



सत्यमेव जयते

**State Finances Audit Report
of the
Comptroller and Auditor General of India
for the year ended 31 March 2018**



लोकहितार्थं सत्यनिष्ठा
Dedicated to Truth in Public Interest



**Government of Maharashtra
Report No. 3 of the year 2019**

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of the
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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 2018. Information has also been obtained from the Government of Maharashtra, wherever necessary.
3. Chapter III on 'Financial Reporting' provides an overview and status of the State Government's compliance with various rules, procedures and directives relating to financial reporting during the current year.
4. The Reports containing the findings of Performance Audits and audit of transactions in various Departments and observations arising out of audit of Statutory Corporations, Boards and Government Companies and the Report containing observations on Revenue Receipts are presented separately.

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Background

Maharashtra is the second largest State in India, in terms of population (11.24 crore as per 2011 census) and has 3.08 lakh sq. km. of geographical area. The compounded annual growth rate of its Gross State Domestic Product for the period 2008-09 to 2017-18 has been 14.2 *per cent* as against 12.9 *per cent* in the General Category States of the country. During the above mentioned period, its population grew by 12.3 *per cent* as against 11.9 *per cent* in General Category States. The population below the poverty line in Maharashtra (17.4 *per cent*) was lower than the all India average of 21.9 *per cent*. The State's per capita income compounded annual growth rate in the current decade was higher at 12.8 *per cent* when compared with General Category States' growth rate of 11.5 *per cent*.

This Report on the Finances of the Government of Maharashtra is being brought out with a view to objectively assess the financial performance of the State during 2017-18 and to provide the State Government and State Legislature with timely inputs, based on analysis of the financial data. In order to give a perspective to the analysis, an effort has been made to compare the achievements with the targets envisaged by the State Government Fiscal Responsibility and Budgetary Management (FRBM) Act, 2005 and the Budget Estimates of 2017-18.

The Report

Based on the audited accounts of the Government of Maharashtra for the year ended March 2018, this Report provides an analytical review of the Annual Accounts of the Government. The Report is structured in three Chapters.

Chapter I is based on the audit of Finance Accounts and makes an assessment of the State's fiscal position as on 31 March 2018. It provides an insight into trends of committed expenditure and the borrowings made by the State.

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

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

Audit findings and recommendations

Chapter I

Finances of the State Government

Fiscal correction: The fiscal parameters i.e. revenue, fiscal and primary deficits indicate the extent of overall fiscal imbalances in the finances of the State Government during a specified period.

During 2017-18, the State achieved two of the three major parameters specified in the Fourteenth Finance Commission (FFC) Report i.e. (i) the fiscal deficit at 0.96 *per cent* of Gross State Domestic Product (GSDP) and (ii)

the ratio of debt to GSDP at 17.32 were lower than the 23.3 *per cent* ceiling. However, the third parameter Interest Payment/Revenue Receipt ratio at 13.55 was higher than the norm prescribed by FFC and State's Medium Term Fiscal Policy Statement (MTFPS) (12.7 *per cent*). As against the revenue deficit of ₹ 8,536 crore during 2016-17, there was a revenue surplus of ₹ 2,082 crore due to higher growth rate of the revenue receipts (19 *per cent*) than the revenue expenditure (13 *per cent*).

Revenue receipts: The growth rate of revenue receipts increased significantly at 19 *per cent* (₹ 38,961 crore) in 2017-18 over 2016-17.

Central tax transfers: Tax devolutions from the Central Government increased from ₹ 33,715 crore in 2016-17 (17 *per cent* of revenue receipts) to ₹ 37,219 crore in 2017-18 (15 *per cent* of revenue receipts). The devolution of the State's share of Union Taxes assigned to the State increased by 10 *per cent* during the third year of award period of Fourteenth Finance Commission as compared to the second year of Fourteenth Finance Commission. Grants-in-aid from GoI, which constituted 11 *per cent* of revenue receipt in 2016-17 however, decreased to nine *per cent* in 2017-18.

Interest payments: Interest payments (₹ 33,018 crore), which increased by 16 *per cent* during the year over 2016-17, was more than the projections made in MTFPS and FCP (₹ 31,027 crore) but less than the assessment made in the FFC (₹ 34,569 crore) Report.

Capital expenditure: The percentage of capital outlay to total expenditure declined marginally from 10.43 *per cent* in 2016-17 to 9.97 *per cent* during 2017-18. 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.

Fiscal priority: During 2017-18, priority given to Health and Family Welfare in the State was lower (4.5 *per cent*) than that given by the General Category States (4.9 *per cent*). Thus greater Fiscal priority needs to be given to this sector.

Review of Government investments: The average return on the State Government's investment in Government Companies, Joint Stock Companies and Partnerships and Statutory Corporations *etc.* was 0.04 *per cent* during 2013-18 while the Government paid average interest at the rate of eight *per cent* on its borrowings during the same period.

The State Government should review the working of Statutory Corporations, Rural Banks, Joint Stock Companies, Co-operatives and Departmental Commercial Undertakings incurring losses and take appropriate steps for their closure/revival. Since the chances of obtaining return on investment made in companies incurring losses and where the accumulated losses has resulted in erosion of the net-worth, are remote, the State Government should consider making future payments to these Companies in form of Grants instead of Share Capital so as to reduce the disparity in investment *vis-à-vis* return.

Debt servicing: The average expenditure on debt servicing during 2013-18 was ₹ 34,897 crore which accounted for 88.1 *per cent* of average public debt receipts during the same period, implying that a larger percentage of debt was being used for debt servicing. This also indicated that a very

insignificant portion of the debt was available for meeting developmental expenditure to promote growth.

Cash balances: There was an increase of 29 *per cent* in the cash balances of the State Government over the previous year, significant part of which pertained to balances in the Public Account. The cash balances of the State Government at the end of March 2018 was ₹ 88,469 crore, which included an amount of ₹ 33,972 crore invested in Sinking Fund meant for Appropriation for reduction or avoidance of debt. The interest earned on this fund is ploughed back to the fund. As on 31 March 2018, the interest earned on the Sinking Fund was ₹1,993 crore. Further there was also an outstanding balance under 'Cheques and bills' amounting to ₹ 15,969 crore. Hence the resultant effective cash balance of the State Government as on 31 March 2018 was ₹ 38,528 crore which is 14 *per cent* of the total expenditure of the State Government (₹ 2,69,392 crore) during the year.

Fiscal liabilities: During 2017-18, the fiscal liabilities (₹ 4,32,433 crore) increased over the previous year (₹ 3,95,858 crore). These liabilities were nearly twice the revenue receipts and more than twice the State's own resources at the end of 2017-18.

Chapter II

Financial Management and Budgetary Control

The programme implementation of various social and developmental programmes in the State left an overall saving of ₹ 77,892.26 crore, set-off by an excess of ₹ 47.15 crore. This requires regularisation under Article 205 of the Constitution of India. There were instances of inadequate provision of funds. In many cases, the anticipated savings were either not surrendered or surrendered on the last two days of March 2018.

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

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

Chapter III

Financial Reporting

The Government's compliance with various rules, procedures and directives was found wanting in various Departments which was evident from delays in furnishing of Utilisation Certificates by various Grantee Institutions against the loans and Grants-in-aid received by them from the State Government.

Delays were also seen in submission of Annual Accounts by Autonomous Bodies and Departmentally managed Commercial Undertakings. The Controlling Departments may identify the reasons for delay in finalisation of Accounts of Autonomous Bodies/Undertakings and institute remedial

measures to ensure that arrears in Accounts are cleared in a time bound manner.

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

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

Non-reconciliation of 24 *per cent* (₹ 52,759 crore) of total expenditure and five *per cent* (₹ 8,760 crore) of total receipts during the year, despite being highlighted in earlier years, indicated violation of Codal provisions and Financial Rules by the Controlling Officers.

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

CHAPTER - I

FINANCES OF THE STATE GOVERNMENT

Finances of the State Government

Social Indicators 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 population as per 2011 census) and has geographical area of 3.08 lakh square kilometres (sq. km). As indicated in **Appendix 1.1**, according to census 2011, the State's population has increased from 9.69 crore to 11.24 crore recording a decadal growth of 16 *per cent*. The density of population of Maharashtra has also recorded an increase from 315 persons per square kilometre (sq.km.) (Census 2001) to 365 persons per sq. km. (Census 2011) as against the all India average of 382 persons per sq.km.

The percentage of population below the poverty line at 17.4 *per cent* was lower than the all India average of 21.9 *per cent* as per Economic Survey of Maharashtra 2017-18. The Gross State Domestic Product¹ (GSDP) in 2017-18 at current prices was ₹ 24,96,505 crore (advance estimates). The Compounded Annual Growth Rate (CAGR) of GSDP for the period 2008-09 to 2017-18 has been 14.2 *per cent* as against 12.9 *per cent* in the General Category States² (GCS) of the country. The State's literacy rate has increased from 76.9 *per cent* (census 2001) to 82.3 *per cent* (Census 2011). The per capita income of the State during 2017-18 stood at ₹ 2,04,041 as against the country average of ₹ 1,29,800. General data relating to the State is shown in **Appendix 1.1**.

Economic Indicators of the State

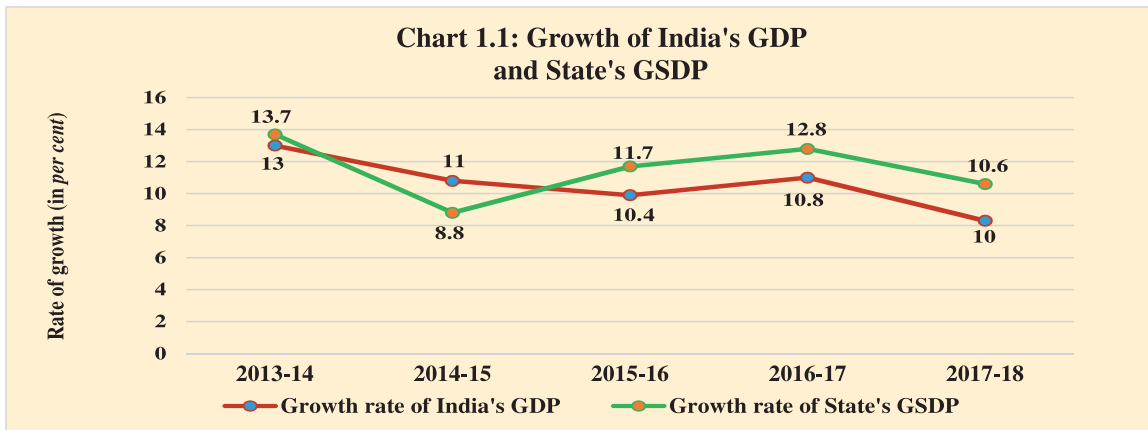
Gross State Domestic Product is the market value of all officially recognised final goods and services produced within the State in a given period of time. The growth of GSDP of the State is an important indicator of the State's economy as it indicates the standard of living of the State's population. The trends in the annual growth of India's Gross Domestic Product (GDP) at current prices are indicated in **Table 1.1** and **Chart 1.1**.

Table 1.1 Trends in annual growth rate of GDP/GSDP at current prices

Year	2013-14	2014-15	2015-16	2016-17	2017-18
India's GDP (₹ in crore)	11233522	12467959	13764037	15253714	16773145
Growth rate of GDP (percentage)	13.0	11.0	10.4	10.8	10.0
State's GSDP (₹ in crore)	1647506	1792122	2001223	2257032 [#]	2496505 [*]
Growth rate of GSDP (percentage)	13.7	8.8	11.7	12.8	10.6
GDP and GSDP at current prices					
[#] Actuals/ [*] Advance estimates – as per Economic Survey of Maharashtra 2017-18					

¹ GDP: It is a measure in monetary terms of all the goods and services produced (without duplication) within the boundaries of any geographical area (Nation) during a given period of time (generally, one year). It is termed as Gross State Domestic Product (GSDP) if the geographical boundary is State

² Undivided Andhra Pradesh; Bihar; Chhattisgarh; Goa; Gujarat; Haryana; Jharkhand; Karnataka; Kerala; Madhya Pradesh; Maharashtra; Orissa; Punjab; Rajasthan; Tamil Nadu; Uttar Pradesh and West Bengal



1.1 Introduction

This Chapter is based on the audit of the Finance Accounts of the State and makes an assessment of the State's fiscal position as on 31 March 2018. It provides a broad perspective of the finances of the State during 2017-18 and analyses critical changes observed in the major fiscal aggregates in relation to the previous year, keeping in view the overall trend during the last five years period. The structure and form of Government accounts have been explained in **Appendix 1.2 (Part A)** and the layout of the Finance Accounts is depicted in **Appendix 1.2 (Part B)**. The methodology adopted for assessment of the fiscal position and norms/ceilings prescribed by the Maharashtra Fiscal Responsibility and Budgetary Management (MFRBM) Act, 2005; and the (Amendment) Act of 2006; MFRBM Rules, 2006 and Amendment Rules 2008, 2011 and 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 has laid its Medium Term Fiscal Policy Statement (MTFPS) for 2017-18 in the State Legislature in March 2017.

This chapter is structured in four parts.

- Summary and Review of Fiscal Transactions **(Paragraph 1.2)**
- Resources of the State covering details of revenue receipts, capital receipts and public account receipts **(Paragraph 1.3 to 1.6)**
- Application of resources dealing with quality of expenditure and financial analysis of Government expenditure and investment **(Paragraph 1.7 to 1.9)**
- Financial position including assets and liabilities, fiscal imbalances and debt management **(Paragraph 1.10 to 1.12)**

1.2 Summary of Fiscal Transactions in 2017-18

Summary of Fiscal Operations gives an overview of the Fiscal position, comparison of budget estimates with actuals achieved which are given in detail in sub-paragraphs 1.2.1 to 1.2.2.

Table 1.2 presents the summary of the State Government's fiscal transactions during the current year (2017-18) *vis-à-vis* the previous years (2013-17), 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 transactions during 2013-14 to 2017-18

(₹ in crore)

Receipts	2013-14	2014-15	2015-16	2016-17	2017-18
Revenue receipts	149822	165415	185036	204693	243654
Tax revenue	108598	115064	126608	136616	167932
Non-tax revenue	11352	12581	13423	12709	16242
Share of Union Taxes/Duties	16630	17630	28106	33715	37219
Grants from Government of India	13242	20140	16899	21653	22261
Miscellaneous Capital Receipts	0	0	17	0	0
Recoveries of Loans and Advances	728	975	865	1746	1778
Public debt receipts	26735	29374	37977	48336	48075 [§]
Appropriation from Contingency fund	1350	2350	2962	0	0
Contingency Fund	859	4360	962	0	0
Public Account Receipts	64020	83022	72747	82466	81877
Opening Cash Balance					
a) Sinking Fund	12331	15454	18886	22672	27853
b) Cash balance	36513	31429	30762	32881	40897
Total	292358	332379	350214	392794	444134

(₹ in crore)

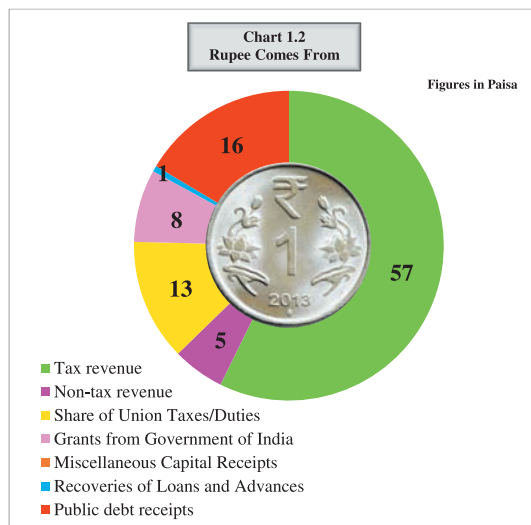
Disbursements	2013-14	2014-15	2015-16	2016-17	2017-18
Revenue expenditure	154902	177553	190374	213229	241571
General services	53979	60486	64370	71609	78535
Social services	70879	76952	82317	90282	93054
Economic services	27991	37687	38052	43843	54189
Grants-in-aid and Contributions	2053	2428	5635	7495	15793
Capital Outlay	20021	19523	22793	25549	26842
Loans and Advances disbursed	1645	1141	1115	6277	979
Repayment of Public Debt	10262	8828	10043	11887	15782 [§]
Appropriation to Contingency fund	850	4350	962	0	0
Contingency Fund	1360	2350	2962	0	0
Public Account Disbursements	56435	68986	66412	67102	70491
Closing Cash Balance					
a) Sinking Fund	15454	18886	22672	27853	33971
b) Cash balance	31429	30762	32881	40897	54498
Total	292358	332379	350214	392794	444134

(Includes higher rounding and lower rounding of figures)

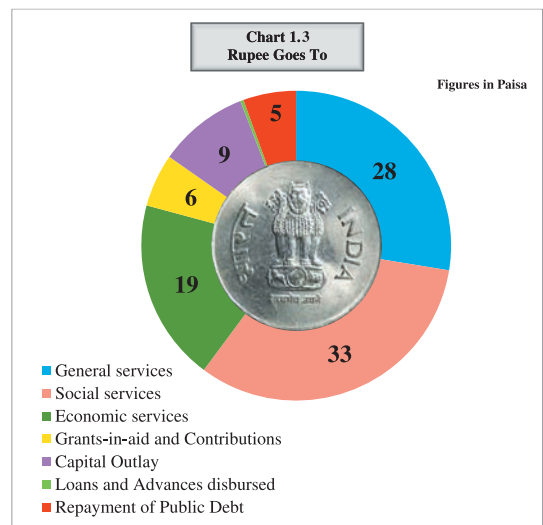
(Source: Finance Accounts of respective years)

[§] Excluding ways and means advances (Receipt: ₹ 1,594 crore and Disbursement: ₹ 1,594 crore)

Composition of sources and application of funds in the Consolidated Fund during 2017-18 is given in **Chart 1.2** and **1.3**



(Source: Finance Accounts 2017-18)



(Source: Finance Accounts 2017-18)

The following are the major changes in fiscal transactions during 2017-18 over the previous year:

Revenue Receipts	<ul style="list-style-type: none"> • Increased by 19 per cent • Own tax revenue increased by 23 per cent
Revenue Expenditure	<ul style="list-style-type: none"> • Increased by 13 per cent
Capital Expenditure	<ul style="list-style-type: none"> • Increased by five per cent
Loans and Advances	<ul style="list-style-type: none"> • Recoveries increased by two per cent • Disbursements decreased by 84 per cent
Public Debt	<ul style="list-style-type: none"> • Receipts decreased by one per cent • Repayment increased by 33 per cent
Cash Balance	<ul style="list-style-type: none"> • Increased by 29 per cent

The trends of Revenue Receipts (RR)/Revenue Expenditure (RE)/Capital Outlay (CO) relative to GDP at current as well as constant prices are presented in **Table 1.3**.

Table 1.3: Trends in Revenue Receipt/Revenue Expenditure/Capital Outlay relative to GDP

(₹ in crore)

Year	2013-14	2014-15	2015-16	2016-17	2017-18
Revenue Receipts relative to GDP					
Revenue Receipts at current prices	149822	165415	185036	204693	243654
Rate of growth of RR at current prices (in per cent)	4.8	10.4	11.9	10.6	19.0
Revenue Receipts at constant prices	130721	139673	153069	163661	189001
Rate of growth of RR at constant prices (in per cent)	(-)1.3	6.8	9.6	6.9	15.5
Revenue Expenditure relative to GDP					
Revenue Expenditure at current prices	154902	177553	190374	213229	241571
Rate of growth of RE at current prices (in per cent)	11.7	14.6	7.2	12	13.3
Revenue Expenditure at constant prices	135154	149922	157485	170486	187385
Rate of growth of RE at constant prices (in per cent)	5.1	10.9	5	8.3	9.9
Capital Outlay relative to GDP					
Capital Outlay at current prices	20020	19523	22793	25549	26842
Rate of growth of Capital Outlay at current prices (in per cent)	15.1	(-)2.5	16.7	12.1	5.1
Capital Outlay at constant prices	17468	16485	18855	20428	20821
Rate of growth of Capital Outlay at constant prices (in per cent)	8.4	(-)5.6	14.4	8.3	1.9
Source: Based on GDP deflator (Current Prices: - 2013-14 114.6118; 2014-15 118.4303; 2015-16 120.8841; 2016-17 125.0714; 2017-18 128.9167 and Constant Prices as 100) for converting Current Prices to Constant Prices					

1.2.1 Review of the Fiscal situation

Major fiscal variables provided in the budget based on the recommendations of the Fourteenth Finance Commission (FFC) and as targeted in the Fiscal Responsibility and Budgetary Management Act of the State are shown in **Table 1.4**.

Table 1.4: Review of the Fiscal situation

Sr. No.	Fiscal variables	2017-18			
		FFC targets for the State in percentage	Targets proposed in the budget/ MTFPS	Projections made in five year FCP	Actuals
1	Fiscal deficit/GSDP (in <i>per cent</i>)	3.25	1.53	1.32	0.96
2	Total outstanding debt of the Government to GSDP (in <i>per cent</i>)	23.30	16.26	14.05	17.32
3	Interest Payment/Revenue Receipt (IP/RR) (in <i>per cent</i>)	12.25	12.73	12.73	13.55
4	Revenue Deficit (-)/Surplus (+) (₹ in crore)	0	(-)4511.19	(-)4511.19	(+)2082.49

Source: MTFPS/FCP/FFC

From **Table 1.4** it can be seen that during 2017-18, the State achieved two of the three major parameters (Sr. No. 1 and 2) specified by the FFC. However, the third parameter Interest Payment/Revenue Receipt ratio at 13.55 was higher than the norm prescribed by FFC and State's MTFPS. The state also achieved the Revenue Surplus (₹ 2,082.49 crore) in 2017-18.

1.2.2 Budget Estimates and Actuals

The State's revenue expenditure was lower than the budget estimates by three *per cent* in 2017-18. There was a Revenue Surplus of ₹ 2,082 crore against the estimated revenue deficit of ₹ 4,511 crore. The actual revenue receipts were marginally (0.03 *per cent*) lower than the budget estimates. The capital outlay decreased by 20.6 *per cent* whereas interest payments increased by 6.4 *per cent* over the budget estimates.

Table 1.5: Budget Estimates, Revised Estimates and Actuals for the year 2017-18

Fiscal parameters	Budget Estimates	Revised Estimates	Actuals	Difference between Actuals and BE	
				Difference between Actuals and BE	Difference between Actuals and RE
1	2	3	4	5 (4-2)	6 (4-3)
Tax Revenue	153437	164979	167932	14495	2953
Non-Tax Revenue	20156	21671	16242	(-)3914	(-)5429
State's share of Union Taxes & Duties	37405	37203	37219	(-)186	16
Grants-in-aid from GoI	32740	33752	22261	(-)10479	(-)11491
Total Revenue Receipts	243738	257605	243654	(-)84	(-)13951
Total Revenue Expenditure	248249	272448	241571	(-)6678	(-)30877
Interest Payments	31027	33518	33018	1991	(-)500
Capital Expenditure	33809	31997	26842	(-)6967	(-)5155
Revenue Deficit (-) /Surplus (+)	(-)4511	(-)14843	2082	6593	(-)16925
Fiscal Deficit (-)/Surplus (+)	(-)38789	(-)46201	(-)23961	14828	(-)22240
Primary Deficit (-)/Surplus (+)	(-)7762	(-)12684	9057	16819	(-)21741

Source: Finance Accounts 2017-18 and Budget Documents 2018-19

From **Table 1.5** (also refer **Appendix 1.6**), there were variations between budget estimates and actuals in the case of several key parameters.

Revenue receipts

Revenue receipts had a marginal shortfall (₹ 84 crore: 0.03 *per cent*) against budget estimates. The decrease in revenue receipts was the net result of decrease in non-tax revenue by 19 *per cent*, set-off by increase in tax revenue by nine *per cent*.

Revenue expenditure

The revenue expenditure decreased by three *per cent* over the budget estimates, mainly because of lower expenditure under General Services (five *per cent*) and Social Services (18 *per cent*). The decrease as compared to budget estimates was largely under Water Supply, Sanitation, Housing and Urban Development (₹ 8,219 crore), Education, Sports, Arts and Culture (₹ 7,051 crore), Social Welfare and Nutrition (₹ 4,412 crore) and Welfare of Schedule Caste, Schedule Tribes and Other Backward Classes (₹ 1,424 crore).

Capital expenditure

The actual Capital expenditure was lower by ₹ 6,967 crore (21 *per cent*) against the original Budget estimates of 2017-18. The decrease as compared to budget estimates was mainly under Rural Development (₹ 2,213 crore), Transport and Communication (₹ 2,346 crore), Welfare of Scheduled Castes and Scheduled Tribes and Other Backward Classes (₹ 756 crore).

Fiscal deficit

Fiscal deficit (₹ 23,961 crore) was lower than the assessment made in the budget estimates (₹ 38,789 crore) by 38 *per cent*, mainly due to reduced revenue and capital expenditure.

1.3 Financial Resources of the State

Financial Resources of the State as per Annual Finance Accounts

Revenue and Capital are two streams of receipts of the State. 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 include Miscellaneous Capital Receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GoI. Besides, the funds available in the Public Account after disbursement are also utilised by the Government to finance its deficit.

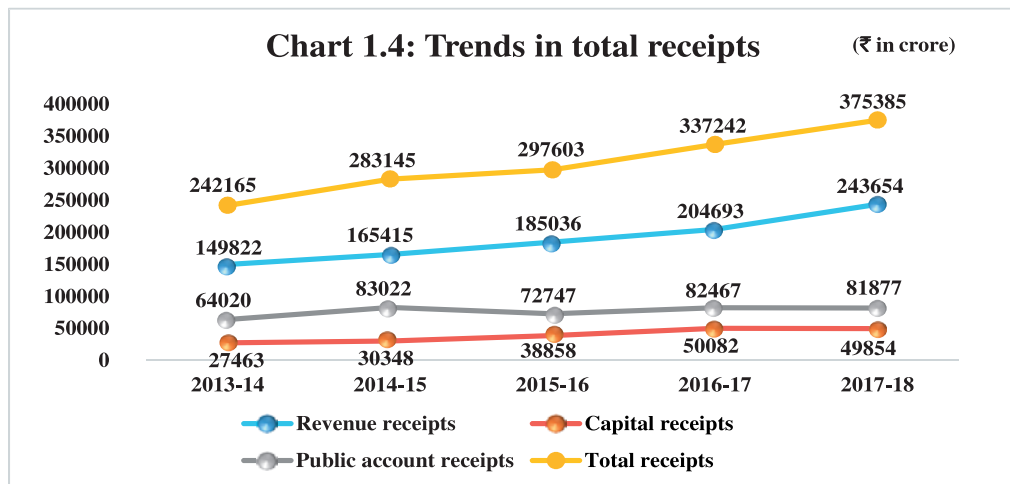
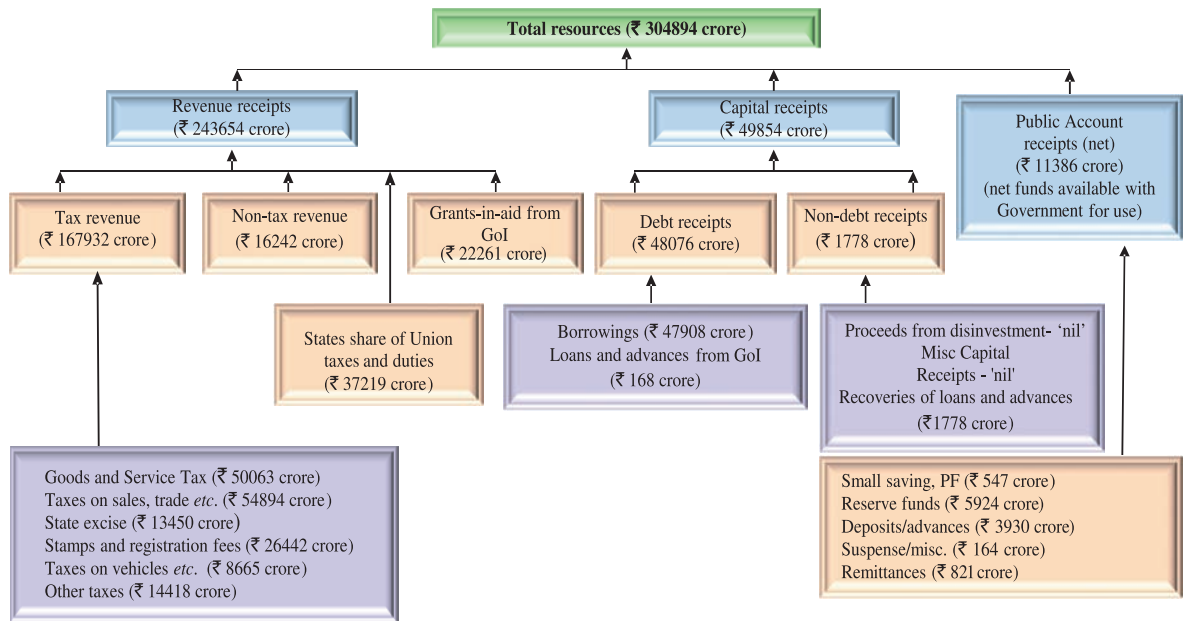
Table 1.6 presents the trends in growth and composition of receipts of the State during 2013-14 to 2017-18.

Table 1.6: Trends in growth and composition of total receipts

(₹ in crore)					
Sources of State's receipts	2013-14	2014-15	2015-16	2016-17	2017-18
Revenue receipts	149822	165415	185036	204693	243654
Capital receipts	27463	30348	38858	50082	49854
Contingency Fund	860	4360	962	0	0
Public Account receipts (Gross)	64020	83022	72747	82467	81877
Total receipts	242165	283145	297603	337242	375385
Source: Finance Accounts of respective years					

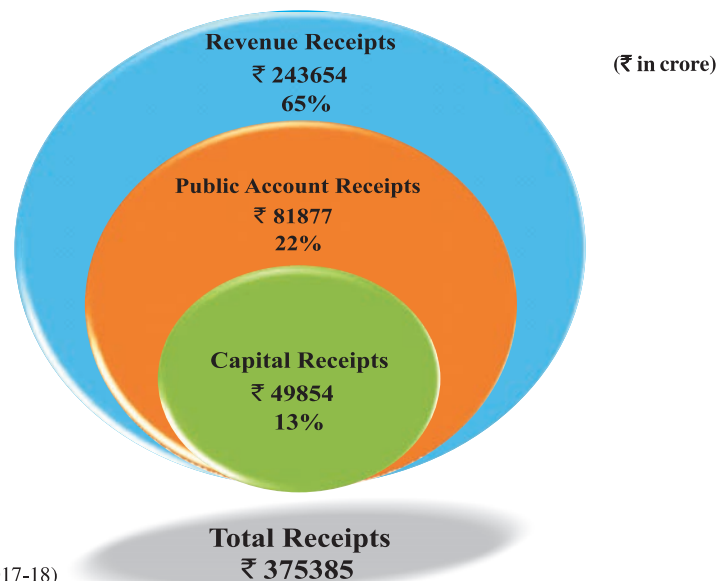
Chart 1.4 depicts the trends in various components of the receipts of the State during 2013-18. **Chart 1.5** and **Flow chart 1.1** depict the composition of the receipts of the State during the current year.

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



(Source: Finance Accounts of respective years)

Chart 1.5: Composition of total receipts during 2017-18

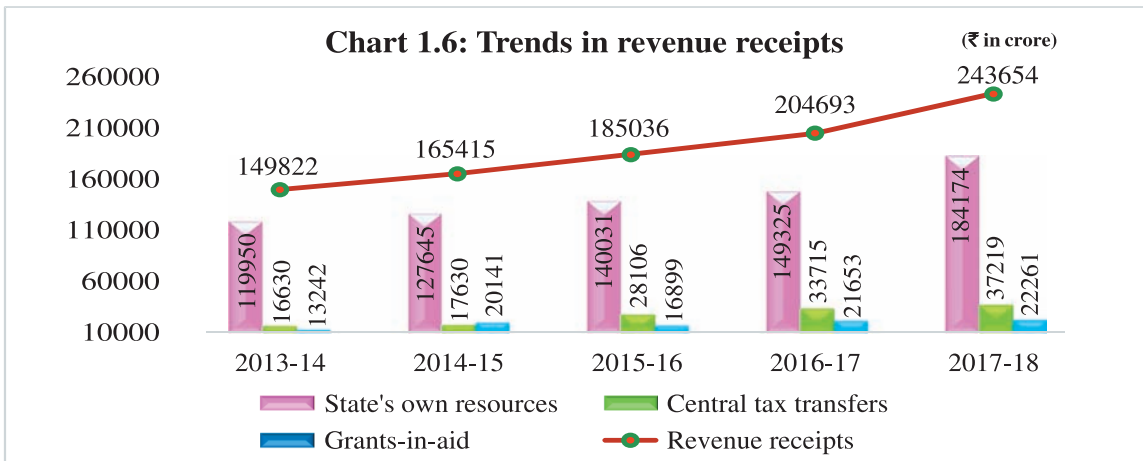


(Source: Finance Accounts 2017-18)

1.4 Revenue Receipts

Details regarding revenue receipts viz State’s own resources, Transfers from Central Government including State’s share of Union taxes and Grants-in-aid from GoI, Fund transferred by the Central Government to State implementing agencies outside the State budget and optimization of the XIV-FC grant are given in **Paragraph 1.4** and sub-paragraphs from 1.4.1 to 1.4.5.

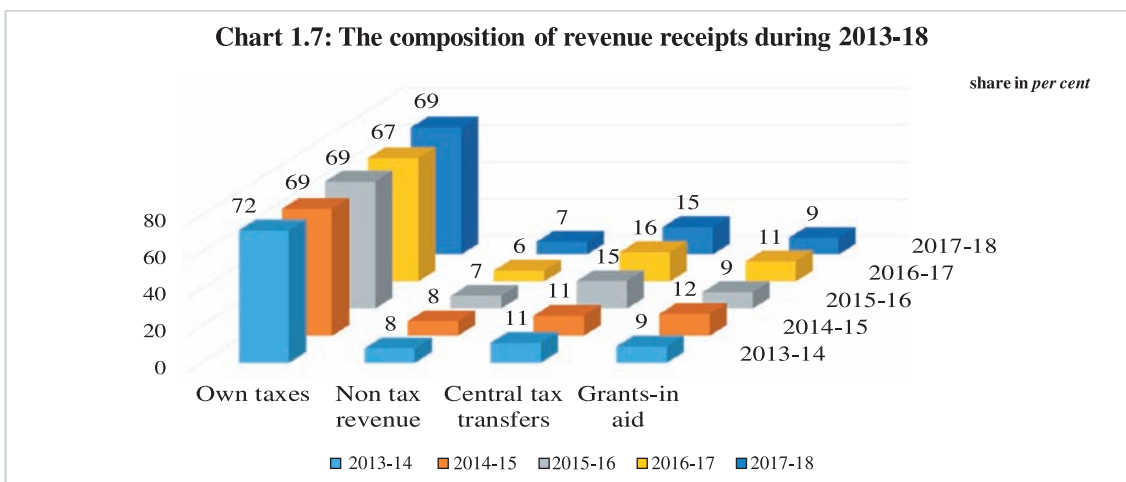
Statement 14 of the Finance Accounts details the revenue receipts of the Government. These consist of the State’s own tax and non-tax revenues, Central tax transfers and grants-in-aid from GoI. The trends of revenue receipts over the period 2013-14 to 2017-18 are presented in **Chart 1.6** and also in **Appendix 1.7**.



(Source: Finance Accounts of respective years)

Revenue receipts grew by ₹ 38,961 crore (19 per cent) in 2017-18 over 2016-17. The increase was in tax revenue by ₹ 31,316 crore (23 per cent), non-tax revenue by ₹ 3,533 crore (28 per cent), State’s share of Union Taxes and Duties by ₹ 3,504 crore (10 per cent) and Grants-in-aid from Government of India by ₹ 608 crore (three per cent).

The composition of Revenue receipts over the period 2013-14 to 2017-18 are presented in **Chart 1.7**.



(Source: Finance Accounts of respective years)

As shown in **Chart 1.7**, the State’s Revenue Receipts had the significant share of State’s own taxes which was almost constant and varying between 67 per cent and 72 per cent. The share of non-tax revenue fluctuated between six per cent and eight per cent during

2013-14 to 2017-18. The share of Central tax transfers has increased by four percentage points over the period. The share of Grants-in-aid indicated a fluctuating trend during 2013-18.

During 2008-09 to 2016-17, the CAGR of revenue receipts (16.1 *per cent*) was higher than the growth rate of GCS (15.1 *per cent*). The revenue receipts increased considerably during 2017-18 (19 *per cent*) over 2016-17 and were also higher than the growth rate of GCS (11.3 *per cent*) as shown in **Appendix 1.1**.

The trends in revenue receipts relative to GSDP at current prices are presented in **Table 1.7**.

Table 1.7: Trends in Revenue Receipts relative to Gross State Domestic Product

	2013-14	2014-15	2015-16	2016-17	2017-18
Revenue receipts (₹ in crore)	149822	165415	185036	204693	243654
Rate of growth ³ of RR (<i>per cent</i>)	4.8	10.4	11.9	10.6	19.0
RR/GSDP (<i>per cent</i>)	9.1	9.2	9.2	9.0	9.8
Source: Finance Accounts of respective years					

Buoyancy ratio

Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. The value more than one indicates high degree of responsiveness of the fiscal variable to the base variable. As GSDP grows, the ability of the Government to mobilize revenue should also increase. **Table 1.8** shows the buoyancy of revenue receipts with respect to changes in GDP of the State.

Table 1.8: Buoyancy ratio

	2013-14	2014-15	2015-16	2016-17	2017-18
Revenue receipts buoyancy w.r.t. GSDP	0.350	1.182	1.017	0.828*	1.792
State's own taxes buoyancy w.r.t. GSDP	0.365	0.683	0.857	0.617*	2.160
Gross State Domestic Product (₹ in crore)	1647506	1792122	2001223	2257032	2496505
Revenue receipts buoyancy w.r.t. State's own taxes	0.960	1.733	1.190	1.342	0.830
Source: Finance Accounts of respective years * Based on actual GSDP					

Revenue buoyancy measures the percentage change in the revenue receipts to the percentage change in GSDP. As can be seen from the table above, the Revenue buoyancy though it was lower than one in 2016-17 has improved to 1.8 in 2017-18. The ratio of State's own tax buoyancy with reference to GSDP increased tremendously to 2.160 in 2017-18 due to implementation of Goods and Services Tax and VAT receipts.

1.4.1 State's Own Resources

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

The State's actual tax and non-tax receipts for the year 2017-18 *vis-à-vis* projection given in the FFC Report and the MTFPS (2017-18) are given in **Table 1.9**.

Table 1.9: Actual Tax and Non-Tax Receipts

	FFC projection	Budget estimates	MTFPS projection	(₹ in crore) Actual
Tax revenue	201663	153437	153437	167932
Non-tax revenue	23376	20156	20156	16242
Source: Finance Accounts/FFC/Budget/MTFPS				

³ see Glossary at page 129

Table 1.9 shows that the actual realisation of tax revenue during the year was lower than the normative assessment in the FFC Report but higher than the projections made in the budget estimates and MTFPS. The non-tax revenue of the Government was lower than the normative assessment of the FFC by 31 per cent.

1.4.1.1 Tax Revenue

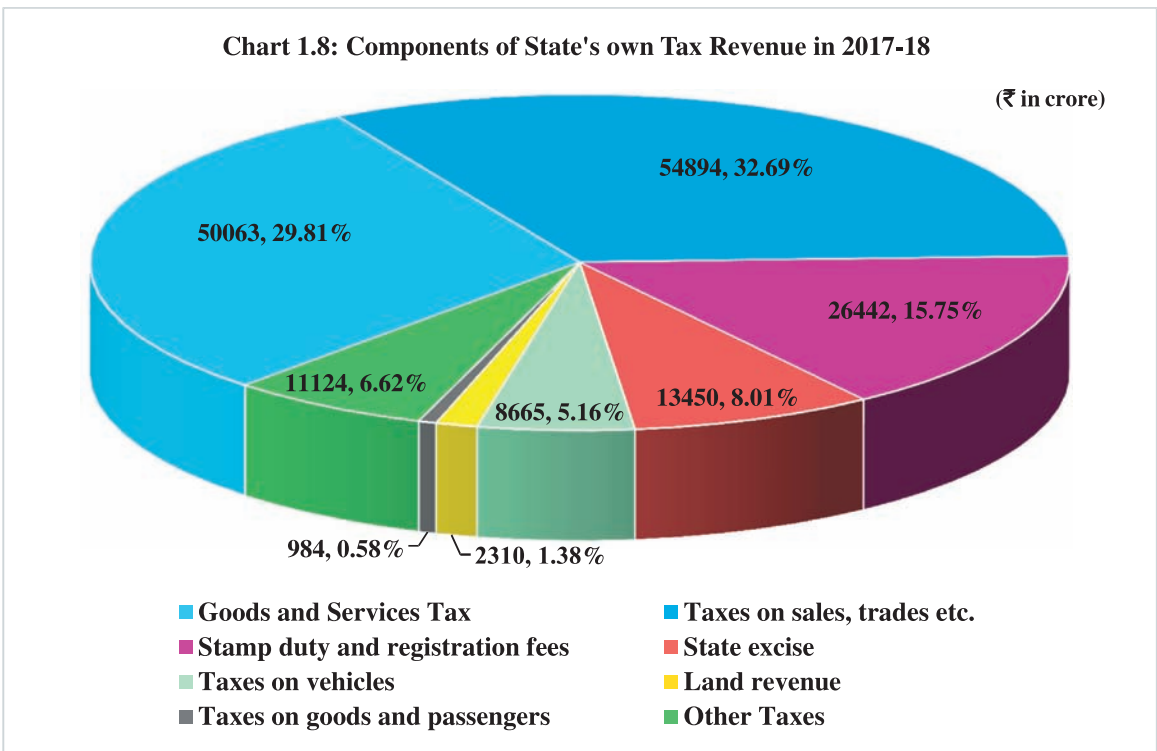
The gross collection in respect of major taxes and duties during 2013-18 are given in **Table 1.10** and actuals for 2017-18 in **Chart 1.8**.

Table 1.10: Components of State’s Own Tax Revenue

Revenue Head	2013-14	2014-15	2015-16	2016-17	2017-18	(₹ in crore)
						Variation in 2017-18 over previous year (in per cent)
Goods and Services Tax ⁴	-	-	-	-	50063	29.30
Taxes on sales, trade etc.	62530	67466	69661	81174	54894	
Stamp duty and registration fees	18676	19959	21767	21012	26442	25.84
State excise	10101	11397	12470	12288	13450	9.45
Taxes on vehicles	5096	5405	6017	6741	8665	28.55
Land revenue	1089	1272	1748	1799	2310	28.40
Taxes on goods and passengers	1241	587	1582	1877	984	(-) 47.58
Other taxes ⁵	9865	8978	13363	11725	11124	(-) 5.12
Total	108598	115064	126608	136616	167932	22.92

Source: Finance Accounts of respective years

Chart 1.8: Components of State's own Tax Revenue in 2017-18



(Source: Finance Accounts 2017-18)

⁴ Implemented w.e.f. 01 July 2017

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

Own tax revenue relative to GSDP of the State was only 6.7 per cent as compared to Chhattisgarh (13.9 per cent), Gujarat (5.4 per cent), Karnataka (6.6 per cent) and Madhya Pradesh (5.9 per cent).

Implementation of Goods and Services Tax in Maharashtra

Goods and Services Tax (GST) was implemented with effect from 01 July 2017. GST is leviable on intra-State supply of goods or services (except alcohol for human consumption and five specified petroleum products). The State level taxes being subsumed under GST are Value Added Tax (VAT), Sugarcane Purchase Tax, Central Sales Tax (CST) and VAT adjusted against CST, Entry Tax on Goods, Entertainment Tax, Betting Tax, Luxury Tax, Cinematography Advertisement Tax, Lottery Tax, Forest Development Tax, Tax under Medicinal and Toilet preparation containing alcohol and Octroi by Municipal Corporation of Greater Mumbai, Local Body Tax by Municipal Corporations other than Greater Mumbai, Advertisement fees on sky signs collected by Greater Mumbai and other Municipal Corporations. The GST has three components - Central GST (CGST), State GST (SGST) and Integrated GST (IGST) on inter-state trade or commerce.

Under the GST (Compensation to States) Act, 2017, loss of revenue to the States on account of implementation of Goods and Services Tax shall be payable during transition period and compensation payable to a State shall be provisionally calculated and released at the end of every two months during transition period of five years and shall be finally calculated for every financial year after the receipt of final revenue figures, as audited by the Comptroller and Auditor-General of India. Any excess amount released as compensation to a State in any financial year during the transition period, as per the audited figures of revenue collected shall be adjusted against the compensation amount payable to such State in the subsequent financial year. As per Section 4 of the said Act, financial year 2015-16 has been taken as the base year for calculating compensation amount payable to States for loss of revenue during transition period. The projected nominal growth rate of revenue subsumed for a state during the transition period shall be 14 per cent per annum. The total compensation payable in any financial year shall be difference between the projected revenue for any financial year and the actual revenue collected by a State.

The revenue from SGST for the financial year 2017-18 of Maharashtra State was ₹ 50,063.365 crore which included an advance apportionment of IGST of ₹ 2,648 crore, to be adjustable in 2018-19. The base year (2015-16) revenue certified by audit under GST (Compensation to States) Act 2017 for Maharashtra State was ₹ 60,505.60 crore. The projected revenue for 2017-18 was ₹ 78,631.778 crore. The proportional projected revenue for the period of nine months (01 July 2017 to 31 March 2018) was ₹ 58,973.833 crore.

Government of India released the compensation amount of ₹ 1,488 crore (₹ 824 crore in October 2017 and ₹ 654 crore in March 2018) in the form of grant-in-aid, which was accounted under MH 1601-08-114. The actual amount of compensation is dependent on adjustments to the GST collection emanating from recovery of past arrears of subsumed taxes during SGST period of 2017-18 and is yet to be worked out.

Octroi by Municipal Corporation of Greater Mumbai, Local Body Tax by Municipal Corporations other than Greater Mumbai, Advertisement fees on sky signs collected by Greater Mumbai and other Municipal Corporations were subsumed in SGST in lieu of which the Government of Maharashtra gave an amount of ₹ 9,295.89 crore as 'Assistance

to Municipal Corporations for loss of Revenue arising due to Implementation of Goods and Services Tax’.

The increase in tax revenue by ₹ 31,316 crore (23 per cent) over the previous year was mainly under:-

(a) Taxes on sales, trade *etc.* and Goods and Service Taxes (GST) by ₹ 23,783 crore (29 per cent). The growth, though appears to be 29 per cent in 2017-18 over 2016-17, is actually less as it includes the amount of taxes of local bodies (Octroi *etc.*) subsumed in the GST which were not the part of financial year 2016-17 collection. Excluding this amount of ₹ 9,296 crore which the State Government provided to Municipal Corporations for loss of revenue arising due to implementation of GST, the revenue growth works out to 18 per cent.

Even this growth was mainly due to the increased VAT collection as a result of increase in prices of petroleum product leading to consequent increase in VAT collection. As compared to subsumed tax collection for the base year 2015-16, the amount of GST collection was less than 14 per cent increase envisaged from the base year amount of subsumed taxes (shortfall below 14 per cent requires the Government of India to compensate the States – the final compensation is yet to be worked out, however, ₹ 1,488 crore have already been received by the State).

(b) Stamp duty and registration fees⁶ increased by ₹ 5,430 crore (26 per cent) indicating that the real estate was slowly recovering from the negative growth rate in the previous year. Due to general recession in real estate market, the number of purchase-sale transaction documents and receipts were lowered. Though the receipts of Stamp Duty and Registration fees decreased during 2016-17 as compared to 2015-16, the gap was filled during the year 2017-18;

(c) Taxes on Vehicles by ₹ 1,924 crore (29 per cent). The upward surge in Motor Vehicles Tax was due to the revised rates of tax on two-four wheeler vehicles as per their engine capacity, establishment of Road Safety Fund vide GR dated 01 September 2016. Further, subsequent to the implementation of GST, tax on two wheelers was increased to 10-12 per cent from 8-10 per cent and on four wheelers to 11-13 per cent from 9-11 per cent for Petrol and 13-15 per cent from 11-13 per cent for diesel vehicles. However, the decrease in Taxes on Goods and Passengers by ₹ 893 crore (48 per cent) was due to the tax being subsumed in GST.

(d) State Excise by ₹ 1,162 crore (nine per cent). The lower growth rate was mainly due to the directives of the Hon. Supreme Court to close the Bars serving liquor adjacent to highways.

During 2013-17, the rate of growth of Taxes on Sales, Trades *etc.* ranged between three per cent and 17 per cent. With the implementation of GST the growth rate increased to 29 per cent resulting in a Revenue Surplus of ₹ 2,082.49 crore during 2017-18.

During 2008-09 to 2016-17, the CAGR of tax revenue (16.6 per cent) was higher than the growth rate of GCS (14.9 per cent). The growth of own tax revenue during 2017-18 over 2016-17 (22.9 per cent) was almost twice the growth rate of GCS (12.2 per cent) as shown in **Appendix 1.1**.

⁶ Stamp Duty is levied by value added system on transfer of property documents and there is no upper limit on it. However, there is upper limit of ₹ 30,000 on Registration fees

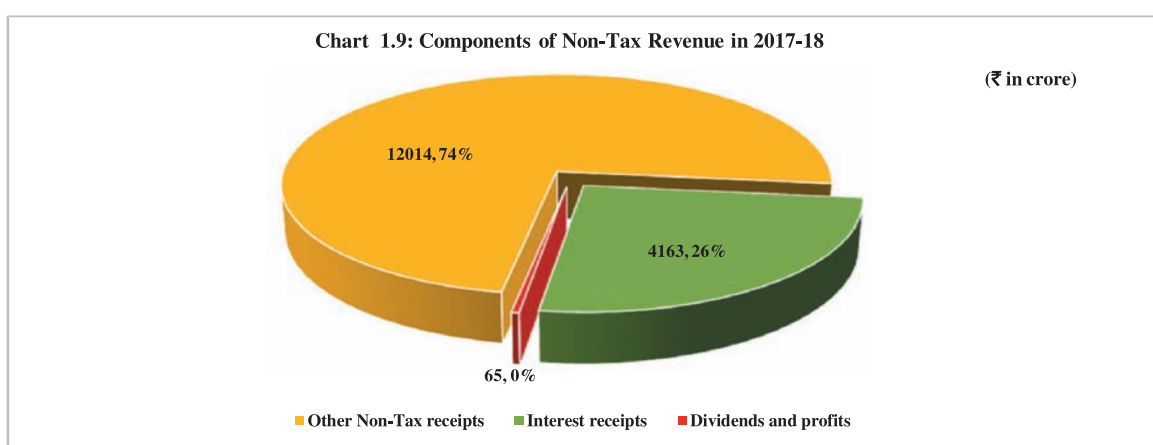
1.4.1.2 Non-Tax Revenue

Growth of Non-Tax Revenue during 2013-18 is shown in **Table 1.11** and actuals for 2017-18 in **Chart 1.9**.

Table 1.11: Growth rate of Non-Tax Revenue

Revenue head	2013-14	2014-15	2015-16	2016-17	2017-18	Percentage increase in 2017-18 over previous year
	(₹ in crore)					
Interest receipts [§]	3934	3351	3080	3259	4163	28
Dividends and profits	20	28	57	67*	65*	(-3)
Other non-tax receipts	7398	9202	10286	9383	12014	28
Total	11352	12581	13423	12709	16242	28

* Dividend of ₹ 39 crore (2016-17) and ₹ two crore (2017-18) for which details are awaited from State Government
[§] Interest receipts shown under MH 0049
 Source: Finance Accounts of respective years



(Source: Finance Accounts 2017-18)

The increase in non-tax revenue receipts by ₹ 3,533 crore (28 per cent) over 2016-17. The increase was mainly under:-

- Miscellaneous General Services by ₹ 1,192 crore. The increase was mainly in unclaimed Deposit Money (₹ 348 crore);
- Interest Receipts by ₹ 903 crore (28 per cent). The increase was due to more interest realised on Investment of Cash Balance and Interest on Other Loans and Housing Co-operatives and interest on loans to Maharashtra State Electricity Board;
- Other Administrative Services by ₹ 723 crore (107 per cent). The increase was mainly on reimbursement of GoI's share of election related expenditure incurred by the State on election establishment, conduct of elections, etc. in Receipts from Central Government for Election Expenditures (₹ 479 crore); and
- Non-Ferrous Mining and Metallurgical Industries by ₹ 452 crore (15 per cent) mainly under Mineral concession fees, rents and royalties.

However, there was decrease of ₹ 680 crore (90 per cent) under Power during 2017-18 over 2016-17 as, during 2016-17 the Department has received lease money amounting to ₹ 757 crore.

During 2008-09 to 2016-17, the CAGR of non-tax revenue (6.8 per cent) was lower than the growth rate of GCS (9.5 per cent). However, the growth of non-tax revenue during 2017-18 over 2016-17 (27.8 per cent) was nearly five times the growth rate of GCS (5.9 per cent) as shown in **Appendix 1.1**.

Interest receipts, Dividends and Profits

One of the major sources of interest receipts is interest proceeds out of investment of surplus cash balances of the State. As per Reserve Bank of India's regulations, the cash balance maintained by the State is invested in GoI's 14 days Treasury Bills (TBs). The average rate of interest on these TBs is around five to six *per cent*. Excess cash balance, beyond the immediate requirement is invested in GoI's 91 days TBs. Against the budgeted estimates of ₹ 371 crore during 2017-18, the actual interest realised on Investment of Cash Balances was ₹ 2,722.44 crore of which, 14 days TBs yielded ₹ 855.04 crore and 91 days TBs yielded ₹ 1,867.40 crore.

The interest realised on Loans and Advances given by the State Government to its Companies/Corporations *etc.* stood at ₹ 485 crore during 2017-18 which worked out to 1.9 *per cent* of the outstanding balances of Loans and Advances (₹ 25,804.68 crore) at the end of the year.

The return on investment in the form of dividends declared by Companies/Corporations and credited to Government Account during 2017-18 was ₹ 64.63 crore. Considering the extent of Government investment (₹ 1,40,203.56 crore), the return worked out to a meagre 0.05 *per cent* on the investment made.

Pricing of public utilities – Water Charges

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

Maharashtra moved towards fixing the water charges through Maharashtra Water Resources Regulatory Authority from October 2010. The assessment and recovery of water charges against the O&M cost during 2013-18 based on the water rates for the control period⁷ 2010-2013 is shown in **Table 1.12**.

Table 1.12: Details of Operation and Maintenance cost of water resources project, assessment of water charges and recovery of water charges

(₹ in crore)

Year	Operation and Maintenance cost (Establishment + Maintenance and repair)			Arrears of water charges				
	Salary (Establishment)	Non-salary (Maintenance and Repairs)	Total	Opening Balance*	Assessment	Total Dues (5 +6)	Recovery of water charges	Balance to be recovered (7-8)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
2013-14	632.15	206.05	838.20	1267.46	607.04	1874.50	515	1359.50
2014-15	620.15	126.15	746.30	1309.00	671.74	1980.74	637	1343.74
2015-16	680.06	180.79	860.85	1346.56	740.17	2086.73	573	1513.73
2016-17	651.88	134.65	786.53	1514.15	663.52	2177.67	473	1704.78
2017-18	701.93	334.30	1036.23	1704.78	828.78	2533.56	74	2459.27
Total	3286.17	981.94	4268.11		3511.25		2272	

* Opening balance was revised after reconciliation
Source: Information furnished by Maharashtra Water Resources Regulatory Authority

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

From the **Table 1.12** it can be seen that the water charges recovered during 2013-18 was lower than the O&M cost by ₹ 1,996.11 crore. Arrears in recovery during 2013-18 was ₹ 2,459.27 crore. In addition, there was a gap of ₹ 756.86 crore between O&M cost and assessment made during 2013-18.

1.4.2 Transfers from Government of India including State's share of Union taxes and Grants-in-aid from GoI

1.4.2.1 Central Tax Transfers

Due to higher devolution of Central taxes under FFC, Central tax transfers increased by 10 *per cent* from ₹ 33,715 crore in 2016-17 to ₹ 37,219 crore in 2017-18.

Comparison of the devolution of taxes (Fourteenth Finance Commission)

Consequent upon acceptance of the recommendations of the FFC (award period 2015-16 to 2019-20) by GoI, the devolution to States with effect from 2015-16 has increased from 32 *per cent* to 42 *per cent* of the net union tax receipts. The devolution of different components of States share of union taxes during first three years of FFC is as given in **Table 1.13**.

Table 1.13: Devolution of different components of State's share of Union Taxes

Components of State's share of Union taxes	FFC award period			Difference (4 – 3)	Percentage increase/ decrease
	2015-16	2016-17	2017-18		
(1)	(2)	(3)	(4)	(5)	(6)
Corporation Tax	8835.19	10790.20	11387.92	597.72	6
Customs	4486.57	4641.53	3753.00	(-888.53)	(-)19
Income Tax	6144.85	7499.22	9616.28	2117.06	28
Other taxes and duties on commodities and services	19.33	0.09	15.87	15.78	-
Other taxes on income and expenditure	0.18	-	-	-	-
Service tax	4887.46	5458.92	4246.87	(-)1212.05	(-)22
Taxes on wealth	2.00	24.71	(-)0.34	(-)25.05	(-)101
Union excise duties	3730.37	5300.23	3923.00	(-)1377.23	(-)26
Central Goods and Services Tax	-	-	522.44	522.44	-
Integrated Goods and Services Tax (IGST)	-	-	3754.16	3754.16	-
Grand Total	28105.95	33714.90	37219.20	3504.30	10
Devolution as a percentage of revenue receipts	15.2	16.5	15.3		

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

The devolution of State's share of Union taxes assigned to the State increased by 10 *per cent* during the third year of the award period of FFC compared to second year. There was a decreasing trend in all the components of the State's Share of Union Taxes except in respect of Corporation Tax and Income Tax. The increase was mainly due to devolution of IGST (₹ 3,754.16 crore).

1.4.2.2 Grants-in-aid from Government of India

The grants-in-aid from GoI increased by three *per cent* from ₹ 21,653 crore in 2016-17 to ₹ 22,261 crore in 2017-18. The increase in 2017-18 was mainly under GST Compensation (₹ 1,488 crore), Centrally Sponsored Plan Schemes (13 *per cent*), set off by decrease in State Plan Schemes (57 *per cent*), Central Plan Schemes (34 *per cent*), Non-plan Grants (21 *per cent*) and as shown in **Table 1.14**. The trend of total grants from GoI as a percentage of revenue receipts ranged between eight *per cent* and 13 *per cent* during 2013-18.

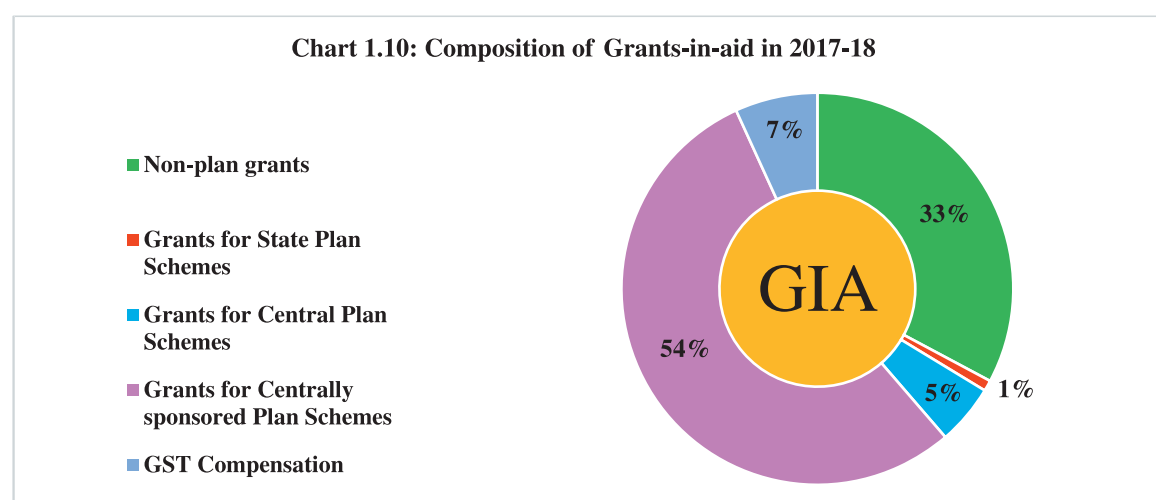
Table 1.14: Grants-in-aid from Government of India

(₹ in crore)

	2013-14	2014-15	2015-16	2016-17	2017-18
Non-plan grants	5533	7304	6080	9073*	7158
Grants for State Plan Schemes	3684	1665	791	455	197
Grants for Central Plan Schemes	648	1399	688	1657	1085
Grants for Centrally sponsored Plan Schemes	3377	9772	9340	10468	11895
Compensation for loss of revenue arising out of implementation of GST	-	-	-	-	1488
Total	13242	20140	16899	21653	22261^s
Percentage of increase/decrease over previous year	(-7.54)	52.10	(-16.09)	28.13	2.78
Total Grants as a percentage of revenue receipts	8.8	12.2	9.1	10.6	9.1

* Higher rounding ^s Includes ₹ 438 crore, details not available
Source: Finance Accounts of respective years

The composition of Grant-in-aid is shown in **Chart 1.10**.



(Source: Finance Accounts 2017-18)

Centrally Sponsored Plan Schemes

The increase under grants from Centrally Sponsored Plan Schemes (₹ 1,427 crore) was mainly under (a) Other Rural Development Programme (₹ 1,799 crore), (b) Civil Supplies (₹ 571 crore), (c) Crop Husbandry (₹ 519 crore), (d) Family Welfare (₹ 411 crore), set-off by a decrease under (e) Non-conventional sources of Energy (₹ 1,066 crore) and (f) Urban Development (₹ 786 crore).

The decrease under Non-Plan Grants (₹ 1,915 crore) was mainly under Other Grants (₹ 1,002 crore) and Assistance from National Disaster Response Fund (₹ 956 crore). The decrease under Central Plan Schemes (₹ 571 crore) was mainly under Rural Development (₹ 422 crore) and Grants under Proviso to Article 275(1) of the Constitution (₹ 119 crore).

Decrease under State Plan

The Grants for State Plan Schemes comprise mainly of grants under Article 275(1) of the Constitution of India (these are basically grants for Tribal Sub-Plan) and Block Grants⁸. **Table 1.15** shows the Grants-in-aid received from GoI under Proviso to Article 275(1) of the Constitution and Block Grants during 2013-14 to 2017-18.

⁸ see Glossary at page 129

Table 1.15: Year wise grants-in-aid from Government of India under Proviso to Article 275(1) of the Constitution and Block Grants

(₹ in crore)

	Particulars	Classification	2013-14	2014-15	2015-16	2016-17	2017-18
Under Proviso to Article 275(1) of the Constitution	Non-plan grants	1601-01-104	75	2329	-	-	-
	Plan grants	1601-02-104	125	117	134	115	129
	Non-Plan grants	1601-03-104	-	-	-	-	-
Block Grants			2832	1091	284	210	7
(1601-02-101)	Accelerated Irrigation Benefits Programme and other water related schemes		280	32	265	187	-
	Normal Central Assistance		766	790	-	-	-
	Backward Region Grants Fund		247	-	-	-	-
	Additional Central Assistance for Externally Aided Projects		-	-	-	-	7
	Other Schemes		1539	269	19	23	-

Source: Finance Accounts of respective years

From **Table 1.15** it could be seen that Block grants decreased by ₹ 203 crore (97 per cent) in 2017-18.

1.4.2.3 Centrally Sponsored Schemes

The Planning Commission, GoI restructured (July 2013) the existing Centrally Sponsored Schemes in the Twelfth Five-Year Plan into 90 schemes. Details of releases of Central share and State share in respect of major schemes are given in Appendix V-Expenditure on Schemes-A of Finance Accounts 2017-18.

1.4.2.4 Funds transferred to State Implementing Agencies outside the State Budget

Government of India decided to release all assistance related to Centrally Sponsored Schemes/ Additional Central Assistances directly to the State Government and not to Implementing Agencies from 01 April 2014. During 2017-18, the GoI, however released ₹ 1,854.82⁹ crore to the State Implementing Agencies (Appendix-VI of Finance Account 2017-18), as compared to ₹ 1,592.11 crore in 2016-17.

The Implementing Agencies, which received major transfers, are as shown in **Table 1.16**.

Table 1.16: Implementing Agencies which received major transfers

(₹ in crore)

Government of India Scheme	Implementing Agency	2016-17	2017-18
National Rural Employment Guarantee Scheme (MGNREGA) CS	MGNREGA State Fund Association Maharashtra	162.60	1265.07
National AIDS and STD control programme	Maharashtra State AIDS Control Society	95.10	97.70
Sagarmala Project and Ports - NP	Maharashtra Maritime Board	55.81	44.79
NHAI from CRF	Sub-Divisional Officer, Beed and Executive Engineer, NHD Nasik	46.27	-
National Mission for Justice Delivery and Legal Reforms	Registrar General, High Court of Bombay	38.25	-
Pradhan Mantri Koushal Vikas Yojana CS	Directorate of Vocational Education and Training	19.79	-
Management support to RD programs and strengthening of District planning process in lieu of programmes and other Programmes	Yashwantrao Chavan Academy of Development Administration	23.80	46.13
National Rural Livelihood Mission CS	Maharashtra State Rural Livelihoods Mission (MSRLM)	20.36	33.29

Source: Appendix – VI of Finance Accounts 2017-18

⁹ As per the Public Financial Management System portal of the Controller General of Accounts

Funds transferred directly from the GoI to the State Implementing Agencies were routed outside State Budget. This resulted in lack of monitoring the expenditure incurred by them on various schemes and also escaped Legislative scrutiny through regular process of authorisation.

1.5 Capital Receipts

Capital receipts of the State Government included non-debt and debt receipts, whose composition has been discussed in **Paragraph 1.3**. The trends in composition of capital receipts are shown in **Table 1.17**.

Table 1.17: Trends in growth and composition of Capital Receipts

(₹ in crore)

Sources of State's receipts	2013-14	2014-15	2015-16	2016-17	2017-18
Capital Receipts (CR)	27463	30348	38858	50082	49854*
Miscellaneous Capital Receipts	-	-	17	-	-
Recovery of Loans and Advances	728	975	865	1745	1778
Public Debt Receipts	26735	29373	37976	48337	48075#
Rate of growth of debt capital receipts (<i>per cent</i>)	23.1	9.9	29.3	27.3	(-)0.5
Rate of growth of non-debt capital receipts (<i>per cent</i>)	(-)15.6	33.9	(-)9.5	97.8	1.89
Rate of growth of GSDP (<i>per cent</i>)	13.7	8.8	11.7	12.8 ^s	10.6
Rate of growth of CR (<i>per cent</i>)	21.6	10.5	28	28.9	(-) 0.5

Source: Finance Accounts of respective years
 *Higher rounding # Lower rounding ^sBased on actual GSDP

As per FFC recommendations, the involvement of the States in the National Small Saving Fund (NSSF) scheme with effect from April 2015 may be limited solely to discharging the debt obligations already incurred by them until that date (April 2015). The increase was 'Nil' under the NSSF loans in 2017-18, as recommended by FFC.

1.5.1 Capital Receipts

Capital Receipts (debt and non-debt receipts) of the State increased at an average annual growth rate of 17.7 *per cent* from 2013-14 to 2017-18. However, during 2017-18, it decreased by 0.5 *per cent* as compared to the previous year.

1.5.2 Recoveries of Loans and Advances

The details of loans and advances given by the State Government during 2013-18 are indicated in **Table 1.18**.

Table 1.18: Position of Loans and Advances given by the State Government

(₹ in crore)

Year	Balance of loans and advances as on 1 April	Disbursements by the Government during the year	Recoveries during the year	Balance as on 31 March (2+3-4)	Percentage of recovery with reference to opening balance (4/2*100)
(1)	(2)	(3)	(4)	(5)	(6)
2013-14	20739.72	1645.10	728.03	21656.79	3.5
2014-15	21656.79	1140.54	975.08	21822.25	4.5
2015-16	21822.25	1114.63	865.11	22071.77	4.0
2016-17	22071.77	6277.21	1745.58	26603.40	7.9
2017-18	26603.40	979.29	1778.01	25804.68	6.7

Source: Finance Accounts of respective years

Recoveries of loans and advances increased by ₹ 32 crore (1.83 *per cent*) mainly on account of recoveries under 'Loans for Co-operation' (₹ 47 crore), 'Loans for Crop Husbandry' (₹ 44 crore), 'Loans to Government Servants' (₹ 31 crore) and 'Loans for the Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities' (₹ 21 crore), set off by decrease under 'Loans for Forestry and Wild Life' (₹ 54 crore)

and 'Loans for Power Projects' (₹ 51 crore). The percentage of recovery was meagre at 3.5 to 7.9 during the last five years. The complete information regarding arrears in repayments (Section 2 of Finance Accounts Statement No.18) and loans in perpetuity (disclosures under Finance Accounts Statement No.18) was not furnished by Government.

1.5.3 Public Debt Receipts

During 2017-18, the public debt receipts decreased by 0.5 per cent (₹ 262 crore) and public debt repayment increased by 33 per cent (₹ 3,895 crore) resulting in net decrease of ₹ 3,633 crore in public debt receipts.

Table 1.19: Time-series data on Public Debt Receipts

(₹ in crore)

	2013-14	2014-15	2015-16	2016-17	2017-18
Open Market Borrowings	23600 (88.3)	25083 (85.4)	32440 (85.4)	44960 (93.0)	44996 93.6
National Small Savings Fund	1425 (5.3)	2982 (10.1)	4015 (10.6)	- -	- -
Other Financial Institutions	745 (2.8)	766 (2.6)	937 [#] (2.5)	2750 (5.7)	2911 (6.1)
Loans and Advances from GoI	965 (3.6)	542 (1.8)	584 (1.5)	627 (1.3)	168 0.35
Public Debt Receipts	26735	29373	37976	48337	48075 [#]
Public Debt Repayments	10262	8828	10043	11887	15782
Figures in parenthesis indicate percentages to Public Debt receipts [#] Lower rounding Source: Finance Accounts of respective years					

The public debt (Market borrowings and Loans from Government of India) receipts during the year (₹ 48,075 crore) comprised internal debt of ₹ 47,908 crore (99.6 per cent) and loans and advances from GoI ₹ 168 crore (0.3 per cent). Market borrowings (₹ 44,996 crore) had a predominant share under internal debt comprising 94 per cent followed by negotiated loans (₹ 2,911 crore) as shown in **Table 1.19**.

1.6 Public Account Receipts

Receipts and disbursements in respect of certain transactions such as, Small Savings, Provident Funds, Reserve Funds, Deposits, Suspense, Remittances *etc.*, which do not form part of the Consolidated Fund of the State, are kept in the Public Account set up under Article 266(2) of the Constitution of India and are not subject to vote by the State Legislature. Here, the Government acts as a banker/trustee for custody of public money, since these transactions are simply pass through transactions. The trend of net receipts under Public Account covering the period 2013-14 to 2017-18 are indicated in **Table 1.20**.

Table 1.20: Trends of receipts under Public Account

(₹ in crore)

Resources under various heads	2013-14	2014-15	2015-16	2016-17	2017-18
Public Account receipts					
a. Small Savings, Provident Fund <i>etc.</i>	4868.46 (1894)	4642.54 (1260)	4798.96 (1208) [#]	4947.53 (1124)	4784.21 (547)
b. Reserve Fund	5540.03 (2742)	5908.54 (3158)	7226.11 (3465)	8566.92 (5283)	8898.55 (5924)

Resources under various heads	2013-14	2014-15	2015-16	2016-17	2017-18
c. Deposits and Advances	32347.23	31249.40	34855.80	39356.10	39960.88
	(6772)	(4411)	(2773)	(6841)	(3930)
d. Suspense and Miscellaneous	(-2693.61)	17039.01	(-) 569.16	3034.27	541.72
	(-2705)	(5222)	(-876)	(2773)	(164)
e. Remittances	23958.08	24182.45	26435.49	26561.67	27691.64
	(-1117)	(14)	(-235)	(-656)	(822)
Total	64020.19	83021.94	72747.20	82466.49	81877.00
	(7585)	(14036)	(6335)	(15365)	(11387)

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

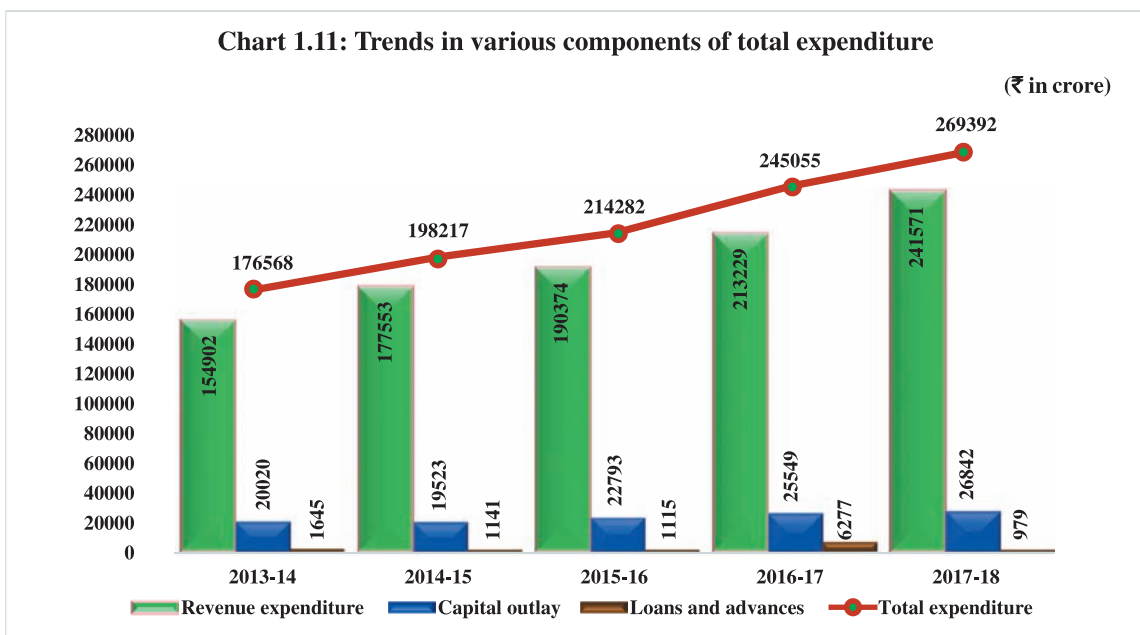
Table 1.20 shows that Public Account receipts increased by 28 per cent over the period 2013-18. Decrease in Public Account receipts by ₹ 589 crore (0.7 per cent) in 2017-18 over the previous year was on account of decrease under Suspense and Miscellaneous (₹ 2,493 crore) and set off by increase under Remittances (₹ 1,130 crore) and Deposits and Advances (₹ 605 crore).

1.7 Application of Resources

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

1.7.1 Total Expenditure

Chart 1.11 presents the trends in total expenditure over the period of last five years (2013-18) as well as its composition under revenue, capital and loans and advances.



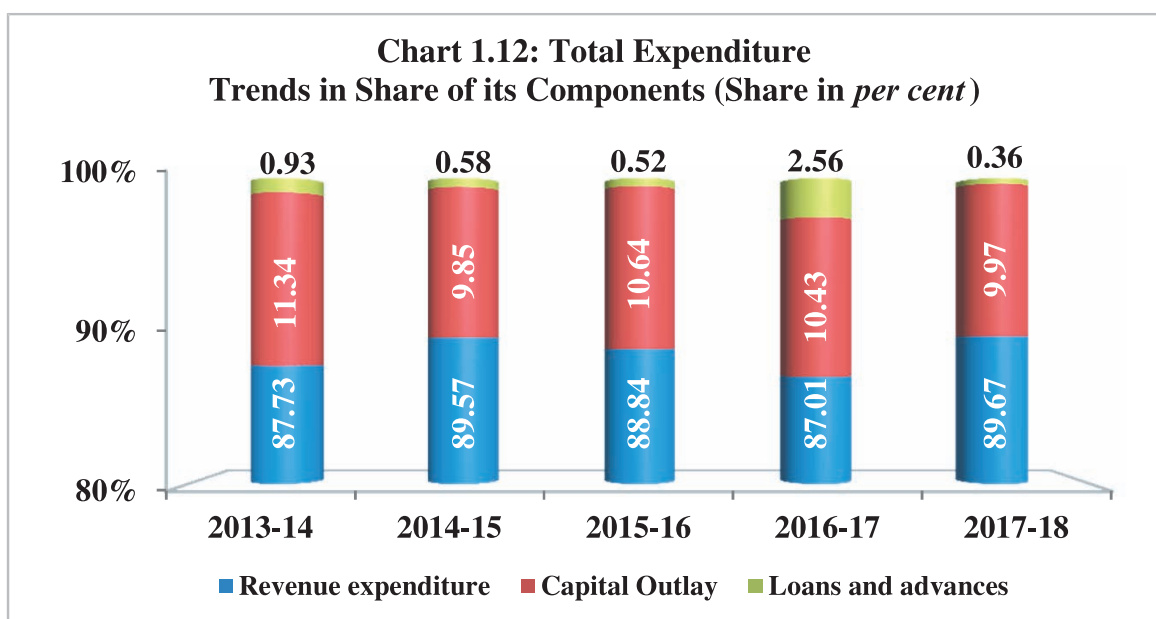
(Source: Finance Accounts of respective years)

The total expenditure and its composition during 2013-18 are presented in **Table 1.21** and **Chart 1.12**.

Table 1.21: Total expenditure and its composition

	(₹ in crore)				
	2013-14	2014-15	2015-16	2016-17	2017-18
Total expenditure	176568	198217	214282	245055	269392
Revenue expenditure	154902	177553	190374	213229	241571
	(87.73)	(89.57)	(88.84)	(87.01)	(89.67)
<i>of which, Non-Plan revenue expenditure</i>	128992	146245	154318	171140	*
Capital Outlay	20020	19523	22793	25549	26842
	(11.34)	(9.85)	(10.64)	(10.43)	(9.97)
Loans and advances	1645	1141	1115	6277	979
	(0.93)	(0.58)	(0.52)	(2.56)	(0.36)

Figure in parenthesis indicate percentage to total expenditure
 * From 2017-18 onwards Plan and Non-plan expenditure has been merged
 Source: Finance Accounts of respective years



(Source: Finance Accounts of respective years)

Even though the total expenditure grew by 9.9 *per cent* over the previous year, the actual growth is less at 6.14 *per cent* as it included compensation to Urban Local Bodies' in lieu of GST (₹ 9,296 crore) which was not a part of previous years expenditure. The total expenditure of the State increased at an average growth rate of 11.3 *per cent* from ₹ 1,76,568 crore in 2013-14 to ₹ 2,69,392 crore in 2017-18 but the percentage of capital outlay to total expenditure decreased from 11 *per cent* in 2013-14 to 10 *per cent* in 2017-18. 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 1.22**.

During 2008-09 to 2016-17, the CAGR of total expenditure (28 *per cent*) was higher than the growth rate of GCS (15.8 *per cent*). The growth of the total expenditure during 2017-18 over 2016-17 (9.9 *per cent*) was double the growth rate of GCS (4.7 *per cent*) as shown in **Appendix 1.1**.

Table 1.22: Total expenditure – basic parameters

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
Total expenditure (TE) (₹ in crore)	176568	198217	214282	245055	269392
Rate of growth of TE over previous year (<i>per cent</i>)	12.1	12.3	8.1	14.4	9.9
TE/GSDP (<i>per cent</i>)	10.7	11.1	10.7	10.8	10.8
RR /TE (<i>per cent</i>)	84.9	83.5	86.4	83.5	90.4
Buoyancy of Total expenditure with reference to:					
GSDP (ratio)	0.883	1.398	0.692	1.125*	0.934
RR (ratio)	2.521	1.183	0.681	1.358	0.521
Source: Finance Accounts of respective years *Based on actual GSDP					

The total expenditure remained around 11 *per cent* of GSDP during 2013-18. **Table 1.22** shows that on an average, 86 *per cent* of total expenditure were met from revenue receipts during 2013-18. After an increase in the growth of total expenditure during 2016-17 over the previous year, the growth decreased to 9.9 *per cent* during 2017-18 mainly due to less growth in salary payments as well as the following: -

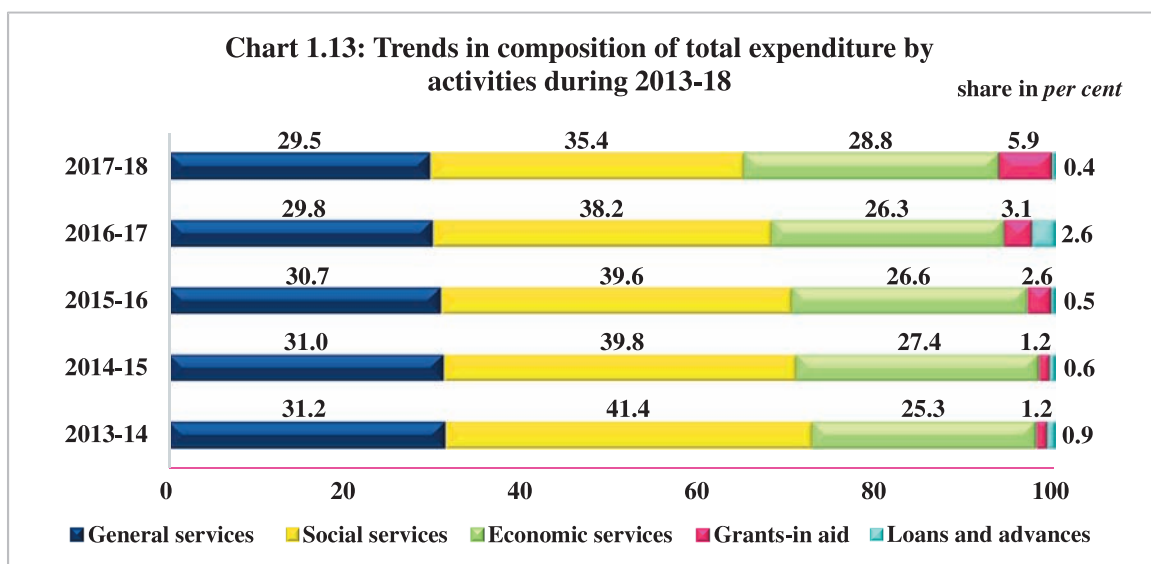
- Decrease in expenditure by ₹ 2,499 crore on Compensation of Comprehensive Crop Insurance Scheme, Krishi Unnati Yojana-National Mission for sustainable Agriculture On Farm Water Management and less Assistance to farm families under Scheduled Caste Sub Plan to bring them above poverty line.
- Decrease by ₹ 2,133 crore on Assistance to Municipal Corporations for Smart City Abhiyan (Central Share 50 *per cent*), less Grant to Municipal Corporations in the State under Maharashtra Nagarothan Maha-Abhiyan and less spending on Providing facilities to Dalit Basties Municipal Councils in Urban areas (Special Component Plan).
- Decrease in Assistance from National Disaster Response Fund (100 *per cent* Central Grants) and less Assistance to farmers for crop loss due to natural calamity by ₹ 1,926 crore.

Trends in total expenditure in terms of activities

In terms of activities, total expenditure could be considered as being composed of expenditure on General Services including interest payments, Social Services, Economic Services, Grants-in-aid and Loans and Advances. Relative shares of these components in the total expenditure are indicated in **Table 1.23** and **Chart 1.13**.

Table 1.23: Components of total expenditure – relative shares*(in per cent)*

	2013-14	2014-15	2015-16	2016-17	2017-18
General Services	31.2	31.0	30.7	29.8	29.5
<i>of which, Interest Payments</i>	12.0	12.1	12.0	11.6	12.3
Social Services	41.4	39.8	39.6	38.2	35.4
Economic Services	25.3	27.4	26.6	26.3	28.8
Grants-in-aid	1.2	1.2	2.6	3.1	5.9
Loans and Advances	0.9	0.6	0.5	2.6	0.4
Source: Finance Accounts of respective years					



(Source: Finance Accounts of respective years)

The decrease under Social Services was mainly under Social Welfare and Nutrition (₹ 2,442 crore). The share of grants-in-aid in total expenditure increased by ₹ 8,298 crore. The increase in grants-in-aid was mainly due to increase under the head 'Assistance to Public Sector and Undertaking' (₹ 9,296 crore), 'Assistance to Local Bodies' in lieu of GST (Assistance to Municipal Corporation for loss of revenue arising due to Implementation of GST) set-off by decrease in 'Other Miscellaneous Compensation and Assignments' (₹ 946 crore).

Though the share of General and Social Services in total expenditure had decreased in 2017-18, the expenditure on these services increased by ₹ 6,425 crore and ₹ 1,847 crore respectively.

Under General Services, the increase was mainly under Interest payments and Servicing of Debt (₹ 4,987 crore) and Pensions and Other Retirement Benefits (₹ 1,745 crore).

The increase under Social Services was mainly under Welfare of Scheduled Castes, Schedule Tribes and Other Backward Classes (₹ 3,426 crore), Education, Sports, Art and Culture (₹ 3,172 crore) set off by decrease in Social Welfare and Nutrition (₹ 2,397 crore) and Water Supply, Sanitation, Housing and Urban Development (₹ 2,378 crore).

The increase under Economic Services was mainly due to increase in Agriculture and Allied Activities (₹ 14,841 crore) set off by decrease in Rural Development (₹ 859 crore), Industry and Minerals (₹ 762 crore) and Energy (₹ 547 crore).

Revenue expenditure

Revenue expenditure during 2017-18 increased by ₹ 28,342 crore (13 per cent) over 2016-17. This was mainly due to increase in expenditure on General Services (₹ 6,925 crore), Social Services (₹ 2,772 crore), Economic Services (₹ 10,346 crore) and Grants-in-aid and Contributions (₹ 8,298 crore). The revenue expenditure during 2017-18 (₹ 2,41,571 crore) was lower than the assessment made by the State Government in its MTFPS/ FCP/Budget estimates by three per cent.

Revenue expenditure constituted 90 per cent of the total expenditure (**Chart 1.12**). The increase in revenue expenditure was mainly under Agriculture and Allied Activities (₹ 12,884 crore), Grant-in-Aid (₹ 8,298 crore), Interest Payments (₹ 4,487 crore), Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes (₹ 3,252 crore) and Education, Sports, Art and Culture (₹ 3,118 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 1.24**.

Table 1.24: Revenue expenditure – basic parameters

	(₹ in crore)				
	2013-14	2014-15	2015-16	2016-17	2017-18
Revenue expenditure (RE), of which	154902	177553	190374	213229	241571
Rate of Growth of RE (per cent)	11.7	14.6	7.2	12.0	13.3
Revenue Expenditure as percentage to TE	87.7	89.6	88.8	87.0	89.7
Buoyancy of Revenue expenditure with					
GSDP (ratio)	0.854	1.659	0.615	0.902	0.518
Revenue Receipts (ratio)	2.438	1.404	0.605	1.132	0.698

Source: Finance Accounts of respective years

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

Cost of collection

The gross collection in respect of four major heads of revenue receipts, the expenditure incurred on their collection and the comparative percentage of such expenditure to the gross collection along with the relevant all-India average percentage of expenditure on gross collection for the year 2016-17 are given in the **Table 1.25**.

Table 1.25: Expenditure incurred on collection of taxes

Sl. No.	Head of revenue	Year	Gross collection (₹ in crore)	Expenditure on collection (₹ in crore)	Percentage of expenditure to gross collection	All India average percentage for the year 2016-17
1	GST and Taxes on Sales, Trade etc.	2015-16	69660.82	469.88	0.7	0.69
		2016-17	81174.17	522.25	0.64	
		2017-18	104956.87	543.81	0.52	
2	State Excise	2015-16	12469.56	104.77	0.8	2.01
		2016-17	12287.91	111.02	0.90	
		2017-18	13449.65	114.72	0.85	
3	Taxes on Vehicles	2015-16	6017.19	1220.86 [§]	20.3	2.61
		2016-17	6741.21	119.66 [@]	1.78	
		2017-18	8665.38	130.55 [@]	1.51	
4	Stamps and Registration Fees	2015-16	21766.99	141.82	0.6	2.99
		2016-17	21011.83	138.15	0.66	
		2017-18	26441.82	139.96	0.53	

[§] subsidies included ₹ 1,113 crore

[@] subsidies excluded ₹ 1,622.80 crore (2016-17) and ₹ 1,316.77 crore (2017-18)

Source: Finance Accounts of respective years

It would be seen that the cost of collection of revenue in the State is nearly same as All-India Average in Taxes on Sales, Trade *etc.*, and is lower than the All India Average in State Excise, Stamps and Registration Fees and Taxes on Vehicles.

Subsidies

Subsidies given by the State Government during 2013-14 to 2017-18 are shown in **Table 1.26**.

Table 1.26: Expenditure on subsidies

(₹ in crore)

	2013-14	2014-15	2015-16	2016-17	2017-18
Subsidies	12063	19753	17766	20984	33894
	(8)	(12)	(10)	(10)	(14)
Revenue Receipts	149822	165415	185036	204693	243654
Figures in parenthesis indicate percentage to Revenue Receipts					
Source: Finance Accounts of respective years					

Table 1.26 indicates that expenditure under subsidies increased by 62 per cent from ₹ 20,984 crore in 2016-17 to ₹ 33,894 crore in 2017-18. During the current year, subsidies constituted about 14 per cent of the total revenue expenditure as well as revenue receipts.

The major schemes which received subsidy included subsidy to Chhatrapati Shivaji Maharaj Shetkari Sanman Yojana–2017 ₹ 14,543.91 crore (43 per cent), Distribution/Transmission Licences for reduction in Agriculture and Power-loom Tariff ₹ 6,725.65 crore (20 per cent), Medium and Large Industries under the Graded Package Scheme of Incentives ₹ 2,120 crore (six per cent), Food-grain Transactions ₹ 1,877.34 crore (5.5 per cent) and Transport ₹ 1,316.77 crore (four per cent).

The subsidies projected by the Government in the FCP and the actual expenditure incurred during 2016-17 and 2017-18 are presented in **Table 1.27**.

Table 1.27: Subsidies vis-à-vis Budget

(₹ in crore)

	2016-17		2017-18		
	Projections in Budget	Actuals	Projections in Budget	Revised Estimates	Actuals
Power (Subsidy for reduction in Agriculture and Power loom Tariff)	5211	7641	4500	6726	6726
General/Others	10211	13343	13449	27168	27168
Total	15422	20984	17949	33894	33894
Source: Finance Accounts and Budget documents of respective years					

The subsidies given to Power decreased by ₹ 915 crore (12 per cent) during 2017-18 compared to previous year.

The major components under 'General/Others' as shown in **Table 1.27** where the actual expenditure incurred during 2017-18 on (a) Chhatrapati Shivaji Maharaj Shetkari Sanman Yojana - 2017 was ₹ 14,544 crore, (b) subsidy to Medium and Large Industries under the Graded Package Scheme of Incentives was ₹ 2,120 crore, (c) Food subsidy was ₹ 1,877 crore, (d) Premium subsidy under Pradhanmantri Crop Insurance Scheme ₹ 1,517 crore and (e) subsidy on loss to Transport Commissioner was ₹ 1,317 crore.

Capital expenditure

During 2017-18, Capital Outlay (₹ 26,842 crore) constituted 10 per cent of the total expenditure (**Chart 1.12**) and increased by five per cent over 2016-17. The increase was mainly on account of increase under Capital Outlay on Agriculture and Allied Activities (₹ 1,957 crore) and Transport (₹ 1,178 crore) set off by decrease under Capital Outlay on others (₹ 1,487 crore) and Rural Development (₹ 429 crore). During

2017-18, the Capital Outlay (₹ 26,842 crore) was lower than the assessment made by the State Government in its FCP and projections made in MTFPS/Budget estimates (₹ 33,809 crore) by 21 per cent except in some areas. The major areas of increase are commented in **Paragraph 1.2.2**.

Capital expenditure relative to GSDP of the State was at 1.1 per cent as compared to the neighbouring states of Chhattisgarh (3.6 per cent), Gujarat (2.0 per cent), Karnataka (2.7 per cent) and Madhya Pradesh (4.4 per cent).

During 2008-09 to 2016-17, the CAGR of capital outlay (12.3 per cent) was lower than the growth rate of GCS (14 per cent). The growth of the capital outlay during 2017-18 over 2016-17 (5.1 per cent) was however higher than the growth rate of GCS (one per cent) as shown in **Appendix 1.1**.

Recommendation: 1

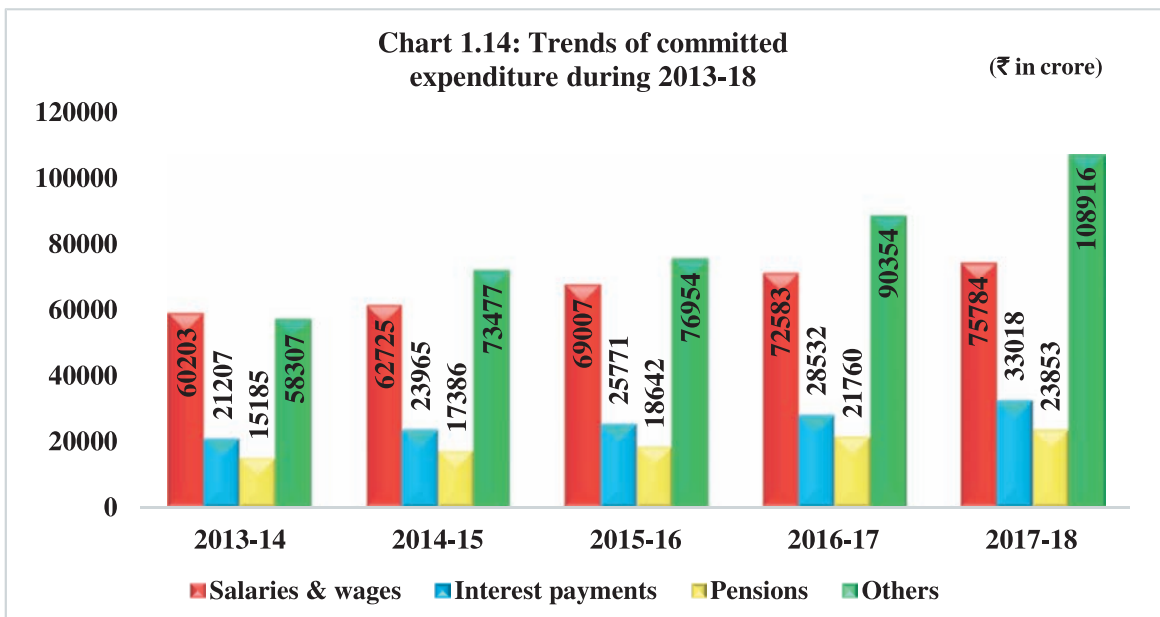
Considering the declining trend in the capital expenditure to total expenditure over the last five years, there is scope for the Government to prioritize its spending on creation of more capital assets.

Loans and Advances

Loans and advances constituted one per cent of the total expenditure during 2013-16, 2.56 per cent during 2016-17 and 0.36 per cent during 2017-18 (**Chart 1.12**). Disbursements of loans and advances during 2017-18 decreased by ₹ 5,298 crore as compared to 2016-17.

1.7.2 Committed expenditure

The committed expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages and pensions. The statement of committed liabilities (Appendix XII-Finance Accounts) was incomplete as the data was not made available by the State Government. **Chart 1.14** and **Table 1.28** present the trends in the expenditure on these components during 2013-18.



(Source: Finance Accounts of respective years)

Table 1.28: Components of committed expenditure

(₹ in crore)

Components of committed expenditure	2013-14	2014-15	2015-16	2016-17	2017-18	
					BE	Actuals
Salaries and Wages	60203 (40)	62725 (38)	69007 (37)	72583 (35)	86608 36	75784 [§] (31)
of which Non-Plan Head	56985 (38)	58457 (35)	63803 (34)	67535 (33)		*
of which Plan Head**	3218 (2)	4268 (3)	5204 (3)	5048 (2)		
Interest Payments	21207 (14)	23965 (14)	25771 (14)	28532 (14)	31620 (13)	33018 (14)
Pensions	15185 (10)	17386 (11)	18642 (10)	21760 (11)	25567 (10)	23853 (10)
Total Committed expenditure	96595 (64)	104076 (63)	113420 (61)	122875 (60)	143796 (59)	132655 (54)
Other Components ¹⁰	58307 (39)	73477 (44)	76954 (42)	90354 (44)	104453 (43)	108916 (45)
Total Revenue Expenditure	154902	177553	190374	213229	248249	241571
Revenue Receipts	149822	165415	185036	204693	243738	243654

Figures in parenthesis indicate percentage to Revenue Receipts
* From 2017-18 onwards Plan and Non-plan expenditure has been merged
[§] Salaries: ₹ 73,250 crore + Wages: ₹ 2,534 crore
** Plan Head also includes the salaries and wages paid under Centrally Sponsored Schemes
Note: Expenditure on Salaries and Wages included grants-in-aid component during 2013-14 (₹ 37,334 crore), 2014-15 (₹ 38,225 crore), 2015-16 (₹ 41,254 crore), 2016-17 (₹ 43,829 crore) and 2017-18 (₹ 45,904 crore)
Source: Finance Accounts of respective years

1.7.2.1 Salaries and wages

The average annual growth in salaries and wages during 2013-18 was seven *per cent*. The expenditure on salaries and wages increased by ₹ 3,201 crore (four *per cent*) from ₹ 72,583 crore in 2016-17 to ₹ 75,784 crore in 2017-18. The expenditure of ₹ 75,784 crore on salaries and wages during 2017-18 was lower than the projections made in MTFPS/Budget (₹ 86,608 crore).

During 2008-09 to 2016-17, the CAGR of salary and wages (17.1 *per cent*) was higher than the growth rate of GCS (13.4 *per cent*). The growth of the salary and wages during 2017-18 over 2016-17 (3.9 *per cent*) was however lower than the growth rate of GCS (8.9 *per cent*) as shown in **Appendix 1.1**.

1.7.2.2 Pension payments

The average annual growth of pensions during 2013-18 was 12 *per cent*. The expenditure on pension increased by ₹ 2,093 crore (9.6 *per cent*) during 2017-18 over the previous year.

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

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

Table 1.29: Pension payments vis-à-vis FFC assessment and State’s projections

(₹ in crore)

Year	Projection in MTFPS	Assessment made by the FFC	Projection in FCP	Actuals
2016-17	24370	17507	24313	21760
2017-18	25567	19258	25567	23853

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

The pension payments during 2017-18 were higher than the normative assessments made by the FFC but lower than the projections of the State Government under MTFPS and FCP.

New Pension Scheme

The Government of Maharashtra (GoM) adopted (October 2005) the NPS architecture and implemented Defined Contribution Pension Scheme¹¹(DCPS) for State Government employees recruited on or after 1st November 2005. The DCPS was also applicable to employees recruited in services of recognized and aided Educational Institutions, Non-Agricultural Universities and affiliated Non-Government Colleges and Agricultural Universities, Zilla Parishads *etc.* to whom the existing pension scheme and General Provident Fund Scheme is applicable.

The State Government joined the New Pension Scheme 2005 of the Central Government in August, 2014 in respect of employees recruited on or after 1st November 2005 in the State Government, Zilla Parishad, Recognised and Aided Educational Institutions, Agricultural/Non-Agricultural Universities and affiliated Non-Government Colleges, Corporations under Water Resources Department. The contribution of employees (10 *per cent* of basic pay plus dearness allowance) along with matching contribution of employer (State Government) under Tier I of the scheme and the employees’ contribution above 10 per cent under Tier II (for which there would be no matching contribution by Government) is to be transferred to the designated pension fund, through the National Securities Depository Limited (NSDL)/Trustee Bank.

However, the detailed procedure for the implementation of NPS issued in April 2015 covered only State Government employees. The orders for implementation of NPS for other employees (Zilla Parishad, Recognized and Aided Educational Institutions, Agricultural/Non-Agricultural Universities and affiliated Non-Government Colleges, Corporations under Water Resources Department) who were part of erstwhile DCPS was to be issued later. In June 2017, the Rural and Water Conservation Department, GoM issued detailed instructions for implementation of NPS in respect of employees in ZPs (excluding teachers). As on 31 March 2018, there were 2,56,010 State Government employees under NPS in the State and an amount of ₹ 8,145.61 crore has been transferred to the Trustee Bank (NSDL) along with interest as applicable to GPF subscribers.

As per the information furnished by State Nodal Officer, out of 2,77,216 State Government employees, 2,56,010 employees were registered under the NPS while 21,206 employees were not registered with Central Record Agency as on 31 March 2018. The reasons for non-registration was attributed to non-filling of subscribers’ registration form by the employees due to frequent transfer of employees of Police establishments, change in the subscribers’ registration form, rejection of subscribers’ registration form due to technical reasons, employees being no longer in service.

¹¹ GR dated 31 October 2005

During the year 2017-18, the Government of Maharashtra deposited ₹ 4,000.54 crore¹² being employees' contribution of ₹ 1,364.20 crore (₹ 1,226.53 crore - Tier I and ₹ 137.67 crore - Tier II) and employers' contribution of ₹ 2,636.34 crore into a Fund created under the Major Head - 8342 – Other Deposits and Minor Head - 117 – Defined Contribution Pension Scheme for Government Employees in the Public Account, pending final transfer to the designated Fund Manager. The State Government has transferred ₹ 1,683.67 crore to the NSDL. As on 31 March 2018, the total un-transferred amount with accrued interest was ₹ 5,905.68 crore towards outstanding liabilities of the Government.

The position of contributions made to NPS by the employees and the Government and transfer of funds to NSDL/Trustee Bank during 2013-2018 is shown in **Table 1.30**.

Table 1.30: Contribution made to NPS and transfer of funds to NSDL/Trustee Bank

(₹ in crore)

Year	Opening Balance (OB)	Contribution		Total	Transfer to NSDL	Yet to be Transferred (Progressive)	Rate of Interest applicable (GPF)
		Employee	Govt.				
2013-14	2755.31	574.68	817.70	1392.38	2.09	4145.60	8.7%
2014-15	4145.59	756.25	936.67	1692.92	1411.56	4426.95	8.7%
2015-16	4426.95	1150.53	575.10	1725.63	3085.39	3067.19	8.7%
2016-17	3067.20	1427.73	1056.79	2484.52	1962.90	3588.82	8.1%
2017-18	3588.81	1364.20	2636.34	4000.54	1683.67	5905.68	7.8%

Funds amounting to ₹ 3,998.51 crore collected between 01 November 2005 and March 2015 under the DCPS in respect of State Government employees was transferred to the Trustee bank in six instalments between March 2015 and April 2018 along with interest as applicable to GPF subscribers

The un-transferred amount mainly pertains to employees of Zilla Parishad Teachers, Recognised and Aided Educational Institutions, Agricultural/Non-Agricultural Universities and affiliated Non-Government Colleges, Corporations under Water Resources Department as the Government has not issued specific orders for implementation of NPS for these employees.

The current liability stands deferred to future years. Further the State Government has created interest liability on the amount not transferred to NSDL. It has incorrectly used the funds that belongs to its employees, leading to possible uncertainty in the rate of return to the employees/avoidable financial liability to the Government, and the eventual failure of the scheme itself.

Recommendation: 2

The State Government needs to ensure that Government contribution is fully matched with that of employees' contribution and that the entire amount if transferred to NSDL in a timely manner would avoid unlimited liability on the State exchequer as well as provide an assurance to the pensioners about the returns on their investment.

Further, amount remitted late should be remitted with a reasonable rate of interest so that the loss to the subscribers is minimised.

¹² Employees contribution: ₹ 1,364.20 crore; Employers' contribution: ₹ 2,636.34 crore inclusive of interest

Institutes under Higher and Technical Education Department

The DCPS was to be implemented in the services of the Recognised and Aided Educational Institutions, Non-Agricultural Universities and affiliated Non-Government Colleges and Agricultural Universities, etc. as per guidelines issued in Government Resolution (March 2011) by Government of Maharashtra in Higher Education and Technical Department. As per the details made available to audit it was noticed that DCPS was implemented by the Higher and Technical Education Department with effect from 2009-10.

- (a) From 2009-10 to 2013-14, the Department had deducted the employees contribution and kept it under Tier II account which did not require employer’s (Government’s) matching contribution. This was not in accordance with the provision contained in the Government Resolution of October 2005, which clearly states that Tier I will be mandatory for all the Government servants recruited on or after 1st November 2005, and Tier II was optional. This resulted in the employer’s (Government’s) matching contribution of ₹ 24.99 crore for the period from 2009-10 to 2013-14 not being credited to the employee’s “Pension Tier-I Account” as detailed in the **Table 1.31**.

Table 1.31: Details showing DCPS credited to Tier-II instead of Tier-I

(₹ in crore)

Classification	2009-10		2010-11		2011-12		2012-13		2013-14		Total Contribution
	Employee		Employee		Employee		Employee		Employee		
	Total No.	Contribution	Total No.	Contribution	Total No.	Contribution	Total No.	Contribution	Total No.	Contribution	
(1)	(2)	(3)	(4)	(5)	(6)	(6)	(7)	(8)	(9)	(10)	(11)
Ordinary Maintenance Grants	68	0.1025	68	0.1025	68	0.1025	69	0.1025	69	0.1025	0.5125
Grants to Universities for General Education	288	0.1658	288	0.1658	288	0.1658	288	0.1658	288	0.1658	0.8290
Assistance to Non-Government Colleges of Physical Education	12	0.2255	12	0.2255	12	0.2255	12	0.2255	9	0.2255	1.1275
Development of New University at Solapur	20	0.0044	20	0.0044	20	0.0044	20	0.0044	20	0.0044	0.0220
Grants to Non-Government Arts, Science, Commerce and Law Colleges	3916	4.5003	2311	4.5003	2311	4.5003	2311	4.5003	2311	4.5003	22.5015
Total											24.9925

- (b) As the Department consistently delayed the payment of employer’s contribution, the Government paid (March 2018) an interest of ₹ 104.51 crore on the total accumulated amount, which was avoidable. Further, as on February 2018, employer’s (Government) contribution of ₹ two crore along with an interest of ₹ 64.76 crore was outstanding as detailed in **Table 1.32**.

Table 1.32: Details of pending DCPS contribution and Interest as on February 2018

(₹ in crore)

Sl. No.	CRC	No. of employees	Government contribution			Interest		
			Payable	Paid	Balance	Payable	Paid	Balance
1	Grants to Non-Government Arts, Science, Commerce and Law Colleges	20875	379.84	379.84	-	153.23	95.10	58.13
2	Ordinary Maintenance Grants (Committed)	297	8.33	8.33	-	3.36	2.18	1.18
3	Grants to Universities for General Education	63	1.11	1.11	-	1.11	0.87	0.24
4	Assistance to Non-Government Colleges of Physical Education	2060	32.20	32.20	-	9.82	5.60	4.22

Sl. No.	CRC	No. of employees	Government contribution			Interest		
			Payable	Paid	Balance	Payable	Paid	Balance
5	Development of New University at Solapur	40	1.00	-	1.00	0.37	-	0.37
6	Development of Dr. Babasaheb Ambedkar Marathwada University, Aurangabad	6	0.09	-	0.09	0.02	-	0.02
7	Establishment of Gondwana University	139	1.74	1.22	0.52	0.68	0.41	0.27
8	Grants for Expansion of Deccan College, Pune	60	1.41	1.41	-	0.60	0.35	0.25
9	Development of North Maharashtra University, Jalgaon	1	0.07	-	0.07	0.03	-	0.03
10	Development of Shivaji University of Kolhapur	14	0.28	-	0.28	0.04	-	0.04
11	Development of Amravati University	1	0.04	-	0.04	0.01	-	0.01
Total		23556	426.11	424.11	2.00	169.27	104.51	64.76

Source: Information obtained from Higher and Technical Education Department

Interest Payments

Interest payments of the State Government increased by 56 per cent from ₹ 21,207 crore in 2013-14 to ₹ 33,018 crore in 2017-18, primarily due to increase in debt liabilities as shown in **Table 1.34**. The ratio of interest payments to revenue receipts during 2013-18 remained almost constant, as indicated in **Table 1.51**.

Table 1.33 shows actual interest payments with reference to assessment made in the FFC Report, FCP and MTFPS of the State Government.

Table 1.33: Interest Payments vis-à-vis FFC, FCP and MTFPS assessments

Year	Projection in MTFPS	Assessment made by the FFC	Projection in FCP	Actuals
				(₹ in crore)
2016-17	28220	29697	29361	28532
2017-18	31027	34569	31027	33018

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

With reference to the projections made in the FCP, interest payments were lower during 2016-17 and higher during 2017-18. With reference to the projections made in MTFPS, interest payments were higher during 2016-17 and 2017-18 and were lower than the assessment made by FFC.

Component-wise details of interest payments made by the State Government during 2013-18 are shown in the **Table 1.34**.

Table 1.34: Component-wise details of interest payments made by the State Government during 2013-18

Particulars	(₹ in crore)				
	2013-14	2014-15	2015-16	2016-17	2017-18
Interest payments	21207	23965	25771	28532	33018
<i>of which, interest payment on</i>					
1. Internal debt	16680	19001	20816	23553	27827
(i) Market loans	8896	11029	12965	15769	19995
(ii) NABARD	255	263	299	287	401
(iii) NSSF	7218	7437	7349	7311	7265
(iv) Ways and means	-	5	-	-	1
(v) Loans from other financial institutions	285	236	167	140	111
(vi) Management of debt (Payable to Reserve Bank of India for Open Market Borrowings)	26	31	36	45	54

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
2. Loans from GoI	572	529	490	469	433
3. Small savings, PF, Reserve Fund, Deposits etc.	3955	4435	4465	4509	4758
(i) Small savings, PF	2258	2503	2765	1855	2819
(ii) Reserve funds	-	5	5	4	5
(iii) Deposits	1697	1927	1695	2650	1934
Revenue Receipts	149822	165416	185036	204693	243654

Source: Finance Accounts of respective years

Interest payment of ₹ 33,018 crore during 2017-18 constituted interest on internal debt (₹ 27,827 crore), interest on loans and advances from the Central Government (₹ 433 crore) and interest on small savings, provident fund etc. (₹ 4,758 crore).

The interest on internal debt increased by 18 per cent from ₹ 23,553 crore in 2016-17 to ₹ 27,827 crore in 2017-18 on account of increase in payment of interest on market loans by ₹ 4,226 crore (27 per cent) and interest paid on loans from National Bank for Agricultural and Rural Development by ₹ 114 crore (40 per cent) partly offset by decrease in interest on NSSF by ₹ 46 crore (0.6 per cent) and interest on loans from other financial institutions by ₹ 29 crore (21 per cent).

The interest on small savings, PF, Reserve Fund, Deposits, etc. increased by six per cent from ₹ 4,509 crore in 2016-17 to ₹ 4,758 crore in 2017-18 on account of increase in payment of interest on Small Savings, PF by ₹ 964 crore (52 per cent) and offset by decrease in interest on deposits by ₹ 716 crore (27 per cent).

The ratio of interest payment to revenue receipts determines the debt sustainability of the State. During the year, the interest payments to total revenue receipts of the State was 13.55 per cent which was higher than the FFC norm of 12.25 per cent.

Of the accumulated balance of Deposit Account of ₹ 59,736.52 crore as on 31 March 2017, ₹ 21,891.73 crore related to non-interest bearing Deposit Account and ₹ 37,844.79 crore related to interest bearing Deposit Accounts. During 2017-18, the entire balance of interest bearing Deposit Account was not invested. The State Government paid an interest of ₹ 1,934.46 crore on the un-invested portion of ₹ 37,276.80 crore, and did not pay any interest on the balance un-invested portion of ₹ 567.99 crore. The interest liability on the balance portion of funds during 2017-18 works out to ₹ 44.87 crore.

1.7.3 Financial assistance by State Government to Local Bodies, educational and other institutions

Local bodies in Maharashtra consist of Panchayati Raj Institutions and Urban Local Bodies. In conformity with the provisions of the 73rd and 74th Constitutional Amendment, the State Government established a three tier system of Panchayati Raj Institutions comprising Zilla Parishads at the district level, Panchayat Samities at the Block level and Village Panchayats at the village level. There are Municipal Corporations, Municipal Councils and Nagar Panchayats for urban area population in the State. The Fourth State Finance Commission constituted in February 2011 for the period 2011-12 to 2015-16 was to submit its Report to the State Government by September 2012. The Fourth State Finance Commission's report was submitted and placed in Legislature on 28 March 2018. The Fifth State Finance Commission was constituted in March 2018 for the period 2019-20 to 2023-24.

1.7.3.1 Quantum of assistance

The quantum of assistance provided by way of Grants and Loans to Local Bodies and other institutions during 2017-18 relative to previous years is shown in **Table 1.35**.

Table 1.35: Financial assistance to Local bodies, educational and other institutions

(₹ in crore)

Sr. No.	Institutions	2013-14	2014-15	2015-16	2016-17	2017-18
1	Educational institutions (Aided Schools, Aided Colleges, Universities, etc.)	24168	25571	27072	29037	29175
2	Municipal Corporations and Municipalities	5180	5172	9187	13850	23192
3	Zilla Parishads and other Panchayati Raj Institutions	18185	18770*	18240	18627	22113
4	Development agencies	251	906	252	807	1692
5	Hospital and other charitable institutions	2196	3678	4058	5038	5694
6	Social Welfare and Nutrition	5601	7175	5950	4021	-
7	Agriculture and Allied Activities	1287 [#]	825	386	463	707
8	Welfare of SC, ST and OBC	1962	2098	2383	2904	4641
9	Administrative Services	1258	1392	1402	446	144
10	Housing	709	367	58	326	329
11	Other Institutions	7253	6757	13113	21320	13957 ¹³
Total		68050	72711	82101	96839	101644
Assistance as percentage of RE		44	41	43	45	42
*Higher rounding [#] Lower rounding						
Source : Finance Accounts, Vouchers compiled by Accountant General (Accounts and Entitlements)-I, Maharashtra, Mumbai						

The financial assistance to Local Bodies and other institutions by the State Government increased from ₹ 68,050 crore in 2013-14 to ₹ 1,01,644 crore in 2017-18. As compared to the previous year, the assistance during 2017-18 increased by five *per cent*. During 2017-18, Financial assistance given to Municipal Corporations and Municipalities increased by ₹ 9,342 crore (67 *per cent*) mainly due to Assistance to Municipal Corporations for loss of Revenue arising due to Implementation of Goods and Services Tax (₹ 9,296 crore).

After the decision to abolish the Local Body Tax in August 2015, the State Government's assistance to Urban Local Bodies in lieu of Local Body Tax was ₹ 3,291 crore in 2015-16, ₹ 5,180 crore during 2016-17 and ₹ 4,228 crore in 2017-18. This would be a perpetual additional burden to the State exchequer.

1.8 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; and its effectiveness (assessment of outlay-outcome relationships for selected services).

1.8.1 Adequacy of public expenditure

The expenditure responsibilities relating to the social sector and the economic infrastructure assigned to the State Governments are largely State subjects. Enhancing human development levels requires the States to step up their expenditure on key Social Services like Education, Health *etc.* Low fiscal priority (ratio of expenditure under a category to aggregate expenditure) is attached to a particular sector if it is below the respective national average. The fiscal priorities given by the State

¹³ Major recipient- Power ₹ 2,087 crore

Government for development expenditure, social expenditure and capital expenditure during 2013-14 and 2017-18 are indicated in **Table 1.36**.

Table 1.36: Fiscal Priority of the State during 2013-14, 2016-17 and 2017-18

Fiscal Priority by the State	Aggregate Expenditure/ GSDP	Development Expenditure# / Aggregate Expenditure	Social Sector Expenditure/ Aggregate Expenditure	Economic Sector Expenditure/ Aggregate Expenditure	Capital Expenditure/ Aggregate Expenditure	Education/ Aggregate Expenditure	Health/ Aggregate Expenditure
General Category States Average (<i>per cent</i>) 2013-14	14.7	66.5	37.6	28.9	13.6	17.2	4.5
Maharashtra (<i>per cent</i>) 2013-14	10.7	67.6	41.6	26.0	11.4	21.8	4.2
General Category States Average (<i>per cent</i>) 2016-17	16.7	70.9	32.2	35.1	19.7	15.2	4.8
Maharashtra (<i>per cent</i>) 2016-17	10.8	67.0	38.4	28.6	10.5	18.6	4.4
General Category States Average (<i>per cent</i>) 2017-18	16.1	67.9	36.7	29.6	14.4	15.5	4.9
Maharashtra (<i>per cent</i>) 2017-18	10.8	64.5	35.6	29.0	10.0	18.1	4.5

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 1.36** reveals the following:

- The ratio of AE to GSDP in 2013-14 (10.7 *per cent*) was lower in the State as compared to GCS (14.7 *per cent*) and was lower at 10.8 *per cent* as compared to GCS (16.1 *per cent*) in 2017-18.
- The ratio of DE/AE in 2013-14 (67.6 *per cent*) was higher in the State as compared to GCS (66.5 *per cent*) and was lower at 64.5 *per cent* as compared to GCS (67.9 *per cent*) in 2017-18.
- The ratios of SSE/AE in 2013-14 (41.6 *per cent*) was higher in the State as compared to GCS (37.6 *per cent*) and was lower at 35.6 *per cent* as compared to GCS (36.7 *per cent*) in 2017-18.
- The ratios of ESE/AE in 2013-14 and 2017-18 (26 *per cent* and 29 *per cent*) were lower in the State as compared to GCS (28.9 *per cent* and 29.6 *per cent*).
- The ratios of CE/AE in 2013-14 and 2017-18 (11.4 *per cent* and 10 *per cent*) were lower in the State as compared to GCS (13.6 *per cent* and 14.4 *per cent*).
- The ratio of expenditure on Health and Family Welfare to AE remained at 4.5 *per cent* in 2017-18 as compared to 4.2 *per cent* in 2013-14. The priority given to these areas in Maharashtra was lower than that given to GCS in 2013-14 and 2017-18.

1.8.2 Efficiency of expenditure use

In view of 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 goods¹⁴. Apart from improving the allocation towards development expenditure¹⁵, the efficiency of expenditure is reflected in the percentage of capital expenditure to total expenditure and the proportion of revenue expenditure being spent on O&M in the Social and Economic services. The higher the percentage of these components to total expenditure, the better would be the quality of expenditure.

¹⁴ See Glossary at page 129

¹⁵ Development Expenditure consists of expenditure on Social and Economic services relating to Revenue Account, Capital Outlay and Loans and Advances

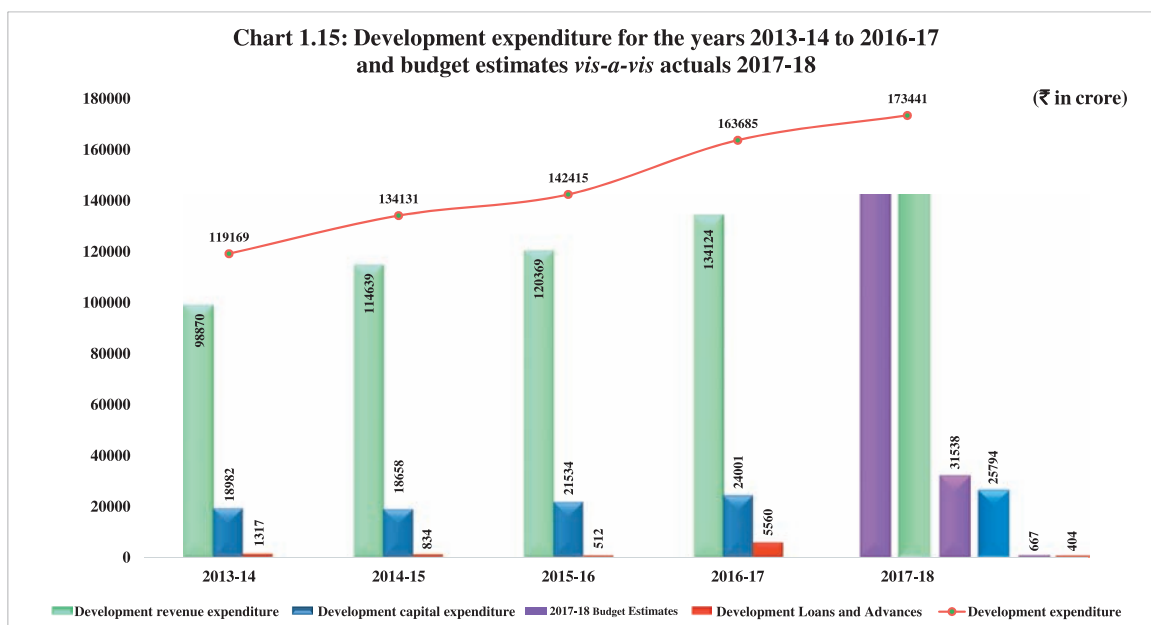
Table 1.37 and **Chart 1.15** present the trends in DE relative to the total expenditure of the State during the current year *vis-à-vis* budget estimates of the current year and the actual expenditure during the previous years.

Table 1.37: Development expenditure

(₹ in crore)

Components of Development Expenditure	2013-14	2014-15	2015-16	2016-17	2017-18	
					BE	Actuals
Development expenditure (a to c)	119169 (67.5)	134131 (67.7)	142415 (66.5)	163685 (66.8)	189596 (67)	173441 (72)
a. Development revenue expenditure	98870 (56)	114639 (57.8)	120369 (56.2)	134124# (54.7)	157391 (55)	147243 (61)
b. Development capital outlay	18982 (10.8)	18658 (9.4)	21534 (10.0)	24001 (9.8)	31538 (11)	25794 (11)
c. Development Loans and Advances	1317 (0.7)	834 (0.4)	512 (0.2)	5560 (2.3)	667 (0.2)	404 (0.2)

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



(Source: Finance Accounts of respective years)

Development Revenue expenditure

The development revenue expenditure increased by ₹ 13,119 crore from ₹ 1,34,124 crore in 2016-17 to ₹ 1,47,243 crore in 2017-18. The increase was under Social Services (₹ 2,772 crore) and Economic Services (₹ 10,347 crore). The actual development revenue expenditure was lower than the State's projection in the budget by ₹ 10,148 crore.

Development Capital outlay

The development capital outlay increased by ₹ 1,793 crore from ₹ 24,001 crore in 2016-17 to ₹ 25,794 crore in 2017-18. The increase was under Economic Services (₹ 2,791 crore) set off by decrease in Social Services (₹ 998 crore). The main components of increase were Capital Outlay on Agriculture and Allied Activities (₹ 1,957 crore) and Capital Outlay on Transport (₹ 1,178 crore). The actual development capital outlay was lower than the State's projection in the budget by ₹ 5,744 crore.

Development Loans and Advances

Development loans and advances decreased by ₹ 5,156 crore from ₹ 5,560 crore in 2016-17 to ₹ 404 crore in 2017-18. The actual development loans and advances were lower than the State's projections in the budget by ₹ 263 crore.

Efficiency of expenditure use in selected social and economic services

Table 1.38 details the percentage share of salary and wages and of O&M in the Revenue expenditure in selected Social and Economic services. It also indicates the proportion of capital expenditure in the total expenditure of these selected services.

Table 1.38: Efficiency of expenditure use in selected social and economic services

(in per cent)

Social/Economic infrastructure	2016-17			2017-18		
	CE to TE	In RE, the share of		CE to TE	In RE, the share of	
		Salary and Wages	O & M		Salary and Wages	O & M
Social Services (SS)						
Education, Sports, Art and Culture	0.1	83.6	0.1	0.2	81.6	0.2
Health and Family Welfare	5.6	54.7	0.3	4.7	49.4	0.4
Water Supply, Sanitation, Housing and Urban Development	4.2	1.8	-	7.1	2.7	-
Total (SS)	3.5	53.5	0.6	2.4	54.3	0.7
Economic Services (ES)						
Agriculture and Allied Activities	20.5	15.2	-	17.1	15.5	0.1
Irrigation and Flood Control	77.5	33.1	27	81.3	40.6	32.9
Energy	6.3	0.1	0.2	8.0	0.1	0.1
Transport	47.2	0.3	18	54.9	0.3	15.7
Total (ES)	29.6	16	4.1	30.2	12.5	3.0
Total (SS+ES)	14.7	41.2	1.7	14.9	38.9	1.6
TE: Total expenditure; CE: Capital expenditure; RE: Revenue expenditure; O & M: Operations and Maintenance						
Source: Finance Accounts of respective years						

The trends presented in **Table 1.38** reveal that development capital expenditure as a percentage to total expenditure increased from 14.7 per cent in 2016-17 to 14.9 per cent in 2017-18. The percentage of capital expenditure on Social Services to total expenditure decreased from 3.5 per cent in 2016-17 to 2.4 per cent in 2017-18. The decrease was mainly seen under Capital Outlay on Health and Family Welfare. The percentage of capital expenditure on Economic Services to the total expenditure increased from 29.6 per cent in 2016-17 to 30.2 in 2017-18. The increase was mainly seen under Energy, Transport and Irrigation and Flood Control. There was decrease in share of salary and wages as well as O&M in revenue expenditure from 2016-17 to 2017-18.

1.9 Financial analysis of Government expenditure and investments

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

1.9.1 Ongoing projects- Water Resources Department

Expenditure and delays in execution of projects

There were 412 ongoing irrigation projects in five¹⁶ Irrigation Development Corporations (IDCs) under Water Resources Department. Data of all the ongoing projects furnished by the IDCs were analysed in audit to assess the number of years these projects have been under execution. The summarized position is given in **Table 1.39**.

Table 1.39: Age profile of ongoing projects under Water Resources Department

Age Profile (Since the date of original AA)	Total projects			
	Major	Medium	Minor	Total
More than 30 years	26	20	21	67
More than 20 years but up to 30 years	19	20	36	75
More than 15 years but up to 20 years	6	19	31	56
More than 10 years but up to 15 years	3	5	61	69
More than 5 years but up to 10 years	2	23	106	131
Up to 5 years	-	2	-	2
Work not started	2	-	10	12
Total	58	89	265	412

Source: Information furnished by respective IDCs; Status as of March 2018

Table 1.39 shows that 198 projects (48 per cent) were under execution for more than 15 years and of these, 67 projects (16 per cent) were under execution for more than 30 years.

Table 1.40: Actual expenditure and estimated cost in respect of all ongoing projects

(₹ in crore)

Irrigation Development Corporation	Number of projects	Original Administrative Approval	Expenditure	Estimated Cost
Godavari Marathwada Irrigation Development Corpn.	58	4913.85	16674.46	35654.51
Tapi Irrigation Development Corporation	35	1330.49	5294.43	9414.68
Vidarbha Irrigation Development Corporation	214	56983.97	34305.98	82225.39
Maharashtra Krishna Valley Development Corpn.	49	9019.37	18800.05	43693.41
Konkan Irrigation Development Corporation	56	1826.05	8420.98	18420.87
Total	412	74073.73	83495.90	189408.90

Source: Information furnished by respective IDCs

Table 1.40 shows that the estimated cost of 412 ongoing projects was ₹ 1,89,408.90 crore whereas the actual expenditure incurred was ₹ 83,495.90 crore. The expenditure on these ongoing projects has not resulted in realising the complete projected benefits even after considerable period of time.

Delay in completion of works invites the risk of escalation in the cost of the works. Besides, due to delay in completion of projects, the intended benefits from those projects did not reach the beneficiaries.

Recommendation: 3

The State Government needs to take initiative for time bound completion of ongoing projects so as to prevent further time/cost overrun.

1.9.2 Investment and returns

As of 31 March 2018, Government invested ₹ 1,40,203.56 crore in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives (**Table 1.41**). The average return on this investment was 0.04 per cent during 2013-18 while the

¹⁶ Maharashtra Krishna Valley Development Corporation; Konkan Irrigation Development Corporation; Tapi Irrigation Development Corporation; Vidarbha Irrigation Development Corporation; and Godavari Marathwada Irrigation Development Corporation

Government paid average interest rate of 7.7 per cent on its borrowings during the same period.

Table 1.41: Return on investment

(₹ in crore)

Investment/Return/Cost of Borrowings	2013-14	2014-15	2015-16	2016-17	2017-18
Investment at the end of the year	101867.20	110671.69	120310.97	129983.79	140203.56
Return (₹ in crore)	19.68	28.14	57.27	66.81	64.63
Return (per cent)	0.02	0.03	0.05	0.05	0.05
Average rate of interest on Government borrowing (per cent)	7.5	7.8	7.7	7.6	8.0
Difference between interest rate and return (per cent)	7.5	7.8	7.7	7.6	7.9

Source: Finance Accounts of respective years

The increase in investments of ₹ 10,220 crore during 2017-18 was mainly due to capital contributions to Vidarbha Irrigation Development Corporation (₹ 3,660 crore), Godavari Marathwada Irrigation Development Corporation (₹ 2,166 crore), Maharashtra Krishna Valley Development Corporation (₹ 1,722 crore), Konkan Irrigation Development Corporation (₹ 771 crore), Tapi-Irrigation Development Corporation (₹ 653 crore), Maharashtra State Road Transport Corporation (₹ 415 crore), Maharashtra Water Conservation Development Corporation (₹ 373 crore), Nagpur Metro Railway Project (₹ 200 crore) and Pune Metro Railway Project (₹ 80 crore).

As on 31 March 2018, 32 PSUs were incurring losses and their net accumulated losses amounted to ₹ 49,192.54 crore. Of these, the State Government infused funds in the form of equity and long term loans in nine PSUs which amounted to ₹ 92,943.09 crore and ₹ 321.81 crore respectively (**Appendix 1.8**).

As on 31 March 2018, the net worth was eroded in 12 PSUs of which three PSUs had made profit as per their latest accounts. The paid up share capital of the State Government in these 12 PSUs was ₹ 1,188.52 crore. The net worth was eroded¹⁷ primarily in Maharashtra State Road Development Corporation Ltd. (₹ 2,879.21 crore), Maharashtra Power Development Corporation Ltd. (₹ 1,012.59 crore) Maharashtra State Textile Corporation Ltd. (₹ 809.01 crore) and Maharashtra State Financial Corporation (₹ 625.26 crore).

Recommendation: 4

Since the chances of obtaining return on investment made in companies incurring losses and where the accumulated losses has resulted in erosion of the net-worth, are remote, the State Government should consider making future payments to these Companies in form of Grants instead of Share Capital so as to reduce the disparity in investment vis-à-vis return.

Information furnished by the Commissioner for Cooperation and Registrar of Co-operative Societies revealed that of the 5,006 Societies with an aggregate Government investment of ₹ 323.04 crore (equity: ₹ 178.87 crore and loan:

¹⁷ Development Corporation of Vidharbha Ltd. (₹ 7.67 crore); Maharashtra State Handlooms Corporations Ltd. (₹ 45.23 crore); Maharashtra Electronics Corporation Ltd. (₹ 368.38 crore); Maharashtra State Road Development Corporation Ltd. (₹ 2,879.21 crore); Maharashtra State Powerloom Corporation Ltd. (₹ 2.77 crore); Maharashtra State Textile Corporation Ltd. (₹ 809.01 crore); Maharashtra State Financial Corporation (₹ 625.26 crore); Development Corporation of Konkan Ltd. (₹ 6.22 crore); The Maharashtra State Farming Corporation Ltd. (₹ 231.67 crore); Marathwada Development Corporation Ltd. (₹ 1.57 crore); The Maharashtra Land Development Corporation Ltd. (₹ 16.01 crore); Maharashtra Power Development Corporation Ltd. (₹ 1,012.59 crore)

₹ 144.17 crore), 2,710 Societies had incurred accumulated losses of ₹ 220.11 crore (31 March 2018) which was 121 *per cent* of the initial investments (₹ 181.46 crore) made in these Societies. Further, 1,021 Societies were under liquidation where the Government had already invested ₹ 43.69 crore as of March 2018.

1.9.3 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 shown in **Appendix 1.9**. It was observed that:

- The State Government had invested ₹ 2,450.89 crore in the undertakings of three¹⁸ Departments during the financial year up to which their accounts were finalised (**Appendix 3.3**).
- Of the three Departments having 49 units, no unit could earn net profit which had finalised their accounts during 2017-18.
- Of the loss-making DCUs, 33¹⁹ 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.

Recommendation: 5

The State Government should review the working of Statutory Corporations, Rural Banks, Joint Stock Companies, Co-operatives and Departmental Commercial Undertakings incurring losses and take appropriate steps for their closure/revival.

1.9.4 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 1.42** presents the outstanding loans and advances as on 31 March 2018, 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; and Revenue and Forest

¹⁹ Greater Mumbai Milk Scheme, Worli; Mother Dairy, Kurla; Cattle Breeding and Rearing Farm, Palghar; Dairy Project, Dapchhari; Government Milk Scheme, Gove Bhiwandi, Government Milk Chilling Centre, Saralgaon (Dist: Thane); Government Milk Schemes in Ahmednagar, Akola, Amravati, Aurangabad, Beed, Bhiwandi, Bhoom, Chalisgaon, Chandrapur, Chiplun, Dhule, Gondia, Khopoli, Mahabaleshwar, Mahad, Miraj, Nanded, Nashik, Parbhani, Pune, Ratnagiri, Satara, Solapur, Udgir, Wani, Wardha and Yavatmal

Table 1.42: Average interest received on loans advanced by the State Government**(₹ in crore)**

Quantum of loans/interest receipts/cost of borrowings	2015-16	2016-17	2017-18
Opening Balance	21822	22072	26603
Amount advanced during the year	1115	6277	980*
Amount repaid during the year	865	1746*	1778
Closing Balance	22072	26603	25805
<i>of which</i> Outstanding balance for which terms and conditions have been settled	NA	NA	NA
Net addition	250	4531	(-798)
Interest Receipts	762	407	485
Interest receipts as <i>per cent</i> to outstanding loans and advances	3.5	1.7	1.9
Average Interest payments as <i>per cent</i> to outstanding fiscal liabilities of the State Government	7.3	7.6	8.0
Difference between interest receipts and interest payments (<i>per cent</i>)	(-) 3.8	(-) 5.9	(-) 6.1
NA: Not Available * higher rounding			
Source: Finance Accounts of respective years			

As can be seen from the **Table 1.42**, the total outstanding loans and advances as on 31 March 2018 was ₹ 25,805 crore. The amount of loans disbursed during the year decreased from ₹ 6,277 crore in 2016-17 to ₹ 980 crore in 2017-18. Of the total amount of loans and advances disbursed during the year, ₹ 141 crore went to Economic Services and ₹ 263 crore to Social Services. Under the Social Services, the major portion of loans went to Urban Development (87 *per cent*). However, interest received against these loans decreased from 3.5 *per cent* during 2015-16 to 1.7 *per cent* in 2016-17, and it increased to 1.9 *per cent* in 2017-18, mainly, due to higher interest receipts in 2017-18 from Loans for Housing (₹ 179 crore), Loans for Power Projects (₹ 133 crore), set-off by decrease in Loans for Forest and Wildlife (₹ 240 crore).

The detailed accounts of loans are maintained by the State Government Departments, who are required to confirm the loan balances to the Accountant General (Accounts and Entitlements)-I, Maharashtra, Mumbai and also furnish complete information regarding recoveries in arrears. This has not been done. To that extent, the information contained in Finance Accounts 2017-18 in accordance with the Indian Government Accounting Standards (IGAS)-3 was incomplete.

1.9.5 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.

The value of cheques issued by Government but not encashed till 31 March 2018 was ₹ 15,968.67 crore i.e. the balance under Major head 8670- Cheques and Bills as on 31 March 2018. Thus, the encashment of these cheques would have the effect of decreasing of the cash balance of ₹ 54,947 crore by ₹ 15,968.67 crore as on 31 March 2018. During 2017-18, the total value of lapsed cheques amounted to ₹ 25.89 crore²⁰.

²⁰ Pension payments: ₹ 1.98 crore; Insurance and Pension Funds: ₹ 0.10 crore; Provident Fund disbursements: ₹ 0.24 crore; Salaries: ₹ 0.50 crore; Telephone, Electricity and Petrol charges: ₹ 0.27 crore; Travelling expenses: ₹ 0.04 crore; Machinery and Equipment: ₹ 5.16 crore; Grant-in-aid: ₹ 2.98 crore; Civil Deposits: ₹ 2.20 crore; and Others: ₹ 12.42 crore

1.10 Assets and Liabilities

Details regarding Growth and composition of Assets and Liabilities, Fiscal Liabilities, Cash balances and Investment of cash balances, Transactions under Reserve Funds, Contingent liabilities and Analysis of Borrowings of the Government are given in sub Paragraphs 1.10.1 to 1.10.6.

1.10.1 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. **Table 1.43** gives an abstract of such liabilities and the assets as on 31 March 2018, compared with the corresponding position on 31 March 2017. While the liabilities consist mainly of internal borrowings, loans and advances from the GoI, receipts from the Public Account and Reserve Funds, the assets mainly comprise the capital outlay and loans and advances given by the State Government and cash balances.

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

The growth rate of components of assets and liabilities are summarised in the **Table 1.43**:

Table 1.43: Summarised position of Assets and Liabilities

(₹ in crore)

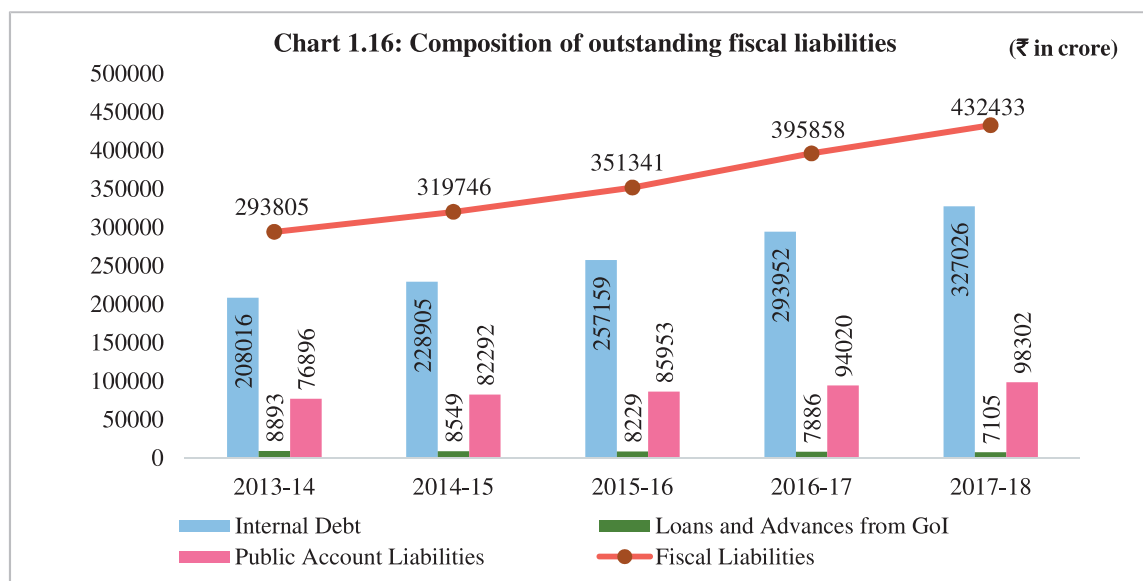
Liabilities				Assets			
	2016-17	2017-18	Per cent increase		2016-17	2017-18	Per cent increase
Consolidated Fund	301837.63	334130.96	10.7	Consolidated Fund	287828.70	313872.16	9.05
^a Internal Debt	293951.78	327025.89	11.3	^a Gross Capital Outlay	261225.30	288067.49	10.28
^b Loans and Advances from GoI	7885.85	7105.07	(-)9.9	^b Loans and Advances	26603.40	25804.67	(-)3.0
Contingency Fund	150.00	150.00	-				
Public Account	135006.79	146390.75	8.4	Public Account	12.61	12.67	0.48
^a Small Savings Provident Funds etc.	24645.31	25191.95	2.2	Advances	12.61	12.67	0.48
^b Deposits	59736.59	63666.57	6.6	Cash balance	40896.29	54497.01	33.26
^c Reserve Funds	37515.56	43439.46	15.8	Sinking Fund	27853.41	33971.80	21.97
^d Remittances	260.82	1083.19	315.30	Total Cash balance	68749.70	88468.81	28.68
Suspense and Miscellaneous	12848.51	13009.58	1.3	Deficit in Revenue Account	80937.12	78851.79	(-)2.58
				Capital Receipts	(-)533.72	(-)533.72	0
Total	436994.42	480671.71	10.3	Total	436994.42	480671.71	9.99

Source: Finance Accounts of respective years

During 2017-18, the assets increased by 3.9 per cent, while the liabilities increased by 10.3 per cent over the previous year.

1.10.2 Fiscal Liabilities

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



(Source: Finance Accounts of respective years)

Table 1.44 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 comprising tax revenue and non-tax revenue of the State as also the buoyancy of fiscal liabilities with reference to these parameters.

Table 1.44: Fiscal Liabilities – basic parameters

	2013-14	2014-15	2015-16	2016-17	2017-18
Fiscal Liabilities (₹ in crore)	293805	319746	351341	395858	432433
Rate of Growth (<i>per cent</i>)	9.2	8.8	9.9	12.7	9.2
Fiscal Liabilities as percentage to					
GSDP (<i>per cent</i>)	17.8	17.8	17.6	17.5	17.32
Revenue Receipts (<i>per cent</i>)	196.1	193.3	189.9	193.4	177.5
Own Resources (<i>per cent</i>)	244.9	250.5	250.9	265.1	234.24
<i>Buoyancy of Fiscal Liabilities with reference to :</i>					
GSDP (ratio)	0.672	1.003	0.846	0.992*	0.868
Revenue Receipts (ratio)	1.917	0.846	0.832	1.198	0.484
Own Resources (ratio)	1.614	1.375	1.021	1.910	0.390

Source: Finance Accounts of respective years *Based on actual GSDP

During 2017-18, the debt to GSDP ratio at 17.32 *per cent* was higher than the projections made in MTFPS (16.26 *per cent*) but lower than the FFC (23.30 *per cent*). Of the total Fiscal Liabilities, the share of Internal Debt was maximum (76 *per cent*), followed by Public Account Liabilities (23 *per cent*) and Loans from GoI (two *per cent*).

The overall Fiscal Liabilities of the State increased at an average annual rate of 10 per cent during the period 2013-18.

These liabilities were nearly twice the revenue receipts and higher than twice the State's own resources at the end of 2017-18.

1.10.2.1 Increasing trend of balance under 8443-Civil Deposits

During 2013-14 to 2017-18, 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 1.45**.

Table 1.45: Balance under 8443-Civil Deposits

(₹ in crore)						
Year	Opening balance 8443-Civil Deposits as on 01 April	Receipts	Disbursements	Closing balance of 8443-Civil Deposits as on 31 March	Net increase during the year	Closing balance of 8443-106-Personal Deposits as on 31 March in (percentage)
2013-14	13509.64	24727.68	22545.07	15692.25	2182.61	9254.78 (59)
2014-15	15692.25	22714.76	21665.23	16741.78	1049.54	9726.09 (58)
2015-16	16741.78	26102.23	24579.51	18264.50	1522.72	11160.06 (61)
2016-17	18264.50	29071.87	25471.66	21864.71	3600.21	13334.52 (61)
2017-18	21864.71	27500.34	28287.43	21077.62	(-)787.09	12229.30 (58)

Source: Finance Accounts of respective years

It may be seen that under the Major Head 8443-Civil Deposits the balance in 106 – Personal Deposits constituted nearly 60 *per cent* of the balances during 2013-14 to 2017-18. Further, if funds are transferred to the Personal Deposit Accounts from the Consolidated Fund of the State, the balances at the close of the financial year should be transferred back to the Consolidated Fund. The Finance Accounts 2017-18 however, revealed that the quantum of funds which need to be transferred back to the Consolidated Fund at the end of the financial year was not ascertainable in the absence of effecting such transfer through ‘Nil Bill’ procedure. As a result, the actual liabilities under the Major Head 8443–Civil Deposits were also not ascertainable. The State Government should ensure that the codal provision is adhered to so that the funds so transferred at the fag end of the year could be ascertained.

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

As per the Finance Accounts 2017-18, there was an unreconciled balance of ₹ 7,124.47 crore under Civil Deposits and Other Civil Deposits pertaining to the period 2010-11 to 2017-18. Of the above, ‘Aided Secondary & Special School Provident Fund’ was the major item pertaining to 2011-12 that remained unreconciled (₹ 3,720.73 crore) as of March 2018.

1.10.3 Cash balances and Investment of Cash Balances

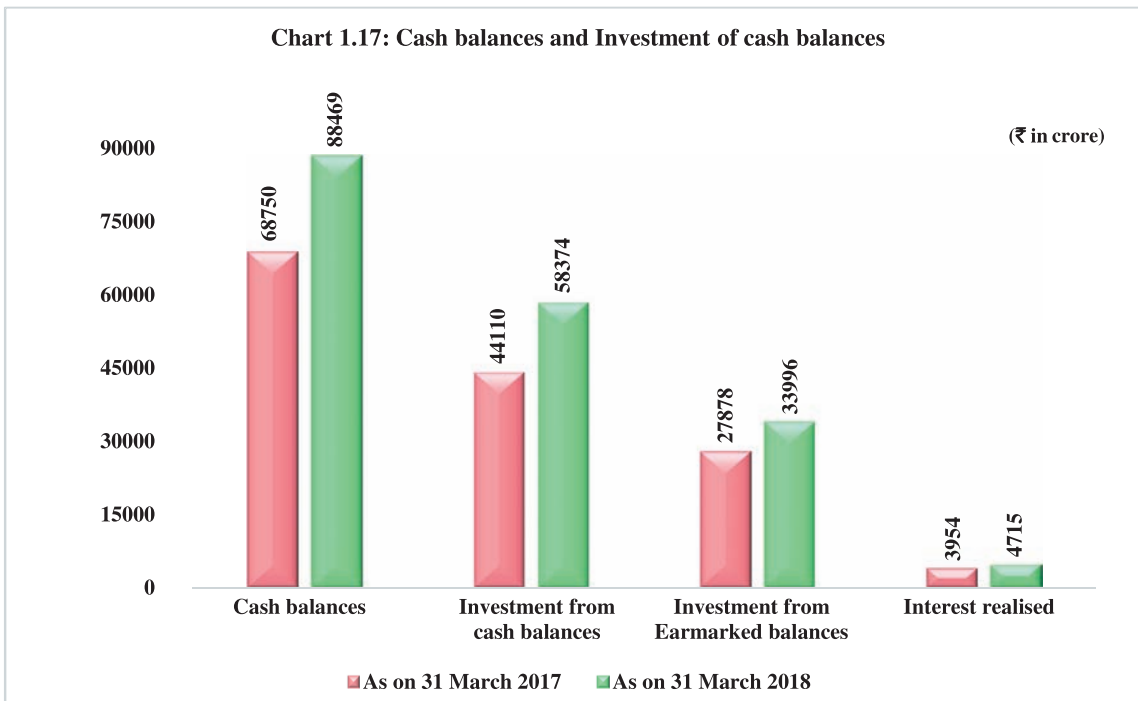
Table 1.46 and **Chart 1.17** depict the cash balances and investments made by the State Government out of cash balances during the year.

Table 1.46: Cash balances and investment of cash balances

(₹ in crore)			
Particulars	As on 31 March 2017	As on 31 March 2018	Increase (+)/ Decrease(-)
Cash in treasuries	0.04	0.04	-
Deposits with Reserve Bank of India	(-) 3304.11	(-)3962.41	(-)658.30
Remittances in transit-Local	53.44	54.33	0.89
Cash with the Departmental officers	12.10	6.69	(-)5.41
Permanent advance for contingent expenditure with Departmental officers	0.66	0.67	0.01
Investments from cash balances (a to d)	44110.07	58373.60	14263.53
a. GoI Treasury Bills	44109.38	58372.91	14263.53
b. GoI Securities	-	-	-
c. Other Securities, if any specify	-	-	-
d. Other Investments	0.69	0.69	-

Particulars	As on 31 March 2017	As on 31 March 2018	Increase (+)/ Decrease(-)
Fund-wise break-up of investment from Earmarked balances (a to e)	27877.50	33995.89	6118.39
a. General and other Reserve Funds	9.59	9.59	-
b. Sinking Fund	27853.41	33971.80	6118.39
c. Fund for Development of Milk supply	1.00	1.00	-
d. Other Development and Welfare Funds	13.42	13.42	-
e. Miscellaneous Deposits	0.08	0.08	-
Total Cash Balances	68749.70	88468.81	19719.11
Interest Realised	3954.06	4715.07 ^s	761.01

^s Interest of ₹ 1,992.63 crore realised during 2017-18 on Sinking Fund Investment (reinvested along with regular investment) hence not included under MH 0049 plus Interest on Cash Investment ₹ 2,722.44 crore.
Source: Finance Accounts of respective years



(Source: Finance Accounts of respective years)

The State Government's cash balances of ₹ 88,469 crore at the end of the current year showed an increase of 29 per cent (₹ 19,719 crore) over the previous year. Of the above, ₹ 58,374 crore was invested in GoI Treasury Bills which earned an interest of ₹ 2,722 crore during the year. Further, ₹ 33,996 crore was invested in earmarked funds which earned an interest of ₹ 1,993 crore. Ways and means advances were ₹ 1,594 crore during the current year as shown in the notes below **Table 1.2**.

The cash balances of the State Government at the end of March 2018 was ₹ 88,469 crore, which included an amount of ₹ 33,972 crore invested in Sinking Fund meant for Appropriation for reduction or avoidance of debt. The interest earned on this fund is ploughed back to the fund. As on 31 March 2018, the interest earned on the Sinking Fund was ₹ 1,993 crore. Further there was also an outstanding balance under 'Cheques and bills' amounting to ₹ 15,969 crore. Hence the resultant effective cash balance of the State Government as on 31 March 2018 was ₹ 38,528 crore which is 14 per cent of the total expenditure of the State Government (₹ 2,69,392 crore) during the year.

In terms of the recommendations of the Tenth Finance Commission, the State Government created (1999-2000), a Consolidated Sinking Fund to be administered by the

Reserve Bank of India for the amortization of all loans. As per the constitution of Consolidated Sinking Fund of Maharashtra, the State Government is to contribute one to three *per cent* of the outstanding open market loans as at the end of the previous years to the fund. In terms of the revised guidelines (May 2006) of the Reserve Bank of India, States are required to contribute to the Fund a minimum of 0.5 *per cent* of their outstanding liabilities (Internal Debt + Public Account liabilities) as at the end of the previous year.

During the 2017-18, the State Government transferred ₹ 3,100 crore to the Consolidated Sinking Fund from the Revenue Account which works out to 1.43 *per cent* of total outstanding (Open Market Loans) of ₹ 2,16,862.87 crore and to 0.78 *per cent* of outstanding liability of ₹ 3,95,857.59 crore (Internal Debt + Public Account liabilities) as on 31 March 2017. There was no expenditure from the fund during the year. The balance in the Consolidated Sinking Fund as on 31 March 2018 was ₹ 33,971.80 crore, which has been invested.

The high level of investment held in 'Cash Balance Investment Account' at the end of 2017-18 indicated the need for a better cash management. In view of availability of resources under Public Accounts of the State, the Government could have curtailed the market borrowings to avoid interest burden for the coming years.

Recommendation: 6

The need for closer analysis, monitoring, and directed efforts by the State Government of Maharashtra towards utilisation of their existing cash balances, before resorting to fresh borrowings, is urgently indicated. The State Government is advised to review its public borrowing behaviour in tandem with its cash management, to effectuate a more judicious and prudent management of its cash resources and liquidity.

The State Government may consider institutionalizing the policy of need-based borrowing and thereby maintaining only minimum surplus cash balance. This could, in practice, include laying down benchmarks for the ideal quantum of cash, relative to its capital outlays, fiscal deficit targets and borrowings.

1.10.4 Transactions under Reserve Funds

Reserves and Reserve Funds are created for specific and well-defined purposes in the accounts of the State Government (Public Account). These funds are created by contributions or grants from the Consolidated Fund of State or from outside agencies. The funds are further divided into two parts (i) Reserve Funds bearing interest and (ii) Reserve Funds not bearing interest. The funds are created by the sums transferred by debiting the concerned expenditure head of the Consolidated Fund of the State. Thereafter, the total expenditure incurred during the year is to be reimbursed from the concerned Reserve Fund.

In Maharashtra, there were 18 reserve funds earmarked for specific purposes of which, nine funds were active and nine were inactive. The total accumulated balance as on 31 March 2018 in these funds was ₹ 43,439.46 crore (₹ 43,410.45 crore in active funds and ₹ 29.01 crore in inoperative funds). However, the investment out of this balance was only ₹ 33,996 crore (78 *per cent*). An account of these funds is included in Statement No. 22 of Finance Accounts 2017-18.

Recommendation: 7

State Government may take effective steps to review the inoperative Reserve Funds and necessary action to close these inoperative Reserve Funds.

1.10.5 Contingent Liabilities

Status of Guarantees

Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee has been extended. The maximum amount for which guarantees were given by the State Government and the outstanding guarantees during the last three years as given in the Statement No. 9 of the Finance Accounts 2017-18 are summarised in **Table 1.47**.

Table 1.47: Guarantees given by the Government of Maharashtra

(₹ in crore)

Guarantees	2015-16	2016-17	2017-18
Maximum amount guaranteed	30483	22802	37287
Outstanding amount of guarantees	7807	7306	26658
Percentage of maximum amount guaranteed to total revenue receipts	16	11	15

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 2017-18, guarantees of ₹ 19,352 crore were given by the State Government to (a) Maharashtra State Co-operative Bank (₹ 570 crore); (b) Mumbai Metropolitan Regional Development Authority (₹ 19,016 crore); and (c) Maharashtra State Co-operative Marketing Federation Limited, (₹ 1,490 crore). Outstanding guarantees (₹ 26,658 crore) during 2017-18 accounted for 11 *per cent* of the revenue receipts (₹ 2,43,654 crore) and 1.07 *per cent* of the GSDP (₹ 24,96,505 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 2008-09 mentioned that the State was in the process of setting up Guarantee Redemption Fund. However, the MTFPS for the year 2016-17 mentioned that the State Government has taken a conscious decision not to set up a Guarantee Redemption Fund on the ground that setting up of such a fund may (a) give an undue incentive to both the loanee and the lender; and (b) weaken Legislature oversight in cases where debt Guarantees are invoked.

The State Government charged guarantee fees for guarantees given to institutions and the same was booked under 'Miscellaneous General Services'. Receipts under guarantee fees increased to ₹ 36.80 crore during 2017-18 from ₹ 9.87 crore during 2016-17. Against the total estimated guarantee fee receivable (₹ 1,557.48 crore), only ₹ 36.80 crore was received during the year.

The State Government has yet to discharge invoked guarantee amounting to ₹ 20.26 crore of Maharashtra State Co-operative Housing Finance Corporation Ltd.

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 2017-18. However, at the close of 2016-17, ₹ 51 crore was outstanding on account of off-budget borrowings made prior to 2005-06.

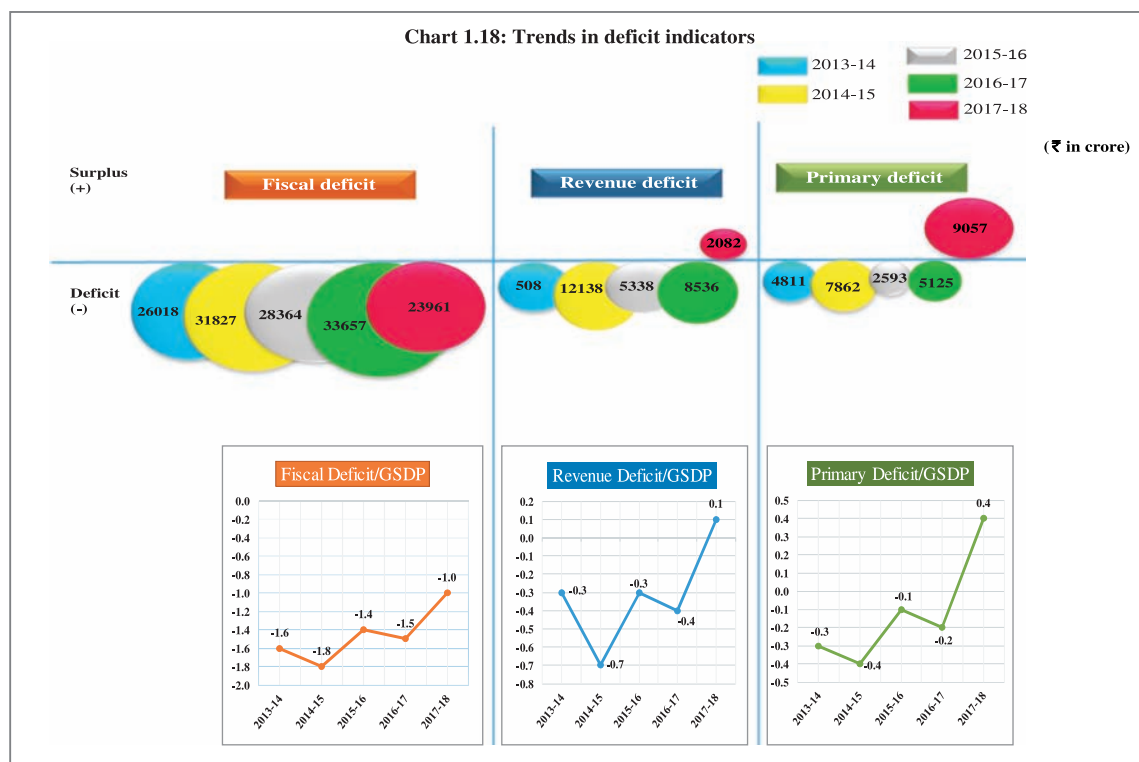
1.11 Fiscal Imbalances

Three key fiscal parameters *viz.*, revenue, fiscal and primary deficits indicate the extent of overall fiscal imbalances in the Finances of the State Government during a

specified period. The deficit in the Government accounts represents the gap between its receipts and expenditure. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further, the ways in which the deficit is financed and the resources raised are applied are important pointers to its fiscal health. This section presents trends, nature and magnitude and the manner of financing these deficits and also the assessment of actual levels of revenue and fiscal deficits *vis-à-vis* targets set under MFRBM Act/Rules for the financial year 2017-18.

1.11.1 Trends in Deficits

Chart 1.18 presents the trends in deficit indicators over the period 2013-18.



(Source: Finance Accounts of respective years)

As per the MFRBM Rules (Second Amendment), 2011, the revenue deficit was to be brought down to 'zero' by 2011-12 and Revenue Surplus was to be generated thereafter.

Revenue Surplus/Deficit

The revenue deficit (₹ 5,081 crore) during 2013-14 increased by 2.4 times in 2014-15 (₹ 12,138 crore) and in 2015-16, it decreased to ₹ 5,338 crore and further increased to ₹ 8,536 crore in 2016-17. In 2017-18, Revenue deficit turned to surplus at ₹ 2,082 crore due to increase in receipts and control over expenditure.

Fiscal Deficit

The fiscal deficit of ₹ 38,616 crore during 2016-17 decreased to ₹ 23,961 crore in 2017-18.

Primary Surplus/Deficit

Primary Deficit²¹ during 2013-14 (₹ 4,811 crore), 2014-15 (₹ 7,862 crore), 2015-16 (₹ 2,593 crore) and 2016-17 (₹ 5,125 crore) turned into Primary Surplus of ₹ 9,057 crore due to Revenue Surplus and decrease in Fiscal Deficit.

During 2017-18, there were transactions outside the Consolidated Fund, budgeting and booking under incorrect heads, non-provision of interest on reserve funds and deposit

²¹ See Glossary at page 129

accounts etc. As a result, the Revenue Surplus was overstated by ₹ 663.83 crore and understated by ₹ 563.27 crore, net impact was an overstatement of Revenue Surplus by ₹ 100.56 crore.

Control over expenditure coupled with spurt in revenue resulted in Revenue Surplus of ₹2,082 crore.

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 1.48**.

Table 1.48: Components of Fiscal Deficit and its financing pattern

		(₹ in crore)				
Particulars		2013-14	2014-15	2015-16	2016-17	2017-18
Composition of Fiscal Deficit(-)/ Surplus (+) (1+2+3) (a)		(-26018)	(-31827)	(-28364)	(-33657)[®]	(-23961)
		(-1.6)	(-1.8)	(-1.4)	(-1.5)	(-1.0)
1	Revenue Deficit(-)/ Surplus (+)	(-5081)	(-12138)	(-5338)	(-8536)	2082
		(-0.3)	(-0.7)	(-0.3)	(-0.4)	0.08
2	Net Capital Outlay	(-20020)	(-19524)	(-22776)	(-25549)	(-26842)
		(-1.2)	(-1.1)	(-1.1)	(-1.1)	(-1.1)
3	Net Loans and Advances	(-917)	(-165)	(-250)	428 [£]	799 [£]
		(-0.1)	-	-	-	-
Financing Pattern of Fiscal Deficit[#](b)						
1	Market Borrowings	19163	22263	28938	40349 [§]	36477
		(1.2)	(1.2)	(1.5)	(1.8)	(1.5)
2	Loans from GoI	94	(-344)	(-321)	(-343)	(-781)
		-	-	-	-	-
3	Special Securities Issued to National Small Savings Fund	(-2286)	(-805)	(-286)	(-5078)	(-5176)
		(-0.1)	-	-	(-0.2)	(-0.2)
4	Loans from Financial Institutions and other Loans	(-499)	(-568)	(-397)	1521	1774
		-	-	-	(0.1)	(0.1)
5	Small Savings PF etc.	1893	1259	1208	1124	547
		(0.1)	(0.1)	(0.1)	(0.1)	-
6	Deposits and Advances	6772	4411	2773	6841	3930
		(0.4)	(0.2)	(0.1)	(0.3)	(0.16)
7	Suspense and Miscellaneous	(-2705)	5222	(-876)	2773	164
		(-0.2)	(0.3)	-	(0.1)	-
8	Remittances	(-1117)	(-14)	(-236)	(-656)	822
		(-0.1)	-	-	-	-
9	Reserve Funds	2742	3158	3465	5283	5924
		(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
10	Contingency Fund	(-500)	2010	(-2000)	-	-
		-	(0.1)	(-0.1)	-	-
11	Appropriation to/ from Contingency fund	500	(-2000)	2000	-	-
		-	(-0.1)	(0.1)	-	-
12	Total (1 to 11) (b)	24058	34592	34268	51814	43681
13	Increase(-)/ Decrease (+) in Cash Balance (a) – (b)	1960	2765	(-5904)	(-13197)	(-19720)
		(0.1)	(0.2)	(-0.3)	(-0.6)	(-0.8)
14	Overall deficit (12+13)	26018	31827	28364	38616 [§]	23961
		(1.6)	(1.8)	(1.4)	(1.7)	(1.0)

Figures in parenthesis indicate the *per cent* to GSDP [#]All figures are net of disbursements/outflows during the year [®]Net of Ujwal DISCOM Assurance Yojana eligible for exclusion from Fiscal deficit as per GoI's order [£]Included receipts of ₹ 991.75 crore on account of repayment of loan [§]Includes expenditure of ₹ 4,959.75 crore incurred on account of taking over of 75 *per cent* of Medium and Short term debts of DISCOMs under Ujwal DISCOM Assurance Yojana
Source: Finance Accounts of respective years

During 2017-18, the fiscal deficit decreased by ₹ 9,696 crore over the previous year due to increased revenue receipts (₹ 38,961 crore). The net capital expenditure as a percentage of fiscal deficit increased from 77 per cent in 2016-17 to 112 per cent in 2017-18.

The Fiscal Deficit as a percentage of GSDP decreased from 1.48 (without UDAY), 1.70 (with UDAY) in 2016-17 to 0.96 in 2017-18, which was well below the target of three per cent as prescribed by FFC and MTFPS.

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 State's finances. The ratio of Revenue Surplus to fiscal deficit indicates the extent to which borrowed funds were used for current consumption. During the current year, this ratio 8.69 per cent of the borrowing was used for current consumption.

Non-debt receipts of the State were sufficient to meet the primary expenditure requirements in the revenue account. But, these were not sufficient to meet the expenditure requirements under capital account, resulting in primary deficit during 2013-17. The details are indicated in **Table 1.49**.

Table 1.49: Bifurcation of Primary Deficit/Surplus

(₹ in crore)							
Year	Non-debt receipts	Primary Revenue Expenditure	Capital Outlay	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)
2013-14	150550	133695	20021	1645	155361	16855	(-)4811
2014-15	166390	153588	19523	1141	174252	12802	(-)7862
2015-16	185918	164603	22793	1115	188511	21315	(-) 2593
2016-17	206439	184697	25549	1318 [§]	211564	21742	(-) 5125
2017-18	245432	208553	26842	979	236374	36879	9058*

[§]excludes ₹ 4,959.75 crore given under Ujwal DISCOM Assurance Yojana
Source: Finance Accounts of respective years * Higher rounding

The capital outlay as a percentage to primary expenditure²² decreased from 12.9 per cent during 2013-14 to 11.4 per cent during 2017-18.

Non-debt receipts were sufficient to meet the expenditure requirements both under revenue and capital account, resulting in Primary Surplus of ₹ 9,058 crore during 2017-18.

1.12 Debt Management

Debt Profile

The Maturity Profile of the State Debt (amounts payable in respect of each category of loans in different years) as on 31 March 2018 is depicted in **Table 1.50** and **Chart 1.19**:

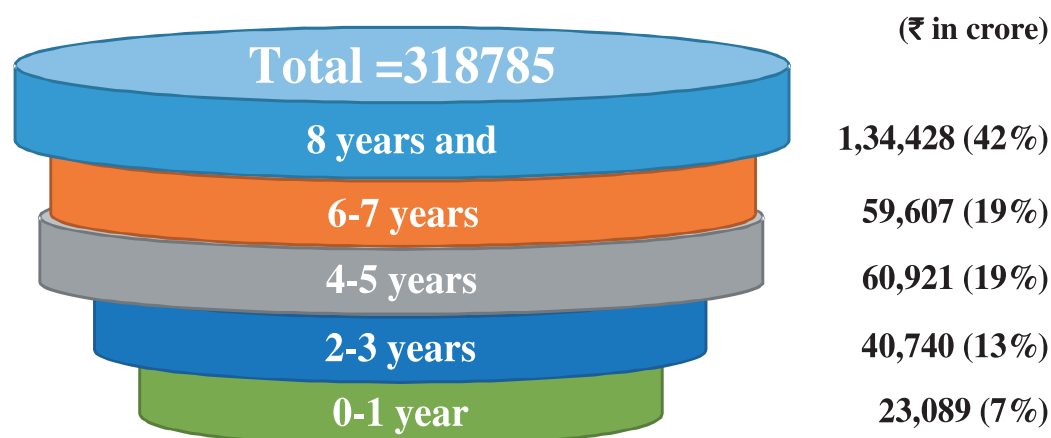
²² Primary expenditure of the State defined as the total expenditure net of the interest payments, indicates the expenditure incurred on the transactions undertaken during the year

Table 1.50: Maturity profile of State Debt

Maturity Profile (in years)	Amount (₹ in crore)	Per cent
0 – 1	23088.93	7.05
2 – 3	40739.91	12.46
4 – 5	60921.17	18.63
6 – 7	59606.77	18.23
8 and above	134427.78	41.11
Information not furnished by the State Government	8241.33	2.52
Total	327025.89	100.00

Source: Finance Accounts 2017-18

Chart 1.19: Maturity Profile of the State Debt



(Source: Finance Accounts of respective years)

The maturity profile of the public debt indicates that the liability of the State to repay the debt during the periods 2018-19, 2019-21 and 2021-23 would be ₹ 23,088.93 crore, ₹ 40,739.91 crore and ₹ 60,921.17 crore respectively which may put a strain on the Government budget during that period. Further, ₹ 1,84,356.78 crore i.e. 56.37 per cent of the total public debt would be repayable within next seven years. Therefore, the State Government would have to work out a well-thought out debt borrowing repayment strategy to avoid falling into a debt trap.

Debt Sustainability

Debt sustainability implies State's ability to service the debt in future. Apart from the magnitude of debt of the State Government, it is important to analyse various indicators that determine the debt sustainability of the State. Analysis of various debt sustainability indicators for the period from 2013-14 to 2017-18 is given in **Table 1.51**.

Table 1.51: Debt Sustainability: Indicators and trends

(₹ in crore)

Indicators of debt sustainability	2013-14	2014-15	2015-16	2016-17	2017-18
Interest Payment	21207	23965	25771	28532	33018
Burden of interest payment in per cent (IP/RR)	14.1	14.5	14.0	13.9	13.6
Debt repayment	45400	50998	52319	55602	63936
Debt receipts	70157	76939	83914	100118	100511
Net debt available to the State	3551	1976	5824	15984	3557

Source: Finance Accounts and Economic survey of respective years

Net availability of borrowed funds

The net funds available from borrowed funds after providing for the interest payment and repayment declined sharply from ₹ 3,551 crore in 2013-14 to ₹ 1,976 crore in 2014-15 which increased to ₹ 5,824 crore in 2015-16 crore and further increased to ₹ 15,984 crore in 2016-17. During 2017-18 it decreased sharply to ₹ 3,557 crore.

Interest burden

The ratio of interest payment to revenue receipts was around 14 *per cent* during 2013-18.

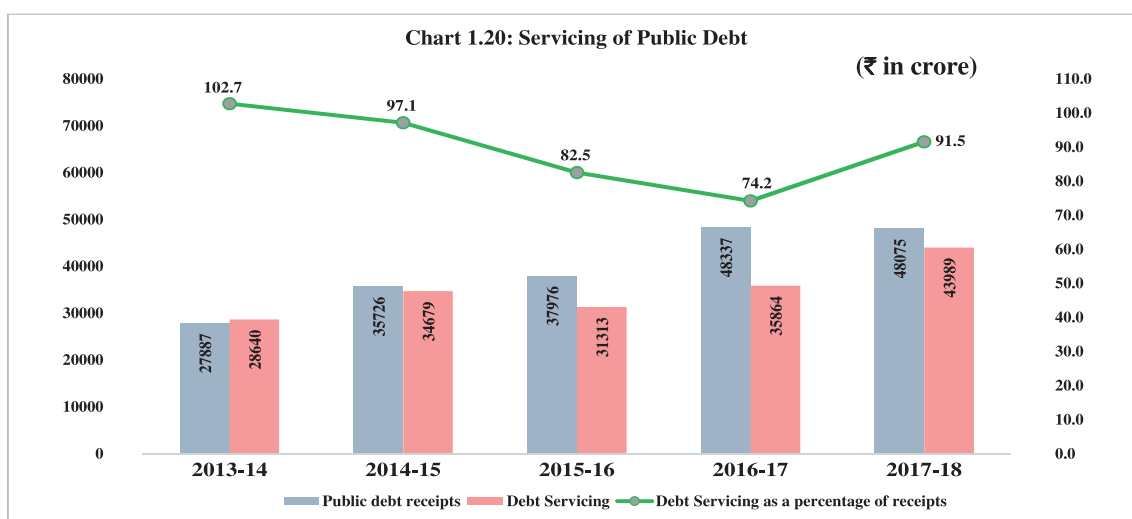
Servicing of Public Debt

The interest payment and repayment of principal on public debt for the period from 2013-14 to 2017-18 is given in **Table 1.52**.

Table 1.52: Servicing of Public Debt

Period	Public Debt									Debt servicing			
	Public Debt Receipts			Repayment of Principal			Interest payment			(Repayment of principal + interest payment)			As a percentage of receipts
	Internal debt	Loans from GoI	Total	Internal debt	Loans from GoI	Total	Internal debt	Loans from GoI	Total	Internal debt	Loans from GoI	Total	
2013-14	26923	964	27887	10543	871	11414	16654	572	17226	27197	1443	28640	102.7
2014-15	35184	542	35726	14294	886	15180	18970	529	19499	33264	1415	34679	97.1
2015-16	37392	584	37976	9138	905	10043	20780	490	21270	29918	1395	31313	82.4
2016-17	47710	627	48337	10917	970	11887	23508	469	23977	34425	1439	35864	74.2
2017-18	47907 [#]	168	48075	14834	949	15783	27773 [#]	433	28206	42607	1382	43989	91.5
Total			198001									174485	

Source: Finance Accounts of respective years [#]Lower rounding



(Source: Finance Accounts of respective years)

It can be seen from **Table 1.52** and **Chart 1.20** that during 2013-14 all the public debt receipts were utilised for debt servicing and during 2014-15, 97 *per cent* of the public debt receipts was utilised for debt servicing. In 2017-18, the debt servicing out of public debt receipts was 92 *per cent* as against 74 *per cent* in 2016-17. Thus, the average expenditure on debt servicing during 2013-18 was ₹ 34,897 crore which accounted for 88.1 *per cent* of average public debt receipts (₹ 39,600 crore) during the same period, implying that a larger percentage of debt was being used for debt servicing. This also indicated that a very insignificant portion of the debt was available for meeting developmental expenditure to promote growth. However, increase in public account balances provide the other source to meet the deficit.

Recommendation: 8

The State Government may consider developing a debt sustainability framework for achieving improved long term sustainability in fiscal deficit management, and to guide the borrowing decisions of the State in a way that matches their financing needs with current and prospective repayments.

1.13 Follow Up

The State Finance Report is being presented to the State Legislature from 2008-09 onwards. The State Finance Report 2016-17 was taken up for discussion by the State Public Accounts Committee in May 2019.

CHAPTER - II

**FINANCIAL MANAGEMENT AND
BUDGETARY CONTROL**

Chapter II

Financial Management and Budgetary Control

2.1 Introduction

2.1.1 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.

2.1.2 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 scrutinizes 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. 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.*

The findings in preparation of the Budget, management of expenditure noticed in audit have been discussed in the subsequent paragraphs.

2.2 Summary of Appropriation Accounts

The summarized position of actual expenditure during 2017-18 against 290 grants/appropriations is given in **Table 2.1**.

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

(₹ in crore)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Nature of expenditure	Original grant/appropriation	Supplementary grant/appropriation	Total	Actual expenditure	Saving(-) / Excess (+)	Amount surrendered	Amount surrendered on 30 and 31 March 2018	Percentage of savings surrendered on 30 and 31 March 2018 (9/8)
Voted	I Revenue	218831.31	55638.75	274470.06	211086.24	(-)63383.82	59910.93	59149.36	98.72
	II Capital	36850.03	4068.99	40919.02	28516.77	(-)12402.25	7445.10	7380.42	99.13
	III Loans and Advances	1695.23	282.31	1977.54	979.34	(-)998.20	984.19	979.50	99.52
	Total Voted	257376.57	59990.05	317366.62	240582.35	(-)76784.27	68340.22	67509.28	98.78
Charged	IV Revenue	35198.05	2827.43	38025.48	37223.85	(-)801.63	399.16	343.86	86.15
	V Capital	7.20	24.00	31.20	6.40	(-)24.80	0.04	0.04	
	VI Public Debt - Repayment	16644.58	966.00	17610.58	17376.17	(-)234.41	234.41	221.14	94.34
	Total Charged	51849.83	3817.43	55667.26	54606.42	(-)1060.84	633.61	565.04	89.18
	Appropriation to Contingency fund			
	Grand Total	309226.40	63807.48	373033.88	295188.77	(-)77845.11	68973.83	68074.32	98.70

Source: Appropriation Accounts 2017-18

Note: The expenditure excludes the recovery adjusted as reduction of expenditure under revenue expenditure ₹ 6,739.03 crore and capital expenditure ₹ 1,681.03 crore as detailed in Appendix II of Appropriation Accounts

2.2.1 Table 2.1 indicates that the Administrative Departments obtained Supplementary provisions amounting to ₹ 63,807.48 crore during the year which constituted 21 per cent of the original provision as against 12 per cent in the previous year (2016-17). As may be seen from **Appendix 2.1** in 53 cases against the original provision of ₹ 1,71,176.88 crore, expenditure of ₹ 1,34,504.37 crore only was incurred and hence supplementary funds of ₹ 9,346.21 crore were not required. This also indicated that seeking supplementary provisions was avoidable since the expenditure had not reached the level of the original budgetary provision.

2.2.2 The overall savings of ₹ 77,845.11 crore was the result of savings of ₹ 77,892.26 crore in 146 grants and 58 appropriations under the Revenue Section and 92 grants and eight appropriations under the Capital Section, offset by an excess of ₹ 47.15 crore in 15 grants and five appropriations. Though the Departments surrendered 89 per cent of the savings, ₹ 68,074.32 crore (99 per cent) was surrendered only on the last two days of the financial year as shown in **Table 2.1**.

2.2.3 The savings and excesses were intimated by the offices of the Accountants General (Accounts and Entitlements)¹ 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 2018, requesting the Controlling Officers to explain the reasons for the significant variations, but explanation for a few cases was not received (November 2018).

2.3 Financial Accountability and Budget Management

2.3.1 Excess expenditure during 2014-17 pending regularisation

As per Article 205 of the Constitution of India, it is mandatory for the 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, the regularisation of excess expenditure is done after completion of discussion of Appropriation Account by the Public Accounts Committee. However, excess expenditure amounting to ₹ 4,550.23 crore for the year 2014-15 to 2016-17 in respect of 87 grants and 13 appropriations (**Appendix 2.2**) was pending for regularisation as of October 2018.

This is in violation of Article 204 of the constitution, will of the legislature and the basic principle of democracy that not a rupee can be spent without the approval of the legislative assembly and therefore, need to be viewed seriously.

2.3.1.1 Excess over provision during 2017-18 requiring regularisation

The excess expenditure over the budget provision during 2017-18 under 20 grants/appropriations amounting to ₹ 47.15 crore is required to be regularised under Article 205 of the Constitution. The details are given in **Appendix 2.3**.

The excess expenditure over Budget provision decreased from ₹ 167.69 crore in 2016-17 to ₹ 47.15 crore in 2017-18.

Recommendation: 9

All the existing cases of excess expenditure need to be got regularised at the earliest and in future such un voted expenditure may be completely stopped, except in case(s) of dire and extreme emergency, the cost of which cannot be met from contingency fund.

¹ Accountant General (Accounts and Entitlements)-I, Maharashtra, Mumbai and Accountant General (Accounts and Entitlements)-II, Maharashtra, Nagpur

2.3.2 Persistent Excess

During the period from 2015-16 to 2017-18 persistent excess expenditure occurred under the 14 sub-heads shown in **Appendix 2.4**. Though all of these may not have resulted in excess at Grant level and hence, may not require regularization, special emphasis needs to be given while monitoring the expenditure under these sub-heads.

Excess expenditure incurred over budgetary allocation indicates deficient budgetary and expenditure controls.

2.3.3 Unexplained re-appropriations

Paragraph 165 of the Maharashtra Budget Manual stipulates that the orders sanctioning re-appropriation of funds of ₹ 500 and above, and those which involve some unique or special feature should briefly specify reasons for the additions to and deductions from the sub-heads affected by them. However, scrutiny of re-appropriation orders issued by the Administrative Departments revealed that out of 2,257 items of re-appropriations made by them during 2017-18, the specific reasons for 151 items (6.69 per cent) were not furnished. This goes against the principle of transparency envisaged in Section 6 of the Maharashtra Fiscal Responsibility and Budgetary Management Act.

2.3.4 Appropriation vis-à-vis allocative priorities

Audit of Appropriation Accounts revealed that out of total saving of ₹ 77,845.11 crore during 2017-18, in 73 cases amounting to ₹ 57,635.88 crore (74 per cent), savings exceeded

₹ 10 crore in each case and 20 per cent or more of the total provision as shown in **Appendix 2.5**. The summarized position of savings is shown in **Table 2.2**.

Table 2.2: Summarised position of savings

Sr. No.	Range of savings	Number of cases	Total grant (₹ in crore)	Savings (₹ in crore)	Percentage
1	Up to ₹ 20 crore	13	597.16	192.27	32.20
2	More than ₹ 20 crore and up to ₹100 crore	23	3744.68	1244.06	33.22
3	More than ₹ 100 crore and above	37	127728.90	56199.55	44.00
Total		73	132070.74	57635.88	43.64
Source: Appropriation Accounts of 2017-18					

Further, against the total savings of ₹ 77,845.11 crore, savings of ₹ 75,275.17 crore (96.43 per cent) occurred in 55 grants with savings being ₹ 100 crore and above in each case as detailed in **Appendix 2.6**.

The Departments which registered major savings were Home, Agriculture, Animal Husbandry, Fisheries and Dairy Development, School Education and Sports, Higher and Technical Education, Urban Development, Housing, Social Justice and Special Assistance, Tribal Development, Rural Development, Public Works and Water Resources Department. Reasons furnished by the departments for the major savings, as reported in the Appropriation Accounts are given in the succeeding paras.

Public Works Department

Under the Grant No. H-07 Capital Expenditure on Social Services and Economic Services, Major Heads 4216–Capital Outlay on Housing, 4711–Capital outlay on Flood Control Projects and 5054– Capital outlay on Roads and Bridges, saving of ₹ 2,226.11 crore occurred due to reduction of Provision in revised estimate by Finance Department and non-assigning of specific reasons by the Department.

Agriculture Animal Husbandry and Fisheries Department

Unspent provision of ₹ 184.44 crore under Grant No. D03-Agricultural Services, Major Head 2401 Crop Husbandry-Weather Based Fruit Crop Insurance Scheme was due to less demand under the scheme. Further, as the Central Share was released directly to Mahabij Corporation, the provision of ₹ 77.95 crore had to be surrendered. The Department did not assign any specific reasons for the surrender of ₹ 49.79 crore under the 'Micro Irrigation Scheme'.

School Education and Sports Department

Under Grant No.E02- General Education Major Head 2202 General Education, a provision of ₹ 697.09 crore was surrendered/re-appropriated under the scheme Sarva Shiksha Abhiyan (Central share) & Schedule Caste Sub-Plan and School Nutrition program (CSS) (Central Share) due to less release of funds by the Central Government (₹ 655.09 crore). The reason for surrender/re-appropriation of ₹ 42 crore was not specified by the Department (September 2018).

2.3.5 Persistent savings

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.

On test check of Grant files, audit observed that there were savings of more than ₹ 100 crore consistently for the last five years in 25 cases (**Appendix 2.7**) indicating that either the provisions were excessive or the executive was not successful in implementing the legislative aspirations.

Savings in each financial year during 2013-18 ranged between 46 *per cent* and 91 *per cent* of the total provision under Grant Q03- Housing. Similarly, savings under Grant O10-Capital outlay on other Rural Development Programmes ranged between 75 *per cent* and 89 *per cent* and N04- Capital Expenditure on Social services ranged between 56 *per cent* and 89 *per cent* of the total provision. The department did not assign specific reasons for savings during any of the years.

Persistent savings indicated that the budget allocation was made without considering the previous year's expenditure.

Recommendation: 10

All the departments should submit realistic budget in order to avoid large savings.

2.3.6 Unnecessary/excessive supplementary provisions

Supplementary provisions aggregating ₹ 9,257.69 crore obtained in 32 cases (₹ 10 crore or more in each case) during the year proved unnecessary as the actual expenditure (₹ 1,23,339.31 crore) did not come up to the level of the original provision (₹ 1,56,571.87 crore) as detailed in **Appendix 2.8**. Some cases are briefly discussed below:

- Under Grant D-03-Agricultural Services, a provision of ₹ 6,228.42 crore was made. However, at the end of the year the expenditure fell short of the original provision by ₹ 865.92 crore resulting in unnecessary supplementary provision of ₹ 696.09 crore.

- Under Grant T05- Revenue Expenditure on Tribal Areas Development Sub-plan, a supplementary provision of ₹ 2,203.54 crore was made. However, at the end of the year there was saving of ₹ 3,258.16 crore.

Details of grants having saving of more than ₹ 1,000 crore where supplementary provision proved unnecessary are shown in **Table 2.3**.

Table 2.3: Grants having saving of more than ₹ 1000 crore where supplementary provision proved unnecessary

(₹ in crore)

Grant Number and Description	Original provision	Supplementary provision	Expenditure	Savings
REVENUE SECTION				
C06 Relief on account of Natural Calamities	7187.59	31.54	3527.09	3692.04
D03 Agricultural Services	6228.42	696.09	5362.50	1562.01
E02 General Education	46661.38	23.58	40004.59	6680.37
F02 Urban Development and Other Advance Services	12149.56	72.59	7993.84	4228.31
L03 Rural Development Programmes	6460.65	447.22	5223.11	1684.76
N03 Welfare of Scheduled Caste, Scheduled Tribes and Other Backward Classes	8737.19	447.81	7415.61	1769.42
O03 Rural Employment	4688.96	450.00	1670.06	3468.90
T05 Revenue Expenditure on Tribal Areas Development Sub-Plan	4306.49	2203.54	3251.87	3258.16
Y02 Water Supply and Sanitation	3989.90	125.00	2055.47	2059.43
CAPITAL SECTION				
H07 Capital Expenditure on Social Services and Economic Services	5620.24	136.56	3530.69	2226.11
L07 Capital Expenditure on Rural Development	5044.98	1000.00	3963.37	2081.61
O10 Capital Outlay on Other Rural Development Programmes	2991.39	165.65	783.12	2373.92

Source: Appropriation Accounts of 2017-18

It can be seen that the supplementary provision proved unnecessary since the expenditure did not even come up to the original provision which clearly indicates inaccurate estimation of funds.

Recommendation: 11

The Departments need to strengthen the estimation of requirement of funds and review the basis of supplementary provisions.

2.3.7 Anticipated savings not surrendered

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

At the close of 2017-18, as shown in **Appendix 2.9** in 86 cases (in excess of ₹ 50 crore in each case), departments surrendered ₹ 66,752.02 crore (21 per cent of total voted provision of ₹ 3,17,366.62 crore).

Surrender of savings in the last two working days of the financial year indicated inadequate financial discipline.

Recommendation: 12

Funds may be surrendered well before the close of the year so as to enable their utilisation for other developmental schemes.

2.4 Outcome of review of select Grants

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

With a view to ascertaining how far the authorities were adhering to these instructions, audit test checked records of the Administrative Department for the period 2015-18 of the following Grants.

- (i) **Grant No. B10-Capital Expenditure on Economic Services:** Under this Grant, provision was made for Closed Circuit Television (CCTV), Police Housing and Anti Naxal Programme. This Grant includes three Major Heads namely 4055-Capital Outlay on Police, 4070-Capital Outlay on other Administrative services, 5002- Capital outlay on Indian Railways- commercial line and 5055-Capital Outlay on Road Transport operated by Home Department
- (ii) **Grant No.C07-Forest:** Under this Grant, provision was made for Wild Life Preservation, Forest Conservation, Development and Regeneration *etc.*, which covers three Major Heads namely, 2406- Forestry and Wild Life, 2415- Agricultural Research and Education and 2551- Hill Areas.
- (iii) **Grant No. F02-Urban Development and other Advance Services:** Under this, Grant provision was made for Smart Cities, Swacch Bharat Mission, Amrut Abhiyan and Maharashtra Nagarothan Maha Abhiyan. This Grant consists of four Major Head namely, 2053- District Administration, 2070- Other Administrative services, 2217- Urban Development and 3054- Roads and Bridges operated by Urban Development Department.

2.4.1 Budget and Expenditure

The overall position of budget provision, actual disbursement and savings under the functional Heads of the Grant for the years 2015-16 to 2017-18 is given in **Table 2.4**.

Table 2.4: Detail of budgetary provisions and actual expenditure under Grant No. B10, C07 and F02

(₹ in crore)

Year	Original provision	Supplementary provision	Total Grant or Appropriation	Actual Expenditure	Saving	Percentage of saving
Grant B10 (Voted) Capital Expenditure on Economic Services						
2015-16	1047.31	378.54	1425.86	937.40	488.45	34
2016-17	1495.64	133.18	1628.83	1386.36	242.46	15
2017-18	1637.42	0.01	1637.43	1099.90	537.53	33
Grant C07 (Voted) Forest						
2015-16	1620.01	425.43	2045.44	1763.58	281.86	14
2016-17	1891.85	300.89	2192.74	1861.65	331.09	15
2017-18	2253.33	391.34	2644.67	2078.54	566.13	21
Grant F02 (Voted) Urban Development and other Advance Services						
2015-16	5764.75	1737.73	7502.48	6350.53	1151.95	15
2016-17	10256.19	1316.53	11572.72	10018.07	1554.64	13
2017-18	12149.56	72.59	12222.15	7993.84	4228.31	35

Source: Appropriation Accounts of respective years

Table 2.4: shows persistent savings between 14 *per cent* and 21 *per cent* under Grant C07-Forest, between 15 *per cent* and 34 *per cent* under Grant B10- Capital Expenditure on Economic Services and between 13 *per cent* and 35 *per cent* under Grant F02- Urban Development and other Advance Services during the period 2015-16 to 2017-18.

Further, it can be seen from **Table 2.4** that the actual expenditure under Grant B10-Capital Expenditure on Economic services during 2015-18 and the actual expenditure under Grant F02- Urban Development and other Advance Services and C07- Forest during 2016-18 did not come up even to the original provisions. Even then supplementary provisions were made indicating over estimation and defective budgeting.

2.4.2 Substantial Savings under sub-heads

During 2017-18, in six sub-heads under Grant B10-Capital expenditure on Economic services, one sub-head under Grant C02- Forest and nine sub-heads under Grant F02-Urban Development and other Advance Services, savings of ₹ 10 crore and above and also between 50 *per cent* to 100 *per cent* of the total provision were noticed as shown in **Appendix 2.10**.

2.5 Advances from Contingency Fund

In terms of provisions of Article 267(2) and 283(2) of the Constitution of India, the Contingency Fund of the State has been established under the Bombay Contingency Fund Act, 1956. Advances from the Fund are to be made only for meeting expenditure of an unforeseen and emergent character, postponement of which, till its authorization by the Legislature, would be undesirable. The Fund is in the nature of an imprest and its corpus is ₹ 150 crore, the closing balance of the Fund as on 31 March 2018 was ₹ 150 crore.

During 2017-18, of the five sanctions issued by FD for ₹ 190.16 crore, four withdrawals amounting to ₹ 188.89 crore were made from the Fund which were recouped to the fund account subsequently through supplementary provision as shown in **Appendix 2.11**.

2.6 Misclassification of Expenditure

2.6.1 Incorrect booking of Revenue Expenditure under Capital

In terms of the Indian Government Accounting Standards (IGAS) 2, notified by the Government of India, Grants-in-aid are to be classified as revenue expenditure in the books of the grantor and as revenue receipts in the books of the recipient.

It was noticed that during 2017-18, Grants-in-aid of ₹ 595.01 crore (four cases) released by the State Government had been classified and booked under Capital Outlay heads instead of the Revenue expenditure of Account resulting in overstatement of revenue surplus by ₹ 595.01 crore as shown in **Table 2.5**.

Table 2.5: Details of Grants-in-aid classified/booked under Capital Outlay

(₹ in crore)

Sr. No.	Classification	GIA
1	4070-Capital Outlay on Other Administrative Services	0.48
2	4217-Capital Outlay on Urban Development	588.27
3	4250-Capital Outlay on Other Social Services	0.57
4	4405-Capital Outlay on Fisheries	5.69
Total		595.01

Source: Finance Accounts 2017-18

Recommendation: 13

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

2.6.2 Non-transfer of balances to Consolidated Fund

As per Government Resolution (October 2001) of Revenue and Forest Department of Maharashtra, the balance in the Personal Deposit (PD) account of Inspector General of Registration was to be credited to Consolidated Fund at the end of every quarter. It was seen that an accumulated balance of ₹ 434.95 crore lying in the account over the years as on 31 March 2018, which was not credited to the Consolidated Fund of the State.

Thus, non-transfer of unspent balances from PD accounts back to Consolidated Fund at the end of the financial year resulted in understatement of revenue surplus by ₹ 434.95 crore.

2.7 Outcome of Inspection of Treasuries

The major irregularities noticed by the Accountant General (Accounts and Entitlements)-I, Maharashtra, Mumbai and the Accountant General (Accounts and Entitlements)-II, Maharashtra, Nagpur during inspection of 34 District Treasuries (including 323 sub-Treasuries) and the Pay and Accounts Office, Mumbai during 2017-18 are brought out in the succeeding paragraphs.

2.7.1 Transfer of funds to Personal Deposit Accounts

The PD accounts, also known as PLA, are in the nature of a banking account kept in the Treasuries. According to Rule 494 of Maharashtra Treasury Rules, 1968 and Rule 12 of Bombay Financial Rules 1959, Personal Deposit Account/Personal Ledger Account (PLA) can be opened with Treasury Officer for specified purpose on the basis of approval of Government in consultation with the Accountant General of the State.

Further, as per rule 495 of Maharashtra Treasury Rules, the Government of Maharashtra (GoM) is authorised to keep funds required for specific purposes in the PD accounts by transfer of funds from the Consolidated Fund. PD Accounts which are inoperative for more than three consecutive accounting years should be closed and the balances at the credit of such accounts should either be paid to the PD Account holder or credited to the Consolidated Fund of the State. The time limit was revised² (January 2014) by FD. GoM to one year. In cases, however, in which the PD are credited by debit to the Consolidated Funds, the same should be closed at the end of the financial year by minus debit of the balance to the relevant service heads in the Consolidated Fund.

As on 31 March 2018, 1,363 PD accounts showed a total closing balance of ₹ 12,229.30 crore, as indicated in **Table 2.6**.

Table 2.6: Status of Personal Deposit Accounts during 2017-18

Opening balance		Newly opened		Closed accounts		Closing Balance	
Number	Amount (₹ in crore)	Number	Amount (₹ in crore)	Number	Amount (₹ in crore)	Number	Amount (₹ in crore)
1627	13334.51	13	19742.66	277	20847.87	1363	12229.30

Source: Finance Accounts 2017-18

The Administrators having maximum closing balance in their PLA accounts during 2017-18 is shown in **Table 2.7**.

² vide Finance Department's Government Resolution संकीर्ण 1014/प्र क्र 5/कोषा प्रशा/5 dated 24 January 2014

Table 2.7: Details of PLA Administrator and their closing balance during 2017-18

Sr. No.	TREASURY	PLA No.	NAME OF THE ADMINISTRATOR	₹ in crore
1	NAGPUR	8753	Vidarbha Irrigation Development Corporation, Nagpur	1234.32
2	PUNE	2201008541	Sr. A.O. Maharashtra Krishna Valley Development Corporation, Pune	628.65
3	PUNE	2201001070	A.O. Assistant Inspector General of Registration Maharashtra State, Pune	434.11
4	JALGAON	5301008631	Tapi Irrigation Development Corporation, Jalgaon	377.86
5	AURANGABAD	9190	Ex Director Godavari Marathwada Irrigation Development Corporation, Aurangabad	365.51
6	THANE	1201008367	Konkan Irrigation Development Corporation, Thane	357.44
7	PUNE	2201008543	Commissioner, Commissionerate of Agriculture, Pune	304.91
8	RAIGAD	1310008721	Sub Divisional Officer, Pen, Raigad	255.87
9	BULDHANA	8097	Spl Land Acquisition Officer, M P Buldhana	253.09
10	AMRAVATI	4229	Spl Land Acquisition Officer, No. 4 VWP Amravati	198.09

Source: Information obtained from AG (A&E) I, Maharashtra, Mumbai and AG (A&E) II, Maharashtra, Nagpur

It was observed that in the case of 205 accounts, PLAs were not operated by the Administrators of fund for a period of one year and more, resulting in unutilized balance of ₹ 24.15 crore lying idle in the PLAs as of March 2018. District-wise details are given in **Appendix 2.12**.

However, the closing balance as per Finance Accounts has not been reconciled by the Administrators of PD/PLA and therefore, the correct closing balance which should have been remitted to the Consolidated Fund of the State cannot be ascertained. Retention of funds in PLAs not only led to expenditure booked under the service heads being inflated without actual outgo, but also resulted in dilution of treasury control over actual expenditure. As per established practice, funds from the Consolidated Fund of the State to PLA should be transferred through 'Nil bills' (non-cash transaction). It was seen that all Treasuries (except Pune Treasury) did not follow the above practice and instead withdrew large funds through cheques and credited them to PLA subsequently. The unspent amount so transferred from the Consolidated Fund and not credited back from the inoperative PLAs could not be ascertained since the PD accounts included receipts from sources other than the Consolidated Fund also.

Recommendation: 14

The Finance Department should review all PD accounts and ensure that amounts transferred from consolidated fund lying in PD accounts at the end of the year are immediately remitted to the Consolidated Fund. Non-reconciliation of balances in PD Accounts periodically and not transferring the unspent balance lying in PD Account to Consolidated Fund before the closure of financial year entails the risk of misuse of public funds, fraud and misappropriation.

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

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

Inspection of Treasuries revealed that in 204 of 1,627 Administrators holding PD accounts, there were differences between the Administrators' balances and the Treasury/Pay and Accounts Office balances. In 309 cases, there were differences between

the Treasury balances and the Sub-Treasury balances. In 202 cases, there were differences between the Sub-Treasury balances and the Administrators' balances. Besides, 394 out of 1,627 Administrators did not furnish certificates of balances as on March 2017 to Treasury Officers/ Pay and Accounts Office indicating absence of regular reconciliation. Periodical reconciliation with the Treasury would have cleared the differences.

2.7.3 Focused study on Personal Deposit/Personal Ledger Account in Higher and Technical Education Department

Overview

As on 31 March 2018, out of 1,363 PLAs amounting to ₹ 12,229.30 crore, 284 PLAs amounting to ₹ 213.69 crore pertain to Higher and Technical Education Department (HTED). As per GR dated 28 February 1996 receipts from caution money, fees, student aid fund, scholarship to SC-ST students, service charges, process fees *etc.* can be credited into PLA and expenditure there from can be incurred on purchase of stationary items, expenditure on postage stamps, hire charges, maintenance of computers *etc.*

Audit coverage

Audit examined the process of maintaining PD/PLA account under the HTED during the period 2015-16 to 2017-18. In this regard, test check of records of eight Administrators³ in the HTED was conducted.

Audit criteria

Maharashtra Treasury Rules (MTR) 1968, annual circulars/instructions of Finance Department, Government of Maharashtra and instructions/directives by GoM from time to time through Government Resolutions.

Audit Findings

The Audit findings are discussed in succeeding paragraphs.

2.7.3.1 Non-transfer of Personal Ledger Account balance to State Common Entrance Test Cell

As per Para 10 of the Maharashtra Unaided Private Professional Educational Institutions (Regulation of Admissions and Fees) Act, 2015. State Common Entrance Test Cell (State CET Cell) has been established under the control of the Admissions Regulating Authority for conducting the Common Entrance Test (CET). The State CET cell initiated the admission activity for the courses related to Directorate of Technical Education (DTE), from the academic year 2016-17 onwards. Prior to the establishment of the State CET Cell, the CET exams for medical, technical, agricultural and higher education was conducted by the respective Directorates. The Directors had a separate CET-PLA for incurring income and expenditure related to CET examination

On scrutiny of records of DTE, it was noticed that the Government of Maharashtra in HTED (May 2016) on the recommendation of Commissioner, State CET Cell, Maharashtra State had directed the DTE to furnish the details of income and expenditure proposal and the extent of balances in the PLA as on 31 March 2016, so as to consider transfer of appropriate amount to the State CET-Cell. However, it was observed in audit (July 2018) that the PLA balances have not been transferred to the State CET-Cell. The Director did not provide any reason for not acting upon the Government's directives.

³ The Director, Director of Technical Education, Mumbai; The Principal, Government Polytechnic, Thane; The Principal, Industrial Training Institute, Ambernath; The District Planning Officer/Member Secretary, District Tourism Committee District Planning Office, Raigad-Alibaug; The Principal, Government Engineering College Avasari Khurd, Ambegaon, Pune; The Principal, Maharashtra State Institute of Hotel Management and Catering, Shivaji Nagar, Pune; The Principal, Government Polytechnic for Distance Learning, Shivaji Nagar, Pune; and The Principal, Industrial Training Institute, Mulund

DTE has not conducted any CET exams since 2016-17 and an amount of ₹ 93.88 crore was lying in the PLA as on 31 March 2018. Reasons for retaining such huge balance in PLA was called for from the Director, for which reply is awaited (December 2018).

2.7.3.2 Non-closure of Personal Ledger Account

Scrutiny of records of Principal, Industrial Training Institute (ITI), Ambernath and Principal ITI, Mulund revealed that fees collected by these institutes on short term courses, which were discontinued, remained idle in PLA as shown in **Table 2.8**.

Table 2.8: Details of balance amount of discontinued courses

(₹ in crore)		
Name of the institute	Year	Amount in PLA
ITI Mulund	March 2016	1.35
	March 2017	1.34
	March 2018	1.31
ITI Ambernath	March 2018	1.05

As these amounts pertained to courses which are non-operational, institutes need to act either to utilize these balances or to credit to the Government.

2.7.3.3 Violation of Codal provision/Government directives

(a) As per Rule 8(1) of Maharashtra Treasury Rules, 1968, all moneys received by or tendered to Government officer on account of the revenue of Maharashtra State shall without undue delay and at any rate within two days of the receipt of money be paid in full into a treasury or into the bank and shall be included in the treasury account.

In six out of eight test checked PLAs, there were delays ranging from one to 736 days in crediting the daily receipts into PLA as detailed in **Appendix 2.13**.

(b) In four out of eight PLAs test checked, there were differences between the balances in PLA Cash Book and the corresponding Treasury Pass Book due to non-reconciliation as detailed in **Appendix 2.14**.

2.7.3.4 Irregularities in Annual Balance Certificate

The Annual Balance Certificate is to be submitted to Treasury office by 31 May⁴ every year. On scrutiny of records, it was observed that in respect of three units, there had been delay in the submission of Annual Balance Certificate. Further, it was also observed that the balance shown in balance certificate submitted by The Principal, Government Polytechnic, Thane were not agreeing with PLA Cash book balance during the year 2015-16 and 2016-17 and the balance certificate for the year 2017-18 had not been submitted as shown in **Table 2.9**.

Table 2.9: Delay in submission/wrong submission of Annual Balance Certificate

Sr. No.	Name of Unit	Year	Due date of Submission of Annual Balance Certificate	Actual Date of Submission of Annual Balance Certificate	Delay	Difference in balances as per PLA Cash book balance and balance certificate
1.	The Principal, Government Polytechnic, Thane	2015-16	31/05/2016	June 16	01 month	69940
		2016-17	31/05/2017	April 2017	nil	1882924
		2017-18	31/05/2018	Not submitted	Not submitted	Not submitted
2.	The Principal Government Polytechnic for Distance Learning, Shivaji Nagar, Pune	2016-17	31/05/2017	24/08/2018	14 months and 24 days	-
		2017-18	31/05/2018	24/08/2018	02 months and 24 days	-

⁴ GR dated 20/05/1994

Sr. No.	Name of Unit	Year	Due date of Submission of Annual Balance Certificate	Actual Date of Submission of Annual Balance Certificate	Delay	Difference in balances as per PLA Cash book balance and balance certificate
3.	The Principal Industrial Training Institute, Mulund	2015-16	31/05/2016	18/02/2017	08 months and 17 days	-
		2016-17	31/05/2017	07/03/2018	09 months and 06 days	-
		2017-18	31/05/2018	20/08/2018	02 months and 19 days	-

During 2017-18, the Principal, Government Polytechnic, Thane, did not submit the Annual Balance Certificate to the Treasury.

2.7.3.5 Deposit of Government receipts into Personal Ledger Account

During audit scrutiny, it was observed that out of eight audit units, two units had credited following receipts into PLA instead of the Consolidated Fund of State as shown in **Table 2.10**.

Table 2.10: Receipts credited into Personal Ledger Account instead of Consolidated Fund

Sr. No.	Name of Auditee unit	Nature of Receipt	Amount (₹ in lakh)
1	The Director, Director of Technical Education, Mumbai	Penalty Charges	88.89
2	The Principal, Industrial Training Institute, Mulund	Canteen Rent	0.35
Total			89.24

On being asked in Audit, Director of Technical Education, Mumbai stated that since penalty charges were collected from those institutes, which delay the admission process and the GR of 29 March 2008 was silent about it, therefore it was credited to PLA.

The reply was not tenable as per GR dated 22 January 2007, the amount should have been credited to Government account.

2.7.3.6 Internal Control

(a) Improper maintenance of Personal Ledger Account Cash Book

As per the provisions of Bombay Financial Rules, 1959 and MTR, 1968, the Cash Book should be closed and balanced each day. The balances 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 be recorded in cash book under the signature of Government servant responsible for handling the money.

Audit scrutiny of Administrator, Industrial Training Institute (ITI), Ambarnath revealed the following: -

- Administrator did not sign the PLA Cash book from 10 September 2015 onwards;
- Opening balances and closing balances have not been recorded from 11 April 2017 onwards. Receipts and payment entries were only recorded;
- No records were entered in PLA Cash Book from 29 December 2017 onwards;
- Balance Certificate (PLA Cash Book with Sub Treasury Pass Book) has been certified for the year 2015-16 to 2017-18 stating that the closing balance as per PLA Cash Book and as per Pass Book is "Same".

Audit scrutiny of the Principal Government Polytechnic for Distance Learning, Shivaji Nagar, Pune revealed that the PLA Cash book has not been recorded from July 2017 onwards.

(b) Unadjusted Advances and improper/Non-Maintenance of Separate Advance Register for PLA

Scrutiny revealed that huge amount of advances were pending for adjustment for such a long period as shown in **Table 2.11**.

Table 2.11: Details of unadjusted advances

Sr. No.	Administrator	Particulars	Amount (₹ in lakh)	Unsettled since
1	Director of Technical Education, Mumbai	Advance to Desks for Miscellaneous expenses on Meeting, Stationary, Data card <i>etc.</i>	10.55	2011-12
		Advance to Regional Offices (RO) and Institutes to Conduct of exam	5.02	
		Advances to Universities & institutes to Conduct Group Discussion	67.28	
		Advance to Counselling Centers for MBA/MCA counselling related expenses	4.12	
		Advance to Divisional Offices to conduct NEET 2013	6.91	
		Advance for petrol	8.06	
Total			101.94	
2	The Principal Industrial Training Institute, Mulund	Advance for purchase of stationery, receipt books, diesel, postal stamps, dongle, recharge of dongle, travel expenses, <i>etc.</i>	2.27	2008-13
Total			2.27	
Grand Total			104.21	

Government Polytechnic, Thane deals with various types of funds such as PLA Fund, Maharashtra State Board of Technical Education (MSBTE), Diploma in Computer Application (DCA), Community Development through Polytechnics (CDTP), Application form Receipt Centre (ARC) *etc.* However, the institute has maintained only one advance register for advances related to MSBTE, CDTP, ARC and PLA Fund. Advances amounting to ₹ 3.84 lakh were unsettled (July 2018) which were pending for settlement since 2008-09. In absence of separate advance register the actual advance given from PLA could not be ascertained. In reply, it was stated that separate advance register would be maintained.

In ITI, Mulund advance register was not maintained. In the absence of advance register, the year-wise details of advances given from PLA, advances settled and unadjusted/unsettled advances could not be ascertained.

2.7.3.7 Non-transfer of Personal Ledger Account balance to Consolidated Fund

As per Rule 495 (b) of Maharashtra Treasury Rules, 1968 the Personal Deposit Accounts which are credited by debit to the Consolidated Fund should be closed at the end of the financial year by minus debit of the balance to the relevant service heads in the Consolidated Funds. The Personal Deposit Account can be opened next year again, if necessary, in the usual manner.

Scrutiny of the records of the District Planning Officer, District Tourism Committee, Alibag, Raigad revealed that the Administrator had not transferred the credit balance to the Consolidated fund of the State at the end of the financial year. As a result, there was huge unutilized balance at the end of the financial year as shown in **Table 2.12**.

Table 2.12: Closing Balance in Personal Ledger Account

Closing Balances as on	Amount (₹ in lakh)
31/03/2016	274.95
31/03/2017	100.27
31/03/2018	4672.00

The District Planning officer stated that the permission to keep the balance in PLA would be obtained from the Tourism Department and Finance Department.

The reply was not acceptable as it was in contravention to the GR⁵ and also to AG (A&E)'s letter dated 08/02/2005 stating balances in PLA account should be transferred to Consolidated Fund of State by 31 March every year. Such permission, if any, should have been sought much earlier as the retention of the budgeted fund beyond a reasonable period in Public Account is indicative of deficient budgetary control.

2.7.4 Overpayment of Pension

Overpayment of pensionary benefits of ₹ 1.17 crore was made by Treasuries during 2017-18 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.*

⁵ MTC 2004/8/Pra.Kra.381/Paryatan dated 25/01/2005

CHAPTER - III
FINANCIAL REPORTING

Chapter III

Financial Reporting

This chapter provides an overview and status of compliance of various significant financial rules, procedures and directives with regard to financial reporting of the State Government and its various subordinate offices during the current year.

3.1 Non-Submission/delay in furnishing Utilisation Certificates

The Bombay Financial Rules, 1959 provide that for the grants received during a year for specific purposes, Utilisation Certificates (UCs) should be obtained by the departmental officers from the grantee institutions and after verification, the UCs should be forwarded to the concerned Accounting Offices *i.e.* Accountant General (Accounts and Entitlements)-I, Mumbai, Accountant General (Accounts and Entitlements) - II, Nagpur and Pay and Accounts Office, Mumbai within 12 months from the dates of their sanction unless specified otherwise. However 32,570 UCs aggregating to ₹ 65,921.35 crore in respect of grants released up to 2017-18 were in arrears as detailed in **Appendix 3.1**. The status of outstanding UCs is given in **Table 3.1**.

Table 3.1: Year-wise position of outstanding Utilisation Certificates

(₹ in crore)

Year	Status as at March 2017		Status as at March 2018	
	Number of UCs	Amount involved	Number of UCs	Amount involved
Upto 2015-16	22566	35887.54	13067	28894.19
2016-17	16318	24434.24	4027	12301.19
2017-18	-	-	15476	24725.97
Total	38884	60321.78	32570	65921.35

Source: Finance Accounts of respective years

The majority cases of non-submission of UCs related to departments of Urban Development (46 *per cent*); School Education and Sports (eight *per cent*); Planning (eight *per cent*); Public Health (seven *per cent*); Tribal Development (six *per cent*); Industries, Energy and Labour (five *per cent*); Rural Development and Water Conservation (five *per cent*); Agriculture, Animal Husbandry, Dairy development and Fisheries (four *per cent*); Social Justice and Special assistance (two *per cent*); Water Supply and Sanitation (one *per cent*) and Revenue and Forest (one *per cent*). Non submission of UCs defeats the very purpose of Legislative control over the public purse and is fraught with the risk of the funds released for various schemes/programmes being locked up or diverted.

Non-submission of Utilisation Certificates (32,570) amounting to ₹65,921.35 crore as on 31 March 2018 indicated lack of proper monitoring by the Department in utilisation of grants sanctioned for specific purposes. Further, there was no assurance that the money was actually incurred during the financial year for the purpose for which it was sanctioned/ authorised by legislature. High pendency of UCs was fraught with the risk of misappropriation of funds and fraud.

Recommendation: 15

Issues holding up submission of Utilisation Certificates should be identified to ensure their submission within the stipulated time.

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

According to Rule 149 of Bombay Financial Rules, 1959 read with Appendix 22, for identification of institutions which attract audit under Section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, the

Government/Heads of Departments are required to furnish to audit every year detailed information about the financial assistance given to various institutions, the purpose of assistance granted and the total expenditure of the institutions. The details of such assistance released to the institutions during the year were awaited from Government Departments (October 2018).

Table 3.2 shows age-wise arrears of Annual Accounts due up to 2017-18 in respect of 4,419 Annual Accounts as of August 2018.

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

Delay in number of years	Number of Accounts
0-1	1880
1-3	981
3-5	498
5-7	419
7-9	463
9 and above	178
Total	4419

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

Non-submission of information regarding Grants and loans paid to various institutions and non-furnishing of Accounts by them, increase the risk of mis-utilisation of the funds and the same is brought to the notice of the Government for remedial action.

3.3 Delay in submission of Accounts/Separate Audit Reports of Autonomous Bodies and placement of Audit Reports before the State Legislature

Several Autonomous Bodies have been set up by the State Government in the fields of Environment, Housing, Industries, Irrigation, Urban Development, Water Supply and Sanitation. The audit of Accounts of 26 autonomous bodies in the State has been entrusted to the Comptroller and Auditor General of India (CAG) under Section 19 and 20 of CAG's (DPC) Act 1971. The status of entrustment of audit, rendering of Accounts to audit, issuance of Separate Audit Reports and their placement in the Legislature by the Autonomous Bodies are indicated in **Appendix 3.2**.

The delay in submission of Annual Accounts ranged between two months and 138 months. The Slum Rehabilitation Authority (Pune and Chinchwad Area) Pune, rendered the accounts from 2005-06 to 2010-11 in December 2017 after a delay ranging from 78 months to 138 months. The Maharashtra State Legal Services Authority rendered the accounts from 2009-10 to 2016-17 in November 2017 after a delay ranging from four months to 88 months. The Maharashtra State Human Rights Commission rendered the accounts from 2014-15 to 2016-17 in July 2017 and July 2018 respectively after a delay ranging from 12 months to 25 months. The Annual Accounts of Maharashtra State Minorities Commission had been rendered only up to 2012-13. The Annual Accounts from 2014-15 onwards of one¹ body is yet to be received. Annual Accounts from 2016-17 onwards of five² bodies were yet to be received. Further, Annual Accounts for 2017-18 of 14³ bodies were yet to be received. After entrustment, the Annual Accounts of Admission Regulatory Authority are yet to be received.

¹ Maharashtra Building and Other Constructions Welfare Board

² Vidarbha Irrigation Development Corporation; Godavari Marathwada Irrigation Development Corporation; Maharashtra Water Conservation Corporation; Maharashtra Jeevan Pradhikaran; and Maharashtra State Commission for Women

³ Maharashtra Housing and Area Development Authority; Mumbai Metropolitan Region Development Authority; Maharashtra Krishna Valley Development Corporation; Konkan Irrigation Development Corporation; Maharashtra Maritime Board; Slum Rehabilitation Authority, Mumbai; Maharashtra Water Resources Regulatory Authority; Rajiv Gandhi Science and Technology Commission; Maharashtra Khadi and Village Industries Board; Maharashtra State Commission for Protection of Child Rights; Fees Regulatory Authority; Maharashtra Electricity Regulatory Commission; Maharashtra Pollution Control Board; Tapi Irrigation Development Corporation

The inordinate delays in submission of Accounts and their presentation to the State Legislature result in delayed scrutiny of the functioning of these bodies by the Legislature where Government investments are made.

There were delays in submission/finalisation of Accounts by Autonomous Bodies/Commercial Undertakings which dilute accountability and defeats the purpose of preparation of Accounts.

Recommendation: 16

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.

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

As per Rule 18 of Government Accounting Rules, 1990, the Departmental Undertakings of certain Government Departments, performing activities of Quasi-Commercial nature, are required to prepare *Proforma* Accounts in the prescribed format annually showing the working results of financial operations so that Government can assess their performance. The finalised Accounts of the departmentally managed Commercial and Quasi-Commercial Undertakings reflect their overall financial health and efficiency in conducting their business.

Heads of Government Departments have to ensure that the Undertakings prepare such Accounts and submit the same to the Principal Accountant General (Audit)-I, Maharashtra, Mumbai for audit within a specified time frame. As of March 2018, there were 49 such Undertakings of which, 25 had prepared Accounts up to 2016-17, 11 up to 2015-16 and seven up to 2014-15. In respect of five Undertakings, there was large pendency in finalisation of *Proforma* Accounts ranging from 19 to 32 years as these were sick units and not operational and had stopped preparing Accounts. Government Milk Scheme, Mumbai, Worli has been closed since 2008-09. The Department-wise position of arrears in preparation of *Proforma* Accounts and investments made by the Government are given in **Appendix 3.3**.

3.5 Misappropriations, losses, defalcations etc.

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

The State Government reported 280 cases of misappropriations, defalcations *etc.*, involving ₹ 1,016.53 crore up to March 2018. The FIR lodged in the matter was reported by the concerned Department. The final action on these cases was pending. The Department-wise breakup of pending cases and age wise analysis are given in **Appendix 3.4**. The nature of these cases is given in **Appendix 3.5**. The age-profile of the pending cases and the number of cases pending in each category as emerged from these appendices are summarised in **Table 3.3**.

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

Age-profile of the pending cases			Nature of the pending cases		
Range in Years	Number of cases	Amount involved (₹ in lakh)	Nature/ characteristic of the cases	Number of cases	Amount involved (₹ in lakh)
0-5	45	582.46	Theft	77	71.87
5 - 10	45	3116.19			
10 - 15	36	96890.44	Misappropriation/ Loss of material	203	101581.50
15 - 20	47	523.35			
20 - 25	21	394.02			
25 and above	86	146.91			
Total	280	101653.37	Total pending cases	280	101653.37

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

Around 92 per cent of the amount involved pertains to Finance Department (₹ 937.40 crore). The reasons for which the cases were outstanding have been broadly categorised in **Table 3.4**.

Table 3.4: Reasons for the delay/pendency of cases

Reasons for the delay/pendency of cases	Number of cases	Amount (₹ in lakh)
Departmental and criminal investigation awaited	80	97624.82
Departmental action initiated but not finalised	86	2609.18
Criminal proceedings finalised but recoveries were pending	9	417.61
Orders for recovery or write-off were awaited	47	69.17
Pending in the courts of law	58	932.59
Total	280	101653.37

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

It may be seen from **Table 3.3** that of 280 cases involving ₹ 1,016.53 crore, 190 cases (68 per cent) involving ₹ 979.54 crore (96 per cent) were pending for more than 10 years. Further, from **Table 3.4** it is seen that 86 cases involving ₹ 26.09 crore were pending for final Departmental action and 47 cases involving ₹ 0.69 crore were pending for want of recovery or write-off orders.

3.6 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 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 only for an expenditure of ₹ 1,65,081 crore (76 per cent) against the total expenditure of the Government (₹ 2,17,840 crore) and reconciliation of receipts has been completed for ₹ 1,58,529 crore (95 per cent) against the total receipts of the Government (₹ 1,67,289 crore).

Major defaulting Departments were Urban Development; Social Justice; Planning; Rural Development and Water Conservation; Finance; Environment; Food, Civil Supplies and Consumer Protection; General Administration; Marketing, Co-operation and Textile; Tribal Development; Tourism and Cultural Affairs; and Women and Child Welfare etc. Non-reconciliation of Accounts has an impact on the assurance of completeness and correctness of

the receipt and expenditure figures by the Department, which may result in frauds, defalcation and over drawals *etc.* remaining undetected.

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

As per the Maharashtra Treasury Rules, 1968, the Drawing and Disbursing Officers are required to submit Detailed Contingent (DC) bills which are vouchers in support of final expenditure, against Abstract Contingent (AC) bills drawn, within 30 days to the Offices of the 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 2018, 2,595 DC bills amounting to ₹ 1,128.90 crore were not received in the Offices of the Accountant General (Accounts and Entitlements)-I, Maharashtra, Mumbai, Accountant General (Accounts and Entitlements)-II, Maharashtra, Nagpur, Pay and Accounts Office, Mumbai. Year-wise details and the Department-wise position are given in **Table 3.5** and **Appendix 3.6** respectively.

Table 3.5: Pendency in submission of Detailed Contingent Bills against Abstract Contingent Bills
(₹ in crore)

Year	AC bills drawn		DC bills received		Outstanding AC bills	
	Number	Amount	Number	Amount	Number	Amount
Up to 2015-16	115134	4944.36	114062	4336.15	1072	608.21
2016-17	2710	312.89	2262	132.99	448	179.90
2017-18	2479	385.20	1404	44.41	1075	340.79
Total	120323	5642.45	117728	4513.55	2595	1128.90

Source : Finance Accounts 2017-18

Most of the outstanding Abstract contingent Bills relate to Home Department (816 bills amounting to ₹ 724.56 crores).

There was no assurance that the amount had actually been incurred during the year for the purpose for which it was sanctioned/authorised by the Legislature. This is also a possible overstatement of expenditure in the year. Advances drawn not accounting for increase the possibility of wastages/misappropriation/malfeasance *etc.*

Recommendation: 17

The Government may ensure timely submission of Detailed Contingent Bills by the Drawing and Disbursing Officers as stipulated in Maharashtra Treasury Rules, 1968, and disallow drawal of funds on Abstract Contingent Bills to Departments who have not rendered Detailed Contingent Bills for previous withdrawals.

3.7.1 Unadjusted Abstract Contingent Bills in Home Department

3.7.1.1 Introduction

As per Rule 302 of Maharashtra Treasury Rules, 1968 (MTR) read with Government Resolution dated 29 July 2000 of Finance Department (FD), Government of Maharashtra, a Drawing and Disbursing Officer (DDO) may draw money from Treasury for contingent expenditure through Abstract Contingent (AC) bill in form MTR-29 and should submit the details of expenditure through Detailed Contingent (DC) bill in form MTR-30 within one month to the Office of the Accountant General (Accounts and Entitlements)-I, Maharashtra, Mumbai or the Accountant General (Accounts and Entitlements)-II, Maharashtra, Nagpur or the Pay and Accounts Office, Government of Maharashtra,

Mumbai, as the case may be. Further, the DDOs should obtain clearance certificate from the respective Accountant General.

Finance Department, Government of Maharashtra vide Notification dated 22 September 1987, instructed the offices/departments to furnish DC bills to the Controlling Officers involving foreign exchange transaction within one year from the date of drawal of amount on AC bills.

In normal circumstances all the payments are to be made by presenting bill to the Treasury along with supporting documents. Drawing of money on AC bill is an interim arrangement where the bill is presented to the Treasury without any supporting documents in anticipation of expenditure to save delay and inconvenience to the payee due to time required for countersignature. In case of prolonged non-receipt/delay in receipt of DC bill in support of AC bill, the expenditure shown in the Finance Account cannot be vouched as correct or final, to that extent.

In order to analyse the pendency of clearance of AC bills during 2017-18, Home Department was selected for focused study. Similar analysis of unadjusted AC bills in the Home Department was reported in para 3.8.1 of State Finance Report 2014-15.

3.7.1.2 Audit Findings

The Audit findings are discussed in succeeding paragraphs.

I) Drawal of Abstract Contingent Bills during March

Rule 57 of Bombay Finance Rules, 1959 provides that no money should be withdrawn from the Treasury unless it is required for immediate payment. FD vide circular dated 4 September 2003 instructed Departments not to withdraw money on AC bill at the fag end of financial year and submission of DC bill should be within one month of the drawal of AC bill, failure to submit DC bill within the stipulated period will result in holding back of drawal of future AC bills.

Test check of records related to AC bill of 12 Drawing and Disbursing Officers⁴ in five units, revealed that out of 1,146 bills amounting to ₹ 1,347.31 crore, 984 bills amounting to ₹ 1,139.36 crore (85 per cent) were drawn during the month of March as shown in Table 3.6.

Table 3.6: Details of Abstract Contingent bills

(₹ in crore)

DDO	Year	Apr-Feb		Mar		Total		DC bills submitted		Balance AC bills		Percentage (6/8)
		No	Amount	No	Amount	No	Amount	No	Amount	No	Amount	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Director General of Police, MS, Mumbai	upto 2015-16	102	157.36	841	923.18	943	1080.55	654	621.27	289	459.28	85
	2016-17	3	18.30	15	84.45	18	102.75	0	0.00	18	102.75	82
	2017-18	15	31.20	13	47.45	28	78.65	0	0.00	28	78.65	60
	Total	120	206.86	869	1055.08	989	1261.95	654	621.27	335	640.68	84
Commissioner	upto 2015-16	5	0.23	19	6.13	24	6.36	21	4.32	3	2.04	96

⁴ Director General of Police, Mumbai; Commissioner of Police, Mumbai; Commissioner of Police (Central Region), Mumbai; Commissioner of Police (Southern Region), Mumbai; Commissioner of Police (Northern Region), Mumbai; Commissioner of Police (Western Region), Mumbai; Commissioner of Police (Eastern Region), Mumbai; Commissioner of Police (Wireless Section), Mumbai; Commissioner of Police (Traffic), Mumbai; Commissioner of Police (Motor Transport), Mumbai; Director, Forensic Science Laboratory, Mumbai; and Commissioner of Police, Railway, Mumbai

DDO	Year	Apr-Feb		Mar		Total		DC bills submitted		Balance AC bills		Percentage (6/8)
		No	Amount	No	Amount	No	Amount	No	Amount	No	Amount	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
of Police, Mumbai	2016-17	6	0.06	22	10.55	28	10.61	7	1.40	21	9.21	99
	2017-18	3	0.03	17	4.64	20	4.67	2	0.02	18	4.65	99
	Total	14	0.32	58	21.32	72	21.64	30	5.74	42	15.90	99
Director, Forensic Science Laboratory, Mumbai	upto 2015-16	26	0.44	33	7.25	59	7.69	35	6.88	24	0.81	94
	2016-17	0	0.00	18	51.93	18	51.93	3	34.22	15	17.71	100
	2017-18	0	0.00	5	2.93	5	2.93	0	0.00	5	2.93	100
	Total	26	0.44	56	62.11	82	62.55	38	41.10	44	21.45	99
Commissioner of Police (Railway), Mumbai	2017-18	2	0.32	1	0.85	3	1.17	1	0.14	2	1.03	73
	Total	2	0.32	1	0.85	3	1.17	3	0.14	3	1.03	73

Source: Pay and Accounts Office, Bandra, Mumbai

Table 3.6 shows that 60 per cent to 100 per cent of the AC bills were drawn in March by the Department with the primary objective to avoid the lapse of Budget grants, which also shows the lack of budgetary control.

The DDOs were allowed by the Pay and Accounts Office to draw fresh AC bills in spite of earlier unadjusted AC bills thus violating instructions issued by the FD.

II) Delay in submission of Detailed Contingency bills

There was a delay ranging from 11 days to seven years in respect of 230 AC bills drawn by eight⁵ DDOs as shown in **Table 3.7**. The clearance certificates of these AC bills were not received by the Department either due to non-compliance to the remarks offered by the accounting offices on the DC bills or because the DC bills were pending with the Treasuries for scrutiny.

Table 3.7: Details of Delay in submission of Detailed Contingent bills

DDOs	Year	Number of AC Bills	₹ in crore	Remarks
Director General of Police, Maharashtra State, Mumbai	upto 2015-16	144	250.85	11 days to seven years
	2016-17	3	19.73	
	2017-18	5	4.83	
Commissioner of Police, Mumbai	upto 2015-16	0	0	One month to two years
	2016-17	24	0.32	
	2017-18	29	0.25	
Director, Forensic Science Laboratory, Mumbai	upto 2015-16	2	1.26	Three months to one year
	2016-17	23	12.17	
	2017-18	0	0	

Source: Information obtained from respective units

⁵ Director General of Police 152 AC bills; Commissioner of Police (six DDOs), Mumbai 53 AC bills; and Director Forensic Science Laboratory 25 AC bills

On being asked in audit, the Commissioner of Police, Mumbai stated that incorrect submission of sub-vouchers, late receipt of sub-vouchers, *etc.*, from the subordinate Police stations were the causes of the delay in submission of DC bills in spite of instructions of timely submission. This indicates the lack of internal control mechanism in the Department.

III) Non-maintenance / incomplete maintenance of Register

As per Note 4 below Rule 306 of MTR, 1968, a register of AC bill may be kept by DDO and Controlling Officer (CO) in the form prescribed in order to watch the submission of DC bills in respect of amount drawn on AC bills within the period specified in Rule 303 *ibid*. All the AC bills drawn by the CO and the officer subordinate to him should be entered in this register and note of the dispatch of the DC bills should be taken against the respective items as soon as DC bills are submitted to CO. This register should be reviewed every month by the Gazetted officer concerned, who should report all cases of delay in submission of DC bills to the CO.

Audit scrutiny of Abstract Contingent Bill register maintained by eight DDOs revealed that the register was not maintained in the prescribed manner and reviewed as described in the Rules. AC bill register is the permanent record of the Department to watch the trail of the transaction of AC bills. Non-maintenance/incomplete maintenance is indicative of absence of internal control in the Department.

3.8 Opaqueness in Government Accounts

The omnibus Minor Head 800 accommodates the expenditure which could not be classified under the available programme minor heads. During 2017-18, expenditure aggregating ₹ 13,397.54 crore was classified under Minor Head '800 – Other expenditure' against 11 Major Heads under Revenue and Capital sections. Similarly, revenue receipts aggregating to ₹ 2,645.08 crore were classified under omnibus Minor Head '800 – Other Receipts' under nine Major Heads under Revenue and Capital Sections.

It was observed that while the expenditure under the Minor Head 800 decreased from ₹ 16,956.85 crore in 2016-17 to ₹ 13,397.54 crore in 2017-18, Revenue receipts under the Minor Head 800 have increased significantly during the same period from ₹ 914.96 crore to ₹ 2,645.08 crore.


Details of significant transactions (involving more than ₹ 20 crore and constituting more than 20 *per cent* of the relevant Major Head) of receipts (18 items involving ₹ 2,645.08 crore) and expenditure (32 items involving ₹ 13,397.54 crore) at sub-head level are given in **Appendix 3.7**.

More efforts are required on the part of Finance Department to classify the expenditure/receipts under correct respective minor heads instead of Minor Head 800. Booking of large amounts under the omnibus Minor Head 800 – Other Expenditure/ Receipts affects the transparency in financial reporting as it fails to indicate disaggregated information on different activities of the Government separately in the accounts.

Recommendation: 18

The Finance Department should in consultation with the Accountant General (A&E), conduct a comprehensive review of all items presently appearing under minor head '800-Other Expenditure' and ensure that in future all such receipts and expenditure are booked under the appropriate heads of accounts to avoid opaqueness in the accounts.

Mumbai
The 18 November 2019


(S. K. JAIPURIYAR)
Principal Accountant General (Audit)-I,
Maharashtra

Countersigned

New Delhi
The 19 November 2019


(RAJIV MEHRISHI)
Comptroller and Auditor General of India

APPENDICES

Appendix - 1.1 - State Profile
(Reference: Social Indicators of Maharashtra ; Page 1)

A General Data			
Sr. No.	Particulars		Maharashtra figures
1	Area		3.08 lakh sq. km.
2	Population		
	a	As per 2001 Census	9.69 crore
	b	As per 2011 Census	11.24 crore
3	a	Density of Population (as per 2001 census) (All India Density = 325 persons per sq. km)	315 persons per sq. km.
	b	Density of Population ¹ (as per 2011 census) (All India Density = 382 persons per sq. km)	365 persons per sq. km.
4	Population Below Poverty Line (BPL) ² (All India Average = 21.9 per cent)		17.4 per cent
5	a	Literacy ³ (2001) (All India Average = 64.8 per cent)	76.88 per cent
	b	Literacy ³ (2011) (All India Average = 73.0 per cent)	82.3 per cent
6	Infant mortality ⁴ (per 1000 live births) (All India Average = 34 per 1000 live births 2016)		19
7	Life Expectancy at birth ⁵ (All India Average = 68.3 years)		72 years
8	Gini Coefficient ⁶ (A measure of inequality of income among the population. Value rate is from zero to one. Value closer to zero indicates inequality is less and <i>vice versa</i>)		
	a	Rural (All India = 0.29)	0.27
	b	Urban (All India = 0.38)	0.41
9	Human Development Index (HDI) ⁷ (It is a composite index comprising of life expectancy, education and per-capita income)		
	a	1999-2000 (All India =(0.387)	0.501
	b	2007-2008 (All India =(0.467)	0.572
10	Gross State Domestic Product ⁸ (GSDP) 2017-18 at current price		2496505
11	Per capita GSDP CAGR (2008-09 to 2017-18)	Maharashtra	12.8 per cent
		General Category States	11.5 per cent
12	GSDP CAGR (2008-09 to 2017-18)	Maharashtra	14.2 per cent
		General Category States	12.9 ⁸ per cent
13	Population growth (2008-09 to 2017-18)	Maharashtra	12.3 per cent
		General Category States	11.9 ⁹ per cent

B Financial Data[#]					
Particulars		CAGR		Growth during 2017-18 over 2016-17	
		2008-09 to 2016-17			
		GCS	Maharashtra	GCS	Maharashtra
(in per cent)					
a	of Revenue Receipts	15.1	16.1	11.3	19.0
b	of Own Tax Revenue	14.9	16.6	12.2	22.9
c	of Non-Tax Revenue	9.5	6.8	5.9	27.8
d	of Total Expenditure	15.8	28.0	4.7	9.9
e	of Capital Expenditure	14.0	12.3	1.0	5.1
f	of Revenue Expenditure on Education	14.5	17.7	6.2	6.9
g	of Revenue Expenditure on Health	16.2	20.7	10.7	14.7
h	of Salary and Wages	13.4	17.1	8.9	3.9
i	of Pension	16.2	21.5	22.9	9.4

¹ Census Info India 2011 Final Population Totals

² Economic Survey 2017-18 (January 2018), Vol. II, page A 160-161

³ Economic Survey 2017-18 (January 2018), Vol. II, page A 155

⁴ Economic Survey 2017-18 (January 2018), Vol. II, page A 151

⁵ Economic Survey 2017-18 (January 2017), Vol. II, page A 151

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

⁷ Economic Survey 2017-18 (January 2018), Vol. II, page A 161

⁸ GSDP statement released by MoSPI on July 28, 2018, GSDP figures for 2017-18

⁹ Population Projections for India and States 2001-2026 (revised December 2006) Report of the Technical Group on Population Projections

⁵ Economic Survey of Maharashtra 2017-18

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

Appendix - 1.2

(Reference: Paragraph 1.1; Page 2)

Structure and form of Government Accounts

Part-A: Structure of Government Accounts

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

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

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

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

Part-B: Layout of Finance Accounts

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

Source: Finance Accounts

Appendix - 1.3

(Reference: Paragraph 1.1; Page 2)

Fiscal Responsibility and Budgetary Management Act and Rules

Maharashtra Fiscal Responsibility and Budgetary Management 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 further amended in March 2012 and was renamed as Fiscal Responsibility and Budgetary Management (Amendment) Rules, 2012.

The major fiscal targets for the State as amended were as under:

- The fiscal deficit of the State Government shall not exceed three *per cent* of GSDP in 2010-11 and thereafter.
- The State Government shall maintain the outstanding debt to GSDP up to 25.5 *per cent* in 2013-14, 25.3 *per cent* in 2014-15, 17.6 *per cent* in 2015-16, 15.7^s *per cent* in 2016-17 and 16.3 *per cent* in 2017-18.

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 2017. 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 2017-18, the Government aims to prioritize and provide funds for completion of ongoing projects in time, to streamline the policies for distribution of financial assistance and grant-in-aid, ensuring that the grants released for the schemes/projects will not remain unutilized for a long time in PLA/bank accounts and updating the accounts of aided institutes, agricultural universities and local self-governing institutes under DCPS and transferring the resultant funds to NSDL at the earliest so that its liability on the Government will be reduced in future. The State Government will try to maintain the percentage of interest on Government borrowings within 10 *per cent* of the revenue receipts. The State aims at i) emphasizing on the development of irrigation sector on an equal footing with the infrastructure sector, ii) to increase non-tax revenue share, iii) bringing uniformity in the policies of the State Government regarding distribution of financial assistance and grant-in aid and iv) improving infrastructure facilities through Hybrid Annuity for construction of roads.
- 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 2012-13 to 2018-19 keeping in view the fiscal targets laid down in the FRBM Act and/or the rules made thereunder.

Source: Budget 2017-18

^s As per MTFPS 2017-18

Appendix - 1.4
(Reference: Paragraph 1.1; Page 2)
Outcome indicators of the State's own Fiscal Correction Path

(₹ in crore)

Item	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2017-18	2018-19	
	Actuals	Actuals	RE	BE	Projections	BE	RE	BE	
A STATE REVENUE ACCOUNT									
1	States Own Tax Revenue (SOTR)	103448.38	108640.6	119007.93	130634.71	148923.57	153436.57	164978.84	188039.84
2	States own Non-Tax Revenue (NONTR)	9984.40	11351.97	13519.70	20664.87	21698.11	20156.32	21670.92	22784.94
3	SOTR + NONTR (1+2)	113432.78	119992.57	132527.63	151299.58	170621.68	173592.89	186649.76	210824.78
4	Share in Central Taxes	15192.12	16587.8	17606.98	29061.95	36897.00	37405.27	37203.33	43514.60
5	Plan Grants	8644.11	7708.86	22058.43	11975.82	11975.82	-	-	-
6	Non-plan Grants	5678.22	5532.58	8600.85	5893.15	5893.15	32739.39	33751.73	31628.58
7	Total Central Transfer (4+5+ 6)	29514.45	29829.24	48266.26	46930.92	54765.97	70144.66	70955.06	75143.18
8	Total Revenue Receipts (3+7)	142947.23	149821.81	180793.89	198230.50	225387.65	243737.55	257604.82	285967.96
9	Plan Revenue Expenditure	24568.24	25906.74	40593.69	47478.95	52290.09	-	-	-
10	Non-Plan Revenue Expenditure	114167.74	128995.68	154083.63	154508.94	173667.98	-	-	-
11	Salary Expenditure	50092.47	56928.16	61682.27	73437.66	85061.21	87147.00	83814.00	102668.00
12	Pension	13429.89	15186.23	17663.41	19929.09	24313.49	25567.00	24020.00	27378.00
13	Interest Payments (Government Debt)	19075.64	21207.00	24283.25	27662.56	29361.01	31027.00	33518.00	34385.00
	Subsidies - Total (14+15)	9952.45	12440.78	20588.59	14687.27	15421.63	17948.93	37462.06	30371.38
14	Subsidies - General	5035.18	7165.26	10088.59	9724.58	10210.81	13448.93	30736.41	25430.27
15	Subsidies - Power	4917.27	5275.52	10500.00	4962.69	5210.82	4500.00	6725.65	4941.11
16	Total Revenue Expenditure (9+10)	138735.98	154902.42	194677.32	201987.89	225958.07	248248.74	272448.25	301342.86
17	Salaries+Pension+Interest (11+12+13)	82598	93321.39	103628.93	121029.31	138735.71	143741.00	141352.00	164431.00
18	as percentage of Revenue Receipts (17/8)	57.78	62.29	57.32	61.05	61.55			
19	Revenue Surplus/Deficit (8-16)	4211.25	(-5080.61)	(-13883.43)	(-3757.39)	(-570.42)	4511.19	14843.44	15374.90
B CONSOLIDATED REVENUE ACCOUNT									
1	Interest payments(Off-Budget Debt)	-	-	-	-	-	-	-	-
2	Consolidated Revenue Deficit (A19-B1)	4211.25	(-5080.61)	(-13883.43)	(-3757.39)	(-570.42)	4511.19	14843.44	15374.90
C CONSOLIDATED DEBT									
1	Outstanding debt and liability inclusive of off-budget	246691.94	269355.42	302577.99	333159.97	367012.61	413044.00	406811.00	461807.00
2	Total outstanding guarantees of which guarantee on account of borrowings and Special Purpose Vehicle borrowings	9388.19	7709.31	6500.31	6200.31	6000.31	-	-	-
D CAPITAL ACCOUNT									
1	Capital Outlay	17397.97	20020.45	23342.23	27104.23	33386.10	33809.12	31996.97	36297.86
2	Disbursement of Loans and advances	1415.94	1645.09	1055.29	969.84	1049.89	1695.23	1617.72	1178.64
3	Recoveries of Loans and advances	862.85	728.03	1034.9	1098.45	1153.37	1226.79	2256.64	2265.56
4	Other Capital Receipts	-	-	-	-	-	-	-	-
E1	Fiscal Deficit (A19+D1+D2-D3-D4)	13739.81	26018.12	37246.05	30733.01	33853.03	38788.75	46201.49	50585.84
E2	Gross Fiscal Deficit (E1+B1)	13739.81	26018.12	37246.05	30733.01	33853.03	38788.75	46201.49	50585.84
	GSDP at current prices	1322222	1510132	1686695	1889098	2115790	2939924	2496505	2796086

Source: Information received from Finance Department, Government of Maharashtra

Appendix- 1.5									
<i>(Reference: Paragraph 1.2; Page 2)</i>									
Abstract of Receipts and Disbursements for the year 2017-18 as compared to 2016-17									
(₹ in crore)					(₹ in crore)				
Receipts					Disbursements				
2016-17				2017-18	2016-17		Total	2017-18	
(1)		(2)	(3)	(4)	(5)		(6)	(7)	(8)
Section-A : Revenue									
204693.14	I	Revenue receipts		243653.56	213228.73	I	Revenue expenditure	241571.07	241571.07
136616.32		Tax revenue		167931.86 [#]	71609.42		General services	78534.78	
					90281.99		Social services	93054.30	
12709.34		Non-tax revenue		16241.80	45358.18		Education, Sports, Art and Culture	48476.31	
					10121.44		Health and Family Welfare	11604.72	
33714.90		State's share of Union Taxes	37219.20	59480.90 [§]	14867.87		Water Supply, Sanitation, Housing and Urban Development	12214.08	
					93.50		Information and Broadcasting	71.78	
9072.48		Non-Plan grants	7157.50		9186.80		Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	12438.82	
					845.41		Labour and Labour Welfare	834.39	
455.15		Grants for State Plan Scheme	196.71		9706.70		Social Welfare and Nutrition	7291.45	
					102.10		Others	122.75	
12124.95		Grants for Central and Centrally sponsored Plan Schemes	12980.72		43842.54		Economic Services	54189.03	
					13245.37		Agriculture and Allied Activities	26129.61	
					7018.49		Rural Development	6588.72 [#]	
-		Compensation for loss of revenue arising out of implementation of GST	1488.00		(-1.27)		Special Areas Programmes	0.58	
					2543.97		Irrigation and Flood Control	2159.28	
					9610.73		Energy	8945.73	
					3102.13		Industry and Minerals	2438.94	
					6105.91		Transport	5460.91 [#]	
					237.32		Science, Technology and Environment	224.52	
					1979.89		General Economic Services	2240.74	
					7494.78		Grants-in-aid and Contributions	15792.96	
5338.37	II	Revenue deficit carried over to Section B			-	II	Revenue Surplus carried over to Section B		2082.49

[#] Lower rounding [§] includes ₹ 437.77 crore, details not available

Appendix - 1.5 (contd...)									
(1)		(2)	(3)	(4)	(5)		(6)	(7)	(8)
Section B : Capital and Others									
55552.60	III	Opening Cash balance including Permanent Advances and Cash Balance Investment		68749.70	-	III	Opening Overdraft from RBI		-
0.00	IV	Miscellaneous Capital receipts		-	25549.27	IV	Capital Outlay	26842.18	26842.18
					1548.24		General Services	1047.80	
					3266.51		Social Services	2268.45	
					52.28		Education, Sports, Art and Culture	106.62	
					602.37		Health and Family Welfare	569.85	
					658.26 [#]		Water Supply, Sanitation, Housing and Urban Development	933.86	
					401.05		Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	575.02	
					26.89		Social Welfare and Nutrition	44.92	
					1525.66		Others	38.18	
					20734.52		Economic Services	23525.93	
					3416.88		Agriculture and Allied Activities	5373.65	
					1686.95		Rural Development	1257.56	
					83.53		Special Area Programme	67.02	
					8764.20		Irrigation and Flood Control	9368.43	
					658.10		Energy	775.94	
					112.24		Industry and Minerals	13.57	
					5461.23		Transport	6639.43	
					551.39		General Economic Services	30.33	
					-		Science Technology and Environment	-	
1745.58	V	Recoveries of Loans and Advances		1778.01	6277.21	V	Loans and Advances disbursed		979.29
1170.28		From Power Projects	1119.42		5125.37		For Power Projects	31.64	
295.94		From Government Servants	327.20		717.36		To Government Servants	575.53	
279.36		From others	331.39		434.48		To Others	372.12	
0	VI	Revenue surplus brought down		2082.49	8535.59	VI	Revenue deficit brought down		

Appendix - 1.5 (concl...)									
(1)		(2)	(3)	(4)	(5)		(6)	(7)	(8)
48336.49	VII	Public Debt receipts		48075.50	11886.89	VII	Repayment of Public Debt		15782.17
-		External debt	-		-		External debt	-	
47709.67		Internal debt other than Ways and Means Advances and Overdraft	47907.68		10917.34		Internal debt other than Ways and Means Advances and Overdraft	14833.58	
-		Net transactions under Ways and Means Advances including Overdraft	-		-		Net transactions under Ways and Means Advances including Overdraft	-	
626.82		Loans and Advances from Central Government	167.82		969.55		Repayment of Loans and Advances to Central Government	948.59	
-	VIII	Appropriation from Contingency Fund	-	-	-	VIII	Appropriation to Contingency Fund	-	-
-	IX	Contingency Fund	-	-	-	IX	Contingency Fund	-	-
82466.49	X	Public Account receipts		81876.99	67102.50	X	Public Account disbursements		70490.24
4947.53		Small Savings and Provident Funds	4784.21		3823.70		Small Savings and Provident Funds	4237.56	
8566.92		Reserve Funds	8898.55		3284.17		Reserve Funds	2974.65	
3034.27		Suspense and Miscellaneous	541.72		261.00		Suspense and Miscellaneous	377.81	
26561.67		Remittances	27691.64		27217.95		Remittances	26869.26 [#]	
39356.10		Deposits and Advances	39960.87 [#]		32515.68		Deposits and Advances	36030.96	
	XI	Closing Overdraft from Reserve Bank of India			68749.70	XI	Cash Balance at end		88468.81
					0.04		Cash in Treasuries	0.04	
	XII	Inter State Settlement			(-)3304.11		Deposits with Reserve Bank	(-)3962.41	
					53.44		Local Remittances	54.33	
					12.10		Departmental Cash Balance	6.69	
					0.66		Permanent Advances	0.67	
					44110.07		Cash Balance Investment	58373.60	
					27877.50		Investment of earmarked balances	33995.89	
188101.16		Total		202562.69	188101.16		Total		202562.69

Source: Finance accounts of respective years

[#] Lower rounding

Appendix - 1.6				
(Reference: Paragraph 1.2.2; Page 5)				
Outcome of analysis of budgetary assumptions during 2017-18				
(₹ in crore)				
	Budget estimates	Actuals	Increase(+)/ Decrease (-)	Increase (+)/ Decrease(-) (in per cent)
(1)	(2)	(3)	(4 (3-2))	(5)
Revenue Receipts of which	243738	243654	(-84)	(-0.03)
Tax Revenue	153437	167932	14495	9.45
State Goods and Service Tax	92839	50063	12118	-
Taxes on Sales, Trade etc.		54894		
State excise	14340	13450	(-890)	(-6.21)
Taxes on vehicles	7200	8665	1465	20.35
Stamps and Registration fees	21000	26442	5442	25.91
Taxes on Goods and Passenger	1400	984	(-416)	(-29.71)
Land Revenue	3200	2310	(-890)	(-27.81)
Taxes and duties on electricity	8228	7345	(-883)	(-10.73)
Other taxes	5230	3779	(-1451)	(-27.74)
Non-Tax Revenue	20156	16242	(-3914)	(-19.42)
Interest Receipts	1178	4163	2985	253.40
Miscellaneous General Services	2758	1445	(-1313)	(-47.61)
Non-ferrous Mining and Metallurgical Industries	3740	3556	(-184)	(-4.92)
Other Non-Tax Revenue	12480	7078	(-5402)	(-43.28)
Share of Union Taxes and Duties	37405	37219	(-186)	(-0.50)
Grants-in-aid from GoI	32740	22261	(-10479)	(-32.01)
Revenue Expenditure of which	248249	241571	(-6678)	(-2.69)
General Services	82325*	78535	(-3790)	(-4.60)
Administrative services	22232	18922	(-3310)	(-14.89)
Pension and Miscellaneous General Services	19968*	18717*	(-1251)	(-6.27)
Appropriation for reduction or avoidance of debt/transfer to RF	3100	3100	-	-
Interest Payments	31027	33018	1991	6.42
Fiscal Services	3520	2784	(-736)	(-20.91)
Organs of State	2478	1994	(-484)	(-19.53)
Social Services	114079	93054	(-21025)	(-18.43)
Education, Sports, Art and Culture	55527	48476	(-7051)	(-12.70)
Social Welfare and Nutrition	11703	7291	(-4412)	(-37.70)
Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	13863	12439	(-1424)	(-10.27)
Health and Family Welfare	11149	11605	456	4.09
Water Supply, Sanitation, Housing and Urban Development	20433	12214	(-8219)	(-40.22)
Information and Broadcasting	138	72	(-66)	(-47.83)
Labour and Labour Welfare	1046	834	(-212)	(-20.27)
Others	220	123	(-97)	(-44.09)

* Higher rounding

Appendix - 1.6 (concl...)				
				(₹ in crore)
(1)	(2)	(3)	(4 (3-2))	(5)
Economic Services	43312	54189	10877	25.11
<i>Agriculture and Allied Services</i>	11990	26130	14140	117.93
<i>Rural Development</i>	10279	6589	(-)3690	(-)35.90
<i>Special Area Programme</i>	1	1	-	-
<i>Irrigation and Flood Control</i>	2554	2159	(-)395	(-)15.47
<i>Energy</i>	6960	8946	1986	28.53
<i>Industry and Minerals</i>	3096	2439	(-)657	(-)21.22
<i>Transport and Communication</i>	5316	5461	145	2.73
<i>Science, Technology and Environment</i>	331	225	(-)106	(-)32.02
<i>General Economic Services</i>	2785	2241	(-)544	(-)19.53
Grants-in-aid and contributions	8533	15793	7260	85.08
Capital outlay	33809	26842	(-)6967	(-)20.61
<i>Irrigation and Flood Control</i>	9262	9368	106	1.14
<i>Transport and Communication</i>	8985	6639	(-)2346	(-)26.11
<i>Energy</i>	1294	776	(-)518	(-)40.03
<i>Health and Family Welfare</i>	1018	570	(-)448	(-)44.01
<i>Education, Sports, Art and Culture</i>	188	107	(-)81	(-)43.09
<i>Water Supply, Sanitation, Housing and Urban Development</i>	500	934	434	86.80
<i>Rural Development</i>	3471	1258	(-)2213	(-)63.76
<i>Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes</i>	1331	575	(-)756	(-)56.80
<i>Others</i>	7760	6615	(-)1145	(-)14.76
Revenue surplus (+)/ deficits (-)	(-)4511	2082	6593	(-)146.15
Fiscal surplus (+)/ deficits (-)	(-)38789	(-)23961	14828	(-)38.23
Primary surplus (+)/ deficits (-)	(-)7762	9057	16819	(-)216.68
Source: Finance Accounts and Budget for 2017-18				

Appendix - 1.7
(Reference: Paragraph 1.4; Page 8)
Time series data on State Government Finances

(₹ in crore)

	2013-14	2014-15	2015-16	2016-17	2017-18
(1)	(2)	(3)	(4)	(5)	(6)
Part A: Receipts					
1. Revenue Receipts	149821.81	165415.46	185035.68	204693.14	243653.56
(i) Tax Revenue	108597.96 (72)	115063.90 (69)	126608.11 (69)	136616.32 (67)	167931.87 (69)
Taxes on Agricultural Income	- -	- -	- -	- -	- -
State Goods and Service Tax	- -	- -	- -	- -	50063.00 (30)
Taxes on Sales, Trade, etc.	62530.03 (58)	67466.29 (59)	69660.82 (55)	81174.17 (60)	54893.51 (33)
State Excise	10101.12 (9)	11397.08 (10)	12469.56 (10)	12287.91 (9)	13449.65 (8)
Taxes on Vehicles	5095.92 (5)	5404.97 (5)	6017.19 (5)	6741.21 (5)	8665.38 (5)
Stamps and Registration fees	18675.98 (17)	19959.29 (17)	21766.99 (17)	21011.83 (15)	26441.82 (16)
Land Revenue	1088.85 (1)	1272.38 (1)	1748.31 (1)	1799.39 (1)	2309.86 (1)
Taxes on Goods and Passengers	1240.68 (1)	586.56 -	1582.13 (1)	1876.71 (1)	984.01 (1)
Other Taxes	9865.38 (9)	8977.33 (8)	13363.11 (11)	11725.09 (9)	11124.64 (6)
(ii) Non-tax Revenue	11351.97 (8)	12580.89 (8)	13423.01 (7)	12709.34 (6)	16241.80 (7)
(iii) State's share of Union taxes and duties	16630.43 (11)	17630.03 (11)	28105.95 (15)	33714.90 (16)	37219.19 (15)
(iv) Grants-in-aid from GoI	13241.45 (9)	20140.64 (12)	16898.61 (9)	21652.58 (11)	22260.70 (9)
2. Miscellaneous Capital Receipts	-	-	16.89	-	-
3. Recoveries of Loans and Advances	728.03	975.08	865.11	1745.58	1778.01
4. Total revenue and non-debt capital receipts (1 + 2 + 3)	150549.84	166390.54	185917.68	206438.72	245431.57
5. Public Debt Receipts	26734.8	29373.28	37976.41	48336.49	48075.50
Internal Debt (excluding Ways and Means Advances and Overdrafts)	25770.33	28831.02	37392.47	47709.67	47907.68
Net transactions under Ways and Means Advances and Overdraft	-	-	-	-	-
Loans and Advances from Government of India ¹	964.47	542.26	583.94	626.82	167.82
6. Appropriation from Contingency Fund	1350	2350	2962	-	-
7. Inter-State settlement	-	-	-	-	-
8. Total receipts in the Consolidated Fund (4+5+6+7)	178634.64	198113.82	226856.09	254775.22	293507.07
9. Contingency Fund Receipts	859.62	4360	962	-	-
10. Public Accounts receipts	64020.19	83021.94	72747.20	82466.49	81876.99
11. Total receipts of the State (8+9+10)	243514.45	285495.76	300565.29	337241.70	375384.06
Part B: Expenditure					
12. Revenue expenditure (per cent of 15)	154902.42 (88)	177553.12 (89)	190374.05 (89)	213228.73 (87)	241571.07 (90)
Plan	25910.34 (17)	31308.28 (18)	36056.40 (19)	42088.59 (20)	
Non-Plan	128992.08 (83)	146244.84 (82)	154317.65 (81)	171140.14 (80)	*
General Services (incl. Interests payments)	53979.27 (35)	60485.77 (34)	64369.76 (34)	71609.42 (34)	78534.78 (33)
Social Services	70879.08 (46)	76952.49 (43)	82317.23 (43)	90281.99 (42)	93054.30 (38)
Economic Services	27991.32 (18)	37686.57 (21)	38051.97 (20)	43842.54 (21)	54189.03 (22)
Grants-in-aid and Contribution	2052.75 (1)	2428.29 (1)	5635.09 (3)	7494.78 (4)	15792.96 (7)
13. Capital outlay (per cent of 15)	20020.45 (11)	19523.47 (10)	22793.16 (10)	25549.27 (10)	26842.18 (10)
Plan	17681.42 (88)	16244.67 (83)	20165.05 (88)	20348.37 (80)	
Non-Plan	2339.03 (12)	3278.80 (17)	2628.11 (12)	5200.90 (20)	*
General Services	1038.52 (5)	865.31 (4)	1259.28 (6)	1548.23 (6)	1047.80 (4)
Social Services	2273.94 (11)	1957.82 (10)	2584.22 (11)	3266.51 (13)	2268.45 (8)
Economic Services	16707.99 (83)	16700.34 (86)	18949.66 (83)	20734.52 (81)	23525.93 (88)
Figures in parenthesis represent percentages (rounded) to total of each sub-heading					
* From 2017-18 onwards bifurcation related to Plan and Non-plan expenditure has been merged					

¹ Includes Ways and Means Advances

Appendix - 1.7 (contd...)					
(1)	(2)	(3)	(4)	(5)	(6)
14. Disbursement of Loans and Advances (per cent of 15)	1645.10 (1)	1140.54 (1)	1114.63 (1)	6277.21 (3)	979.29 (0)
15. Total (12+13+14)	176567.97	198217.13	214281.84	245055.21	269392.54
16. Repayments of Public Debt	10261.86	8827.78	10043.10	11886.89	15782.17
Internal Debt (excluding Ways and Means Advances and Overdrafts)	9391.09	7941.54	9138.49	10917.34	14833.58
Net transactions under Ways and Means Advances and Overdrafts	-	-	-	-	-
Loans and Advances from Government of India ²	870.77	886.24	904.61	969.55	948.59
17. Appropriation to Contingency Fund	850	4350	962	-	-
18. Total disbursement out of Consolidated Fund (15+16+17)	187679.83	211394.91	225286.94	256942.10	285174.71
19. Contingency Fund disbursements	1360	2350	2962	-	-
20. Public Account disbursements	56434.89	68985.90	66412.16	67102.50	70490.24
21. Total disbursement by the State (18+19+20)	245474.72	282730.81	294661.10	324044.60	355664.95
Part C: Deficits					
22. Revenue Deficit(-)/Surplus (+) (1-12)	(-)5080.61	(-)12137.66	(-) 5338.37	(-)8535.59	2082.49
23. Fiscal Deficit (-)/Surplus (+) (4-15)	(-)26018.13	(-)31826.59	(-) 28364.16	(-)33656.74	(-)23960.97
24. Primary Deficit (-)/Surplus (+) (23-25)	(-)4811.09	(-)7861.85	(-) 2592.75	(-)5124.82	9057.46
Part D : Other Data					
25. Interest Payments (included in revenue expenditure)	21207.04	23964.74	25771.41	28531.92	33018.43
26. Financial Assistance to local bodies etc.	68049.83	72710.98	82100.62	96838.55	101644.28
27. Ways and Means Advances/Overdraft availed (days)					
Ways and Means availed (days)	5	27 days	nil	nil	8
Overdraft availed (days)	nil	nil	nil	nil	nil
28. Interest on WMA/Overdraft	0.40	5.12	-	-	1.13
29. Gross State Domestic Product (GSDP)	1647506	1792122	2001223	2257032 ³	2496505 ⁴
30. Outstanding Fiscal liabilities (year-end)	293805	319746	351341	395858	432433
31. Outstanding guarantees (year-end) ⁵ (including interest)	7234.57	7999.45	7234.57	7305.77	26657.72
32. Maximum amount guaranteed (year-end)	32247.11	34563.60	32247.11	22802.04	37287.13
33. Number of ongoing projects	753	592	460 ⁶	447 ⁵	420 ⁵
34. Capital blocked in ongoing projects	62145.87	65146.79	49957.03 ⁶	76840.95	83520.47 ⁵

² Includes Ways and Means Advances from GoI

³ Actuals as per Economic Survey of Maharashtra 2017-18

⁴ Advance estimates as per Economic Survey of Maharashtra 2017-18

⁵ As per Finance Accounts of respective years

⁶ Maharashtra Krishna Valley Development Corporation and Konkan Irrigation Development Corporation did not furnish the information

⁵ Includes eight projects amounting to ₹ 24.57 crore related to Roads, Bridges and Buildings

Appendix - 1.7 (concl...)					
(1)	(2)	(3)	(4)	(5)	(6)
Part E: Fiscal Health Indicators					
I Resource Mobilization					
Own Tax revenue/GSDP	6.59	6.42	6.33	6.05	6.73
Own Non-Tax Revenue/GSDP	0.69	0.70	0.67	0.56	0.65
Central Transfers/GSDP	1.01	0.98	1.40	1.49	1.49
II Expenditure Management					
Total Expenditure/GSDP	10.72	11.06	10.71	10.86	10.79
Total Expenditure/Revenue Receipts	117.85	119.83	115.81	119.72	110.56
Revenue Expenditure/Total Expenditure	87.73	89.58	88.84	87.01	89.67
Expenditure on Social Services/Total Expenditure	41.43	39.81	39.62	38.17	35.38
Expenditure on Economic Services/Total Expenditure	25.32	27.44	26.60	26.35	28.85
Capital Expenditure/Total Expenditure	11.34	9.85	10.64	10.43	9.96
Capital Expenditure on Social and Economic Services/Total Expenditure.	10.75	9.41	10.05	9.79	9.58
Education, Sports, Art and Culture /Total Expenditure	21.71	20.07	20.05	18.53	18.03
Health & Family Welfare/Total Expenditure	4.17	4.52	4.67	4.38	4.52
III Management of Fiscal Imbalances					
Revenue deficit /GSDP	(-)0.31	(-)0.68	(-)0.27	(-)0.38	0.08
Fiscal deficit/GSDP	(-)1.58	(-)1.78	(-)1.42	(-)1.49	(-)0.96
Primary Deficit (surplus) /GSDP	(-)0.29	(-)0.44	(-)0.13	(-)0.23	0.36
Revenue Deficit (surplus)/Fiscal Deficit	19.53	38.14	18.82	25.36	(-)8.69
Primary Revenue Deficit (surplus)/GSDP	(-)2.87	(-)3.11	(-)2.71	(-)11.9	(-)2.28
IV Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP	17.83	17.84	17.56	17.54	17.32
Fiscal Liabilities/RR	196.10	193.30	189.88	193.39	177.48
Primary deficit vis-à-vis quantum spread (percentage)	(-)28.84	(-)275.86	(-)20.32	(-)28.38	86.67
Debt Redemption (Principal +Interest)/ Total Debt Receipts	103.47	112.85	82.55	74.20	91.61
V Other Fiscal Health Indicators					
Return on Investment	0.02	0.03	0.05	0.05	0.36
Balance from Current Revenue (₹ in crore)	14713	8224	22119	23573	*
Financial Assets/Liabilities	0.8	0.8	0.8	0.8	0.8
Source: Finance Accounts of the respective years					
* From 2017-18 onwards bifurcation related to Plan and Non-plan expenditure has been merged					

Appendix – 1.8
(Reference: Paragraph 1.9.2; Page 38)
Details of Government investments and accumulated losses
in Government Companies/Corporations as of July 2018

(₹ in crore)

Sl. No.	Sector & Name of the Company	Period of accounts	Year in which accounts finalised	State Government Equity	State Government Loan	Net loss(-) before tax	Accumulated loss (-)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
A. Working Government Companies							
FINANCE							
1	Kolhapur Chitranagri Mahamandal Limited	1998-99	2013-14	3.24	0.13	(0.14)	(1.61)
2	Maharashtra State Handlooms Corporation Limited	2017-18	2017-18	88.71	23.29	(3.73)	(135.84)
Sector wise total				91.95	23.42	(3.87)	(137.45)
INFRASTRUCTURE							
3	Maharashtra State Road Development Corporation Limited	2015-16	2017-18	773.56	-	(224.61)	(3652.77)
4	Nagpur Mumbai Super Communication Expressway Limited	31.05.17 to 31.03.18	2018-19	-	-	(0.01)	(0.01)
5	Maharashtra Satara Kagal Infrastructure Limited	21.12.16 to 31.03.17	2018-19	-	-	(0.03)	(0.03)
6	Mihan India Limited	2016-17	2017-18	-	-	(12.71)	(66.53)
Sector wise total				773.56	-	(237.36)	(3719.33)
MANUFACTURING							
7	Haffkine Ajintha Pharmaceuticals Limited	2017-18	2018-19	-	-	(3.49)	(16.55)
8	Mahaguj Collieries Limited	2017-18	2018-19	-	-	(1.66)	(3.74)
9	Maharashtra State Powerlooms Corporation Limited	2016-17	2017-18	13.77	0.1	(3.16)	(16.54)
Sector wise total				13.77	0.1	(8.31)	(36.83)
POWER							
10	Dhopave Coastal Power Limited	2017-18	2017-18	-	-	-	(8.30)
11	Maharashtra Power Development Corporation Limited	2016-17	2017-18	-	33.59	(0.15)	(1013.04)
		2017-18	2018-19	-	-	(0.21)	(1013.25)
12	Maharashtra State Electricity Distribution Company Limited	2016-17	2017-18	-	-	(3176.49)	(29530.85)
13	Maharashtra State Power Generation Company Limited	2016-17	2017-18	-	0.02	(929.71)	(7072.38)
14	Mahagenco Ash Management Services Limited	2017-18	2018-19	-	-	(0.82)	(0.99)
15	MSEB holding Company Limited	2016-17	2017-18	88086.54	-	(35.41)	(2101.71)
Sector wise total				88086.54	33.61	(4142.79)	(40740.52)
SERVICE							
16	Mahatourism Corporation Limited	2017-18	2018-19	-	-	(0.01)	(0.07)
Sector wise total				-	-	(0.01)	(0.07)
Total A (All sector wise working Government companies)				88965.82	57.13	(4392.34)	(44634.20)

Appendix - 1.8 (concl...)							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
B. Working Statutory corporations							
SERVICE							
1	Maharashtra State Road Transport Corporation	2016-17	2017-18	3689.97	200.00	(522.78)	(2330.01)
Sector wise total				3689.97	200.00	(522.78)	(2330.01)
FINANCE							
2	Maharashtra State Finance Corporation	2014-15	2015-16	34.28	-	(13.78)	(687.90)
Sector wise total				34.28	-	(13.78)	(687.90)
Total B (All sector wise working Statutory corporations)				3724.25	200.00	(536.56)	(3017.91)
Grand Total (A + B)				92690.07	257.13	(4928.90)	(47652.11)
C. Non-working Government companies							
AGRICULTURE & ALLIED							
1	Ellora Milk Products Limited	2016-17	2017-18	-	-	-	(1.53)
2	Parbhani Krishi Go-sanvardhan Limited	2016-17	2017-18	-	-	(0.08)	(1.12)
3	Vidarbha Quality Seeds Limited	2016-17	2017-18	-	-	-	(0.40)
Sector wise total				-	-	(0.08)	(3.05)
INFRASTRUCTURE							
4	Development Corporation of Vidarbha Limited	2017-18	2018-19	7.17	7.96	(0.27)	(14.84)
Sector wise total				7.17	7.96	(0.27)	(14.84)
MANUFACTURING							
5	Godavari Garments Limited	2016-17	2017-18	-	-	-	(8.17)
6	Kinwat Roofing Tiles Limited	2016-17	2017-18	-	-	-	(1.21)
7	Maharashtra Electronics Corporation Limited	2016-17	2017-18	9.69	56.72	(42.71)	(378.07)
8	Maharashtra State Textile Corporation Limited	2016-17	2017-18	236.16	-	(41.14)	(1045.17)
9	Sahyadri Glass Works Limited	1993-94	1995-96	-	-	(0.41)	(9.22)
10	The Gondwana Paints and Minerals Limited	2017-18	2018-19	-	-	(0.007)	(1.43)
11	The Pratap Spinning, Weaving and Manufacturing Company Limited	2017-18	2018-19	-	-	(0.0056)	(63.89)
12	Marathwada Ceramic Complex Limited	2016-17	2017-18	-	-	-	(7.45)
Sector wise total				245.85	56.72	(84.27)	(1514.61)
MISCELLANEOUS							
13	Leather Industries Corporation of Marathwada Limited	2016-17	2017-18	-	-	-	(6.71)
14	Vidarbha Tanneries Limited	2017-18	2018-19	-	-	(0.01)	(1.22)
Sector wise total				-	-	(0.01)	(7.93)
Total C (All sector wise non-working Government Companies)				253.02	64.68	(84.63)	(1540.43)
Grand Total (A + B+C)				92943.09	321.81	(5013.53)	(49192.54)
Source: Information received from Principal Accountant General (Audit)-III, Maharashtra, Mumbai							

Appendix 1.9 (Reference paragraph 1.9.3; Page 39) Summarised financial statement of Departmentally managed Commercial/Quasi-Commercial Undertakings											
Sr. No.	Name of the Undertaking	Year of commencement	Period of accounts	Mean Government capital	Block Assets at depreciated cost	Depreciation provided during the year	Turnover	Net Profit (+)/Loss (-)	Interest on capital	Total return (9+10)	Percentage return on capital
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Amount (₹ in lakh)											(in per cent)
Agriculture, Animal husbandry, Dairy development and Fisheries department											
Mumbai Region											
1	Greater Mumbai Milk Scheme, Worli	1947	2016-17	0.00	1608.47	65.65	4866.54	(-)3145.13	0.00	(-)3145.13	0.00
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	2016-17	2356.63	1241.80	31.44	2170.25	(-)1990.07	247.45	(-)1742.62	(-)73.95
4	Central Dairy, Goregaon	1951	2014-15	9169.28	677.72	38.19	1202.09	(-)1883.08	962.77	(-)920.31	(-)10.04
5	Unit Scheme, Mumbai	1950	2014-15	3143.95	2508.66	71.17	0.00	61.33	330.11	391.44	12.45
6	Agricultural Scheme, Mumbai	1950	2014-15	991.84	964.64	20.82	0.00	(-)140.14	104.14	(-)36	(-)3.63
7	Electrical Scheme, Mumbai	1950	2014-15	419.51	10.52	0.61	0.00	(-)274.60	44.05	(-)230.55	(-)54.96
8	Water Supply Scheme, Mumbai	1950	2014-15	1381.06	838.60	37.61	0.00	(-)605.49	145.01	(-)460.48	(-)33.34
9	Cattle Feed Scheme, Mumbai	1950	2014-15	(-)132.38	17.82	0.61	0.00	413.66	(-)13.90	399.76	(-)301.98
10	Cattle Breeding and Rearing Farm, Palghar	1979	2015-16	117.80	43.62	2.30	0.00	(-)101.62	12.37	(-)89.25	(-)75.77
11	Dairy Project, Dapchari	1960	2015-16	1061.91	368.20	19.38	35.57	(-)964.42	111.50	(-)852.92	(-)80.32
12	Government Milk Scheme, Bhiwandi	1987	2015-16	133.87	24.94	0.03	0.00	(-)30.94	14.06	(-)16.88	(-)12.62
13	Government Milk Chilling Centre, Saralgaon (Dist.: Thane)	1978	2015-16	42.20	11.11	0.25	0.00	(-)14.21	4.43	(-)9.78	(-)23.15
14	Government Milk Scheme, Khopoli	1966	2016-17	228.94	100.57	9.20	284.81	(-)171.58	24.04	(-)147.54	(-)64.44

Appendix 1.9 (contd..)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
15	Government Milk Scheme, Mahad	1966	2015-16	169.66	64.76	0.94	0.00	(-)46.08	17.81	(-)28.27	(-)16.66
16	Government Milk Scheme, Chiplun	1966	2016-17	284.64	59.29	5.40	175.80	(-)179.42	29.89	(-)149.53	(-)52.53
17	Government Milk Scheme, Ratnagiri	1965	2015-16	607.70	97.90	2.88	398.03	(-)219.50	63.81	(-)155.69	(-)25.62
18	Government Milk Scheme, Kankavali	1966	2016-17	191.31	200.04	5.95	655.05	(-)94.97	20.09	(-)74.88	(-)39.14
	TOTAL			20429.54	8903.66	318.70	10660.21	(-)9386.26	2145.10	(-)7241.16	(-)35.44
	Pune Region										
19	Government Milk Scheme, Pune	1950	2015-16	279.91	346.80	16.16	1190.97	(-)804.65	29.39	(-)775.26	(-)276.97
20	Government Milk Scheme, Mahabaleshwar	1966	2016-17	137.11	37.47	2.29	0.00	(-)68.48	14.40	(-)54.08	(-)39.45
21	Government Milk Scheme, Satara	1979	2016-17	1167.55	281.29	4.22	2519.82	(-)384.50	122.59	(-)261.91	(-)22.43
22	Government Milk Scheme, Miraj	1961	2016-17	6978.30	421.80	23.73	3323.30	(-)1365.19	732.72	(-)632.47	(-)9.06
23	Government Milk Scheme, Solapur	1960	2016-17	120.13	22.11	1.28	0.00	(-)195.21	12.61	(-)182.60	(-)152.00
	TOTAL			8683.00	1109.47	47.68	7034.09	(-)2818.03	911.71	(-)1906.32	(-)21.95
	Nashik Region										
24	Government Milk Scheme, Nashik	1960	2016-17	12.92	57.42	2.07	0.00	(-)143.57	1.36	(-)142.21	(-)1100.70
25	Government Milk Scheme, Wani (Dist.: Nashik)	1978	2016-17	25.40	13.46	0.02	0.00	(-)34.54	2.67	(-)31.87	(-)125.47
26	Government Milk Scheme, Ahmednagar	1969	2016-17	281.95	97.30	8.94	0.00	(-)341.41	29.60	(-)311.81	(-)110.59
27	Government Milk Scheme, Chalisgaon	1969	2016-17	155.44	2.23	0.14	0.00	(-)122.15	16.32	(-)105.83	(-)68.09
28	Government Milk Scheme, Dhule	1961	2015-16	579.33	197.70	9.18	0.00	(-)233.48	60.83	(-)172.65	(-)29.80
	TOTAL			1055.04	368.11	20.35	0.00	(-)875.15	110.78	(-)764.37	(-)72.45
	Aurangabad Region										
29	Government Milk Scheme, Aurangabad	1962	2016-17	2316.44	455.57	12.64	1019.02	(-)566.05	243.23	(-)322.82	(-)13.94
30	Government Milk Scheme, Udgir	1971	2015-16	2096.90	634.77	34.02	2911.86	(-)1630.56	220.17	(-)1410.39	(-)67.26
31	Government Milk Scheme, Beed	1976	2016-17	1923.39	518.31	10.81	534.07	(-)557.40	201.96	(-)355.44	(-)18.48
32	Government Milk Scheme, Nanded	1977	2016-17	557.84	87.30	3.92	287.47	(-)438.60	58.57	(-)380.03	(-)68.12
33	Government Milk Scheme, Bhoom	1978	2016-17	1146.26	115.90	5.95	332.82	(-)342.24	120.36	(-)221.88	(-)19.36
34	Government Milk Scheme, Parbhani	1979	2016-17	3303.56	59.06	2.94	1676.69	(-)594.66	346.87	(-)247.79	(-)7.50
	TOTAL			11344.39	1870.91	70.28	6761.93	(-)4129.51	1191.16	(-)2938.35	(-)25.90
	Amravati Region										
35	Government Milk Scheme, Amravati	1962	2016-17	1636.18	893.38	6.50	450.83	(-)403.49	171.80	(-)231.69	(-)14.16
36	Government Milk Scheme, Akola	1962	2016-17	1747.64	363.53	40.52	515.23	(-)705.60	183.50	(-)522.10	(-)29.87
37	Government Milk Scheme, Yavatmal	2000	2016-17	1325.96	173.36	5.04	68.27	(-)310.93	139.23	(-)171.70	(-)12.95
38	Government Milk Scheme, Nandura	1979	2016-17	582.39	53.19	1.53	99.23	(-)107.75	61.15	(-)46.60	(-)8.00
	TOTAL			5292.17	1483.46	53.59	1133.56	(-)1527.77	555.68	(-)972.09	(-)18.37

Appendix 1.9 (concl.)											
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Nagpur Region											
39	Government Milk Scheme, Nagpur	1958	2014-15	0.00	1098.11	6.65	0.00	(-)631.65	0.00	(-)631.65	0.00
40	Government Milk Scheme, Wardha	1976	2016-17	1521.60	28.32	1.06	1083.13	(-)444.34	159.77	(-)284.57	(-)18.70
41	Government Milk Scheme, Chandrapur	1979	2016-17	0.00	79.01	60.29	1035.78	(-)388.32	0.00	(-)388.32	0.00
42	Government Milk Scheme, Gondia	1979	2016-17	3305.55	124.96	0.60	860.78	(-)765.84	347.08	(-)418.76	(-)12.67
	TOTAL			4827.15	1330.40	68.60	2979.69	(-)2230.15	506.85	(-)1723.30	(-)35.70
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	2015-16	87855.59	110.44	42.10	51276.37	(-)14511.85	8786.13	(-)5725.72	(-)6.52
49	Procurement and Distribution and Price Control Scheme in Mofussil Area	1957	2015-16	109865.86	2179.98	73.25	95536.72	24851.20	11170.94	36022.14	32.79
	TOTAL			197721.45	2290.42	115.35	146813.09	10339.35	19957.07	30296.42	15.32
Source: Proforma Accounts											

Appendix - 2.1

(Reference: Paragraph 2.2.1; Page 54)

Grants/Appropriations closed with excess supplementary provisions during 2017-18

(₹ in crore)

Sr. No.	GRNT	GRNT_DSC	V_C	ORIGINAL	SUPPL	ORG_SUPPL	ACTUALS
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	A04	Secretariat and Miscellaneous General Services	V	505.96	100.33	606.29	470.78
2	B01	Police Administration	V	12351.58	48.17	12399.75	11458.85
3	B02	State Excise	V	138.18	3.42	141.6	114.73
4	B03	Transport Administration	V	1731.54	115.38	1846.91	1562.57
5	B04	Secretariat and Other General Services	V	46.29	1.62	47.91	38.12
6	B05	Jails	V	299.69	2.44	302.13	275.62
7	C01	Revenue and District Administration	V	2135.78	3.75	2139.53	1623.97
8	C04	Secretariat and Other General Services	V	53.05	0.22	53.26	35.17
9	C06	Relief on account of Natural Calamities	V	7187.59	31.54	7219.14	3527.09
10	C07	Forest	V	2253.33	391.34	2644.67	2078.54
11	D03	Agriculture Services	V	6228.42	696.09	6924.51	5362.5
12	D04	Animal Husbandry	V	1028.32	44.02	1072.34	867.72
13	D05	Dairy Development	V	426.86	1.75	428.61	360.73
14	D07	Secretariat and other Economic Services	V	21.71	0.2	21.91	13.89
15	E02	General Education	V	46661.38	23.58	46684.97	40004.59
16	E03	Secretariat and Other Social Services	V	280.81	47.46	328.27	237.01
17	F02	Urban Development and Other Advance Services	V	12149.56	72.59	12222.15	7993.84
18	G01	Sales Tax Administration	V	803.88	9.58	813.46	570.94
19	G02	Other Fiscal and Miscellaneous Services	V	1212.42	0.54	1212.96	98.81
20	H03	Housing	V	287.92	75	362.92	281.03
21	H04	Secretariat and Other Economic Services	V	66.43	3.26	69.69	49.81
22	H06	Public Works and Administrative and Functional Buildings.	V	2603.96	45	2648.96	2040.48
23	I03	Irrigation, Power and Other Economic Services	V	1921.46	2.19	1923.65	1600.73
24	J01	Administration of Justice	C	278.54	7.87	286.41	247.38
	J01	Administration of Justice	V	1702.97	8.14	1711.11	1333.21
25	K04	Labour and Employment	V	189.26	1.15	190.41	124.71
26	L02	District Administration	V	3809.47	29.06	3838.53	3582.65
27	L03	Rural Development Programmes	V	6460.65	447.22	6907.87	5223.11
28	N02	Secretariat and Other Social Services	V	905.23	0.14	905.37	724.48
29	N03	Welfare of Scheduled Caste, Scheduled Tribes and Other Backward Classes and Minorities	V	8737.19	447.81	9185	7415.61
30	O01	District Administration	V	305	50	355	231.51
31	O03	Rural Employment	V	4688.96	450	5138.96	1670.06
32	O09	Census, Survey and Statistics	V	60.61	1.93	62.53	42.62
33	S01	Medical and Public Health	V	2566.77	64.51	2631.28	2364.11
34	T01	Interest Payments	C	39.33	7.42	46.75	35.97

Appendix – 2.1 (concl...)							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
35	T05	Revenue Expenditure on Tribal Areas Development Sub-Plan	V	4306.49	2203.54	6510.04	3251.87
36	T09	District Schemes	V	2743.31	3	2746.31	2650.13
37	W03	Technical Education	V	1349.31	46.11	1395.42	1208.52
38	W04	Art and Culture	V	325.41	4.2	329.61	287.3
39	Y02	Water Supply and Sanitation	V	3989.9	125	4114.9	2055.47
40	ZA01	Secretariat and Other Social Services	V	1626.85	310.1	1936.95	1408.94
41	ZC01	Parliament / State/Union Territory Legislatures	V	203.18	4.28	207.46	167.41
42	ZD02	Art and Culture	V	162.72	9.16	171.88	132.71
43	ZD04	Tourism	V	289.72	21.84	311.56	236.36
44	D09	Capital Expenditure on Animal Husbandry	V	70.13	8	78.13	54.85
45	E04	Expenditure on Capital Outlay on Education, Sports, Art and Culture.	V	83.9	53.05	136.95	63.43
46	H07	Capital Expenditure on Social Services and Economic Services	V	5620.24	136.56	5756.8	3530.69
47	H08	Capital Expenditure On Public Works Administrative and Functional Buildings	C	6.9	24	30.9	6.39
	H08	Capital Expenditure On Public Works Administrative and Functional Buildings	V	1722.12	46.63	1768.75	829.6
48	I05	Capital Expenditure on Irrigation	V	9519.61	1700.01	11219.62	9488.57
49	L07	Capital Expenditure on Rural Development	V	5044.98	1000	6044.98	3963.37
50	O10	Capital Outlay on Other Rural Development Programmes	V	2991.39	165.65	3157.04	783.12
51	T06	Capital Expenditure on Tribal Areas Development Sub-Plan	V	798.57	4.26	802.82	581.77
52	V05	Capital Expenditure on Economic Services	V	118.23	35.9	154.13	102.02
53	Y06	Capital Expenditure on Economic and Social Services	V	63.82	210.2	274.02	38.91
Total				171176.88	9346.21	180523.08	134504.37

Source: VLC from Accountant General (A&E) I, Maharashtra

Appendix - 2.2 (Reference: Paragraph 2.3.1; Page 54) Grants/Appropriation closed with excess over provisions of previous years requiring regularisation (₹ in crore)			
Years	No. of Grants/ Appropriations	Grant/Appropriation numbers	Amount of excess required to be regularised as commented in the Appropriation Accounts/Audit Report
2014-15	29/3	C-05, G-09, I-06, M-04, O-15, O-17, O-18, O-20, O-21, O-23, O-25, O-27, O-28, O-29, O-30, O-31, O-33, O-34, O-35, O-36, O-37, O-38, O-40, O-41, O-42, O-43, O-44, O-45, O-46, O-47, O-48, ZC-01	3817.72
2015-16	28/4	C-06, C-11, D-01, K-03, L-01, O-15, O-16, O-17, O-18, O-20, O-23, O-25, O-27, O-28, O-30, O-31, O-32, O-35, O-36, O-37, O-38, O-39, O-40, O-41, O-42, O-43, O-46, O-47, O-48, Q-02, U-01, W-07	564.82
2016-17	30/6	A-01, C-01, C-03, C-11, F-06, H-05, L-01, O-13, O-16, O-18, O-21, 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-39, O-40, O-43, O-46, O-47, O-48, V-06, W-01, W-07	167.69
TOTAL	87/13		4550.23

Source: Appropriation Accounts of Respective Years

Appendix - 2.3				
<i>(Reference: Paragraph 2.3.1.1; Page 54)</i>				
Grants/Appropriations closed with excess over provisions during 2017-18 requiring regularisation				
(₹ in crore)				
Sr. No.	Name and the title of the Voted grant/ Charged appropriation	Total grant	Expenditure	Excess
Revenue Section				
1	O22 District Plan - Ratnagiri	111.23	111.50	0.27
2	O46 District Plan - Aurangabad	164.51	165.19	0.68
3	O48 District Plan - Jalna	148.56	148.77	0.21
4	O74 District Plan - Amravati	151.39	151.69	0.30
5	T02 Co-operation	665.15	687.03	21.88
6	W07 Revenue Expenditure on removal of Regional Imbalance	20.06	21.09	1.03
Capital Section				
7	C09 Capital Expenditure on Other Administrative and Social Services	0.10	0.57	0.47
8	O27 District Plan - Pune	105.22	105.25	0.03
9	O31 District Plan - Sangli	36.1704	36.1705	0.0001
10	O43 District Plan - Ahmednagar	79.3365	79.3403	0.0038
11	O47 District Plan - Aurangabad	80.24	80.27	0.03
12	O49 District Plan - Jalna	35.57	36.66	1.09
13	O53 District Plan - Nanded	41.18	43.72	2.54
14	O59 District Plan - Osmanabad	43.96	44.44	0.48
15	O81 District Plan - Buldhana	64.2125	64.2144	0.0019
Charged Appropriation				
16	B01 Police Administration (Revenue Section)	5.55	5.65	0.10
17	D01 Interest Payments (Revenue Section)	33.92	35.75	1.83
18	C11 Internal Debt of the State Government (Capital Section)	0.001	0.006	0.005
19	G06 Pensions and Other Retirement Benefits (Revenue Section)	29.12	35.98	6.86
20	L01 Interest Payments (Revenue Section)	1055.10	1064.44	9.34
TOTAL		2870.58	2917.73	47.15

Source: Appropriation Accounts 2017-18

Appendix - 2.4

(Reference: Paragraph 2.3.2; Page 55)

Sub-head wise persistent excess over provision

(₹ in crore)

Sr. No.	Grant	MJH	SMH	MNH	SBH	SBH Description	V/C ^s	Excess 2015-16	Excess 2016-17	Excess 2017-18
1	B01	2055	00	001	066	Recruitment of Police	V	9.96	5.06	17.61
2	C05	2235	02	104	319	Financial Assistance to the heirs of the farmers who have committed suicides	V	5.79	4.01	3.72
3	C06	2245	02	101	024	Other Items	V	2.43	3.07	2.12
4	C06	2245	02	117	031	Assistance to small and marginal farmers for purchase of live stocks in lieu of dead animals	V	4.23	3.54	2.10
5	C07	2406	02	110	236	Compensation for the losses due to wild animals attack	V	17.40	4.77	16.66
6	D01	2049	03	104	121	General Provident Fund of staff in Agricultural Universities and Allied Institutions	C	7.98	7.49	7.29
7	L01	2049	02	104	077	Interest on State Provident Fund	C	110.71	4.89	9.34
8	S01	2210	05	105	230	Grant-in-aid to Kasturba Health Society	V	8.59	3.97	4.77
9	T05	2225	02	796	139	Tribal Development Commissionerate (State Plan Scheme)	V	6.04	4.60	9.01
10	T06	4225	02	796	053	Construction of English medium school buildings	V	12.10	62.00	9.58
11	T06	4406	01	796	080	Construction of Stone Check Dam (District Level Scheme)	V	28.76	37.64	27.09
12	W03	2203	00	105	265	Establishment of New Government Polytechnics	V	2.31	6.26	6.89
13	W03	2203	00	105	276	Introduction of double Shift in Government Polytechnics	V	6.71	9.33	6.40
14	ZE01	2235	02	200	A53	Starting of second and third shift in existing ITI's for minority student	V	7.47	4.78	1.12

Source: Appropriation Accounts of respective years

^s Voted/Charged

Appendix - 2.5

(Reference: Paragraph 2.3.4; Page 55)

Grants/Appropriations which closed with savings of more than ₹ 10 crore each and more than 20 per cent of the total provisions

(₹ in crores)

Sr. No.	Grant Number	Name of the Grant/Appropriation	Total Grant/Appropriation	Savings	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
1	A02	Elections (Revenue - Voted)	179.18	39.00	22
2	A04	Secretariat and Miscellaneous General Services (Revenue - Voted)	606.29	135.51	22
3	A05	Social Services (Revenue - Voted)	205.10	53.17	26
4	A06	Information and Publicity (Revenue - Voted)	132.91	66.12	50
5	A07	Civil Aviation (Revenue - Voted)	152.76	45.62	30
6	A09	Capital Outlay on Public Works (Capital - Voted)	170.10	167.09	98
7	B03	Transport Administration (Revenue - Charged)	35.45	35.45	100
8	B07	Economic Services (Revenue - Voted)	483.37	202.23	42
9	B10	Capital Expenditure on Economic Services (Capital - Voted)	1637.43	537.53	33
10	B11	Loans to Government Servants, etc. (Capital - Voted)	574.45	396.10	69
11	C01	Revenue and District Administration (Revenue - Voted)	2139.53	515.56	24
12	C04	Secretariat and Other General Services (Revenue - Voted)	53.26	18.09	34
13	C06	Relief on account of Natural Calamities (Revenue - Voted)	7219.14	3692.04	51
14	C07	Forest (Revenue - Voted)	2644.67	566.13	21
15	D03	Agricultural Services (Revenue - Voted)	6924.51	1562.01	23
16	D09	Capital Expenditure on Fisheries (Capital - Voted)	78.13	23.28	30
17	E03	Secretariat and Other Social Services (Revenue - Voted)	328.27	91.27	28
18	E04	Capital Outlay on Education, Sports, Art and Culture (Capital - Voted)	136.95	73.51	54
19	F02	Urban Development and Other Advance Services (Revenue - Voted)	12222.15	4228.31	35
20	F03	Secretariat and Other Social Services (Revenue - Voted)	125.41	113.56	91
21	F05	Capital Outlay on Social Services (Capital - Voted)	1085.35	217.08	20
22	G01	Sales Tax Administration (Revenue - Voted)	813.46	242.52	30
23	G02	Other Fiscal and Miscellaneous Services (Revenue - Voted)	1212.96	1114.16	92
24	G08	Capital Outlay on Other Administrative Services (Capital - Voted)	10.60	10.12	95
25	H03	Housing (Revenue - Voted)	362.92	81.89	23
26	H04	Secretariat and Other Economic Services (Revenue - Voted)	69.69	19.88	29
27	H06	Public Works and Administrative and Financial Buildings-(Revenue - Voted)	2648.96	608.48	23
28	H07	Capital Expenditure on Social Services and Economic Services (Capital - Voted)	5756.80	2226.11	39

Appendix - 2.5 (contd...)					
(1)	(2)	(3)	(4)	(5)	(6)
29	H08	Capital Expenditure On Public Works Administrative and Functional Buildings (Capital - Voted)	1768.75	939.15	53
30	H08	Capital Expenditure On Public Works Administrative and Functional Buildings (Capital - Charged)	30.90	24.51	79.
31	H09	Capital Outlay on Removal of Regional Imbalance (Capital - Voted)	107.34	91.53	85
32	I04	Secretariat-Economic Services (Revenue - Voted)	44.59	14.41	32
33	J01	Administration of Justice (Revenue - Voted)	1711.11	377.90	22
34	J04	Capital Outlay on Public Works (Capital Voted)	10.00	10.00	100
35	K01	Other Taxes and Duties on Commodities and Services (Revenue - Voted)	52.35	11.62	22
36	K04	Labour and Employment (Revenue - Voted)	190.41	65.69	34
37	K07	Industries (Revenue - Voted)	2937.38	637.38	22
38	K08	Secretariat-Economic Services (Revenue - Voted)	27.67	13.88	50
39	K11	Capital Expenditure on Energy (Capital - Voted)	1239.72	615.65	50
40	L03	Rural Development Programmes (Revenue - Voted)	6907.87	1684.76	24
41	L04	Secretariat-Economic Services (Revenue - Voted)	53.69	29.52	55
42	L07	Capital Expenditure on Rural Development (Capital - Voted)	6044.98	2081.61	34
43	N02	Secretariat and Other Social Services (Revenue - Voted)	905.37	180.89	20
44	N04	Capital Expenditure on Social Services (Capital - Voted)	589.43	509.49	86
45	N07	District Schemes (Capital - Voted)	106.71	31.21	29
46	O01	District Administration (Revenue - Voted)	355.00	123.49	35
47	O03	Rural Employment (Revenue - Voted)	5138.96	3468.90	68
48	O06	Other Scientific Research (Revenue - Voted)	100.00	20.00	20
49	O07	Secretariat-Economic Services (Revenue - Voted)	244.54	79.80	33
50	O08	Tourism (Revenue - Voted)	177.46	67.56	38
51	O09	Census, Survey and Statistics (Revenue - Voted)	62.53	19.92	32
52	O10	Capital Outlay on Other Rural Development Programmes (Capital - Voted)	3157.04	2373.91	75
53	O11	Capital Outlay on Hill Areas (Capital - Voted)	90.50	23.48	26
54	Q03	Housing (Revenue - Voted)	1706.59	1548.93	91
55	T01	Interest Payments (Revenue - Charged)	46.75	10.78	23
56	T04	Secretariat-Social Services (Revenue - Voted)	19.87	11.06	56
57	T05	Revenue Expenditure on Tribal Areas Development Sub-Plan (Revenue - Voted)	6510.04	3258.17	50

Appendix – 2.5 (concl...)					
(1)	(2)	(3)	(4)	(5)	(6)
58	T06	Capital Expenditure on Tribal Areas Development Sub-Plan (Capital - Voted)	802.82	221.05	28
59	U04	Ecology and Environment (Revenue - Voted)	131.09	115.77	88
60	V01	Interest Payments (Revenue - Charged)	36.33	11.74	32
61	V02	Co-operation (Revenue - Voted)	34834.19	18584.10	53
62	V03	Capital Expenditure on Social Services (Capital - Voted)	143.07	52.94	37
63	V04	Internal Debt of State Government (Capital – Charged)	56.00	13.27	24
64	V05	Capital Expenditure on Economic Services (Capital - Voted)	154.13	52.11	34
65	W01	Interest Payments (Revenue - Charged)	295.14	62.57	21
66	W08	Capital Outlay on Other Social Services (Capital - Voted)	17.50	17.50	100
67	X03	Capital Expenditure on Social Services (Revenue-Voted)	55.68	39.43	71
68	Y02	Water Supply and Sanitation (Revenue - Voted)	4114.90	2059.43	50
69	Y06	Capital Expenditure on Economic and Social Services (Capital - Voted)	274.02	235.12	86
70	ZA01	Secretariat and Other Social Services (Revenue - Voted)	1936.95	528.01	27
71	ZD02	Art and Culture (Revenue - Voted)	171.88	39.17	23
72	ZD04	Tourism (Revenue - Voted)	311.56	75.20	24
73	ZE01	Minorities Development (Revenue - Voted)	388.13	121.45	31
TOTAL			132070.74	57635.88	

Source: Appropriation Accounts 2017-18

Appendix-2.6

(Reference: Paragraph 2.3.4; Page 55)

Grants which closed with saving of ₹ 100 crore each and above

(₹ in crore)

Sr. No.	Number and Name of the Grant	Original Provision	Supplementary Provision	Total	Actual Expenditure	Savings	Percentage (7)/(5)*100
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Revenue Voted							
1	A04 Secretariat and Miscellaneous General Services	505.96	100.33	606.29	470.78	135.51	22.35
2	B01 Police Administration	12351.58	48.16	12399.74	11458.85	940.89	7.59
3	B03 Transport Administration	1731.54	115.37	1846.91	1562.57	284.34	15.40
4	B07 Economic Services	206.00	277.37	483.37	281.14	202.23	41.84
5	C01 Revenue and District Administration	2135.78	3.75	2139.53	1623.97	515.56	24.10
6	C06 Relief on account of Natural Calamities	7187.59	31.55	7219.14	3527.09	3692.05	51.14
7	C07 Forest	2253.33	391.34	2644.67	2078.54	566.13	21.41
8	D03 Agriculture Services	6228.42	696.09	6924.51	5362.50	1562.01	22.56
9	D04 Animal Husbandry	1028.32	44.02	1072.34	867.72	204.62	19.08
10	E02 General Education	46661.38	23.59	46684.97	40004.59	6680.38	14.31
11	F02 Urban Development and Other Advance Services	12149.56	72.59	12222.15	7993.84	4228.31	34.60
12	F03 Secretariat and Other Social Services	125.41	0.00	125.41	11.85	113.56	90.55
13	G01 Sales Tax Administration	803.88	9.58	813.46	570.94	242.52	29.81
14	G02 Other Fiscal and Miscellaneous Services	1212.42	0.54	1212.96	98.80	1114.16	91.85
15	G06 Pensions and Other Retirement Benefits	19787.29	0.00	19787.29	18567.67	1219.62	6.16
16	H06 Public Works and Administrative and Functional Buildings	2603.96	45.00	2648.96	2040.48	608.48	22.97
17	I03 Irrigation, Power and Other Economic Services	1921.46	2.19	1923.65	1600.73	322.92	16.79
18	J01 Administration of Justice	1702.97	8.14	1711.11	1333.21	377.90	22.09
19	K06 Energy	6699.80	3172.94	9872.74	8692.81	1179.93	11.95
20	K07 Industries	2937.38	0.00	2937.38	2300.00	637.38	21.70

Appendix - 2.6 (contd...)							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
21	L02 District Administration	3809.47	29.06	3838.53	3582.65	255.88	6.67
22	L03 Rural Development Programmes	6460.65	447.22	6907.87	5223.11	1684.76	24.39
23	N02 Secretariat and Other Social Services	905.23	0.14	905.37	724.48	180.89	19.98
24	N03 Welfare of Scheduled Caste, Scheduled Tribes and Other Backward Classes	8737.19	447.81	9185.00	7415.61	1769.39	19.26
25	O01 District Administration	305.00	50.00	355.00	231.51	123.49	34.79
26	O03 Rural Employment	4688.96	450.00	5138.96	1670.06	3468.90	67.50
27	Q03 Housing	1706.59	0.00	1706.59	157.66	1548.93	90.76
28	R01 Medical and Public Health	8103.79	2558.82	10662.61	8706.02	1956.59	18.35
29	S01 Medical and Public Health	2566.77	64.51	2631.28	2364.11	267.17	10.15
30	T05 Revenue Expenditure on Tribal Areas Development Sub-Plan	4306.49	2203.55	6510.04	3251.87	3258.17	50.05
31	U04 Ecology and Environment	131.09	0.00	131.09	15.32	115.77	88.31
32	V02 Co-operation	1064.35	33769.85	34834.20	16280.10	18554.10	53.26
33	W02 General Education	5550.77	595.88	6146.65	5702.89	443.76	7.22
34	W03 Technical Education	1349.31	46.11	1395.42	1208.52	186.90	13.39
35	X01 Social Security and Nutrition	2247.54	912.07	3159.61	2763.64	395.97	12.53
36	Y02 Water Supply and Sanitation	3989.90	125.00	4114.90	2055.47	2059.43	50.05
37	ZA01 Secretariat and Other Social Services	1626.85	310.10	1936.95	1408.94	528.01	27.26
38	ZE01 Minorities Development	388.13	0.00	388.13	266.68	121.45	31.29
Revenue Charged							
39	E01 Interest Payments	1809.20	0.00	1809.20	1623.47	185.73	10.27
40	G03 Interest Payments and Debt Servicing	30757.90	2129.59	32887.49	32500.97	386.52	1.18
Capital Voted							
41	A09 Capital Outlay on Public Works	170.10	0.00	170.10	3.01	167.09	98.23
42	B10 Capital Expenditure on Economic Services	1637.43	0.00	1637.43	1099.90	537.53	32.83

Appendix - 2.6 (concl...)							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
43	B11 Loans to Government Servants etc.	574.45	0.00	574.45	178.35	396.10	68.95
44	F05 Capital Expenditure on Social Services	350.01	735.33	1085.34	868.26	217.08	20.00
45	H07 Capital expenditure on Social Services and Economic Services	5620.24	136.56	5756.80	3530.69	2226.11	38.67
46	H08 Capital Expenditure on Public Works Administrative and Functional Buildings.	1722.12	46.63	1768.75	829.60	939.15	53.10
47	I05 Capital Expenditure on Irrigation	9519.61	1700.01	11219.62	9488.57	1731.05	15.43
48	K11 Capital Expenditure on Energy	1239.72	0.00	1239.72	624.07	615.65	49.66
49	L07 Capital Expenditure on Rural Development	5044.98	1000.00	6044.98	3963.37	2081.61	34.44
50	M04 Capital Outlay on Food, Storage and Warehousing	4201.15	0.00	4201.15	3710.35	490.80	11.68
51	N04 Capital Expenditure on Social Services	589.43	0.00	589.43	79.94	509.49	86.44
52	O10 Capital Outlay on Other Rural Development Programmes	2991.39	165.65	3157.04	783.12	2373.92	75.19
53	T06 Capital Expenditure on Tribal Areas Development Sub-Plan	798.57	4.25	802.82	581.77	221.05	27.53
54	Y06 Capital Expenditure on Economic and Social Services	63.82	210.21	274.03	38.91	235.12	85.80
Capital Charged							
55	G09 Public Debt and Inter State Settlement	16234.40	966.00	17200.40	16987.29	213.11	1.24
	TOTAL	271496.63	54146.90	325643.53	250368.36	75275.17	

Source: Appropriation Accounts 2017-18

Appendix - 2.7

(Reference: Paragraph 2.3.5; Page 56)

Grants which closed with savings of more than ₹ 100 crore persistently during 2013-14 to 2017-18
(₹ in crore)

Sr. No.	Number and Name of the grant	Voted/ Charged (V/C)	Amount of savings (percent to total grants)				
			2013-14	2014-15	2015-16	2016-17	2017-18
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Revenue Voted							
1	B01-Police Administration	V	945.88 (10.32)	1250.17 (12.28)	1715.89 (14.59)	842.90 (6.89)	940.89 (19.84)
2	C01-Revenue and District Administration	V	219.70 (14.46)	304.46 (19.15)	317.86 (17.79)	311.80 (16.42)	515.56 (24.10)
3	D03-Agriculture Services	V	571.55 (14.58)	839.80 (17.04)	723.07 (13.65)	1024.24 (11.59)	1562.01 (22.56)
4	E02-General Education	V	1094.41 (3.39)	1639.51 (4.67)	3317.57 (8.48)	4502.23 (10.78)	6680.38 (14.31)
5	F02-Urban Development and Other Advance Services	V	1906.39 (30.45)	1592.83 (26.08)	1151.96 (15.35)	1554.65 (13.43)	4228.31 (34.60)
6	G02-Other Fiscal and Miscellaneous Services	V	1321.62 (94.41)	153.76 (52.41)	3491.79 (96.68)	2191.39 (94.50)	1114.16 (91.85)
7	H06-Public Works and Administrative and Functional Buildings.	V	376.95 (15.34)	479.34 (19.06)	525.37 (20.06)	526.59 (20.06)	608.48 (22.97)
8	I03-Irrigation, Power and Other Economic Services	V	405.87 (15.46)	340.75 (14.94)	316.90 (13.21)	473.49 (19.84)	322.92 (16.79)
9	J01-Administration of Justice	V	254.45 (20.89)	536.97 (34.42)	236.17 (17.43)	249.06 (17.14)	377.90 (22.09)
10	L03-Rural Development Programmes	V	1316.67 (29.15)	1844.17 (26.63)	1308.33 (23.44)	1199.04 (15.99)	1684.76 (24.39)
11	O03-Rural Employment	V	200.83 (24.86)	844.82 (36.47)	476.98 (17.56)	1592.76 (46.11)	3468.90 (67.50)
12	Q03-Housing	V	742.99 (46.33)	979.95 (67.35)	335.44 (61.63)	1662.53 (79.84)	1548.93 (90.76)
13	R01-Medical and Public Health	V	117.90 (2.40)	2552.99 (29.50)	1407.53 (17.27)	1434.53 (16.47)	1956.59 (18.35)
14	S01-Medical and Public Health	V	118.07 (6.60)	139.84 (7.03)	209.93 (9.34)	236.03 (9.29)	267.17 (10.15)
15	T05-Revenue Expenditure on Tribal Areas Development Sub-Plan	V	511.09 (14.47)	1114.16 (23.83)	1374.04 (25.70)	1022.55 (18.86)	3258.17 (50.05)

Appendix - 2.7 (concl...)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
16	W03-Technical Education	V	125.01	261.21	223.94	215.03	186.90
			(7.65)	(13.91)	(11.65)	(11.54)	(13.39)
17	X01-Social Security and Nutrition	V	343.27	516.86	552.26	535.27	395.97
			(11.82)	(15.35)	(15.31)	(17.95)	(12.53)
18	Y02-Water Supply and Sanitation	V	228.08	866.07	1445.30	2021.40	2059.43
			(29.91)	(42.25)	(48.91)	(51.54)	(50.05)
Revenue Charged							
19	G03-Interest Payments and Debt Servicing	C	113.00	234.68	1923.11	207.61	386.52
			(0.55)	(1.00)	(7.09)	(0.73)	(1.18)
Capital Voted							
20	B10-Capital Expenditure on Economic Services	V	467.05	467.00	488.45	242.46	537.53
			(37.04)	(43.72)	(34.26)	(14.89)	(32.83)
21	H08-Capital Expenditure On Public Works Administrative and Functional Buildings	V	488.03	542.74	363.33	467.50	939.15
			(34.86)	(38.04)	(23.48)	(31.59)	(38.67)
22	I05-Capital Expenditure on Irrigation	V	1548.29	2993.76	651.80	352.01	1731.05
			(16.25)	(28.80)	(7.30)	(3.92)	(15.43)
23	L07-Capital Expenditure on Rural Development	V	892.10	1596.83	1664.83	1427.67	2081.61
			(62.94)	(64.62)	(55.46)	(52.33)	(34.44)
24	N04-Capital Expenditure on Social Services	V	610.73	1007.96	1202.41	1117.18	509.49
			(55.75)	(69.12)	(84.11)	(88.68)	(86.44)
25	O10-Capital Outlay on Other Rural Development Programmes	V	2700.50	5286.10	5868.95	3004.57	2373.91
			(78.83)	(86.48)	(89.43)	(79.34)	(75.19)

Source: Appropriation Accounts of respective years

Appendix- 2.8*(Reference: Paragraph 2.3.6; Page 56)***Unnecessary Supplementary provisions****(₹ 10 crore or more in each case)****(₹ in crore)**

Sr. No.	Grant Number	Name of the Appropriation	Original	Actual expenditure	Savings out of original provision	Supplementary Provision
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Revenue Voted						
1	A04	Secretariat and Miscellaneous General Services	505.96	470.78	35.18	100.33
2	B01	Police Administration	12351.58	11458.85	892.73	48.17
3	B03	Transport Administration	1731.54	1562.57	168.97	115.38
4	C06	Relief on account of Natural Calamities	7187.59	3527.09	3660.50	31.54
5	C07	Forest	2253.33	2078.54	174.79	391.34
6	D03	Agriculture Services	6228.42	5362.50	865.92	696.09
7	D04	Animal Husbandry	1028.32	867.72	160.60	44.02
8	E02	General Education	46661.38	40004.59	6656.79	23.58
9	E03	Secretariat and Other Social Services	280.81	237.01	43.80	47.46
10	F02	Urban Development and Other Advance Services	12149.56	7993.84	4155.72	72.59
11	H03	Housing	287.92	281.03	6.89	75.00
12	H06	Public Works and Administrative and Functional Buildings	2603.96	2040.48	563.48	45.00
13	L02	District Administration	3809.47	3582.65	226.82	29.06
14	L03	Rural Development Programmes	6460.65	5223.11	1237.54	447.22
15	N03	Welfare of Scheduled Caste, Scheduled Tribes and Other Backward Classes	8737.19	7415.61	1321.58	447.81
16	O01	District Administration	305.00	231.51	73.49	50.00
17	O03	Rural Employment	4688.96	1670.06	3018.90	450.00
18	S01	Medical and Public Health	2566.77	2364.11	202.66	64.51
19	T05	Revenue Expenditure on Tribal Areas Development Sub-Plan	4306.49	3251.87	1054.62	2203.54
20	W03	Technical Education	1349.31	1208.52	140.79	46.11
21	Y02	Water Supply and Sanitation	3989.90	2055.47	1934.43	125.00
22	ZA01	Secretariat and Other Social Services	1626.85	1408.94	217.91	310.10
23	ZD04	Tourism	289.72	236.36	53.36	21.84

Appendix - 2.8 (concl...)						
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Capital Voted						
24	E04	Expenditure on Capital Outlay on Education, Sports, Art and Culture	83.90	63.43	20.47	53.05
25	H07	Capital Expenditure on Social Services and Economic Services	5620.24	3530.69	2089.55	136.56
26	H08	Capital Expenditure On Public Works Administrative and Functional Buildings	1722.12	829.60	892.52	46.63
27	I05	Capital Expenditure on Irrigation	9519.61	9488.57	31.04	1700.01
28	L07	Capital Expenditure on Rural Development	5044.98	3963.37	1081.61	1000.00
29	O10	Capital Outlay on Other Rural Development Programmes	2991.39	783.12	2208.27	165.65
30	V05	Capital Expenditure on Economic Services	118.23	102.02	16.21	35.90
31	Y06	Capital Expenditure on Economic and Social Services	63.82	38.91	24.91	210.20
Capital Charged						
32	H08	Capital Expenditure On Public Works Administrative and Functional Buildings	6.90	6.39	0.51	24.00
TOTAL			156571.87	123339.31	33232.56	9257.69
Source: Appropriation Accounts 2017-18						

Appendix- 2.9*(Reference: Paragraph 2.3.7; Page 57)***Cases of surrender of funds in excess of ₹ 50 crore on 30 and 31 March 2018****(₹ in crore)**

Sr. No.	Grant number	Major Head	Amount Surrendered
(1)	(2)	(3)	(4)
Revenue Section			
1	A04	2052 Secretariat - General Services	62.02
2	A04	2070 Other Administrative Services	56.05
3	A06	2220 Information and Publicity	63.17
4	B01	2055 Police	849.25
5	B03	2041 Taxes on Vehicles	239.27
6	B03	3055 Road Transport	79.93
7	B07	3001 Indian Railways-Policy Formulation, Direction, Research and Other Miscellaneous Organisations	188.77
8	C06	2245 Relief on account of Natural Calamities	4481.20
9	D03	2401 Crop Husbandry	1422.03
10	D03	2415 Agricultural Research and Education	110.70
11	D04	2403 Animal Husbandry	204.47
12	E01	2049 Interest Payments	185.73
13	E02	2202 General Education	6639.08
14	E03	2204 Sports and Youth Services	60.82
15	F02	2217 Urban Development	4705.72
16	F03	2230 Labour and Employment	104.91
17	G01	2040 Taxes on Sales	212.74
18	G02	2070 Other Administrative Services	1074.43
19	G03	2049 Interest Payments	75.05
20	G05	2054 Treasury and Accounts Administration	50.69
21	G06	2071 Pensions and Other Retirement Benefits	1196.22
22	K04	2230 Labour and Employment	60.18
23	K06	2801 Power	804.42
24	K06	2810 Non-Conventional Sources of Energy	376.89
25	K07	2851 Village and Small Industries	69.00
26	K07	2852 Industries	548.06
27	L02	2053 District Administration	90.87
28	L03	2501 Special Programmes for Rural Development	164.40
29	L03	2505 Rural Employment	694.74
30	L03	2515 Other Rural Development Programmes	807.81
31	L03	2702 Minor Irrigation	354.76
32	L03	3054 Roads and Bridges	58.13
33	L05	3604 Compensation and Assignments to Local Bodies and Panchayati Raj Institutions	54.98

Appendix - 2.9 (contd...)			
(1)	(2)	(3)	(4)
34	M02	2408 Food, Storage and Warehousing	61.56
35	N02	2216 Housing	160.02
36	N03	2225 Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	1510.11
37	N03	2235 Social Security and Welfare	269.78
38	O01	2053 District Administration	123.49
39	O03	2505 Rural Employment	1032.15
40	O07	3451 Secretariat -Economic Services	81.62
41	O08	3452 Tourism	67.56
42	Q03	2216 Housing	1234.37
43	R01	2210 Medical and Public Health	1847.64
44	R01	2211 Family Welfare	104.81
45	S01	2210 Medical and Public Health	271.06
46	T05	2202 General Education	52.71
47	T05	2210 Medical and Public Health	57.79
48	T05	2215 Water Supply and Sanitation	284.47
49	T05	2225 Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	412.11
50	T05	2401 Crop Husbandry	94.87
51	T05	2435 Other Agricultural Programmes	1850.00
52	T05	2501 Special Programmes for Rural Development	84.33
53	T05	2505 Rural Employment	339.45
54	T09	2225 Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	146.36
55	U04	3435 Ecology and Environment	115.77
56	V02	2425 Co-operation	307.63
57	V02	2435 Other Agricultural Programmes	18236.17
58	W02	2202 General Education	443.55
59	W03	2203 Technical Education	207.02
60	X01	2235 Social Security and Welfare	153.97
61	X01	2236 Nutrition	232.32
62	Y02	2215 Water Supply and Sanitation	2062.40
63	ZA01	2203 Technical Education	189.52
64	ZA01	2230 Labour and Employment	364.75
65	ZD04	3452 Tourism	75.05
Capital Section			
66	A09	4059 Capital Outlay on Public Works	150.08
67	B10	4055 Capital Outlay on Police	395.13
68	B10	4070 Capital Outlay on other Administrative Services	84.31

Appendix - 2.9 (concl...)			
(1)	(2)	(3)	(4)
69	B10	5055 Capital Outlay on Road Transport	116.24
70	B11	7610 Loans to Government Servants etc.	395.75
71	E04	4202 Capital Outlay on Education, Sports, Art and Culture	73.52
72	F05	4217 Capital Outlay on Urban Development	217.07
73	G09	6004 Loans and Advances from the Central Government	212.15
74	K11	4801 Capital Outlay on Power Projects	404.79
75	K11	6801 Loans for Power Projects	215.83
76	L07	4402 Capital Outlay on Soil and Water	609.04
77	L07	4702 Capital Outlay on Minor Irrigation	58.07
78	L07	5054 Capital Outlay on Roads and Bridges	1403.43
79	M04	4408 Capital Outlay on Food Storage and Warehousing	506.41
80	N04	4225 Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes & Minorities	426.60
81	N04	6225 Loans for Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	52.89
82	O10	4515 Capital Outlay on other Rural Development Programmes	2368.10
83	T06	4225 Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes & Minorities	104.29
84	T06	4402 Capital Outlay on Soil and Water Conservation	68.57
85	T10	4225 Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes & Minorities	54.65
86	Y06	6215 Loans for Water Supply and Sanitation	214.20
		TOTAL	66752.02

Source: Appropriation Accounts 2017-18

Appendix- 2.10

(Reference Paragraph 2.4.2 ; Page 59)

Sub-head wise substantial saving under Grant B10, C07 and F02 during 2017-18

(₹ in crore)

Sr. No.	Cross Reference Code	Description	Total Grant	Actual Expenditure	Savings	Percentage of savings	Reasons for savings
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Grant B10: Home Department							
1	405500207	Recommendations of Empower Committee for various development works in Naxal affected area	50.00	20.59	29.41	58.82	Surrender of provision of ₹ 29.41 crore was due to less expenditure than anticipated.
2	405500207	City Police (State Share 40 per cent)	44.06	7.78	36.28	82.34	Surrender of provision of ₹ 137.78 crore was due to non-completion of purchase procedure within the stipulated time.
3	405500207	City Police (Central Share 60 per cent)	66.09	11.68	54.41	82.32	
4	405500207	District Police (State Share 40 per cent)	27.94	12.66	15.28	54.68	
5	405500207	District Police (Central Share 60 per cent)	41.91	10.10	31.81	75.90	
6	405500207	Forensic Science (Central Share 60 per cent)	10.05	0.17	9.88	98.30	Surrender of provision of ₹ 9.88 crore in March 2018 was due to non-receipt of Administrative approval for incurring expenditure.
Grant C07: Forest							
1	24151068	Kundal Academy of Development Administration and management (Forest Committed)	21.44	4.02	17.42	81.25	No specific reasons were assigned for the saving

Appendix – 2.10 (conclid...)							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Grant F02:Urban Development Department							
1	221780191	Grant to Municipal Corporations in the State under Maharashtra Nagarothan Maha-Abhiyan	550.00	82.75	467.25	84.95	Surrender of provision of ₹ 1860.90 crore in March 2018 was based on revised estimates, actual expenditure and funds released under Central Share by Central Government.
2	221780191	Grant in aid to Special Programme for Pilgrim Places at Municipal Corporation Areas	20.00	6.00	14.00	70.00	
3	221780191	Assistance to Municipal Corporations for Swacch Bharat Mission	400.00	169.13	230.87	57.72	
4	221780192	Assistance for strengthening of fire and Emergency services of Municipal Councils in the State	20.00	0.64	19.36	96.80	
5	221780192	Assistance to Municipal Councils for Swachh Bharat Mission (Central Share 60 per cent)	400.00	90.83	309.17	77.29	
6	221780192	Assistance to Municipal Councils for Amrut Abhiyan (Central Share)	400.00	75.81	324.19	81.05	
7	221780192	Assistance to Municipal Councils for Amrut Abhiyan (State Share)	200.00	6.16	193.84	96.92	
8	221780193	Assistance to Municipal Corporations for Swacch Bharat Mission (Central Share 60 per cent)	270.00	12.27	257.73	95.45	
9	221780800	Grant in aid for establishment charges on Amrut Abhiyan (Central Share 100 per cent)	70.00	25.51	44.49	63.55	
Source: Appropriation Accounts 2017-18							

Appendix 2.11						
(Reference: Paragraph 2.5; Page 59)						
Contingency Fund sanction orders and utilisation against sanctions						
(₹ in crore)						
Sr. No.	Sanction No. & Date	Department/Grant No./MH	Purpose for which drawn	Sanctioned Amount	Amount utilised	Balance Amount
1	CNF-2017/1 Budget-11 dt: 03.04.2017	Law and Judiciary Department J-1/2014	Provision for creating a post and recurring & non-recurring expenditure for establishment of District and Additional Session Court at Samudrapur and Hinganghat	1.14	0.00	1.14
2	CNF-2017/2 Budget-13 dt: 30.06.2017	Co-operation, Marketing & Textile department V-02/2425	Provision for various non-recurring expenses related to financial aid to onion producing farmers	43.48	43.35	0.13
3	CNF-2017/3 Budget-13 dt: 16.10.2017	Co-operation, Marketing & Textile department V-05/6425	Provision for Loans to Co-operative Sugar factories for margin money for working capital	35.90	35.90	0.00
4	CNF-2017/4 Budget-13 dt: 24.10.2017	Co-operation, Marketing & Textile Department V-02/2425	Provision for various non-recurring expenses related to financial aid to Soya bean producing farmers. ₹ 200/- per quintal maximum up to 25 quintal per farmer.	108.64	108.64	0.00
5	CNF-2018/5 Budget-7 dt: 14.02.2018	Social Justice and Special Assistance Department N-03/2225	Provision for Office expenses of State Backward class Commission	1.00	1.00	0.00
Total				190.16	188.89	1.27
Source: Contingency Fund sanction orders from respective Departments and information from Accountant General (Accounts and Entitlement)-I, Maharashtra, Mumbai						

Appendix - 2.12			
<i>(Reference: Paragraph 2.7.1; Page 61)</i>			
Inoperative Personal Ledger Account			
Sr. No.	Name of Treasury	No. of accounts non-operative for one or more than one year	Balance as on 31 March 2018 (₹ in crore)
1	Ahmednagar	1	0.00
2	Akola	1	0.02
3	Amravati	3	0.38
4	Aurangabad	7	12.58
5	Beed	1	3.36
6	Buldhana	1	0.03
7	Chandrapur	3	0.08
8	Dhule	17	0.00
9	Hingoli	1	0.00
10	Jalgaon	8	0.00
11	Jalna	1	0.03
12	Kolhapur	3	0.58
13	Latur	1	0.00
14	Nagpur	3	1.28
15	Nandurbar	5	0.01
16	Nasik	17	0.26
17	Nanded	5	0.97
18	Parbhani	6	0.12
19	Palghar	7	0.01
20	Pune	68	1.52
21	Raigad	5	0.24
22	Ratnagiri	5	0.41
23	Sangli	13	0.26
24	Satara	4	0.80
25	Sindhudurg	1	0.00
26	Thane	13	0.13
27	Yavatmal	5	1.08
Grand Total		205	24.15

Source: Information obtained from Accountant General (A&E) I, Mumbai, Accountant General (Audit) II, Nagpur and Pay and Accounts office

Appendix - 2.13 (Reference: Paragraph 2.7.3.3; Page 63) Delay in crediting amount in Personal Ledger Account		
Sr. No.	Name of College and Institute	Delay in days in crediting receipts into Treasury Account
1	The Principal, Government Polytechnic, Thane	60-180
2	The Principal, Industrial Training Institute, Ambernath	08-44
3	The Principal, Government Engineering College Avasari Khurd, Ambegaon, Pune	03-116
4	The Principal, Maharashtra State Institute of Hotel Management and Catering, Shivaji Nagar, Pune	07-89
5	The Principal, Government Polytechnic for Distance Learning, Shivaji Nagar, Pune	351-736
6	The Principal, Industrial Training Institute, Mulund	01-138
Source : Information obtained from respective Administrators of PLA		

Appendix - 2.14					
<i>(Reference: Paragraph 2.7.3.3 ; Page 63)</i>					
Non-reconciliation between Personal Ledger Account and Treasury Pass Book					
Sr. No.	Name of the Administrator	Closing Balance as on	Closing Balance as per PLA cash Book	Closing Balance as per the treasury Pass Book	Difference
1	Principal, ITI Mulund	31.03.2018	2.18	2.10	0.08
2	Principal, Government Polytechnic and Distance learning, Pune	30.06.2017 (cash book not recorded thereafter)	2.52	2.53	0.01
3	Principal, Maharashtra State Institute of Hotel Management and Catering Technology, Pune	31.03.2018	4.90	4.89	0.01
4	Principal, Government Polytechnic, Thane	31.03.2018	1.62	1.44	0.18

Source : Information obtained from respective Administrators of PLA

Appendix 3.1			
<i>(Reference: Paragraph 3.1; Page 67)</i>			
Department-wise breakup of outstanding utilisation certificates			
Sr. No.	Department	Number of certificates	Amount (₹ in crore)
1	Agriculture, Animal Husbandry, Dairy Development and Fisheries	3195	2923.89
2	Co-operation, Marketing and Textiles	156	600.75
3	Employment and Self-Employment	0	0.00
4	Environment	75	158.31
5	Finance	7	9.48
6	Food, Civil Supplies and Consumer Protection	57	54.68
7	General Administration	85	193.98
8	Higher and Technical Education	301	517.73
9	Home	240	682.44
10	Housing	16	3.77
11	Industries, Energy and Labour	107	3579.55
12	Law and Judiciary	82	11.50
13	Maharashtra Legislature Secretariat	16	2.00
14	Marathi Language	54	7.63
15	Medical Education and Drugs	68	62.54
16	Minority Development	276	179.32
17	Planning	7269	5137.11
18	Public Health	744	4416.40
19	Public Works	256	80.95
20	Revenue and Forests	1929	845.19
21	Rural Development and Water Conservation	1774	3289.44
22	School Education and Sports	2108	5480.42
23	Skill Development and Entrepreneurship	43	114.74
24	Social Justice and Special Assistance	2150	1354.62
25	Social Welfare, Cultural Affairs and Sports	1084	549.59
26	Tourism and Cultural Affairs	218	523.71
27	Tribal Development	6480	3891.50
28	Urban Development	1483	30145.92
29	Water Resources	3	0.52
30	Water Supply and Sanitation	405	975.26
31	Women and Child Development	1889	128.41
	Total	32570	65921.35

Source : Finance Accounts 2017-18

Appendix 3.2 (Reference : Paragraph 3.3; Page 68)								
Delay in submission of Accounts/Audit Reports by Autonomous Bodies								
Sr. No.	Name of the Body	Period of Entrustment/ Audit under Section of CAG's DPC Act, 1971	Year up to which Accounts were rendered	Due date of submission of Accounts to audit	Delay in submission of Accounts		Period up to which SAR is issued	Placement of SAR in the Legislature
					Accounts received on	Period of delay (in months)		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Maharashtra Housing and Area Development Authority (MHADA), Mumbai	01/04/2013 to 31/03/2018 Section 20(1)	2016-17	June 2017	1/09/2017	02	2016-17	SAR 2015-16 presented in July 2017
2	Mumbai Metropolitan Region Development Authority (MMRDA), Mumbai	01/04/2014 to 31/03/2019 Section 20(1)	2016-17	June 2017	13/07/2017	-	2016-17	No provision for presentation in MMRDA's Act
3	Maharashtra Jeevan Pradhikaran (MJP), Mumbai	01/04/2017 to 31/3/2022 Section 20(1)	2015-16	June 2016	14/12/2017	18	2015-16	SAR 2013-14 presented on 9/8/2017 and 2014-15 presented on 16/07/2018
4	Maharashtra Krishna Valley Development Corporation (MKVDC), Pune	01/04/2013 to 31/03/2018 Section 19(3)	2016-17	June 2017	10/07/2017	-	2016-17	SAR 2016-17 presented on 23/03/2018
5	Konkan Irrigation Development Corporation (KIDC), Thane	01/04/2013 to 31/03/2018 Section 19(3)	2016-17	June 2017	07/02/2018	07	2015-16	SAR 2014-15 presented on 09/08/2017
6	Maharashtra Maritime Board (MMB), Mumbai	01/04/2016 to 31/03/2021 Section 20(1)	2016-17	June 2017	29/06/2018	12	2015-16	SAR for 2014-15 presented on 23/8/2018
7	Maharashtra State Commission for Women (MSCW), Mumbai	01/04/2013 to 31/03/2018 Section 19(3)	2015-16	June 2016	9/5/2018	23	2015-16	SAR 2013-14 presented on 21/12/2017
8	Maharashtra Pollution Control Board (MPCB), Mumbai	01/04/2013 to 31/03/2018 Section 20(1)	2015-16 2016-17	June 2016 June 2017	02/08/2017 23/4/2018	13 months 10 months	2016-17	SAR 2005-06 to 2009-10 presented in April 2018
9	Slum Rehabilitation Authority, Mumbai (SRA)	01/04/2016 to 31/03/2021 Section 20(1)	2016-17	June 2017	10/07/2017	-	2016-17	SAR 2015-16 presented on 22/12/2017
10	Maharashtra Water Resources Regulatory authority (MWRRA)	01/04/2015 to 31/03/2020 Section 20(1)	2016-17	June 2017	18/10/2017	04	2016-17	SAR 2016-17 presented on 27/03/2018
11	Rajiv Gandhi Science and Technology Commission (RGSTC)	01/04/2010 onwards till existence Section 19(3)	2016-17	June 2017	24/01/2018	07	2016-17	SAR 2014-15 presented on 07/04/2016

Appendix 3.2 (contd...)								
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
12	Maharashtra Khadi and Village Industries Board (MSKVIB), Mumbai	01/04/2012 to 31/03/2017 Section 20(1)	2016-17	June 2017	28/11/2017	05	2016-17	SAR 2012-13 to 2015-16 presented in November 2017
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 CAG's (DPC) Act 1971	2009-10 2010-11 2011-12 2012-13 2013-14 2014-15 2015-16 2016-17	June 2010 June 2011 June 2012 June 2013 June 2014 June 2015 June 2016 June 2017	10/11/2017 10/11/2017 10/11/2017 10/11/2017 10/11/2017 10/11/2017 10/11/2017 10/11/2017	88 76 64 53 40 26 16 04	2016-17	SAR yet to be presented
14	Maharashtra State Commission for Protection of Child Rights (MSCPCR)	The audit has been taken up as per Section 19(2) of CAG's (DPC) Act 1971	2016-17	June 2017	23/10/2017	04	2016-17	SAR 2008-09 to 2012-13 presented on 01/04/2016 & SAR 2013-14 & 2014-15 presented on 04/08/2016
15	Maharashtra State Human rights commission (MSHRC)	The audit has been taken under section 19(2) of the CAG's (DPC) Act 1971 read with rule 35(2) of the protection of Human rights Act, 1993	2014-15 2015-16 2016-17	June 2015 June 2016 June 2017	10/07/2017 22/06/2018 22/06/2018	25 24 12	2014-15	SAR 2002-03 yet to be presented.
16	Maharashtra State Minorities Commission (MSMC)	The audit has been taken under section 19(3) of the CAG's (DPC) Act 1971 read with section 12(3) of Maharashtra State Minorities Commission Act, 2004	2012-13	June 2013	22/11/2016	41	2012-13	SAR yet to be presented from the first year of audit 2005-06
17	Maharashtra Building and other construction Workers Welfare Board (MBOCWFB)	Section 19(2) of the CAG's (DPC) Act 1971	2012-13 2013-14	June 2013 June 2014	09/11/2017 09/11/2017	52 41	2013-14	SAR from 2007-08 to 2011-12 presented on 11/8/2017

Appendix 3.2 (concl...)								
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
18	Fees Regulatory Authority (FRA)	Section 19(3) of the CAG's (DPC) Act 1971	2016-17	June 2017	12/10/2017	03	2016-17	First year of certification of accounts
19	Admission Regulatory Authority (ARA)	Section 19(3) of the CAG's (DPC) Act 1971	-	-	-	-	-	-
20	Slum Rehabilitation Authority Pune & Pimpri Chinchwad Area, Pune	01/04/2005 to 31/03/2011 Section 20(1)	2005-06 2006-07 2007-08 2008-09 2009-10 2010-11	June 2006 June 2007 June 2008 June 2009 June 2010 June 2011	28/12/2017 28/12/2017 28/12/2017 28/12/2017 28/12/2017 28/12/2017	138 126 114 102 90 78	2010-11	Yet to be presented
21	Maharashtra Real Estate Regulatory Authority (MAHA RERA)	Section 19(2) of the CAG's (DPC) Act 1971	2017-18	June 2018	22/06/2018	-		First Year of certification
22	Maharashtra Electricity Regulatory Commission (MERC)	Under Section 104 of the Electricity Act, 2003 read with section 20(1) of the DPC Act, 1971	2016-17	July 2017	30/10/2017	03	2016-17	SAR of 2015-16 placed on 28/7/2017 & SAR 2016-17 presented on 13/7/2018
23	Tapi Irrigation Development Corporation (TIDC), Jalgaon	01/04/2012 to 31/03/2023 Section 19 (3)	2016-17	June 2017	09/05/2018	10	2014-15	SAR for the year 2013-14 & 2014-15 placed in December 2016 & 2017 respectively.
24	Vidharba Irrigation Development Corporation (VIDC), Nagpur	01/04/2012 to 31/03/2022 Section 19(3)	2015-16	June 2016	21/6/2017	11	2014-15	SAR for the year 2013-14 & 2014-15 placed in March 2018.
25	Godavari Marathwada Irrigation Development Corporation (GMIDC), Aurangabad	01/04/2014 to 31/03/2019 Section 19(3)	2015-16	June 2016	09/05/2018	22	2013-14	SAR for 2012-13 placed in December 2016
26	Maharashtra Water Conservation Corporation (MWCC), Aurangabad	2001-02 to 2013-14	2015-16	June 2016	19/09/2017	27	2014-15	SAR of 2014-15 placed in March 2018.
Note: Maharashtra State Haj Committee even though entrusted to CAG, has been excluded from this list due to huge arrears in receipt of Accounts. Source: Information obtained from the Offices of Pr. Accountant General (Audit)-I, Mumbai; Accountant General (Audit), II, Nagpur; and Pr. Accountant General (Audit)-III, Mumbai								

Appendix 3.3				
<i>(Reference: Paragraph 3.4; Page 69)</i>				
Status of finalisation of Accounts and Government investments in Departmentally managed Commercial and Quasi-Commercial Undertakings				
Sr. No.	Name of Undertaking	Accounts finalised up to	Investment as per the last Accounts (₹ in crore)	Remarks/Reasons for delay in preparation of Accounts
(1)	(2)	(3)	(4)	(5)
Agriculture, Animal Husbandry, Dairy Development and Fisheries Department				
Mumbai Region				
1	Greater Mumbai Milk Scheme, Worli	2016-17	(-)11.67	
2	Milk Transport Scheme, Worli	2006-07	2.34	MTS Worli has been closed vide Government order dated 17/07/2008
3	Mother Dairy, Kurla	2016-17	31.47	
4	Central Dairy, Goregaon	2014-15	80.67	
5	Unit Scheme, Mumbai	2014-15	30.33	
6	Agricultural Scheme, Mumbai	2014-15	10.45	
7	Electrical Scheme, Mumbai	2014-15	5.16	
8	Water Supply Scheme, Mumbai	2014-15	15.57	
9	Cattle Feed Scheme, Mumbai	2014-15	(-)3.33	
10	Cattle Breeding and Rearing Farm, Palghar	2015-16	1.32	
11	Dairy Project, Dapchari	2016-17	16.25	
12	Government Milk Scheme, Bhiwandi	2015-16	0.61	
13	Government Milk Chilling Centre, Saralgaon, Thane	2015-16	0.21	
14	Government Milk Scheme, Khopoli	2016-17	2.69	
15	Government Milk Scheme, Mahad	2015-16	1.45	
16	Government Milk Scheme, Chiplun	2016-17	2.64	
17	Government Milk Scheme, Ratnagiri	2015-16	7.22	
18	Government Milk Scheme, Kankavali	2016-17	2.24	
Pune Region				
19	Government Milk Scheme, Pune	2015-16	3.87	
20	Government Milk Scheme, Mahabaleshwar	2016-17	0.96	
21	Government Milk Scheme, Satara	2016-17	5.50	
22	Government Milk Scheme, Miraj	2016-17	15.90	
23	Government Milk Scheme, Solapur	2016-17	2.12	
Nagpur Region				
24	Government Milk Scheme, Nagpur	2014-15	1.25	
25	Government Milk Scheme, Wardha	2016-17	20.22	
26	Government Milk Scheme, Chandrapur	2016-17	(-)8.95	
27	Government Milk Scheme, Gondia	2016-17	37.35	

Appendix 3.3 (concl...)				
(1)	(2)	(3)	(4)	(5)
Aurangabad Region				
28	Government Milk Scheme, Aurangabad	2016-17	25.27	
29	Government Milk Scheme, Udgir	2015-16	44.43	
30	Government Milk Scheme, Beed	2016-17	21.29	
31	Government Milk Scheme, Nanded	2016-17	12.25	
32	Government Milk Scheme, Bhoom	2016-17	9.65	
33	Government Milk Scheme, Parbhani	2016-17	35.20	
Nashik Region				
34	Government Milk Scheme, Nashik	2016-17	2.56	
35	Government Milk Scheme, Dhule	2015-16	6.90	
36	Government Milk Scheme, Chalisgaon	2016-17	2.06	
37	Government Milk Scheme, Ahmednagar	2016-17	4.46	
38	Government Milk Scheme, Wani	2016-17	0.49	
Amravati Region				
39	Government Milk Scheme, Amravati	2016-17	18.68	
40	Government Milk Scheme, Akola	2016-17	21.69	
41	Government Milk Scheme, Yavatmal	2016-17	15.91	
42	Government Milk Scheme, Nandura	2016-17	5.81	
Agriculture, Animal Husbandry, Dairy Development and Fisheries Department				
43	Land Development by Bulldozer Scheme, Pune	1994-95	4.00	These are sick units with no operations. Hence they have stopped preparing Accounts
44	Land Development by Bulldozer Scheme, Aurangabad	1998-99	21.93	
45	Land Development by Bulldozer Scheme, Amravati	1995-96	0.01	
46	Land Development by Bulldozer Scheme, Nagpur	1996-97	2.18	
Revenue and Forests Department				
47	Allapalli and Pendigundam Forest Ranges of Forest Divisions including Saw mills and Timber Depot	1985-86	0.00	These are sick units with no operations. Hence they have stopped preparing Accounts
Food, Civil Supplies and Consumer Protection Department				
48	Procurement, Distribution and Price Control Scheme in Mumbai and Thane Rationing Area	2015-16	1004.08	
49	Procurement, Distribution and Price Control Scheme in Mofussil Area	2015-16	918.20	
Total			2450.89	

Source: Proforma Accounts

Appendix 3.4 (Reference: Paragraph 3.5; Page 69) Department-wise/age-wise breakup of cases of misappropriation, defalcation etc.							
Name of the Department	(₹ in lakhs)						TOTAL
	Upto 5 years	5-10 years	10-15 years	15-20 years	20-25 years	25 years and more	
Agriculture, Animal Husbandry, Dairy Development and Fisheries	5 (18.87)	5 (0.09)	0 (0.00)	5 (9.59)	1 (1.90)	28 (7.56)	44 (38.01)
Co-operation, Marketing and Textile	0 (0.00)	0 (0.00)	1 (10.83)	1 (0.53)	0 (0.00)	0 (0.00)	2 (11.36)
Finance	0 (0.00)	0 (0.00)	7 (93354.08)	20 (384.53)	0 (0.00)	3 (1.52)	30 (93740.13)
Food, Civil Supplies and Consumer Protection	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	5 (19.68)	3 (8.55)	8 (28.23)
General Administration	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	1 (1.29)	1 (1.29)
Geology and Mining	0 (0.00)	1 (0.94)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	1 (0.94)
Higher and Technical Education	1 (1.39)	1 (0.49)	0 (0.00)	1 (29.65)	1 (290.36)	0 (0.00)	4 (321.89)
Home	1 (3.59)	3 (428.38)	2 (12.37)	3 (9.69)	2 (1.21)	4 (4.83)	15 (460.07)
Housing	5 (408.54)	0 (0.00)	3 (1.54)	0 (0.00)	1 (9.01)	1 (0.07)	10 (419.19)
Industries, Energy and Labour	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)
Law and Judiciary	1 (0.27)	3 (0.81)	1 (0.01)	1 (0.04)	0 (0.00)	0 (0.00)	6 (1.13)
Marathi Language	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)
Medical Education and Drugs	0 (0.00)	0 (0.00)	1 (3.53)	1 (7.96)	0 (0.00)	2 (7.02)	4 (18.51)
Milk Supply Development	1 (0.73)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	1 (0.73)
Planning	2 (0.29)	4 (0.46)	4 (0.27)	1 (0.00)	0 (0.00)	0 (0.00)	11 (1.02)
Public Health	1 (119.43)	4 (2563.08)	6 (3491.22)	5 (12.3)	1 (4.58)	2 (2.32)	19 (6192.93)
Public Works	1 (0.00)	1 (0.00)	0 (0.00)	3 (0.57)	6 (1.15)	7 (3.56)	18 (5.48)
Revenue and Forests	2 (0.96)	3 (63.74)	0 (0.00)	2 (3.44)	0 (0.00)	23 (14.68)	30 (82.82)
Rural Development and Water Conservation	0 (0.00)	0 (0.00)	1 (0.35)	2 (61.59)	2 (65.10)	6 (5.37)	11 (132.41)
School Education and Sports	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	1 (2.02)	1 (2.02)
Social Justice and Special Assistance	0 (0.00)	1 (48.0)	0 (0.00)	0 (0.00)	1 (0.71)	4 (87.92)	6 (136.63)
Tribal Development	3 (9.43)	3 (0.23)	0 (0.00)	1 (3.28)	0 (0.00)	0 (0.00)	7 (12.94)
Water Resources	20 (16.31)	14 (5.92)	10 (16.24)	1 (0.18)	1 (0.32)	1 (0.00)	47 (38.97)
Water Supply and Sanitation	2 (2.65)	2 (4.05)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	4 (6.70)
TOTAL	45 (582.46)	45 (3116.19)	36 (96890.44)	47 (523.35)	21 (394.02)	86 (146.91)	280 (101653.37)

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

Appendix 3.5 (Reference : Paragraph 3.5, Page 69) Department-wise/category-wise details of losses to Government due to theft, misappropriation/loss of Government material (₹ in lakh)						
Name of the Department	Theft cases		Misappropriation/loss of Government material		Total	
	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
Agriculture, Animal Husbandry, Dairy Development and Fisheries	08	1.73	36	36.28	44	38.01
Co-operation, Marketing and Textiles	2	11.36	0	0.00	2	11.36
Finance	1	13.89	29	93726.24	30	93740.13
Food, Civil Supplies and Consumer Protection	0	0.00	8	28.23	08	28.23
General Administration	0	0.00	1	1.29	1	1.29
Geology and Mining	0	0.00	1	0.94	1	0.94
Higher and Technical Education	1	0.49	3	321.40	4	321.89
Home	1	0.00	14	460.07	15	460.07
Housing	1	11.08	9	408.08	10	419.16
Industries, Energy and Labour	0	0.00	0	0.00	0	0.00
Law and Judiciary	4	0.57	2	0.56	6	1.13
Marathi Language	0	0.00	0	0.00	0	0.00
Medical Education and Drugs	0	0.00	4	18.51	4	18.51
Milk Supply Development	1	0.73	0	0.00	1	0.73
Planning	10	0.89	1	0.13	11	1.02
Public Health	0	0.00	19	6192.93	19	6192.93
Public Works	1	0.00	17	5.48	18	5.48
Revenue and Forests	3	3.44	27	79.38	30	82.82
Rural Development and Water Conservation	2	3.51	09	128.90	11	132.41
School Education and Sports	0	0.00	1	2.02	1	2.02
Social Justice and Special Assistance	0	0.00	6	136.63	6	136.63
Tribal Development	2	1.80	5	11.14	7	12.94
Water Resources	36	15.68	11	23.29	47	38.97
Water Supply and Sanitation	4	6.70	0	0.00	4	6.70
Total	77	71.87	203	101581.50	280	101653.37

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

Appendix 3.6			
<i>(Reference: Paragraph 3.7; Page 71)</i>			
Details of pending Detailed Contingent Bills up to 2017-18			
Sr. No.	Department	No. of AC Bills	Amount (₹ in crore)
1	Agriculture, Animal Husbandry, Dairy Development and Fisheries	29	0.11
2	Co-operation, Marketing and Textiles	44	1.63
3	Employment and Self Employment	36	0.41
4	Environment	1	0.00
5	Finance	94	21.63
6	Food, Civil Supplies and Consumer Protection	13	5.76
7	General Administration	620	59.48
8	Higher and Technical Education	52	0.83
9	Home	816	724.56
10	Housing	14	0.09
11	Industries, Energy and Labour	44	1.36
12	Law and Judiciary	93	22.66
13	Marathi Language Division	7	0.06
14	Medical Education and Drugs	95	106.67
15	Minorities Development	6	0.04
16	Parliament Affairs	1	0.01
17	Planning	51	24.15
18	Public Health	76	123.45
19	Public Works	3	0.04
20	Revenue and Forests	90	1.19
21	Rural Development and Water Conservation	162	5.28
22	School Education and Sports	76	1.51
23	Social Justice and Special Assistance	15	0.19
24	Tourism and Cultural Affairs	84	19.12
25	Tribal Development	20	3.55
26	Urban Development	6	0.03
27	Water Resources	2	0.01
28	Water Supply and Sanitation	14	0.03
29	Women and Child Development	22	0.25
30	Social Welfare, Cultural Affairs and Sports Department	2	0.00
31	Rest of Maharashtra Statutory Development Corporation	4	0.01
32	Maharashtra Legislature Secretariat	3	4.79
Grand Total		2595	1128.90
Source : Finance Accounts 2017-18			

Appendix 3.7 (Reference: Paragraph 3.8; Page 74) Details of sub-heads (schemes) booked under Minor Head 800 for the year 2017-18				
Major Head	Sub Major Head	Minor Head	Sub-head description	Amount (₹ in crore)
(i)		Other Receipts		
0029	00	800	800(16)(01)&(05)(01)&(17)(01) - Commissioner Konkan	962.82
0070	02	800	800(01)(02) – Receipts from Central Government for Election Expenditure	628.81
0029	00	800	800(16)(03) &(17)(03)– Commissioner, Pune	195.38
0235	01	800	800(01)(11) – Receipts transferred from Government Insurance Fund as Surplus	150.01
0401	00	800	800(01)(07) - Settlement Commissioner and Director of Land Record Pune	91.35
0029	00	800	800(17)(02) &(16) (02)– Commissioner Nasik	80.87
0515	00	800	800(00)(01) – Receipts from Community Development Programmes	77.12
0425	00	800	800(01) (14) – Registration Fees.	71.56
0029	00	800	800(16)(04) – Commissioner Amravati	55.17
0070	01	800	800(01)(04) – Transferred amount from Public Trust Administration Fund	50.73
6216	80	800	800(01)(05) – Loans to Co-operative Housing Societies of Government	49.84
0029	00	800	800(17)(05) – Commissioner Nagpur	46.70
0401	00	800	800(01)(11)- Cash Receipts for crediting unspent balances from out of amounts drawn under 2401 Crop Husbandry	45.57
0029	00	800	800(06)(07)- Settlement Commissioner and Director of Land Record	33.32
0216	01	800	800(00)(01) License Fees	33.02
0029	00	800	800(17)(06) –Non Agricultural Assessment – Commissioner Aurangabad	28.16
6225	01	800	800(00) (05) – Loans to Co-operative Spinning Mills of Scheduled Castes	24.33
0029	00	800	800(05)(06) – Commissioner Aurangabad	20.32
Total				2645.08
(ii)		Other Expenditure		
2801	05	800	800(00)(01)-Subsidy to the Distribution/Transmission Licensee for reduction in Agriculture and Power loom Tariff (3 Years)	6725.65
2217	80	800	800(00)(03)-Grant-in-aid to Urban Local Bodies in accordance to the 14th Finance Commission (CSS)	1905.83
2210	06	800	800 (01 (15)-National Rural Health Mission (State Share) 40 per cent	706.47
4801	05	800	800 (00)(02)- Gaothan feeder Separation Scheme and Infrastructure Development	560.80
2210	06	800	800 (01) (18)-National Rural Health Mission Centrally Sponsored Scheme (Central Share)	541.59
2216	03	800	800(00)(01)-Gharkul Yojana for Scheduled Castes and Nav Boudh People (Rural) (SCP)	480.00
2801	05	800	800 (00)(06) – Grant-in- aid to Maharashtra State Power Distribution Company Limited for Removal of Regional Imbalance of Agriculture Pump sets/Rural Electrification (3 years)	460.04
4070	00	800	800(00)(05)-Construction of Maharashtra State Police Housing	260.00
2210	06	800	800(00)(10)- Establishment of Trauma Care Units- Maharashtra Emergency Medical Services	249.25
3001	00	800	800(00)(02)-Participation of State Government in Railway Project	227.20

Appendix 3.7 (concl...)				
Major Head	Sub Major Head	Minor Head	Sub-head description	Amount (₹ in crore)
4055	00	800	800(00)(09)-Installation of CCTV Surveillance System	163.43
2216	02	800	800(00)(01)-Gharkul Yojana for Scheduled Castes and Nav Boudh People (Urban) (SCP)	160.00
2210	06	800	800(01)(16)- National Rural Health Mission	155.58
2810	60	800	800(00)(05)- Expenditure met from Maharashtra Energy Development Fund	89.40
2216	02	800	800(32)(01)- Removal and Rehabilitation of Slum Dwellers	57.00
2210	06	800	800(01)(22) –Revised National Tuberculosis Control Programme (RNTCP) Centrally Sponsored Scheme (State Share 25 per cent)	54.14
2210	06	800	800(01)(02) – Upgradation of Primary Health Centres into Rural Hospitals	53.78
2070	00	800	800(00)(03) Regional Staff of the Charity Commissioner	51.71
2210	06	800	800(01)(19)- National Urban Health Mission Centrally Sponsored Scheme (Central Share 75 per cent)	48.56
2210	06	800	800(01) (42)- National Programme for Prevention And Control of Cancer, Diabetes, Cardiovascular Diseases and Stroke (NPCDCS) Centrally Sponsored Scheme (State share 40 per cent)	48.28
2210	06	800	800 (01 (20)-National Urban Health Mission Centrally Sponsored Scheme (State Share 25 per cent)	48.01
2210	06	800	800 (01)(07) Grants for Plan Schemes under Section 187 of the Maharashtra Zilla Parishads and Panchayat Samities Act 1961	47.66
2210	06	800	800(01)(21) –Revised National Tuberculosis Control Programme (RNTCP) Centrally Sponsored Scheme (Central Share 75 per cent)	42.87
2216	80	800	800(00)(05)- Payment of cess collection to Maharashtra Housing and Area Development	38.44
2210	06	800	800(01) (41)- National Programme for Prevention And Control of Cancer, Diabetes, Cardiovascular Diseases and Stroke (NPCDCS) Centrally Sponsored Scheme (Central share 60 per cent)	36.44
2216	80	800	800 (00) (02) Payment to Maharashtra Housing and Area Development Authority as Government contribution to Bombay Building Repairs	34.20
4070	00	800	800(00)(11)-Construction of Office Building for Police Department of Maharashtra State Police Housing	29.60
4515	00	800	800(00)(03)Pradhan Mantri Gram Sadak Yojna	27.01
2216	02	800	800(31)(01) Removal and Rehabilitation of Slum Dwellers	26.56
2217	80	800	800(00)(05) Grant-in-Aid for establishment charges on Amrut Abhiyan State Sabhiyan (100 per cent central Share)	25.51
2801	05	800	800(55)(01)-Grant-in-aid to Maharashtra State Electricity Distribution Company Limited for Development and System Improvement	22.45
2210	03	800	800(02)(02) Mofussil hospitals and other Medical Services (Local Sector)	20.08
			TOTAL	13397.54

Source: Finance Accounts 2017-18

Appendix 4.1 Glossary of terms	
Terms	Basis of calculation
Buoyancy of a parameter	Rate of Growth of the parameter/GSDP Growth Rate
Buoyancy of a parameter (X) With respect to another parameter (Y)	Rate of Growth of parameter (X)/ Rate of Growth of parameter (Y)
Rate of Growth (ROG)	$[(\text{Current year Amount} / \text{Previous year Amount}) - 1] * 100$
Development Expenditure	Social Services + Economic Services
Average interest paid by the State	Interest payment/[(Amount of previous year's Fiscal Liabilities + Current year's Fiscal Liabilities)/2]*100
Interest received as <i>per cent</i> to Loans Outstanding	Interest Received/ [(Opening balance + Closing balance of Loans and Advances)/2]*100
Revenue Deficit	Revenue Receipt – Revenue Expenditure
Fiscal Deficit	Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts – Miscellaneous Capital Receipts
Primary Deficit	Primary deficit defined as the fiscal deficit net of interest payments indicates the extent of deficit which is an outcome of the fiscal transactions of the States during the course of the year (Fiscal Deficit – Interest payments)
Balance from Current Revenue (BCR)	Revenue Receipts minus all Plan Grants and Non-Plan Revenue Expenditure excluding expenditure recorded under the major head 2048 – Appropriation for reduction of Avoidance of debt
Debt sustainability	The Debt sustainability is defined as the ability of the State to maintain a constant debt-GSDP ratio over a period of time and also embodies the concern about the ability to service its debt. Sustainability of debt therefore also refers to sufficiency of liquid assets to meet current or committed obligations and the capacity to keep balance between costs of additional borrowings with returns from such borrowings. It means that rise in fiscal deficit should match with the increase in capacity to service the debt

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 Shiksha Abhiyan and State Health Mission for National Rural Health Mission, <i>etc.</i>

Appendix 4.1 (contd.)	
Terms	Description
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

Appendix 4.1 (concl.)	
Terms	Description
Public Accounts committee	A Committee constituted by the Legislative Assembly for the examination of the reports of the Comptroller and Auditor General of India relating to the Appropriation Accounts of the State, the Annual Financial Accounts of the State or such other Accounts or financial matters as are laid before it or which the Committee deems necessary to scrutinize
Block Grant	A block grant is a lump sum grant provided by the Government of India to the State Government, with only general provisions as to the way it is to be spent.
Core public goods	Core public goods are which all citizens enjoy in common in the sense that each individual's consumption of such a good leads to no subtractions from any other individual's consumption of that good, 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>
Absorptive capacity	Absorptive capacity in this case refers to the ability of a State to implement a developmental scheme in such a way that with given resources, there is maximum benefit to the people. This is usually achieved when the design of schemes are well planned with careful risk mitigation strategy in place, administrative costs are low, operation, maintenance, monitoring and control mechanisms are in place <i>etc.</i> so that the state is able to effectively achieve targeted outcomes

Appendix 4.2	
Acronyms and abbreviations	
Acronyms	Full Form
AC Bill	Abstract Contingency Bill
AE	Aggregate Expenditure
BE	Budget Estimates
CAG	Comptroller and Auditor General of India
CE	Capital Expenditure
DC Bill	Detailed Contingency Bill
DE	Development Expenditure
FCP	Fiscal Correction Path
FFC	Fourteenth Finance Commission
FRBM	Fiscal Responsibility and Budgetary Management Act, 2005
GoI	Government of India
GSDP	Gross State Domestic Product
GST	Goods and Services Tax
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

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