds			2974.67	
4960.13	Reserve Funds	5540.03		2983.70	Reserve Funds			2798.46	
(-) 11307.73	Suspense and Miscellaneous	(-)2693.61		(-) 11407.70	Suspense and Miscellaneous			11.79	
21989.52	Remittances	23958.08		21147.11	Remittances			25074.86	
26657.82	Deposits and Advances	32347.23		20215.66	Deposits and Advances			25575.10	
	XI. Closing Overdraft from Reserve Bank of India			48843.72	XI. Cash Balance at end				46883.46
				0.14	- Cash in Treasuries			0.17	
	XII. Inter State Settlement		0	(-)194.42	- Deposits with Reserve Bank			(-)277.04	
				55.10	- Local Remittances			54.88	
				4.61	- Departmental Cash Balance			4.76	
				0.49	- Permanent Advances			0.50	
				36621.16	- Cash Balance Investment			31620.91	
				12356.64	- Investment of earmarked balances			15479.28	
111430.80	Total		142536.36	111430.80	Total				142536.36

Source: Finance Accounts of respective years

Outcome of analysis of budgetary assumptions during 2013-14

(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	155987	149822	(-6165)	(-3.95)
<i>of which</i>				
Tax Revenue	107285	108598	1313	1.22
<i>Taxes on Sales, Trade etc.</i>	62423	62530	107	0.17
<i>State excise</i>	10535	10101	(-434)	(-4.12)
<i>Taxes on vehicles</i>	4750	5096	346	7.28
<i>Stamps and Registration fees</i>	17403	18676	1273	7.31
<i>Taxes on Goods and Passenger</i>	998	1241	243	24.35
<i>Land Revenue</i>	1760	1089	(-671)	(-38.13)
<i>Taxes and duties on electricity</i>	5830	6084	254	4.36
<i>Other taxes</i>	3586	3781	195	5.44
Non-Tax Revenue	11994	11352	(-642)	(-5.35)
<i>Interest Receipts</i>	1339	3934	2595	193.80
<i>Miscellaneous General Services</i>	393	228	(-165)	(-41.98)
<i>Non-ferrous Mining and Metallurgical Industries</i>	2633	2141	(-492)	(-18.69)
<i>Other Non-Tax Revenue</i>	7629	5049	(-2580)	(-33.82)
Share of Union Taxes and Duties	18086	16630	(-1456)	(-8.05)
Grants-in-aid from GoI	18622	13241	(-5381)	(-28.90)
Revenue Expenditure	155803	154902	(-901)	0.58
<i>of which</i>				
General Services	55690	53979	(-1711)	(-3.07)
<i>Administrative services</i>	16269	14008	(-2261)	(-13.90)
<i>Pension and Miscellaneous General Services</i>	12498	13162	664	5.31
<i>Appropriation for reduction or avoidance of debt/ transfer to RF</i>	1592	1592	0	0
<i>Interest Payments</i>	21098	21207	109	0.52
<i>Fiscal Services</i>	2589	2575	(-14)	(-0.54)
<i>Organs of State</i>	1644	1435	(-209)	(-12.71)
Social Services	71970	70879	(-1091)	(-1.52)
<i>Education, Sports, Art and Culture</i>	39053	38238	(-815)	(-2.09)
<i>Social Welfare and Nutrition</i>	7849	9996	2147	27.35
<i>Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes</i>	8149	7951	(-198)	(-2.43)
<i>Health and Family Welfare</i>	6591	6816	225	3.41
<i>Water Supply, Sanitation, Housing and Urban Development</i>	9285	6952	(-2333)	(-25.13)
<i>Information and Broadcasting</i>	67	68	1	1.49
<i>Labour and Labour Welfare</i>	854	767	(-87)	(-10.19)
<i>Others</i>	122	91 [#]	(-31)	(-25.41)

[#] Lower rounding

Appendix - 1.6 (concl.)

1	2	3	4 (3-2)	5
Economic Services	26573	27991	1418	5.34
<i>Agriculture and Allied Services</i>	7255	7821	566	7.80
<i>Rural Development</i>	3048	3130	82	2.69
<i>Special Area Programme</i>	45	33	(-)11	(-)26.67
<i>Irrigation and Flood Control</i>	2837	2742	(-)95	(-)3.35
<i>Energy</i>	4409	5726	1317	29.87
<i>Industry and Minerals</i>	3068	2549	(-)519	(-)16.92
<i>Transport and Communication</i>	4367	4729	362	8.29
<i>Science, Technology and Environment</i>	81	84	3	3.70
<i>General Economic Services</i>	1463	1177	(-)286	(-)19.55
Grants-in-aid and contributions	1570	2053	483	30.76
Capital expenditure	23891	20020	(-)3871	(-)16.20
<i>Irrigation and Flood Control</i>	8430	7879	(-)551	(-)6.54
<i>Transport and Communication</i>	3077	4588	1511	49.11
<i>Energy</i>	2462	1659	(-)803	(-)32.62
<i>Health and Family Welfare</i>	809	553	(-)256	(-)31.64
<i>Education, Sports, Art and Culture</i>	237	102	(-)135	(-)56.96
<i>Water Supply, Sanitation, Housing and Urban Development</i>	166	715	549	330.72
<i>Rural Development</i>	3450	803	(-)2647	(-)76.72
<i>Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes</i>	1457	706	(-)751	(-)51.54
<i>Others</i>	3803	3015	(-)788	(-)20.72
Revenue surplus (+)/ deficits (-)	184	(-)5081	(-)5265	(-)2861.41
Fiscal surplus (+)/ deficits (-)	(-)24118	(-)26018	(-)1900	7.88
Primary surplus (+)/ deficits (-)	(-)3020	(-)4811	(-)1791	59.30

Source: Finance Accounts and Budget for 2013-14

Details of funds transferred by Government of India directly to State implementing agencies

(Reference: Paragraph 1.2.2; Page 7)

Gol Scheme	Implementing agency	Funds released by Government of India		
		₹ in crore		
		2012-13	2013-14	Increase(+)/ Decrease (-)
DRDA- Administration (75:25)	District Rural Development Agency	14.34	22.34	8.00
Indira Awas Yojana (75:25)		508.71	755.40	246.69
Swaranajayanti Gram Swarojgar Yojana (75:25)		267.18	255.37	(-)11.81
National Rural Employment Guarantee Scheme (100:00)		1573.24	1152.92	(-)420.32
Integrated Watershed Management Programme (92:08)		522.91	183.16	(-)339.75
Sarva Shiksha Abhiyan (60:40)	Maharashtra Prathamik Shikshan Parishad	1068.81	656.54	(-)412.27
Micro Irrigation (80:20)	Agriculture Technology Management Agency	41.01	49.71	8.70
Swaranajayanti Shahari Rojgar Yojana (75:25)	State Urban Development Agency	102.72	90.74	(-)11.98
Pradhan Mantri Gram Sadak Yojana (100:00)	Maharashtra Rural Roads Development Agency	0.00	0.00	0.00
Accelerated Rural Water Supply Scheme (100:00)	State Water and Sanitation Mission	1061.71	690.27	(-)371.44
Central Rural Sanitation Scheme(100:00)		124.09	36.46	(-)87.63
National Rural Health Mission (85:15)	State Health Society Maharashtra	833.85	937.15	103.30
National Rural Health Mission (NRHM) Central Sector (100:00)		1.00	0.04	(-)0.96
National Rural Health Mission (NRHM) Central Sector (100:00)	International Institute for Population Sciences	14.72	12.35	(-)2.37
Hospitals and Dispensaries (Under NRHM) (100:00)	State Health Society Maharashtra	11.93	0.00	(-)11.93
National Programme for Prevention and Control of Fluorosis (100:00)		4.80	0.00	(-)4.80
Development and upgradation of Ayush Institutes/Colleges (100:00)		0.00	0.00	0.00
National AIDS Control Programme including STD Control (100:00)	Maharashtra State AIDS Control Society	44.10	77.33	33.23
	Mumbai Districts AIDS Control Society	12.63	14.77	2.14
Tobacco Control (100:00)	International Institute for Population Sciences	0.00	0.00	0.00
MPs Local Area Development Scheme (100:00)	District Collector, Maharashtra.	359.50	213.00	(-)146.5
Medicinal Plants (100:00)	Maharashtra State Horticulture and Medicinal Plants Board	0.00	6.82	6.82
Poultry Venture Capital Fund (100:00)	National Bank for Agriculture and Rural Development	19.65	40.00	20.35
Crime and Criminal Tracking Network and System (100:00)	Maharashtra State Police Housing Welfare Corporation Limited	0.00	0.00	0.00
National Project for Cattle and Buffalo Breeding (100:00)	Maharashtra Livestock Development Board	7.06	0.00	(-)7.06
Adult Education and Skill Development Scheme (100:00)	State Literacy Mission Authority, Maharashtra	5.00	0.00	(-)5.00
National Afforestation and Eco Development Board (100:00)	Agriculture Finance Corporation Limited	0.72	1.48	0.76
Grid Interactive Renewable Power MNRE (100:00)	The Maharashtra State Co-operative Bank Limited	25.71	16.93	(-)8.78
National Horticulture Mission (85:15)	Maharashtra State Horticulture and Medicinal Plants Board	128.2	675.30	547.10
	National Horticulture Research and Development Foundation	7.77	8.08	0.31
	National Research Centre for Citrus	0.00	5.00	5.00

Appendix - 1.7 (concl.)

		(₹ in crore)		
GoI Scheme	Implementing agency	Funds released by Government of India		
		2012-13	2013-14	Increase(+)/ Decrease (-)
Development of Market Infrastructure Grading and Standardisation (100:00)	National Bank for Agriculture and Rural Development	151	243.90	92.90
Development of Market Infrastructure Grading and Standardisation (100:00)	Maharashtra State Agricultural Marketing Board	6.32	1.32	(-)5.00
Gramin Bhandar Yojana/ Rural Godowns (100:00)	National Bank for Agriculture and Rural Development	237	332.19	95.19
Integrated Development of Small Ruminant and Rabbits (100:00)	National Bank for Agriculture and Rural Development	8.46	2.00	(-)6.46
Establishment of Poultry Estates (100:00)	National Bank for Agriculture and Rural Development	0.00	0.00	0.00
National Bamboo Mission (100:00)	Director of Social Forestry Maharashtra State	0.00	0.50	0.50
Pollution Abatement (100:00)	Maharashtra Pollution Control Board	0.00	0.00	0.00
Development and Strengthening of infrastructure facilities for production and distribution of quality Seeds (100:00)	Maharashtra State Seeds Corporation Limited	1.22	2.94	1.72
	Maharashtra State Seeds Corporation Agency	1.20	0.00	(-)1.20
National Food Security Mission (100:00)	Maharashtra State Seeds Corporation Limited	0.00	0.00	0.00
	Maharashtra Small Farmers Agri. Business Consortium	241.82	274.32	32.50
Off Grid DRPS	Maharashtra Energy Development Agency	2.41	9.95	7.54
	National Bank for Agriculture and Rural Development	50.10	23.71	(-)26.39
Piggery Development	National Bank for Agriculture and Rural Development	10	7.80	(-)2.20
Priyadarshini Scheme	National Bank for Agriculture and Rural Development	11.48	9.00	(-)2.48
Product/Infrastructure Development for Destinations and Circuits	Maharashtra Tourism Development Corporation Limited	6.52	28.66	22.14
Total		7488.89	6837.45	(-)651.44

Source : Finance Accounts of respective years and CPSMS portal of the Ministry of Finance

Time series data on
State Government Finances

(Reference: Paragraph 1.3.; Page 8)

		(₹ in crore)					
		2009-10	2010-11	2011-12	2012-13	2013-14	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Part A: Receipts							
1. Revenue Receipts	86910.29	105867.82	121286.14*	142947.23	149821.81		
(i) Tax Revenue	59106.34(68)	75027.10(71)	87608.46 (72)	103448.58 (72)	108597.96 (72)		
Taxes on Agricultural Income	0.00	0.00	0.00 (0)	0.00 (0)	0.00 (0)		
Taxes on Sales, Trade, etc.	32676.02(55)	42482.72(57)	50596.36 (58)	60079.72 (58)	62530.03 (58)		
State Excise	5056.63(9)	5961.85(8)	8605.47 (10)	9297.11 (9)	10101.12 (9)		
Taxes on Vehicles	2682.30(5)	3532.90(5)	4137.42 (5)	5027.42 (5)	5095.92 (5)		
Stamps and Registration fees	10773.65(18)	13515.99(18)	14407.49 (16)	17548.25 (17)	18675.98 (17)		
Land Revenue	714.04(1)	1094.98(1)	963.81 (1)	1074.02 (1)	1088.85 (1)		
Taxes on Goods and Passengers	976.60(2)	599.88(1)	574.25 (1)	690.74 (1)	1240.68 (1)		
Other Taxes	6227.10(10)	7838.78(10)	8323.66 (9)	9731.32 (9)	9865.38 (9)		
(ii) Non-tax Revenue	8352.61(10)	8225.04(8)	8167.70 (7)	9984.40 (7)	11351.97 (8)		
(iii) State's share of Union taxes and duties	8248.11(9)	11419.78(11)	13343.34 (11)	15191.92 (11)	16630.43 (11)		
(iv) Grants-in-aid from GoI	11203.23(13)	11195.90(10)	12166.64 (10)	14322.33 (9)	13241.45 (9)		
2. Miscellaneous Capital Receipts	25.07	17.28	455.83	0.00	0.00		
3. Recoveries of Loans and Advances	514.84	640.09	558.74	862.85	728.03		
4. Total revenue and non-debt capital receipts (1 + 2 + 3)	87450.20	106525.19	122300.71	143810.08	150549.84		
5. Public Debt Receipts	21564.42	20739.78	24452.56	21725.12	26734.80		
Internal Debt (excluding Ways and Means Advances and Overdrafts)	20812.20	19919.86	24146.19	20974.33	25770.33		
Net transactions under Ways and Means Advances and Overdraft	0.00	0.00	0.00	0.00	0.00		
Loans and Advances from Government of India ⁵	752.22	819.92	306.37	750.79	964.47		
6. Appropriation from Contingency Fund	600.00	0.00	1000.00	725.00	1350.00		
7. Inter-State settlement	0.00	0.00	0.00	0.00	0.00		
8. Total receipts in the Consolidated Fund (4+5+6+7)	109614.62	127264.97	147753.27	166260.20	178634.64		
9. Contingency Fund Receipts	351.93	853.00	511.20	875.00	859.62		
10. Public Accounts receipts	44071.51	48406.32	53389.38	47059.63	64020.19		
11. Total receipts of the State (8+9+10)	154038.06	176524.29	201653.85	214194.83	243514.45		
Part B: Expenditure							
12. Revenue expenditure (per cent of 15)	94915.97(84)	106459.38(85)	123554.19 (87)	138735.98 (88)	154902.42 (88)		
Plan	16736.93(18)	16927.59(16)	22035.04 (18)	24530.08 (18)	25910.34 (17)		
Non-Plan	78179.04(82)	89531.79(84)	101519.15 (82)	114205.90 (82)	128992.08 (83)		
General Services (incl. Interests payments)	32070.96(34)	37704.23(36)	42852.88 (35)	47665.67 (34)	53979.27 (35)		
Social Services	41004.66(43)	48282.06(45)	54812.21 (44)	62038.97 (45)	70879.08 (46)		
Economic Services	20371.94(21)	19285.36(18)	24868.75 (20)	27550.82 (20)	27991.32 (18)		
Grants-in-aid and Contribution	1468.41(2)	1187.73(1)	1020.35 (1)	1480.52 (1)	2052.75 (1)		
13. Capital Expenditure (per cent of 15)	17428.66(15)	17963.37(14)	17879.54 (12)	17397.98 (11)	20020.45 (11)		
Plan	14668.30(84)	15654.05(87)	15031.38 (84)	15094.60 (87)	17681.42 (88)		
Non-Plan	2760.36(16)	2309.32(13)	2848.16 (16)	2303.38 (13)	2339.03 (12)		
General Services	712.01(4)	541.49(3)	795.91 (4)	901.69 (5)	1038.52 (5)		
Social Services	1478.86(9)	1240.71(7)	2096.95 (12)	1823.98 (10)	2273.94 (11)		
Economic Services	15237.79(87)	16181.17(90)	14986.68 (84)	14672.31 (84)	16707.99 (83)		

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

⁵ Includes Ways and Means Advances from GoI

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

Appendix - 1.8 (contd.)

(1)	(2)	(3)	(4)	(5)	(6)
14. Disbursement of Loans and Advances (per cent of 15)	1261.08(1)	959.08(1)	836.28 (1)	1415.94(1)	1645.10 (1)
15. Total (12+13+14)	113605.71	125381.83	142270.01	157549.90	176567.97
16. Repayments of Public Debt	3825.39	4773.61	6458.35	6652.52	10261.86
Internal Debt (excluding Ways and Means Advances and Overdrafts)	3398.45	4290.63	5837.92	5959.59	9391.09
Net transactions under Ways and Means Advances and Overdrafts	0.00	0.00	0.00	0.00	0.00
Loans and Advances from Government of India ⁵	426.94	482.98	620.43	692.93	870.77
17. Appropriation to Contingency Fund	350.00	850.00	500.00	875.00	850.00
18. Total disbursement out of Consolidated Fund (15+16+17)	117781.10	131005.44	149228.36	165077.42	187679.83
19. Contingency Fund disbursements	603.00	11.20	1000.00	734.62	1360.00
20. Public Account disbursements	31721.02	39557.62	46962.93	35511.03	56434.89
21. Total disbursement by the State (18+19+20)	150105.12	170574.26	197191.29	201323.07	245474.72
Part C: Deficits					
22. Revenue Deficit(-)/Surplus (+) (1-12)	(-)8005.68	(-)591.56	(-)2438.28*	4211.25	(-)5080.61
23. Fiscal Deficit (-)/Surplus (+) (4-15)	(-)26155.51	(-)18856.64	(-)20139.53*	(-)13739.82	(-)26018.13
24. Primary Deficit (-)/Surplus (+) (23-25)	(-)12045.01	(-)3208.67	(-)2634.90*	5335.82	(-)4811.09
Part D: Other Data					
25. Interest Payments (included in revenue expenditure)	14110.50	15647.97	17504.63	19075.64	21207.04
26. Financial Assistance to local bodies etc.	44589.32	47646.45	55363.01	63767.90	68049.83
27. Ways and Means Advances/Overdraft availed (days)					
Ways and Means availed (days)	nil	nil	nil	8	5
Overdraft availed (days)	nil	nil	nil	nil	nil
28. Interest on WMA/Overdraft	0.00	0.00	0.00	0.22	0.40
29. Gross State Domestic Product (GSDP) [@]	855751	1049150	1175419	1323768	1476233
30. Outstanding Fiscal liabilities (year-end)	196825	220950	245318	269077	293805
31. Outstanding guarantees (year-end) [^] (including interest)	42683.10	15040.87	13977.44 [#]	9245.72	7234.57
32. Maximum amount guaranteed (year-end)	73958.00	44413.93	28139.20	41352.75	32247.11
33. Number of ongoing projects	209	233	614	782	753
34. Capital blocked in ongoing projects	5632.95	5699.76	43681.43	62152.25	62145.87 ^{&}

⁵ Includes Ways and Means Advances from GoI

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

[@] GSDP Figures has been revised

[^] As per Finance Accounts of respective years

[#] differs from closing balance for the year 2011-12 owing to updated information furnished by State Government

[&] (Also refer Appendix 1.13)

Appendix - 1.8 (concl.)

	(1)	(2)	(3)	(4)	(5)	(6)
Part E: Fiscal Health Indicators						
I Resource Mobilization						
Own Tax revenue/GSDP		6.91	7.15	7.45	7.81	7.36
Own Non-Tax Revenue/GSDP		0.98	0.78	0.69	0.75	0.77
Central Transfers/GSDP		0.96	1.09	1.14	1.15	1.13
II Expenditure Management						
Total Expenditure/GSDP		13.3	12.0	12.1	11.9	12.0
Total Expenditure/Revenue Receipts		130.7	118.4	117.30	110.2	117.9
Revenue Expenditure/Total Expenditure		83.5	84.9	86.84	88.1	87.7
Expenditure on Social Services/Total Expenditure		37.4	39.5	40.00	40.5	41.4
Expenditure on Economic Services/Total Expenditure		31.3	28.3	28.01	26.8	25.3
Capital Expenditure/Total Expenditure		15.3	14.3	12.57	11.0	11.3
Capital Expenditure on Social and Economic Services/Total Expenditure.		14.7	13.9	12.01	10.5	10.8
III Management of Fiscal Imbalances						
Revenue deficit (surplus)/GSDP		(-)0.9	(-)0.1	(-)0.2	0.3	(-)0.3
Fiscal deficit/GSDP		(-)3.1	(-)1.8	(-)1.7	(-)1	(-)1.8
Primary Deficit (surplus) /GSDP		(-)1.4	(-)0.3	(-)0.2	0.4	(-)0.3
Revenue Deficit/Fiscal Deficit		30.6	3.1	12.1	(-)30.6	19.5
Primary Revenue Deficit/GSDP		0.7	1.5	1.3	(-)0.4	(-)0.3
IV Management of Fiscal Liabilities						
Fiscal Liabilities/GSDP		23.0	21.1	20.9	20.3	19.9
Fiscal Liabilities/RR		226.5	208.7	202.3	188.2	196.1
Primary deficit <i>vis-à-vis</i> quantum spread (percentage)*		(-)117.43	(-)10.79	(-)26.33	41.82	(-)44.93
Debt Redemption (Principal +Interest)/ Total Debt Receipts*		74.08	87.71	87.19	103.47	103.24
V Other Fiscal Health Indicators						
Return on Investment		0.13	0.06	0.04	0.05	0.02
Balance from Current Revenue (₹ in crore)		9562	8345	10331	20332.00	14712.87
Financial Assets/Liabilities		0.8	0.8	0.8	0.8	0.8

Source: Finance Accounts of respective years

* Figures differs from previous year due to correction in fiscal liabilities

Details of grants released, disbursed and utilised

(Reference: Paragraph 1.3.5.1; Page 15)

		(₹ in crore)		
Sr.No.	Name of the grant/Purpose	2010-14		
		Amount to be released as per recommendation of ThFC	Actual Release	Actual utilisation/ amount for which UC is submitted
1	Local bodies			
a	Basic grants to PRIs	2621.72	2723.78	1570.16
b	General performance grants to PRIs	1240.88	720.70	375.54
c	Forfeited grants to PRIs	0.00	318.09	61.97
d	Special area basic grants to PRIs	31.60	31.60	17.32
e	Special area performance grant to PRI	19.70	19.70	2.36
	Total	3913.90	3813.87	2027.35
f	Basic grants to ULBs	1515.13	1573.99	759.47
g	General performance grants to ULBs	717.10	441.55	179.77
h	Forfeited grants to ULBs	0.00	162.38	
	Total	2232.23	2177.92	939.24
2	Disaster relief			
a	State disaster response fund	1431.04	1431.05	506.33
b	Capacity building	20.00	15.00	10.00
	Total	1451.04	1446.05	516.33
3	Improving outcome grants			
a	Improvement in justice delivery	434.12	182.28	66.52
b	Incentive for issuing UIDs	253.92	31.74	0
c	Improvement of statistical systems at State and district level	28.00	7.00	0
d	Employee and pension database	10.00	2.50	2.50
e	District Innovation fund	35.00	17.50	0
f	Infant mortality	0.00	231.35	0
	Total	761.04	472.37	69.02
4	Environment Related grants			
a	Forest	232.20	232.20	153.20
b	Water sector management	276.00	184.00	Not applicable*
c	Renewable energy	0.00	0.00	0
	Total	508.20	416.20	153.20
5	Elementary Education	579.00	579.00	578.93
6	Roads and bridges	1519.00	1519.00	Not applicable*
7	State Specific grants			
i	Construction of anganwadi centres	225.00	150.00	60.59
ii	Anti-sea erosion measures	153.75	102.50	51.25
iii	Development of roads in hilly areas	150.00	100.00	83.46
iv	Police training	167.25	167.25	103.71
v	Heritage conservation	75.00	25.00	0
vi	Upgradation and improvement of prisons	45.00	30.37	15.22
vii	Food testing laboratories	24.00	8.00	7.51
viii	Strengthening of ITIs	86.25	28.75	0
	Total	926.25	611.87	321.74
	GRAND TOTAL	11890.66	11036.28	4605.81

Source: Information obtained from various departments of Government of Maharashtra

* UC is not mandatory as per ThFC guidelines

Details of grants received less/more than that recommended by Thirteenth Finance Commission till 2014

(Reference: Paragraph 1.3.5.1; Page 15)

(₹ in crore)						
Sr. No	Name of the grant/ purpose	Condition for release of subsequent instalment	Details of grant received less/more than that recommended by ThFC till 2014			Reasons/ remarks
			Year for which grant was recommended	Amount of short- release	Amount of excess release/ release without provision	
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1a	Local bodies (PRI)					
	Basic grants to PRIs	Submission of UC of the earlier releases	2010-11	6.17	----	----
			2011-12	----	54.23	
			2012-13	----	35.12	
			2013-14	----	18.88	
			Total		6.17	
	General performance grant to PRI	Submission of UC of the earlier releases and submission of certificates regarding fulfilment of conditionalities	2011-12	----	18.07	----
			2012-13	----	23.45	
			2013-14	561.70	----	
			Total		561.70	
	Forfeited grants to PRIs		2011-12	----	80.10	----
			2012-13	----	109.54	
			2013-14	----	128.45	
			Total			
	Total PRI			567.87	467.84	
1b	Local bodies (ULB)					
	Basic grants to ULB	Submission of UC of the earlier releases	2010-11	3.63	----	Non-submission of UC.
			2011-12	----	31.32	
			2012-13	----	20.25	
			2013-14 (second instalment)	----	10.92	
			Total		3.63	
	General performance grant to ULB	Submission of UC of the earlier releases	2011-12	----	10.45	Non-submission of UC.
			2012-13	130.84	----	
			2013-14	155.16	----	
			Total		286.00	
	Forfeited grant to ULB		2011-12	----	58.32	----
			2012-13	----	104.06	
			Total			
	Total ULB			289.63	235.32	
2	Disaster relief					
	SDRF	Confirmation of accounting procedure	2013-14	----	0.01	----
	Capacity building	Submission of perspective plan approved by SEC and submission of UCs for the grants released	2013-14	5.00	----	Non-submission of UC for grant received during 2012-13.
	Total disaster relief			5.00	0.01	

Appendix - 1.10 (contd.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)
3	Improving outcome grants					
Improvement in Justice delivery	Formation of State Litigation Policy, 100 per cent utilisation of I instalment and 60 per cent utilisation of II instalment	2011-12	37.76	----	Total grant due for release was ₹ 432.12 crore. Of ₹ 182.28 crore released, UC for ₹ 66.52 crore was submitted to GoI.	
		2012-13	105.55	----		
		2013-14	108.53	----		
Total				251.84	----	
Incentive for issuing UID	To be released on a reimbursement basis based on various criteria i.e. mainly by identifying the BPL population	2010-11	31.74	----	In respect of non-utilisation of the disbursed grant of ₹ 31.74 crore the Directorate of Information Technology, GoM stated (June 2013) that GoI did not give clear guidelines while releasing the amount.	
		2011-12	63.48	----		
		2012-13	63.48	----		
		2013-14	63.48	----		
Total				222.18	----	
Improvement of statistical systems at State and District level	Achievement of milestones and utilisation of at least 2/3 rd of the first instalment	2010-11	7.00	----	Total grant due for release was ₹ 28 crore. Of the ₹ seven crore released, ₹ 0.02 crore (0.28 per cent) was utilised and the stipulated milestones were not achieved.	
		2012-13	7.00	----		
		2013-14	7.00	----		
Total				21.00	----	
Employee and Pension database	Completion of work in three years and submission of UC	Balance Grant	7.50	----	Total grant due for release was ₹ 10 crore. UC for ₹ 2.50 crore was submitted. Database to be customised for employees of ZPs and other non-Government institutions.	
District Innovation Fund	Submission of report in the prescribed format on the end use of the first instalment	Balance Grant	17.50	----	Action plan submitted for only ₹ 6.97 crore by the Planning Department.	
Infant Mortality	Eligibility for grant will be based on SRS bulletins for relevant years	2012-13	----	133.08	-----	
		2013-14	----	98.27		
Total				----	231.35	
Total improving outcome grants				520.02	231.35	

Appendix - 1.10 (concl.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)
4	Environmental related grants					
	Water sector management	Effecting recovery of water charges in accordance with the recovery rates specified by ThFC. Certificate to be given regarding the recovery rate achieved in the previous year	2013-14	92.00	----	Information relating to non-plan revenue expenditure and recovery rate in the prescribed format to be submitted to High Level Monitoring Committee.
	Total			92.00	----	
5	State specific grants					
	Construction of Anganwadi centres	100 per cent utilisation of I instalment and at least 2/3 rd utilisation of II instalment	2013-14	75.00	----	Non-submission of UC for grant received during 2012-13.
	Anti-sea erosion measures		2013-14	51.25	----	Non-submission of UC for grant received during 2012-13.
	Development of roads in hilly areas		2013-14	50.00	----	Details of physical progress made and the certificate to the effect that there was no duplication of work/ funding under any other scheme of Central/ State Government, was not provided.
	Heritage conservation		2012-13	25.00	----	Non-submission of UC.
			2013-14	25.00	----	
	Total			50.00	----	
	Upgradation and improvement of prison		2011-12	----	0.22	UC for grant released in 2011-12 amounting to ₹ 15.22 crore was submitted only during 2013-14.
			2012-13	----	0.15	
			2013-14	15.00	----	
	Total			15.00	0.37	
	Food testing Labs		2012-13	8.00	----	UC for Grant released in 2011-12 amounting to ₹ 7.52 crore was submitted only during March 2014.
			2013-14	8.00	----	
	Total			16.00	----	
	Strengthening of ITIs		2012-13	28.75	----	Non-submission of UC.
			2013-14	28.75	----	
	Total			57.50	----	
	Total State specific grants			314.75	0.37	
	Grand total			1789.27	934.89	

Source: Information obtained from various departments of Government of Maharashtra

Component-wise distribution of Thirteenth Finance
Commission grants relating to improvement in Justice Delivery
(Reference: Paragraph 1.3.5.2; Page 16)

(₹ in crore)					
Sr. No.	Subject	Grants to be received during five years (2010-15)	Total amount received till March 2014	Total amount utilised till July 2014	Reasons furnished by the Law and Judiciary Department for under-utilisation
1	Morning/evening courts	297.57	89.27	19.00	The total grant allocated was in excess of the actual requirement for running 200 morning and 200 evening courts within the given framework of guidelines.
2	Alternate dispute resolution centres and training of mediators	66.58	26.63	24.26	---
3	Training of Judicial Officers	29.76	14.89	15.49	---
4	Public Prosecutors training (Uttan/ Nagpur)	17.85	5.36	0.58	All the 1,369 Public Prosecutors were imparted training during 2010-14. There was no further scope to utilise additional funds.
5	Heritage court buildings	53.56	21.42	13.82	Of the seven heritage courts, No Objection Certificates and administrative approvals were pending in respect of two courts. Remaining five were working courts and hence, pace of restoration work was slow.
6	State Judicial Academy	15.00	6.00	4.89	---
7	Lok Adalat and Legal Aid	35.71	10.71	5.26	Insufficient turnout of litigants.
8	Court Managers	26.63	7.99	0.90	(i) Due to delay in preparing the Rules and sanction of posts of Court Managers and support staff. (ii) Insufficient turn out of suitable candidates during the selection process.
Total		542.66	182.27	84.20	

Source: Information obtained from Law and Judiciary Department of Government of Maharashtra

Diversion of Thirteenth Finance Commission grants

(Reference: Paragraph 1.3.5.3 ; Page 16)

Sr. No.	Particulars	Amount (₹ in lakh)
1	Hire charges of TV/LED for exhibition	0.08
2	Payment of AMC of lift of the office for three years	2.80
3	Training/Workshop on mutual relationship and stress management	1.00
4	Cancellation charges of air ticket	0.04
5	Electrical charges	1.25
6	Telephone charges	0.64
7	Training/workshop on mutual relationship and stress management	0.88
8	-do-	1.51
9	-do-	2.34
10	Advance payment to BSNL for MPL/VAN and internet lease for 2014-15	10.00
11	Rubber stamp	0.02
12	Name plates	0.008
13	Translation fee in respect of departmental enquiry	0.27
14	Legal charges	0.03
15	- do -	0.03
16	- do -	0.35
17	Newspaper bill/telephone bill/ peon allowance	0.05
18	- do -	0.08
19	Electrical charges	1.30
20	Translation charges for departmental enquiry	0.14
21	Pay and allowance of Member Secretary, MSBB	2.30
22	Special repairs to CCF(T) bungalow at Amravati (Providing meta colour, vitrified tiles, flooring etc.)	8.00
23	Expenditure on paving blocks around CCF office at Amravati	2.06
24	Expenditure on paving blocks around CCF bungalow at Amravati	1.96
25	Furniture for office of the RFO, Amravati	1.00
Total		38.138
		38.14

Source: Information obtained from Revenue and Forests Department of Government of Maharashtra

Profile of ongoing projects of Public Works Department

(Reference: Paragraph 1.8.1.2; Page 38)

(₹ in crore)

Department		No. of incomplete projects	Initial budgeted cost	Revised total cost	Cost overrun	Cumulative actual expenditure as on 31/03/2014
PWD	Buildings	24	112.48	NA-I(B)/NA-II(C)	0	62.94
		24	56.99	0.00	0.00	166.10
	Housing	1	3.07	NA-1(B)	0	0.70
		1	2.18	0	0	5.02
	Roads	45	604.02	NA-I(B)/NA-II(C)	0	62.60
		17	31.72	0.00	0.00	138.63
	Bridges	26	65.76	NA-I(B)/NA-II(C)	0	33.72
		14	12.97	0.00	0.00	37.73
Total		152	889.19	0	0	507.44

Source : Appendix X of Finance Accounts 2013-14

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.

Details of Government investments and accumulated losses in Government Companies as of September 2014

(Reference: Paragraph 1.8.2 ; Page 38)

(₹ in crore)						
Sr. No	Sector and name of the Company	Period of accounts	State Government		Net profit/loss 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	2013-14	2.75	128.85	(-)7.00	(-)208.15
2	Punyashloka Ahilyadevi Maharashtra Mendi Va Sheli Vikas Mahamandal Limited	2010-11	3.84	–	(-)0.08	(-)0.70
3	The Maharashtra Fisheries Development Corporation Limited	2009-10	4.04	1.10	(-)0.84	(-)6.98
Sector-wise total			10.63	129.95	(-)7.92	(-)215.83
FINANCE						
4	Maharashtra State Handlooms Corporation Limited	2012-13	86.27	20.08	(-)1.39	(-)114.16
5	Mahatma Phule Backward Class Development Corporation Limited	2010-11	547.57	0.40	(-)9.76	(-)78.68
6	Shabari Adivasi Vitta Va Vikas Mahamandal Maryadit	2009-10	63.73	–	(-)16.55	(-)9.20
Sector-wise total			697.57	20.48	(-)27.70	(-)202.04
INFRASTRUCTURE						
7	Maharashtra State Road Development Corporation Limited	2011-12	773.56	–	(-)173.16	(-)3271.16
8	Mihan India Limited	2012-13	–	–	(-)3.26	(-)0.56
Sector-wise total			773.56	–	(-)176.42	(-)3271.72
POWER						
9	MSEB Holding Company Limited	2012-13	15101.44	6578.01	(-)142.56	(-)3797.25
10	Maharashtra Power Development Corporation Limited	2012-13	–	–	(-)0.10	(-)1012.41
11	Maharashtra State Electricity Distribution Company Limited	2012-13	327.67	223.07	(-)576.10	(-)5583.56
Sector-wise total			15429.11	6801.08	(-)718.76	(-)10393.22
SERVICES						
12	Mahatourism Corporation Limited	2013-14	–	–	(-)0.01	(-)0.07
13	Mumbai Metro Rail Corporation Limited	2012-13	0.05	–	(-)0.11	(-)0.30
Sector-wise total			0.05	–	(-)0.12	(-)0.37
Total A (All sector-wise working Government companies)			16910.92	6951.51	(-)930.92	(-)14083.18

Appendix - 1.14 (concl.)

(₹ in crore)						
Sr. No	Sector and name of the company	Period of accounts	State Government		Net profit/loss for the year	Accumulated loss of loss Making Companies
			Equity	Loans outstanding		
B. Non-working companies						
AGRICULTURE AND ALLIED						
14	Dairy Development Corporation of Marathwada Limited	2012-13	--	--	(-0.001)	(-3.08)
15	Ellora Milk Products Limited	2012-13	--	--	(-0.001)	(-1.52)
16	Parbhani Krishi Go-samvardhan Limited	2012-13	--	--	(-0.03)	(-0.98)
17	Vidarbha Quality Seeds Limited	2012-13	--	--	(-0.001)	(-0.39)
Sector-wise total			--	--	(-0.03)	(-5.97)
FINANCE						
18	Kolhapur Chitranagri Mahamandal Limited	1998-99	3.24	0.13	(-0.14)	(-1.61)
Sector-wise total			3.24	0.13	(-0.14)	(-1.61)
INFRASTRUCTURE						
19	Maharashtra Rural Development Corporation Limited	2011-12	0.05	--	(-0.0003)	(-0.05)
20	Marathwada Development Corporation Limited	2012-13	10.17	48.23	(-0.14)	(-12.89)
Sector-wise total			10.22	48.23	(-0.14)	(-12.94)
MANUFACTURING						
21	Maharashtra Electronics Corporation Limited	2012-13	9.69	57.72	(-18.99)	(-281.84)
22	Maharashtra State Textile Corporation Limited	2013-14	236.16	173.99	(-37.89)	(-916.42)
23	Sahyadri Glass Works Limited	1993-94	--	--	(-0.41)	(-9.22)
24	The Gondwana Paints and Minerals Limited	2012-13	--	--	(-0.001)	(-1.34)
25	The Pratap Spinning, Weaving and Manufacturing Company Limited	2013-14	--	--	(-0.01)	(-63.87)
Sector-wise total			245.85	231.71	(-57.30)	(-1272.69)
MISCELLANEOUS						
26	Vidharbha Tanneries Limited	2012-13	--	--	(-0.001)	(-1.17)
Sector wise total			--	--	0.00	(-1.17)
Total B (All sector wise non-working Government companies)			259.31	280.07	(-57.61)	(-1294.38)
Grand Total (A + B)			17170.23	7231.58	(-988.53)	(-15377.56)

Source: Information received from Principal Accountant General (Audit)-III, Maharashtra, Mumbai

Summarised financial statement of departmentally managed commercial/quasi-commercial undertakings

(Reference Paragraph 1.8.2.1; Page 39)

Sr. No.	Name of the Undertaking	Year of commencement	Period of accounts	Mean Government Capital	Block Assets at depreciated cost	Depreciation provided during the year	Turnover	Net Profit (+)/Loss (-)	Interest on Capital	Total Return (9+10)	%age return on capital
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Amount (₹ in lakh)											(in per cent)
AGRICULTURE, ANIMAL HUSBANDRY, DAIRY DEVELOPMENT AND FISHERIES DEPARTMENT											
Mumbai Region											
1	Greater Mumbai Milk Scheme, Worli	1947	2012-13	3060.13	1910.18	65.15	7047.71	(-3858.77)	321.31	(-3537.46)	(-115.60)
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	2012-13	2559.70	1460.00	62.37	2785.85	(-2034.83)	268.77	(-1766.06)	(-69.00)
4	Central Dairy, Goregaon	1951	2012-13	9614.49	710.73	38.90	9158.49	(-9523.48)	1009.52	(-8513.96)	(-88.55)
5	Unit Scheme, Mumbai	1950	2012-13	2858.42	1914.10	59.94	0.00	(-14.48)	300.13	285.65	9.99
6	Agricultural Scheme, Mumbai	1950	2012-13	822.78	879.15	18.32	0.00	(-10.99)	86.39	75.40	9.16
7	Electrical Scheme, Mumbai	1950	2012-13	484.96	11.73	0.61	0.00	(-152.04)	50.92	(-101.12)	(-20.85)
8	Water Supply Scheme, Mumbai	1950	2012-13	1458.70	808.87	13.21	0.00	(-330.55)	153.16	(-177.39)	(-12.16)
9	Cattle Feed Scheme, Mumbai	1950	2012-13	52.31	19.04	0.61	0.00	241.16	5.49	246.65	471.52
10	Cattle Breeding and Rearing Farm, Palghar	1979	2012-13	112.58	52.98	1.09	0.00	(-86.25)	11.82	(-74.43)	(-66.11)
11	Dairy Project, Dapchari	1960	2012-13	1087.15	429.22	20.82	5.59	(-942.80)	114.15	(-828.65)	(-76.22)
12	Government Milk Scheme, Bhiwandi	1987	2012-13	142.98	26.33	1.40	46.15	(-70.88)	15.01	(-55.87)	(-39.08)
13	Government Milk Chilling Centre, Saralgaon (Dist.: Thane)	1978	2012-13	52.96	11.87	0.26	0.00	(-25.72)	5.56	(-20.16)	(-38.07)
14	Government Milk Scheme, Khopoli	1966	2012-13	240.80	132.44	9.45	704.23	(-107.86)	25.28	(-82.58)	(-34.29)
15	Government Milk Scheme, Mahad	1966	2011-12	103.90	79.67	1.56	0.00	(-55.37)	10.91	(-44.46)	(-42.79)
16	Government Milk Scheme, Chiplun	1966	2012-13	283.64	69.89	5.18	491.92	(-214.11)	29.78	(-184.33)	(-64.99)
17	Government Milk Scheme, Ratnagiri	1965	2012-13	269.04	108.49	3.90	266.35	(-177.49)	28.25	(-149.24)	(-55.47)
18	Government Milk Scheme, Kankavali	1966	2012-13	263.20	173.33	15.07	248.48	(-95.01)	27.64	(-67.37)	(-25.60)
	TOTAL	---		23729.36	8863.02	324.11	21626.84	(-17459.47)	2491.56	(-14967.91)	(-63.08)
Pune Region											
19	Government Milk Scheme, Pune	1950	2012-13	1679.46	395.46	19.80	981.63	(-3033.58)	176.34	(-2857.24)	(-170.13)
20	Government Milk Scheme, Mahabaleshwar	1966	2012-13	225.53	43.69	3.13	243.04	(-105.40)	23.68	(-81.72)	(-36.23)
21	Government Milk Scheme, Satara	1979	2012-13	1494.70	293.63	4.34	493.21	(-1725.11)	156.94	(-1568.17)	(-104.92)
22	Government Milk Scheme, Miraj	1961	2012-13	4782.31	462.18	26.13	99.23	(-3968.00)	502.14	(-3465.86)	(-72.47)
23	Government Milk Scheme, Solapur	1960	2012-13	202.92	28.18	1.73	68.27	(-277.47)	21.31	(-256.17)	(-126.24)
	TOTAL			8384.92	(-1223.14)	55.13	1885.38	(-9109.56)	880.41	(-8229.15)	(-98.14)
Nashik Region											
24	Government Milk Scheme, Nashik	1960	2012-13	297.49	80.21	3.38	184.27	(-438.71)	31.24	(-407.47)	(-136.97)
25	Government Milk Scheme, Wani (Dist.: Nashik)	1978	2012-13	40.97	13.44	0.02	68.27	(-53.93)	4.30	(-49.63)	(-121.14)
26	Government Milk Scheme, Ahmednagar	1969	2012-13	520.20	132.24	9.69	0.00	(-509.85)	54.62	(-455.23)	(-87.51)
27	Government Milk Scheme, Chalisgaon	1969	2012-13	178.20	17.83	1.39	0.00	(-93.58)	18.71	(-74.87)	(-42.01)
28	Government Milk Scheme, Dhule	1961	2012-13	1059.57	227.13	17.70	634.79	(-473.38)	111.26	(-362.12)	(-34.18)
	TOTAL			2096.43	470.85	32.18	887.33	(-1569.45)	220.13	(-1349.32)	(-64.36)

Appendix - 1.15 (concl.d.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Aurangabad Region											
29	Government Milk Scheme, Aurangabad	1962	2012-13	1000.95	246.24	8.87	669.90	(-)832.56	105.10	(-)727.46	(-)72.68
30	Government Milk Scheme, Udgir	1971	2012-13	2766.76	619.79	25.63	1680.56	(-)1549.6	290.51	(-)1259.09	(-)45.51
31	Government Milk Scheme, Beed	1976	2012-13	2720.75	550.14	11.43	1935.72	(-)1093.56	285.68	(-)807.88	(-)29.69
32	Government Milk Scheme, Nanded	1977	2012-13	334.32	106.38	5.25	205.53	(-)511.76	35.10	(-)476.66	(-)142.58
33	Government Milk Scheme, Bhoom	1978	2012-13	1373.48	136.68	6.22	9.43	(-)535.05	144.22	(-)390.83	(-)28.46
34	Government Milk Scheme, Parbhani	1979	2010-11	408.75	70.75	3.71	400.70	(-)422.46	42.92	(-)379.54	(-)92.85
	TOTAL			8605.01	1729.98	61.11	4901.84	(-)4944.99	903.53	(-)4041.46	(-)46.97
Amravati Region											
35	Government Milk Scheme, Amravati	1962	2012-13	1124.38	892.94	6.38	518.91	(-)458.62	118.06	(-)340.56	(-)30.29
36	Government Milk Scheme, Akola	1962	2012-13	1475.02	483.62	19.51	480.89	(-)770.16	154.88	(-)615.28	(-)41.71
37	Government Milk Scheme, Yavatmal	2000	2012-13	397.08	194.04	5.85	68.27	(-)256.36	41.69	(-)214.67	(-)54.06
38	Government Milk Scheme, Nandura	1979	2012-13	186.91	59.20	0.18	113.93	(-)142.45	19.63	(-)122.82	(-)65.71
	TOTAL			3183.39	4813.19	31.92	1182.00	(-)1627.59	334.26	(-)1293.33	(-)40.63
Nagpur Region											
39	Government Milk Scheme, Nagpur	1958	2012-13	479.37	94.12	43.51	1771.70	(-)1251.79	50.33	(-)1201.46	(-)250.63
40	Government Milk Scheme, Wardha	1976	2012-13	1017.33	30.74	1.18	82.24	0.00	106.82	106.82	10.50
41	Government Milk Scheme, Chandrapur	1979	2012-13	0.00	88.97	3.72	1364.28	(-)176.44	0.00	(-)176.44	0.00
42	Government Milk Scheme, Gondia	1979	2012-13	1786.63	111.03	2.57	21.35	(-)536.24	187.60	(-)348.65	(-)19.51
	TOTAL			3283.33	324.86	50.98	3239.57	(-)1964.47	344.75	(-)1619.72	(-)49.33
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	2010-11	63789.49	142.96	15.70	54886.17	1036.29	3181.78	4218.07	6.61
49	Procurement and Distribution and Price Control Scheme in Mofussil Area	1957	2010-11	82846.29	390.30	35.41	198330.56	(-)13071.45	8285.79	(-)4785.66	(-)5.78
	TOTAL			146635.78	533.26	51.11	253216.73	(-)12035.16	11467.57	(-)567.59	(-)0.39

Source: Proforma Accounts

Statement showing blockade of share capital in incomplete sugar factories

(Reference: Paragraph 1.8.3.1; Page 45)

(₹ in crore)				
Sr. No.	Name of the CSF	Date of registration	Government investment	Physical progress of work and acquisition of machinery
1	Shetkari SSK Limited, Sangli	14/11/1994	10.21	70 per cent civil works completed
2	Jamner SSK Limited, Jalgaon	13/01/1992	9.89	90 per cent civil works completed
3	Sahyadri SSK Limited, Kolhapur	25/04/1994	12.00	30 per cent civil works completed
4	Shivshakti SSK Limited, Osmanabad	28/06/2001	9.13	35 per cent civil works completed
5	Chatrapati SSK Limited, Beed	05/05/2000	9.33	85 per cent civil works completed; 95 per cent machinery procured
6	Tokai SSK Limited, Hingoli	03/03/1997	9.33	95 per cent civil works completed; 80 per cent machinery procured
Total			59.89	

Source : Information furnished by Commissioner of Sugar, Pune

Details of non-utilisation of road grant

(Reference: Paragraph 1.8.3.1; Page 45)

(₹ in lakh)

Sr. No.	Description	Road Grants released				Road grants not utilised			
		2009-10	2010-11	2011-12	Total	2009-10	2010-11	2011-12	Total
1	Saswad Mali SSK, Solapur	0	70	0	70	0	70	0	70
2	Dhudh Ganga Vaid Ganga SSK, Kolhapur	0	16	0	16	0	16	0	16
3	Shirpur SSK, Dhule	45	0	0	45	45	0	0	45
4	Adinath SSK, Solapur	22.50	0	0	22.50	1.95	0	0	1.95
	Total				153.50				132.95

Source : Information obtained from Commissioner of Sugar, Pune

Statement showing non-recovery of share capital
in respect of cogeneration projects

(Reference: Paragraph 1.8.3.1; Page 46)

(₹ in lakh)					
Sr. No.	Name of CSF	Amount of share capital paid by CM&TD (March 2009)	Recoverable	Recovered	Balance
1	Yashwant Mohite, Satara	229.00	114.50	0	114.50
2	Malegaon, Pune	188.19	94.09	0	94.10
3	Kranti, Sangli	60.6	30.30	0	30.30
4	Sonhira, Sangli	281.52	140.76	0	140.76
5	Purna, Hingoli	242.86	121.43	0	121.43
6	Someshwar, Pune	269.76	134.88	0	134.88
7	Sahkar Maharshi Shankarrao Mohite, Solapur	420.06	210.03	0	210.03
8	Samarth, Jalna	241.11	120.55	0	120.56
9	Sadashiv Mandlik, Kolhapur	81.99	41.00	0	40.99
10	Vasantdada Patil, Nashik	230.67	115.34	0	115.33
11	Shri Dudhganga Vedganga, Kolhapur	267.15	133.57	0	133.58
12	Vikash, Latur	191.60	95.80	0	95.80
13	Ashok, Ahmednagar	236.28	118.14	0	118.14
14	Vishwasrao Naik, Sangli	192.92	96.46	0	96.46
15	Shri Vittal, Solapur	78.99	39.50	0	39.49
16	Shri Shankar, Solapur	287.30	143.65	0	143.65
	Total	3500.00	1750.00	0	1750.00

Source : Information furnished by Commissioner of Sugar, Pune

Summarised financial position of the Government of Maharashtra as on 31 March 2014

(Reference: Paragraphs 1.9.1; Page 48)

		(₹ in crore)	
As on 31/03/2013	Liabilities	As on 31/03/2014	
191636.74	Internal Debt		208015.98
106128.39	Market Loans bearing interest	125231.62	
21.56	Market Loans not bearing interest	81.61	
1136.52	Loans from LIC	926.59	
84350.27	Loans from other institutions	81776.16 #	
--	Ways and Means Advances/Overdrafts from Reserve Bank of India	--	
8799.53 @	Loans and Advances from Central Government		8893.22
6.73	Pre 1984-85 Loans	6.73	
76.04	Non-Plan Loans	70.03	
8716.76 @	Loans for State Plan Schemes	8816.46	
0.00	Loans for Central Plan Schemes	0.00	
0.00	Loans for Centrally Sponsored Plan Schemes	0.00	
0.00	Ways and Means Advances	0.00	
640.38	Contingency Fund		140.00
19159.48	Small Savings, Provident funds etc.		21053.26
38939.73	Deposits		45711.47
22868.45	Reserve Funds		25610.02
8434.76	Suspense and Miscellaneous Balances		5729.47
2283.61	Remittances		1166.83
292762.68 *	TOTAL		316320.25
As on 31/03/2013	Assets	As on 31/03/2014	
173334.29	Gross Capital Outlay on Fixed Assets		193355.05
90677.84	Investments in shares of Companies, Corporations etc.	101867.20	
82656.45	Other Capital Outlay	91487.85	
20739.72	Loans and Advances		21656.78
5602.26	Loans for Power Projects	6391.27	
13989.97	Other Development Loans	14027.85	
1147.49	Loans to Government servants	1237.66	
12.18	Advances		11.79
48843.72	Cash		46883.46
0.14	Cash in Treasuries	0.17	
(-)194.42	Deposits with Reserve Bank	(-)277.04	
55.10	Local remittances	54.88	
4.61	Departmental Cash Balance	4.76	
0.49	Permanent Advances	0.50	
36621.16	Cash Balance Investments	31620.91	
12356.64	Investment of earmarked balances	15479.28	
50349.34 @	Deficit on Government Accounts		54929.99
(-)4211.25	(i) Revenue surplus/deficit of the current year	5080.61	
(-)30.07 @	(ii) Proforma correction	(-)0.06	
150.00	(iii) Amount closed to Government Accounts	(-)499.90	
54440.66	Accumulated deficit upto 31 March 2013	50349.34	
(-)516.57	Capital Receipts		(-)516.82
(-)516.57	Upto previous year	(-)516.82 \$	
0.00	During the year	0.00	
292762.68 *	TOTAL		316320.25

Source: Finance Accounts of respective years

Explanatory Notes for Appendices 1.5, 1.8 and 1.19

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 1.19, 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 ₹ 4.37 crore (debit) between the figures reflected in the Accounts and that intimated by the Reserve Bank of India under "Deposits with Reserve Bank". The difference is mainly due to "Treasury/Bank of ₹ 4.37 crore.

* Lower rounding

\$ differs by ₹ 0.25 crore due to proforma correction

@ differs by ₹ 30.38 crore due to proforma correction

Active and inoperative reserve funds

(Reference: Paragraph 1.9.3; Page 50)

(₹ in crore)				
Classification	Opening balance	Receipts	Payments	Closing balance
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 - Foodgrains Reserve Funds	3.64	0	0	3.64
TOTAL	29.01	0	0	29.01
Active reserve funds				
8115-103 - Depreciation Reserve Fund - Road Transport Department Depreciation Fund	0.26	0	0	0.26
8121-109 - General Insurance Fund	262.89	157.78	238.21	182.46
8222 - Sinking Funds	12331.26	3122.63	0	15453.89
8229-101-Dev. Fund for Edu.- Library fund	43.30	85.74	85.74	43.3
8229-119 - Employment Guarantee Fund	9920.93	0.00	301.10	9619.83
Fund for Development schemes-Cotton price Fluctuation Fund	8.94	0	0	8.94
Consumer Protection Fund	10.30	0.51	0.04	10.77
Maharashtra Mining Development Fund	223.22	203.78	203.78	223.22
8235-200 - Other funds - Special fund for compensatory Afforestation	38.34	0	0	38.34
TOTAL	22839.44	3570.44	828.87	25581.01

Source: Finance Accounts 2013-14

Grants/appropriations which closed with savings of more than ₹ 10 crore each and more than 20 per cent of the total provisions
(Reference: Paragraph 2.3.1; Page 63)

(₹ in crore)					
Sr. No.	Grant Number	Name of the grant/appropriation	Total grants/appropriations	Savings	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
1	A07	Civil Aviation (Revenue - Voted)	441.34	88.21	20
2	A08	Census Surveys and Statistics (Revenue - Voted)	64.55	64.55	100
3	B02	State Excise (Revenue - Voted)	139.68	34.33	25
4	B03	Transport Administration (Revenue - Voted)	2118.75	630.03	30
5	B07	Economic Services (Revenue - Voted)	98.91	53.75	54
6	B10	Capital Expenditure on Economic Services (Capital - Voted)	1261.00	467.05	37
7	C04	Secretariat and Other General Services (Revenue - Voted)	147.48	108.74	74
8	C10	Capital Expenditure on Economic Services (Capital - Voted)	109.47	27.91	25
9	D08	Expenditure on Animal Husbandry (Capital - Voted)	13.79	13.04	95
10	E03	Secretariat and Other Social Services (Revenue - Voted)	448.24	156.12	35
11	E04	Capital Outlay on Education, Sports and Culture (Capital - Voted)	106.00	103.37	98
12	F02	Urban Development and Other Advance Services (Revenue - Voted)	6259.72	1906.39	30
13	F03	Secretariat and Other Social Services (Revenue - Voted)	56.01	25.31	45
14	G02	Other Fiscal and Miscellaneous Services (Revenue - Voted)	1399.83	1321.62	94
15	G08	Capital Outlay on Other Administrative Services (Capital - Voted)	75.00	47.69	64
16	H04	Secretariat and Other Economic Services (Revenue - Voted)	44.04	11.00	25
17	H05	Roads and Bridges (Revenue - Voted)	3920.56	1314.12	34
18	H07	Capital Expenditure on Social Services and Economic Services (Capital - Voted)	3946.79	783.06	20
19	H08	Capital Expenditure On Public Works Administrative and Functional Buildings (Capital - Voted)	1400.10	488.03	35
20	H09	Capital Outlay on Removal of Regional Imbalance (Capital - Voted)	251.76	78.48	31
21	I07	Loans to Government Servants, etc. (Capital - Voted)	74.83	44.79	60
22	J01	Administration of Justice (Revenue - Voted)	1218.26	254.45	21
23	J02	Secretariat and Other Social and Economic Services (Revenue - Voted)	70.45	14.80	21
24	K10	Capital Expenditure on Industries (Capital - Voted)	124.13	123.35	99
25	K12	Internal Debt of the State Government (Capital - Charged)	101.86	50.93	50
26	L03	Rural Development Programmes (Revenue - Voted)	4517.27	1316.67	29
27	L07	Capital Expenditure on Rural Development (Capital - Voted)	1417.30	892.10	63

Appendix - 2.1 (concl.)

(1)	(2)	(3)	(4)	(5)	(6)
28	M02	Food (Revenue - Voted)	581.04	177.40	31
29	M03	Secretariat and Other Economic Services (Revenue - Voted)	58.01	13.22	23
30	N04	Capital Expenditure on Social Services (Capital - Voted)	1095.55	610.73	56
31	O01	District Administration (Revenue - Voted)	292.53	111.14	38
32	O03	Rural Employment (Revenue - Voted)	807.87	200.83	25
33	O05	Hill Areas (Revenue - Voted)	43.84	10.98	25
34	O07	Secretariat-Economic Services (Revenue - Voted)	176.58	88.57	50
35	O08	Tourism (Revenue - Voted)	164.39	42.05	26
36	O09	Census, Survey and Statistics (Revenue - Voted)	100.36	27.85	28
37	O10	Capital Outlay on Other Rural Development Programmes (Capital - Voted)	3425.91	2700.50	79
38	O11	Capital Outlay on Hill Areas (Capital - Voted)	92.50	21.39	23
39	O21	District Plan - Satara (Capital - Voted)	57.63	22.05	38
40	O23	District Plan - Solapur (Capital - Voted)	57.52	14.07	24
41	O27	District Plan - Jalgaon (Revenue - Voted)	174.39	36.94	21
42	O34	District Plan - Beed (Capital - Voted)	42.23	15.82	37
43	O46	District Plan - Yavatmal (Capital - Voted)	33.19	11.19	34
44	Q03	Housing (Revenue - Voted)	1603.57	742.99	46
45	R03	Capital Expenditure on Medical and Public Health (Capital - Voted)	119.68	112.82	94
46	S04	Capital outlay on Medical and Public Health (Capital - Voted)	71.72	36.31	51
47	V01	Interest Payments (Revenue - Charged)	90.00	30.30	34
48	V03	Capital Expenditure on Social Services (Capital - Voted)	100.58	26.10	26
49	V05	Capital Expenditure on Economic Services (Capital - Voted)	138.97	68.75	49
50	X03	Capital Expenditure on Social Services (Capital - Voted)	75.10	75.10	100
51	Y02	Water Supply and Sanitation (Revenue - Voted)	762.46	228.08	30
52	ZA-01	Secretariat and Other Social Services (Revenue - Voted)	43.01	13.00	30
53	ZC-01	Parliament/State/Union Territory Legislatures (Revenue - Voted)	132.44	37.05	28
54	ZD-02	Art and Culture (Revenue - Voted)	150.38	36.97	25
55	ZD-04	Tourism (Revenue - Voted)	307.20	61.95	20
56	ZD-05	Art and Culture (Capital - Voted)	15.00	15.00	100
57	ZE-01	Minorities Development (Revenue - Voted)	304.81	84.44	28
58	ZE-02	Capital Outlay on Social Securities and Welfare (Capital - Voted)	76.00	15.20	20
59	ZF-3A	Capital Outlay on Public Works (Capital - Voted)	11.20	11.20	100
	TOTAL		41032.78	16119.88	39.29

Source: Appropriation Accounts 2013-14

Grants closed with savings of ₹ 100 crore and above

(Reference: Paragraph 2.3.1; Page 63)

(₹ in crore)						
Sr. No.	Number and name of the grant	Original provision	Supplementary provision	Total	Actual expenditure	Savings
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Revenue - Voted						
1	B01 Police Administration	8990.66	175.62	9166.28	8220.40	945.88
2	B03 Transport Administration	1361.02	757.74	2118.76	1488.72	630.04
3	C01 Revenue and District Administration	1476.34	43.50	1519.84	1300.14	219.70
4	C04 Secretariat and Other General Services	147.33	0.15	147.48	38.74	108.74
5	C06 Relief on account of Natural Calamities	3775.92	2889.27	6665.19	6557.05	108.14
6	D03 Agriculture Services	2964.94	954.81	3919.75	3348.19	571.56
7	E02 General Education	32256.10	40.91	32297.01	31202.60	1094.41
8	E03 Secretariat and Other Social Services	398.40	49.84	448.24	292.12	156.12
9	F02 Urban Development and Other Advance Services	6083.19	176.53	6259.72	4353.33	1906.39
10	G02 Other Fiscal and Miscellaneous Services	1399.83	0.00	1399.83	78.21	1321.62
11	H05 Roads and Bridges	2540.12	1380.44	3920.56	2606.45	1314.11
12	H06 Public Works Administrative and Functional Buildings	2236.04	221.11	2457.15	2080.20	376.95
13	I03 Irrigation, Power and Other Economic Services	2391.28	233.27	2624.55	2218.69	405.86
14	J01 Administration of Justice	1161.06	57.20	1218.26	963.82	254.44
15	K07 Industries	2869.40	16.42	2885.82	2477.62	408.20
16	L03 Rural Development Programmes	3337.33	1179.94	4517.27	3200.60	1316.67
17	M02 Food	558.87	22.17	581.04	403.64	177.40
18	N03 Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	6967.01	1169.55	8136.56	7394.92	741.64
19	O01 District Administration	292.53	0.00	292.53	181.39	111.14
20	O03 Rural Employment	807.87	0.0001	807.87	607.03	200.84
21	Q03 Housing	1303.25	300.32	1603.57	860.58	742.99
22	R01 Medical and Public Health	4572.37	340.95	4913.32	4795.42	117.90
23	S01 Medical and Public Health	1661.82	125.76	1787.58	1669.51	118.07
24	T05 Revenue Expenditure on Tribal Areas Development Sub-Plan	3317.38	213.54	3530.92	3019.83	511.09
25	V02 Co-operation	862.45	117.25	979.70	822.43	157.27
26	W02 General Education	4382.73	799.05	5181.78	4860.25	321.53
27	W03 Technical Education	1575.78	57.71	1633.49	1508.48	125.01
28	X01 Social Security and Nutrition	2871.21	33.51	2904.72	2561.45	343.27
29	Y02 Water Supply and Sanitation	762.42	0.04	762.46	534.38	228.08
Revenue - Charged						
30	G03 Interest Payments and Debt Servicing	20206.58	333.67	20540.25	20427.25	113.00
Capital - Voted						
31	B10 Capital Expenditure on Economic Services	1083.15	177.85	1261.00	793.95	467.05
32	E04 Capital Outlay on Education, Sports and Culture	106.00	0.00	106.00	2.63	103.37
33	H07 Capital Expenditure on Social Services and Economic Services	1937.77	2009.01	3946.78	3163.72	783.06
34	H08 Capital Expenditure on Public Works Administrative and Functional Buildings	1269.81	130.29	1400.10	912.06	488.04
35	I05 Capital Expenditure on Irrigation	8802.73	722.70	9525.43	7977.15	1548.28
36	K10 Capital Expenditure on Industries	1.02	123.11	124.13	0.78	123.35

Appendix - 2.2 (concl.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)
37	K11 Capital Expenditure on Energy	2523.08	577.56	3100.64	2596.07	504.57
38	L07 Capital Expenditure on Rural Development	891.30	526.00	1417.30	525.20	892.10
39	M04 Capital Expenditure on Food	3686.31	60.00	3746.31	3572.48	173.83
40	N04 Capital Expenditure on Social Services	1045.55	50.00	1095.55	484.82	610.73
41	O10 Capital Outlay on Other Rural Development Programmes	3305.77	120.14	3425.91	725.41	2700.50
42	R03 Capital Expenditure on Medical and Public Health	0.55	119.13	119.68	6.86	112.82
43	T06 Capital Expenditure on Tribal Areas Development Sub-Plan	1162.23	158.08	1320.31	1143.27	177.04
Capital - Charged						
44	G09 Public Debt and Inter State Settlement	12376.76	0.00	12376.76	10727.16	1649.60
	Total	161723.26	16464.14	178187.40	152705.00	25482.40

Source: Appropriation Accounts 2013-14

Grants closed with savings of more than
₹ 100 crore persistently during 2009-14

(Reference: Paragraph 2.3.2; Page 63)

(₹ in crore)						
Sr. No.	Number and name of the grant	Amount of savings (per cent to total grant)				
		2009-10	2010-11	2011-12	2012-13	2013-14
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Revenue - Voted						
1	C01 Revenue and District Administration	116.16 (12.88)	173.43 (16.22)	147.45 (12.97)	182.33 (13.46)	219.70 (14.46)
2	D03 Agriculture Services	215.96 (10.03)	388.56 (14.66)	199.42 (7.05)	618.29 (16.17)	571.55 (14.58)
3	E02 General Education	997.53 (4.90)	1698.14 (6.92)	1340.98 (5.01)	1092.15 (3.75)	1094.41 (3.39)
4	F02 Urban Development and Other Advance Services	328.65 (6.58)	613.20 (13.56)	1050.60 (19.40)	1609.44 (27.52)	1906.39 (30.45)
5	G02 Other Fiscal and Miscellaneous Services	4640.25 (98.00)	1624.95 (95.98)	2305.18 (96.93)	2200.97 (96.87)	1321.62 (94.41)
6	I03 Irrigation, Power and Other Economic Services	177.48 (8.32)	234.84 (10.50)	261.09 (10.71)	380.42 (15.84)	405.87 (15.46)
7	N03 Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities (2013-14)	142.46 (3.72)	869.50 (16.72)	694.33 (13.01)	516.35 (8.33)	741.64 (9.11)
8	Q03 Housing	1564.67 (61.52)	1039.17 (56.49)	882.50 (47.65)	676.78 (38.89)	742.99 (46.33)
9	R01 Medical and Public Health	183.31 (6.79)	142.66 (4.51)	153.25 (4.22)	405.43 (8.92)	117.90 (2.40)
10	T05 Revenue Expenditure on Tribal Areas Development Sub-Plan	200.34 (12.50)	860.32 (32.39)	693.72 (24.15)	468.93 (14.80)	511.09 (14.47)
Capital - Charged						
11	G08/G09 Public Debt and Inter State Settlement	3004.59 (49.63)	3014.75 (42.92)	2895.60 (33.79)	2534.30 (28.82)	1649.60 (13.33)
Capital - Voted						
12	N04 Capital Expenditure on Social Services	222.72 (36.87)	395.81 (49.56)	675.12 (52.41)	508.86 (49.71)	610.73 (55.75)

Source: Appropriation Accounts 2013-14

Grants/appropriations closed with excess over provisions during 2013-14 requiring regularisation

(Reference: Paragraph 2.3.3; Page 64)

					(₹ in crore)
Sr. No.	Name and title of the Voted grant/ Charged appropriation	Total grant	Expenditure	Excess	
(1)	(2)	(3)	(4)	(5)	
Voted Grants					
1	C02 Stamps and Registration	185.97	207.42	21.45	
2	G06 Pensions and Other Retirement Benefits	12632.74	12952.23	319.49	
3	L02 District Administration	2474.14	2484.20	10.06	
4	O15 District Plan - Mumbai Suburban (Revenue Section)	141.99	144.28	2.29	
5	O16 District Plan - Thane (Capital Section)	71.70	80.77	9.07	
6	O17 District Plan - Raigad (Capital Section)	48.10	51.28	3.18	
7	O18 District Plan - Ratnagiri (Capital Section)	43.97	46.91	2.94	
8	O19 District Plan - Sindhudurg (Revenue Section)	69.31	69.52	0.21	
9	O20 District Plan - Pune (Capital Section)	101.95	107.65	5.70	
10	O21 District Plan - Satara (Revenue Section)	142.37	164.49	22.12	
11	O22 District Plan - Sangli (Capital Section)	33.89	35.69	1.80	
12	O23 District Plan - Solapur (Revenue Section)	192.48	224.27	31.79	
13	O24 District Plan - Kolhapur (Capital Section)	57.35	61.68	4.33	
14	O25 District Plan - Nashik (Capital Section)	65.90	72.44	6.54	
15	O26 District Plan - Dhule (Revenue Section)	77.69	78.48	0.79	
16	O27 District Plan - Jalgaon (Capital Section)	45.61	82.34	36.73	
17	O28 District Plan - Ahmednagar (Capital Section)	34.18	73.49	39.31	
18	O29 District Plan - Nandurbar (Capital Section)	13.58	14.47	0.89	
19	O30 District Plan - Aurangabad (Capital Section)	29.83	37.40	7.57	
20	O31 District Plan - Jalna (Revenue Section)	87.26	90.69	3.43	
21	O32 District Plan - Parbhani (Revenue Section)	83.43	84.30	0.87	
22	O33 District Plan - Nanded (Revenue Section)	138.86	141.76	2.90	
23	O35 District Plan - Latur (Revenue Section)	105.27	110.92	5.65	
24	O36 District Plan - Osmanabad (Capital Section)	20.74	22.67	1.93	
25	O37 District Plan - Hingoli (Revenue Section)	50.03	50.61	0.58	
26	O38 District Plan - Nagpur (Revenue Section)	122.47	131.46	8.99	
27	O40 District Plan - Bhandara (Revenue Section)	54.78	56.59	1.81	
28	O41 District Plan - Chandrapur (Revenue Section)	88.39	93.69	5.30	
29	O42 District Plan - Gadchiroli (Capital Section)	22.61	23.95	1.34	
30	O43 District Plan - Gondiya (Revenue Section)	58.79	61.97	3.18	
31	O44 District Plan - Amravati (Revenue Section)	93.19	101.99	8.80	
32	O45 District Plan - Akola (Revenue Section)	71.63	75.05	3.42	
33	O46 District Plan - Yavatmal (Revenue Section)	146.81	157.86	11.05	
34	O47 District Plan - Buldhana (Capital Section)	47.89	58.00	10.11	
35	O48 District Plan - Washim (Revenue Section)	57.34	58.02	0.68	
36	W07 Revenue Expenditure on Removal of Regional Imbalance	5.09	12.96	7.87	
Charged Appropriation					
37	C11 Internal Debt of the State Government	0.03	0.06	0.03	
38	I01 Interest payments	164.62	165.05	0.43	
39	I06 Internal Debt of the State Government	371.40	371.41	0.01	
	TOTAL	18253.38	18858.02	604.64	

Source: Appropriation Accounts 2013-14

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

(Reference: Paragraph 2.3.4; Page 64)

			(₹ in crore)
Years	Number of grants/appropriations	Grant/appropriation numbers	Amount of excess required to be regularised as commented in the Appropriation Accounts/Audit Reports
2008-09	38/9	B-5, B-7, C-1, C-2, D-1, E-2, F-7, G-3, G-6, H-3, H-5, H-6, J-3, K-Nil, L-1, L-5, M-3, M-4, O-13, O-14, O-17, O-18, O-19, O-20, O-21, O-23, O-25, O-26, O-27, O-30, O-31, O-33, O-34, O-35, O-36, O-37, O-39, O-41, O-42, O-44, O-45, O-47, S-1, U-1, V-2, X-2	2389.37
2009-10	42/6	B-1, C-2, C-5, C-6, D-8, H-3, H-6, I-4, K-5, K-6, K-11A, L-1, M-4, O-3, O-13, O-14, O-15, O-16, O-17, O-18, O-19, O-21, O-22, O-23, O-24, O-25, O-26, O-28, O-29, O-30, O-31, O-32, O-33, O-34, O-35, O-36, O-38, O-39, O-40, O-41, O-42, O-43, O-44, O-45, O-46, O-47, U-1, ZC-2	1717.58
2010-11	35/7	A-3, C-1, C-2, C-5, C-11, E-1, F-5, F-6, H-3, K-6, O-13, O-14, O-15, O-18, O-19, O-20, O-21, O-22, O-23, O-24, O-25, O-26, O-28, O-29, O-30, O-31, O-32, O-33, O-34, O-35, O-37, O-38, O-39, O-41, O-44, O-45, O-46, O-47, U-1, W-3, ZA-2	466.91
2011-12	28/3	C-2, C-11, G-3, G-6, H-3, K-5, K-8, L-1, O-14, O-19, O-20, O-21, O-22, O-24, O-26, O-27, O-29, O-30, O-31, O-35, O-36, O-38, O-39, O-41, O-42, O-43, O-45, O-46, O-47, W-7, X-2	1272.28
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
Total	176/30		6850.31

Source: Appropriation Accounts of respective years

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

(Reference: Paragraph 2.3.5; Page 64)

(₹ 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	B01	Police Administration	8990.66	8220.40	770.26	175.62
2	C01	Revenue and District Administration	1476.34	1300.14	176.20	43.50
3	E02	General Education	32256.10	31202.60	1053.49	40.91
4	E03	Secretariat and Other Social Services	398.40	292.12	106.28	49.84
5	F02	Urban Development and Other Advance Services	6083.19	4353.33	1729.86	176.53
6	G01	Sales Tax Administration	463.41	415.26	48.15	38.21
7	G05	Treasury and Accounts Administration	223.84	211.76	12.08	17.48
8	H06	Public Works and Administrative and Functional Buildings	2236.05	2080.20	155.85	221.11
9	I03	Irrigation, Power and Other Economic Services	2391.28	2218.69	172.59	233.27
10	J01	Administration of Justice	1161.06	963.82	197.24	57.20
11	K07	Industries	2869.40	2477.62	391.78	16.42
12	L03	Rural Development Programmes	3337.33	3200.60	136.73	1179.94
13	M02	Food	558.87	403.64	155.23	22.17
14	Q03	Housing	1303.25	860.58	442.67	300.32
15	T05	Revenue Expenditure on Tribal Areas Development Sub-Plan	3317.38	3019.83	297.54	213.54
16	V02	Co-operation	862.45	822.43	40.01	117.25
17	W03	Technical Education	1575.78	1508.48	67.30	57.71
18	X01	Social Security and Nutrition	2871.21	2561.45	309.76	33.51
19	ZD04	Tourism	285.04	245.25	39.79	22.16
20	ZE01	Minorities Development	267.93	220.37	47.56	36.88
Revenue - Charged						
21	J01	Administration of Justice	192.77	167.06	25.71	11.56
Capital - Voted						
22	B10	Capital Expenditure on Economic Services	1083.15	793.95	289.20	177.85
23	C10	Capital Expenditure on Economic Services	97.52	81.55	15.97	11.94
24	G08	Capital Outlay on Other Administrative Services	50.00	27.31	22.69	25.00
25	H08	Capital Expenditure On Public Works Administrative and Functional Buildings	1269.81	912.06	357.75	130.29
26	I05	Capital Expenditure on Irrigation	8802.73	7977.15	825.59	722.70
27	K10	Capital Expenditure on Industries	1.02	0.78	0.24	123.11
28	L07	Capital Expenditure on Rural Development	891.30	525.20	366.10	526.00
29	M04	Capital Expenditure on Food	3686.31	3572.48	113.83	60.00
30	N04	Capital Expenditure on Social Services	1045.55	484.82	560.73	50.00
31	O10	Capital Outlay on Other Rural Development Programmes	3305.77	725.41	2580.36	120.14
32	S04	Capital outlay on Medical and Public Health	51.72	35.41	16.31	20.00
33	T06	Capital Expenditure on Tribal Areas Development Sub-Plan	1162.23	1143.27	18.97	158.08
34	V05	Capital Expenditure on Economic Services	127.56	70.22	57.34	11.42
Total			94696.41	83095.24	11601.16	5201.66

Source: Appropriation Accounts 2013-14

Insufficient supplementary provisions (₹ one crore or more in each case)

(Reference: Paragraph 2.3.5; Page 64)

						(₹ in crore)
Sr. No.	Name of grant	Original provision	Supplementary provision	Total	Expenditure	Excess
1	C02 Stamps and Registration	160.97	25.00	185.97	207.42	21.45
2	G06 Pensions and Other Retirement Benefits	12332.74	300.00	12632.74	12952.23	319.49
3	L02 District Administration	2360.97	113.17	2474.14	2484.20	10.06
4	O21 District Plan - Satara	142.37	0.0001	142.37	164.49	22.12
5	O27 District Plan - Jalgaon	45.61	0.0001	45.61	82.34	36.73
6	O28 District Plan - Ahmednagar	34.18	0.0001	34.18	73.49	39.31
7	O33 District Plan - Nanded	138.86	0.0001	138.86	141.76	2.90
8	O35 District Plan - Latur	105.27	0.0001	105.27	110.93	5.66
9	O40 District Plan - Bhandara	54.78	0.0001	54.78	56.59	1.81
10	O42 District Plan - Gadchiroli	22.61	0.0001	22.61	23.95	1.34
11	O43 District Plan - Gondiya	58.79	0.0001	58.79	61.97	3.18
12	O46 District Plan - Yavatmal	146.81	0.0001	146.81	157.86	11.05
	Total	15603.96	438.17	16042.13	16517.23	475.10

Source: Appropriation Accounts 2013-14

Grants / appropriations closed with savings of ₹ 10 crore and above but no part of which was surrendered

(Reference: Paragraph 2.3.7; Page 65)

			(₹ in crore)
Sr. No.	Number and name of the grant/appropriation		Savings
(1)	(2)		(3)
1	C06 Relief on account of Natural Calamities (Revenue - Voted)		108.15
2	J01 Administration of Justice (Revenue - Voted)		254.45
3	J02 Secretariat and Other Social and Economic Services (Revenue - Voted)		14.80
4	K07 Industries (Revenue-Charged)		28.22
5	K12 Internal Debt of the State Government (Capital - Charged)		50.93
6	O23 District Plan - Solapur (Capital - Voted)		14.07
7	O44 District Plan - Amravati (Capital - Voted)		10.45
8	O46 District Plan - Yavatmal (Capital - Voted)		11.19
9	O47 District Plan - Buldhana (Revenue - Voted)		10.12
Total			502.38

Source: Appropriation Accounts 2013-14

Cases of surrender of funds in excess of
₹ 10 crore on 29 and 31 March 2014

(Reference: Paragraph 2.3.7; Page 65)

				(₹ in crore)
Sr. No.	Grant number	Major Head		Amount of surrender
(1)	(2)	(3)		(4)
Revenue Head				
1	B01	2055	Police	931.65
2	B01	2070	Other Administrative Services	14.11
3	B02	2039	State Excise	37.36
4	B03	2041	Taxes on Vehicles	628.93
5	B05	2056	Jails	22.76
6	B07	3001	Indian Railways-Policy Formulation, Direction, Research and Other Miscellaneous Organisations	38.73
7	B07	3051	Ports and Light Houses	15.02
8	C01	2029	Land Revenue	56.88
9	C01	2053	District Administration	40.50
10	C04	2059	Public Works	199.04
11	C07	2406	Forestry and Wild Life	29.09
12	D03	2401	Crop Husbandry	538.57
13	D03	2415	Agricultural Research and Education	22.44
14	E01	2049	Interest Payments	22.69
15	E02	2202	General Education	1671.67
16	E03	2204	Sports and Youth Services	119.89
17	E03	2235	Social Security and Welfare	34.81
18	F02	2217	Urban Development	1894.93
19	F02	3054	Roads and Bridges	32.09
20	F03	2230	Labour and Employment	22.90
21	F04	3604	Compensation and Assignments to Local Bodies and Panchayati Raj Institutions	56.79
22	H03	2216	Housing	53.22
23	H06	2059	Public Works	179.81
24	I03	2701	Major and Medium Irrigation	302.33
25	I03	2702	Minor Irrigation	12.34
26	K06	2801	Power	27.23
27	O07	3451	Secretariat -Economic Services	89.31
28	Q03	2216	Housing	742.85
29	T05	2225	Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	379.79
30	T05	2230	Labour and Employment	14.92

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(1)	(2)	(3)	(4)
31	T05	2236 Nutrition	27.84
32	T05	2425 Co-operation	37.80
33	V02	2425 Co-operation	41.07
34	V02	2851 Village and Small Industries	88.92
35	Y02	2215 Water Supply and Sanitation	44.35
Capital Head			
36	B10	4055 Capital Outlay on Police	393.19
37	B10	4070 Capital Outlay on other Administrative Services	63.25
38	B11	7610 Loans to Government Servants <i>etc.</i>	16.04
39	C10	4701 Capital Outlay on Major and Medium Irrigation	21.84
40	C12	7610 Loans to Government Servants, <i>etc.</i>	13.07
41	E04	4202 Capital Outlay on Education, Sports, Art and Culture	103.37
42	F05	4217 Capital Outlay on Urban Development	98.58
43	H07	4055 Capital Outlay on Police	36.29
44	H07	4216 Capital Outlay on Housing	12.50
45	H08	4059 Capital Outlay on Public Works	221.17
46	H08	4210 Capital Outlay on Medical and Public Health	93.78
47	H08	4225 Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	15.36
48	H08	4250 Capital Outlay on Other Social Services	11.51
49	H09	4210 Capital Outlay on Medical and Public Health	66.28
50	I05	4701 Capital Outlay on Major and Medium Irrigation	1201.23
51	I05	4702 Capital Outlay on Minor Irrigation	167.39
52	I07	7610 Loans to Government Servants, <i>etc.</i>	31.44
53	K11	4801 Capital Outlay on Power Projects	424.99
54	K11	6801 Loans for Power Projects	80.64
55	T06	4225 Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	172.68
56	T06	4702 Capital Outlay on Minor Irrigation	10.25
57	V05	6425 Loans for Co-operation	67.21
Total			11794.69

Source: Appropriation Accounts 2013-14

Cases of drawal from Contingency Fund where the expenditure was foreseeable

(Reference: Paragraph 2.5; Page 68)

Sr. No.	Sanction number and date	Department/ grant number/ Major Head	Purpose for which drawn	Amount sanctioned (₹ in crore)
1	CNF-2013/4/BUD/08 18/06/2013	School Education and Sports Department E-3/2204	Provision for organization of 20 th Asian Athletic Championship	18.00
2	CNF-2013/9/BUD/14 26/08/2013	General Administration Department A-4/2075	Purchase of armoured Mercedes vehicles for dignitaries visiting Mumbai	0.50
3	CNF-2013/18/BUD/06 04/03/2014	Social Justice and Special Assistance Department N-3/2225	Funds to carry out survey for inclusion of Maratha Community into OBC category	10.00

Source: Contingency Fund sanction orders from respective departments

Meagre utilisation of funds drawn from the Contingency Fund

(Reference: Paragraph 2.5; Page 68)

(₹ in crore)				
Sr.No.	Sanction number and date	Department/grant number/Major Head	Amount sanctioned	Amount utilized (percentage)
1	CNF-2013/2/Bud-6 dated 01/06/2013	Revenue and Forests/ C-6/ 2245 – Relief on account of Natural Calamities	200.00	0.05 (0.03)
2	CNF-2013/4/Bud-8 dated 18/01/2013	School Education/ E-3/ 2204 – Sports and Youth Services	18.00	0.00
3	CNF-2013/6/Bud-6 Dated 12/07/2013	Revenue and Forests/ C-6/ 2245 – Relief on account of Natural Calamities	200.00	36.85 (18.43)
4	CNF-2013/8/Bud-10 dated 23/08/2013	Water Resources/ I-5/ 4701 – Capital Expenditure on Major and Medium Irrigation	0.05	0.00
5	CNF-2013/11/Bud-6 dated 30/10/2013	Revenue and Forests/ C-6/ 2245 – Relief on account of Natural Calamities	200.00	30.91 (15.46)
6	CNF-2013/13/Bud-17 dated 02/11/2013	Rural Development and Water Conservation/ L-3/ 2515 – Other Rural Development Programmes	0.56	0.00
7	CNF-2013/16/Bud-7 dated 05/02/2014	Women and Child Development/ X-1/ 2235 – Social Security and Welfare	5.00	0.62 (12.40)
Total			623.61	

Source: Contingency Fund sanction orders from respective departments and information from Principal Accountant General (Accounts and Entitlement)-I, Maharashtra, Mumbai

Details of pending advances paid out of Personal Ledger Account receipts

(Reference: Paragraph 2.7.3.5; Page 71)

Sr. No.	Hospitals/Colleges	Amount (₹ in lakh)
1	The Dean, Government Medical College and Hospital, Miraj, Sangli	2.49
2	The Dean, Padmabhushan Vasantdada Patil Government Hospital, Sangli	3.08
3	The Medical Superintendent, Rural Hospital, Jamner, Jalgaon	0.02
4	The Civil Surgeon, Civil Hospital, Jalgaon	0.20
5	The Civil Surgeon, V S General Hospital, Thane	13.98
6	The Medical Superintendent, St. George Hospital, Mumbai	8.03
7	The Medical Superintendent, Cama and Albless Hospital, Mumbai	0.35
8	The Medical Superintendent, Regional Mental Hospital, Thane	2.14
9	The Medical Superintendent, Rural Hospital, Goveli, Thane	0.58
10	The Dean, Shri Ramanand Thirth Medical College and Hospital, Ambejogai	3.15
	The Dean, Shri Ramanand Thirth Medical College and Hospital, Ambejogai	11.63
	The Dean, Shri Ramanand Thirth Medical College and Hospital, Ambejogai	7.55
Total		53.20

Source: Information obtained from various hospitals/medical colleges

Details of differences between treasury pass books
and Personal Ledger Account cash books

(Reference: Paragraph 2.7.3.6; Page 71)

Sr. No.	Unit audited	Closing balance as on	(Amount in ₹)		
			Closing balance as per cash book	Closing balance as per pass book	Difference
1	Regional Mental Hospital, Thane	30/06/2014	11723246	11876490	153244
2	Government Medical College, Miraj	31/03/2014	24049092	24036971	12121
3	The Medical Superintendent, Rural Hospital, Goveli	31/03/2014	1178159	1090239	87920
4	The Superintendent, Cama and Albles Hospital, Mumbai	31/03/2014	55570243	55482938	87305
5	Sasoon General Hospital, Pune	31/03/2014	44619688	44556981	62707
6	Regional Mental Hospital, Pune	31/03/2014	3716282	4300486	584204
7	Sir J J Group of Hospitals, Mumbai	31/03/2014	294870038	283571700	11298338

Source: Information obtained from various hospitals/medical colleges

Details of delay in crediting daily receipts into Personal Ledger Account

(Reference: Paragraph 2.7.3.6; Page 72)

Sr.No.	Name of the treasury	Name of the hospital/medical college	Delay in days in crediting receipts into PLA
1	Jalgaon	The Civil Surgeon, Civil Hospital	01-04
2	Jalgaon	The Medical Superintendent, Sub District Hospital, Muktainagar	05-29
3	Jalgaon	The Medical Superintendent, Rural Hospital, Jamner	01-06
4	Jalgaon	The Medical Superintendent, Rural Hospital, Raver	07-10
5	Mumbai	The Medical Superintendent, Cama and Albless Hospital	06-365
6	Mumbai	The Medical Superintendent, St. George Hospital	03-278
7	Mumbai	The Dean, Grant Medical College	02-98
8	Pune	The Medical Superintendent, Mental Hospital, Yerawada	05-15
9	Sangli	The Dean, Government Medical College, Miraj	04-08
10	Sangli	The Dean, Government Hospital, Miraj	01-33
11	Sangli	The Medical Superintendent, Rural Hospital, Belanki, Miraj	01-20
12	Sangli	The Medical Superintendent, Sub District Hospital, Kavathe Mahankal	01-06
13	Thane	The Civil Surgeon, V S General Hospital	02-304
14	Thane	The Medical Superintendent, Regional Mental Hospital	02-174
15	Thane	The Medical Superintendent, Rural Hospital, Goveli	02-256
16	Thane	The Civil Surgeon, Central Hospital, Ulhasnagar	02-17
17	Thane	The Medical Superintendent, Rural Hospital, Virar	02-75

Source: Information obtained from various hospitals/medical colleges

Department-wise breakup of outstanding utilisation certificates

(Reference: Paragraph 3.1; Page 73)

Sr. No.	Department	Number of certificates	Amount (₹ in crore)
1	Agriculture, Animal Husbandry, Dairy Development and Fisheries	14857	3257.81
2	Co-operation, Marketing and Textiles	1386	5575.94
3	Employment and Self-Employment	22	42.45
4	Environment	23	16.87
5	Finance	12	27.51
6	Food, Civil Supplies and Consumer Protection	45	2.68
7	General Administration	256	279.69
8	Higher and Technical Education	1127	3035.64
9	Home	1532	1779.53
10	Housing	132	917.49
11	Industries, Energy and Labour	773	324.33
12	Law and Judiciary	379	8.73
13	Maharashtra Legislature Secretariat	46	3.91
14	Marathi Language	04	1.04
15	Medical Education and Drugs	340	72.84
16	Minority Development	747	397.97
17	Planning	17855	6726.87
18	Public Health	3189	729.96
19	Public Works	432	182.39
20	Revenue and Forests	13957	3231.94
21	Rural Development and Water Conservation	7625	4095.44
22	School Education and Sports	9936	12305.32
23	Social Justice and Special Assistance	9561	3241.24
24	Tourism and Cultural Affairs	365	415.60
25	Tribal Development	12660	4912.49
26	Urban Development	3713	15892.55
27	Water Resources	106	2.09
28	Water Supply and Sanitation	2785	783.50
29	Women and Child Development	3085	395.93
	Total	106950	68659.75

Source : Information received from Principal Accountant General (Accounts and Entitlement)-I, Maharashtra, Mumbai, Pay and Accounts Office, Mumbai and Principal Accountant General (Accounts and Entitlement)-II, Maharashtra, Nagpur

Pendency of utilisation certificates at Urban Local Bodies and district level

(Reference: Paragraph 3.1.1.5; Page 75)

(₹ in crore)

Sr. No.	Name of Scheme	Number of ULBs/District Collectors implementing the schemes	Date of sanction/ release by UDD	Amount of UCs pending (₹)	Reasons for pendency
1	Development of basic amenities in the Municipal Corporations	04*ULBs	March 2011	26.49	UCs not furnished as of 31 March 2014
2	Maharashtra Swarnajayanti Nagarotthan Maha Abhiyan (MSJNMA)	06 [#] ULBs	March 2011	30.98	UCs not furnished as of 31 March 2014
		01 [#] ULBs	March 2013	30.82	
3	Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT)	07 [§] ULBs	2007-08	73.20	UCs not furnished as of 31 March 2014
4	Dr Babasaheb Ambedkar Shram Saphalya Yojana	05 [@] ULBs	2010-11 to 2013-14	10.19	UCs not furnished as of 31 March 2014
5	Strengthening of Fire and Emergency Services in the State	35 ULBs	2010-11 to 2012-13	2.10	UCs not furnished as of 31 March 2014
		58 ULBs		173.78	
6	Nagari Dalit Vasti Improvement Scheme	35 District Collectors	March 2013	18.62	UCs not furnished as of 31 March 2014
Total				192.40	

Source: Information obtained from Urban Development Department and Controlling Officers

- * 4 ULBs-(Kolhapur, Sangli-Miraj-Kupwad, Solapur and Vasai-Virar);
[#] 7 ULBs-(Ahmednagar, Barshi, Manmad, Nanded, Parli-Vajinath, Udgir and Washim)
[§] 7 ULBs – (Daund, Kamtee, Malwan, Parola, Sailu, Solapur and Yavatmal)
[@] 5 ULBs-(Ahmednagar, Kalyan, Nagpur, Ratnagiri and Solapur)

Details of the projects taken up under JNNURM

(Reference: Paragraph 3.1.1.5; Page 76)

(₹ in crore)									
Sr. No.	Name of projects	Project cost	Date of Commencement	Total fund released as on 31 March 2014	Total expenditure as on 31 March 2014	Percentage of funds utilised with respect to releases	physical progress of work in percentage	Scheduled date of completion as per DPR	Expected date of completion
1	Network I - Laying of lines at Ghodbandar road (Thane Municipal Corporation)	140.09	Jan-2012	99.76	95.49	95.72	41.28	March-2014	March-2015
	Network II - laying of sewer lines, seven nos of pumping station and 100 MLD STP at Kharegaon (Thane Municipal Corporation)		Feb-2009				42.00	March-2014	March-2015
2	Rehabilitation Plan to Implement 24x7 water supply project for Nagpur City under PPP framework, (Nagpur Municipal Corporation)	387.86	Nov-2011	164.50	143.48	87.22	41.46	Jan-2012	Dec-2014
3	Reuse of treated waste water for thermal power plant and reduce stress on fresh water sources (Nagpur Municipal Corporation)	130.11	July-2011	113.36	113.36	100.00	65.00	Dec-2010	Dec-2014
4	Under Ground Sewerage Project (Kulgaon - Badlapur Municipal Council)	151.46	Feb-2010	128.53	127.12	98.90	70.12	Mar-2011	Nov-2014
Total		809.52		506.15	479.45				

Source: Information furnished by Mumbai Metropolitan Regional Development Agency

Amount of unutilised grants-in-aid not surrendered by the Municipal Councils

(Reference: Paragraph 3.1.1.5; Page 76)

				(₹ in crore)
Period	No. of MCs	Grants sanctioned	Expenditure incurred	Amount of unutilised grants not surrendered
2006-07	02	0.68	0.65	0.03
2007-08	09	5.66	2.39	3.27
2008-09	25	12.88	4.26	8.62
2009-10	31	32.93	15.87	17.06
2010-11	30	10.40	2.43	7.97
2011-12	66	32.10	8.27	23.83
2012-13	152	136.25	38.92	97.33
2013-14	176	215.91	60.76	155.15
Total		446.81	133.55	313.26

Source: Information obtained from Controlling Officers under Urban Development Department

Delay in submission of accounts/audit reports by autonomous bodies

(Reference : Paragraph:3.3, Page 78)

Sr. No.	Name of the Body	Period of entrustment	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	01/04/2008 to 31/03/2013 and 01/04/2013 to 31/03/2018	2013-14	June 2014	09/09/2014	02	2012-13	SAR 2010-11 Presented on 20/12/2012
2	Mumbai Region Development Authority (MMRDA), Mumbai	01/04/2009 to 31/03/2014	2012-13 2013-14	June 2013 June 2014	22/09/2014	15 03	2011-12	No provision for presentation in MMRDA's Act
3	Maharashtra Jeevan Pradhikaran (MJP), Mumbai	01/04/2007 to 31/03/2012 and 1/04/2012 to 31/03/2017	2011-12 2012-13	June 2012 June 2013	25/03/2013 07/08/2014	09 01	2011-12 (2012-13 in progress)	SAR 2009-10 presented on 19/12/2012
4	Maharashtra Krishna Valley Development Corporation (MKVDC), Pune	01/04/2011 to 31/03/2016	2012-13	June 2013	25/10/2013	04	2012-13	SAR 2011-12 presented on 14/06/2014
5	Konkan Irrigation Development Corporation (KIDC), Thane	01/04/2008 to 31/03/2013	2012-13	June 2013	23/07/2014	13	2011-12	SAR 2010-11 presented on 02/08/2013
6	Maharashtra Maritime Board (MMB), Mumbai	01/04/2011 to 31/03/2016	2012-13	June 2013	28/11/2013	05	2012-13	SAR 2004-05 presented on 17/12/2006
7	Maharashtra State Commission for Women (MSCW), Mumbai	01/04/2008 to 31/03/2013 and 01/04/2013 to 31/03/2018	2012-13	June 2013	13/12/2013	05	2012-13	SAR 2011-12 presented on 28/02/2014
8	Maharashtra Pollution Control Board (MPCB), Mumbai	01/04/2008 to 31/03/2013	2012-13	June 2013	06/02/2014	07	2012-13	SAR 2004-05 presented in April 2008
9	Slum Rehabilitation Authority, Mumbai (SRA)	01/04/2006 to 31/03/2011 and 01/04/2011 to 31/03/2016	2012-13	June 2013	16/12/2013	06	2012-13	SAR 2012-13 presented on 14/06/2014
10	Maharashtra Water Resources Regulatory authority (MWRRA)	01/04/2010 to 31/03/2015	2013-14	June 2014	04/07/2014	Nil	2012-13	SAR 2011-12 presented on 31/07/2013
11	Rajiv Gandhi Science and Technology Commission (RGSTC)	01/04/2010 onwards	2013-14	June 2014	24/07/2014	01	2012-13	SAR 2005-06 to 2010-11 presented on 21/04/2012

Appendix - 3.5 (concl.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
12	Maharashtra Khadi and Village Industries Board (MSKVIB), Mumbai	01/04/2007 to 31/03/2012	2011-12	June 2012	26/02/2013	08	2011-12	SAR 2008-09 presented on 15/12/2010
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	Yet to be presented
14	Maharashtra Commission for Protection of Child Rights (MCPCR)	The audit has been taken up as per Sn 20(1) of CAG's (DPC) Act 1971	2012-13	June 2013	07/10/2013	03	2012-13	SAR 2008-09 to 2011-12 are yet to be presented
15	Maharashtra Electricity Regulatory Commission (MERC)	Under Section 104 of the Electricity Act, 2003	2010-11	June 2011	04/03/2014	32	2012-13	SAR 2009-10 presented on 12/06/2014
			2011-12	June 2012	04/03/2014	20		
			2012-13	June 2013	07/05/2014	10		
			2013-14	June 2014	22/08/2014	02		
16	Tapi Irrigation Development Corporation (TIDC), Jalgaon	01/04/2008 to 31/03/2013 and 01/04/2013 to 31/03/2018	2011-12	June 2012	01/07/2013	12	2011-12	SAR for the year 2011-12 sent to Government for placement before legislature on 22/05/2014
17	Vidharba Irrigation Development Corporation (VIDC), Nagpur	01/04/2012 to 31/03/2017	2011-12	June 2012	01/07/2013	12	2010-11	SAR for the year 2010-11 sent to Government for placement before legislature on 22/05/2014
18	Godawari Marathwada Irrigation Development Corporation (GMIDC), Aurangabad	01/04/2009 to 31/03/2014	2011-12	June 2012	17/12/2013	18	2010-11	SAR for the year 2010-11 placed before legislature on 01/08/2013

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

Status of finalisation of accounts and Government investments in departmentally managed commercial and quasi-commercial undertakings

(Reference: Paragraph 3.4; Page 78)

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				
Mumbai Region				
1	Greater Mumbai Milk Scheme, Worli	2012-13	44.92	
2	Milk Transport Scheme, Worli	2006-07	2.34	*
3	Mother Dairy, Kurla	2012-13	32.65	
4	Central Dairy, Goregaon	2012-13	87.69	
5	Unit Scheme, Mumbai	2012-13	24.65	
6	Agricultural Scheme, Mumbai	2012-13	8.39	
7	Electrical Scheme, Mumbai	2012-13	4.50	
8	Water Supply Scheme, Mumbai	2012-13	13.62	
9	Cattle Feed Scheme, Mumbai	2012-13	0.12	
10	Cattle Breeding and Rearing Farm, Palghar	2012-13	1.51	
11	Dairy Project, Dapchari	2012-13	15.88	
12	Government Milk Scheme, Bhiwandi	2012-13	0.73	
13	Government Milk Chilling Centre, Saralgaon, Thane	2012-13	0.30	
14	Government Milk Scheme, Khopoli	2012-13	2.26	
15	Government Milk Scheme, Mahad	2011-12	1.28	
16	Government Milk Scheme, Chiplun	2012-13	1.87	
17	Government Milk Scheme, Ratnagiri	2012-13	4.25	
18	Government Milk Scheme, Kankavali	2012-13	2.99	
Pune Region				
19	Government Milk Scheme, Pune	2012-13	30.08	
20	Government Milk Scheme, Mahabaleshwar	2012-13	2.40	
21	Government Milk Scheme, Satara	2012-13	22.27	
22	Government Milk Scheme, Miraj	2012-13	43.68	
23	Government Milk Scheme, Solapur	2012-13	3.31	
Nagpur Region				
24	Government Milk Scheme, Nagpur	2012-13	9.63	
25	Government Milk Scheme, Wardha	2012-13	9.49	
26	Government Milk Scheme, Chandrapur	2012-13	(-) 3.10	
27	Government Milk Scheme, Gondia	2012-13	25.56	

* MTS Worli has been closed vide Government order dated 17/07/2008

Appendix - 3.6 (concl.)

(1)	(2)	(3)	(4)	(5)
Aurangabad Region				
28	Government Milk Scheme, Aurangabad	2012-13	16.21	
29	Government Milk Scheme, Udgir	2012-13	38.24	
30	Government Milk Scheme, Beed	2012-13	40.18	
31	Government Milk Scheme, Nanded	2012-13	6.69	
32	Government Milk Scheme, Bhoom	2012-13	22.29	
33	Government Milk Scheme, Parbhani	2011-12	7.86	
Nashik Region				
34	Government Milk Scheme, Nashik	2010-11	4.87	
35	Government Milk Scheme, Dhule	2012-13	13.79	
36	Government Milk Scheme, Chalisgaon	2012-13	2.14	
37	Government Milk Scheme, Ahmednagar	2012-13	6.06	
38	Government Milk Scheme, Wani	2012-13	0.67	
Amravati Region				
39	Government Milk Scheme, Amravati	2012-13	12.56	
40	Government Milk Scheme, Akola	2012-13	17.72	
41	Government Milk Scheme, Yavatmal	2012-13	5.22	
42	Government Milk Scheme, Nandura	2012-13	3.25	
Agriculture, Animal Husbandry, Dairy Development and Fisheries Department				
43	Land Development by Bulldozer Scheme, Pune	1994-95	4.00	
44	Land Development by Bulldozer Scheme, Aurangabad	1998-99	21.93	^
45	Land Development by Bulldozer Scheme, Amravati	1995-96	0.01	
46	Land Development by Bulldozer Scheme, Nagpur	1996-97	2.18	
Revenue and Forests Department				
47	Allapalli and Pendigundam Forest Ranges of Forest Divisions including Saw mills and Timber Depot	1985-86	0.00	^
Food, Civil Supplies and Consumer Protection Department				
48	Procurement, Distribution and Price Control Scheme in Mumbai and Thane Rationing Area	2011-12	637.89	
49	Procurement, Distribution and Price Control Scheme in Mofussil Area	2011-12	828.46	
Total			2085.49	

Source: Proforma Accounts

^ These are sick units with no operations. Hence they have stopped preparing accounts

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

(Reference: Paragraph 3.5 ; Page 79)

							(₹ in lakhs)
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	21 (28.66)	0 (0)	04 (3.89)	03 (4.93)	04 (3.30)	51 (31.66)	83 (72.44)
Co-operation and Textile	01 (0.53)	0 (0)	01 (10.83)	0 (0)	0 (0)	0 (0)	02 (11.36)
Finance	01 (0.42)	01 (40.08)	02 (18.01)	19 (370.64)	01 (0.7)	03 (2.29)	27 (432.14)
Food, Civil Supplies and Consumer Protection	01 (4.97)	0 (0)	01 (3.05)	02 (14.69)	03 (4.99)	03 (8.56)	10 (36.26)
General Administration	0 (0)	0 (0)	0 (0)	0 (0)	01 (1.29)	0 (0)	01 (1.29)
Higher and Technical Education	0 (0)	0 (0)	01 (29.65)	0 (0)	02 (290.84)	0 (0)	03 (320.49)
Home	09 (23.47)	01 (423.58)	05 (13.37)	01 (0.20)	05 (17.44)	08 (5.97)	29 484.03
Housing	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	01 (0.07)	01 (0.07)
Industries, Energy and Labour	01 (0.94)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	01 (0.94)
Law and Judiciary	04 (0.87)	02 (0.25)	0 (0)	0 (0)	0 (0)	0 (0)	06 (1.12)
Medical Education and Drugs	0 (0)	01 (1.29)	01 (7.96)	0 (0)	0 (0)	02 (7.02)	04 (16.27)
Planning	06 (0.9)	02 (0.06)	03 (0.27)	0 (0)	0 (0)	0 (0)	11 (1.23)
Public Health	06 (1408.11)	02 (1275.96)	12 (3528.49)	0 (0)	01 (4.59)	04 (2.57)	25 (6219.72)
Public Works	04 (0)	0 (0)	0 (0)	0 (0)	0 (0)	03 (5.54)	07 (5.54)
Revenue and Forests	11 (66.36)	0 (0)	04 (5.34)	0 (0)	01 (0.08)	21 (15)	37 (86.78)
Rural Development and Water Conservation	02 (3.51)	0 (0)	04 (2.92)	05 (147.68)	03 (66.68)	08 (6.82)	22 (227.61)
School Education and Sports	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	01 (2.02)	01 (2.02)
Social Justice and Special Assistance	01 (48)	0 (0)	0 (0)	02 (6.27)	0 (0)	04 (77.92)	07 (132.19)
Tribal Development	07 (12.94)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	07 (12.94)
Water Resources	57 (29.85)	11 (17.99)	01 (0.34)	0 (0)	02 (4.71)	01 (0.5)	72 (53.39)
Water Supply and Sanitation	03 (6.05)	01 (0.65)	0 (0)	0 (0)	0 (0)	0 (0)	04 (6.70)
TOTAL	135	21	39	32	23	110	360
	1635.58	1759.86	3624.12	544.41	394.62	165.94	8124.53

Source: Information obtained from respective departments; Pay and Accounts Office, Mumbai; Accountant General (Audit)-II, Maharashtra, Nagpur
Figures in paranthesis indicate amount

Department-wise/category-wise details of losses to Government due to theft, misappropriation/loss of Government material

(Reference : Paragraph:3.5, Page 79)

Name of the Department	(₹ in lakh)					
	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	13	5.78	70	66.66	83	72.44
Co-operation, Marketing and Textiles	01	0.54	01	10.82	02	11.36
Finance	01	13.89	26	418.25	27	432.14
Food, Civil Supplies and Consumer Protection	01	4.97	09	31.29	10	36.26
General Administration	0	0.00	01	1.29	01	1.29
Higher and Technical Education	0	0.00	03	320.49	03	320.49
Home	02	4.23	27	479.80	29	484.03
Housing	0	0.00	01	0.07	01	0.07
Industries, Energy and Labour	0	0.00	01	0.94	01	0.94
Law and Judiciary	04	0.56	02	0.56	06	1.12
Medical Education and Drugs	0	0.00	04	16.27	04	16.27
Planning	11	1.23	0	0.00	11	1.23
Public Health	01	0.03	24	6219.69	25	6219.72
Public Works	03	0.00	04	5.54	07	5.54
Revenue and Forests	03	3.45	34	83.33	37	86.78
Rural Development and Water Conservation	02	3.51	20	224.10	22	227.61
School Education and Sports	0	0.00	01	2.02	01	2.02
Social Justice and Special Assistance	0	0.00	07	132.19	07	132.19
Tribal Development	02	1.80	05	11.14	07	12.94
Water Resources	54	24.05	18	29.34	72	53.39
Water Supply and Sanitation	04	6.70	0	0.00	04	6.70
Total	102	70.74	258	8053.79	360	8124.53

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

Details of sub-heads (schemes) booked under Minor Head 800 for the year 2013-14

(Reference: Paragraph 3.6; Page 80)

Major Head	Sub Major Head	Minor Head	Sub-head description	Amount (₹ in crore)
(i) Other receipts				
0202	01	800	800(01)(04)-Contribution from University Grants Commission	65.86
			Total	65.86
(ii) Other expenditure				
2801	05	800	800(00)(01)-Subsidy to the Distribution/Transmission Licensee for reduction in Agriculture and Powerloom Tariff	5275.52
5054	04	800	800(ii)(1)-Ordinary Major Works	1165.08
4801	02	800	800(01)(07)-Capital Investment in Koradi TSP Extension	693.25
5054	04	800	800(8)-Work Executed Through Loan Assistance From NABARD Major Works	581.45
2701	80	800	800(iii)-(i) Interest	551.85
4801	05	800	800(00)(02)-Gaothan Feeder Separation Scheme and Infrastructure Development	327.62
4801	02	800	800(00)(08)-Capital Investment in Chandrapur Thermal Extension Project	233.87
2701	80	800	800(11)(01)-World Bank Assisted Maharashtra Water Sector Improvement Project	205.44
2801	05	800	800(00)(06)-Grants-in-aid to Maharashtra State Power Distribution Company Limited for Removal of Regional Imbalance of Agriculture Pump sets/Rural Electrification	167.64
5054	04	800	800(ii) (2)-Ordinary Establishment Charges	161.47
2075	00	800	800(00)(15)- Late Vasantao Naik Birth Centenary celebration	99.08
4070	00	800	800(00)(05)-Grants-in-aid to Maharashtra State Police Housing and Welfare Corporation	80.26
4551	60	800	800(00)(01)- Special Development Programme for Hilly Areas	71.11
4070	00	800	800(00)(11)-Office Building for police department Grant in aid to Maharashtra State Housing and welfare corporation	70.40
2701	80	800	800(16)(01) – Maintenance and Receipts works under XIII Finance commission Grants	65.66
2801	80	800	800(00)(04) - Grant-in-aid to MSEB Holding Company Limited	57.26
5054	04	800	800(44)(04) - Development and Strengthening of Other Districts	50.56
			Total	9857.52

Source: Finance Accounts 2013-14

Details of pending Detailed Contingent Bills up to 2013-14

(Reference: Paragraph 3.8; Page 80)

Sr. No.	Department	No. of AC Bills	Amount (₹ in crore)
1	Agriculture, Animal Husbandry, Dairy Development and Fisheries	955	17.07
2	Co-operation, Marketing and Textiles	35	0.25
3	Employment and Self Employment	05	0.01
4	Environment	04	0.01
5	Finance	90	2.47
6	Food, Civil Supplies and Consumer Protection	12	0.07
7	General Administration	1053	36.29
8	Higher and Technical Education	28	0.61
9	Home	1086	695.95
10	Housing	10	0.01
11	Industries, Energy and Labour	149	10.69
12	Law and Judiciary	286	8.72
13	Maharashtra Legislature Secretariat	01	0.00
14	Marathi Language Division	03	0.00
15	Medical Education and Drugs	133	8.48
16	Minorities Development	06	0.04
17	Planning	357	18.88
18	Public Health	138	115.62
19	Public Works	12	0.12
20	Revenue and Forests	894	24.15
21	Rural Development and Water Conservation	654	16.10
22	School Education and Sports	238	3.85
23	Social Justice and Special Assistance	357	10.62
24	Tourism and Cultural Affairs	68	14.47
25	Trade, Commerce and Mining	0	0.00
26	Tribal Development	49	0.12
27	Urban Development	13	0.02
28	Water Resources	01	0.00
29	Water Supply and Sanitation	16	0.02
30	Women and Child Development	20	0.38
Grand Total		6673	985.02

Source : Information received from Principal Accountant General (Accounts and Entitlement)-I, Maharashtra, Mumbai, Pay and Accounts Office, Mumbai and Principal Accountant General (Accounts and Entitlement)-II, Maharashtra, Nagpur

Terms	Basis of calculation
Buoyancy of a parameter	Rate of Growth of the parameter/GSDP Growth Rate
Buoyancy of a parameter (X) With respect to another parameter (Y)	Rate of Growth of parameter (X)/Rate of Growth of parameter (Y)
Rate of Growth (ROG)	$[(\text{Current year Amount} / \text{Previous year Amount}) - 1] * 100$
Development Expenditure	Social Services + Economic Services
Average interest paid by the State	$\text{Interest payment} / [(\text{Amount of previous year's Fiscal Liabilities} + \text{Current year's Fiscal Liabilities}) / 2] * 100$
Interest spread	GSDP growth rate – Average Interest Rate
Quantum spread	Debt stock * Interest spread
Interest received as <i>per cent</i> to Loans Outstanding	$\text{Interest Received} [(\text{Opening balance} + \text{Closing balance of Loans and Advances}) / 2] * 100$
Revenue Deficit	Revenue Receipt – Revenue Expenditure
Fiscal Deficit	Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts – Miscellaneous Capital Receipts
Primary Deficit	Primary deficit defined as the fiscal deficit net of interest payments indicates the extent of deficit which is an outcome of the fiscal transactions of the States during the course of the year (Fiscal Deficit – Interest payments)
Balance from Current Revenue (BCR)	Revenue Receipts minus all Plan Grants and Non-Plan Revenue Expenditure excluding expenditure recorded under the major head 2048 – Appropriation for reduction of Avoidance of debt
Terms	Description
Debt sustainability	The Debt sustainability is defined as the ability of the State to maintain a constant debt-GSDP ratio over a period of time and also embodies the concern about the ability to service its debt. Sustainability of debt therefore also refers to sufficiency of liquid assets to meet current or committed obligations and the capacity to keep balance between costs of additional borrowings with returns from such borrowings. It means that rise in fiscal deficit should match with the increase in capacity to service the debt
Debt stabilization	A necessary condition for stability states that if the rate of growth of economy exceeds the interest rate or cost of public borrowings, the debt-GSDP ratio is likely to be stable provided primary balances are either zero or positive or are moderately negative. Given the rate spread (GSDP growth rate – interest rate) and quantum spread (Debt*rate spread), debt sustainability condition states that if quantum spread together with primary deficit is zero, debt-GSDP ratio would be constant or debt would stabilize eventually. On the other hand, if primary deficit together with quantum spread turns out to be negative, debt-GSDP ratio would be rising and in case it is positive, debt-GSDP ratio would eventually be falling

Appendix - 4.1 (contd.)

Terms	Description
Sufficiency of non-debt receipts	Adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. Debt sustainability could be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure
Net availability of borrowed funds	Defined as the ratio of the debt redemption (Principal + Interest Payments) to total debt receipts and indicates the extent to which the debt receipts are used in debt redemption indicating the net availability of borrowed funds
Appropriation Accounts	Appropriation Accounts present the total amount of funds (Original and Supplementary) authorised by the Legislative Assembly in the budget grants under each voted grants and charged appropriation <i>vis-à-vis</i> the actual expenditure incurred against each and the unspent provisions or excess under each grant or appropriation. Any expenditure in excess of the grants requires regularisation by the Legislature
Autonomous bodies	Autonomous Bodies (usually registered Societies or Statutory Corporations) are set up whenever it is felt that certain functions need to be discharged outside the Governmental set up with some amount of independence and flexibility without day-to-day interference of the Governmental machinery
Committed expenditure	The committed expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages, pensions and subsidies on which the present executive has limited control
State implementing schemes	State Implementing Agency includes any Organisation/Institution including Non-Governmental Organisation which is authorised by the State Government to receive the funds from the Government of India for implementing specific programmes in the State, e.g. State Implementation Society for Sarva Siksha Abhiyan and State Health Mission for National Rural Health Mission, 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 atleast 1/5 th of the outstanding invoked guarantees plus an amount likely to be invoked as a result of the incremental guarantees during the year

Appendix - 4.1 (contd.)

Terms	Description
Internal Debt	Internal Debt comprises regular loans from the public in India, also termed 'Debt raised in India'. It is confined to loans credited to the Consolidated Fund
Primary revenue expenditure	Primary revenue expenditure means revenue expenditure excluding interest payments
Re-appropriation	Means the transfer of funds from one Primary unit of appropriation to another such unit
Surrenders of unspent provision	Departments of the State Government are to surrender to the Finance, before the close of the financial year, all the anticipated unspent provisions noticed in the grants or appropriations controlled by them. The Finance is to communicate the acceptance of such surrenders, as are accepted by them to the Audit Officer and/or the Accounts Officer, as the case may be, before the close of the financial year
Supplementary grants	If the amount authorised by any law made in accordance with the provisions of Article 114 of the Constitution to be expended for a particular service for the current financial year is found to be insufficient for the purpose of that year or when a need has arisen during the current financial year for the supplementary or additional expenditure upon some 'new service' not contemplated in the original budget for that year, Government is to obtain supplementary grants or appropriations in accordance with the provision of Article 115 (1) of the Constitution
Suspense and Miscellaneous	Items of receipts and payments which cannot at once be taken to a final head of receipt or charge owing to lack of information as to their nature or for any other reasons, may be held temporarily under the major head "8658-Suspense Account" in the sector "L. Suspense and Miscellaneous" of the Accounts, (Footnotes under the major head in the list of major/minor heads of account may be referred to for further guidance). A service receipt of which full particulars are not given must not be taken to the head "Suspense Account" but should be credited to the minor head "Other Receipt" under the revenue major head to which it appears to belong pending eventual transfer to the credit of the correct head on receipt of detailed particulars
Public Accounts committee	A Committee constituted by the Legislative Assembly for the examination of the reports of the Comptroller and Auditor General of India relating to the appropriation accounts of the State, the annual financial accounts of the State or such other accounts or financial matters as are laid before it or which the Committee deems necessary to scrutinize
Block Grant	A block grant is a lump sum grant provided by the Government of India to the State Government, which are given considerable discretion in how the money is spent (with only general provisions as to the way it is to be spent)
Core public goods	Core public goods are which all citizens enjoy in common in the sense that each individual's consumption of such a good leads to no subtractions from any other individual's consumption of that good, e.g. enforcement of law and order, security and protection of our rights; pollution free air and other environmental goods and road infrastructure <i>etc.</i>
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>

Appendix - 4.1 (concl.)

Terms	Description
Absorptive capacity	Absorptive capacity in this case refers to the ability of a State to implement a developmental scheme in such a way that with given resources, there is maximum benefit to the people. This is usually achieved when the design of schemes are well planned with careful risk mitigation strategy in place, administrative costs are low, operation, maintenance, monitoring and control mechanisms are in place <i>etc.</i> so that the state is able to effectively achieve targeted outcomes

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