

**Report of the
Comptroller and Auditor
General of India
on
State Finances
for the year ended 31 March 2015**

Government of Maharashtra



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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 2015. Information has also been obtained from the Government of Maharashtra, wherever necessary.
3. Chapter III on 'Financial Reporting' provides an overview and status of the State Government's compliance with various rules, procedures and directives relating to financial reporting during the current year.
4. The Reports containing the findings of Performance Audits and audit of transactions in various Departments and observations arising out of audit of Statutory Corporations, Boards and Government Companies and the Report containing observations on Revenue Receipts are presented separately.



EXECUTIVE SUMMARY



Executive Summary

Background

Maharashtra is the second largest State in India, in terms of population and third in terms of geographical area. The State has shown lower economic growth in the past decade as the compound annual growth rate of its Gross State Domestic Product for the period 2005-06 to 2014-15 has been 14.81 *per cent* as compared to 15.44 *per cent* in the General Category States of the country. The population below the poverty line in Maharashtra (20 *per cent*) is lower than the all India average of 29.5 *per cent*. During the above mentioned period, its population grew by 13.35 *per cent* against 12.76 *per cent* in General Category States. However, the per capita income compound annual growth rate in Maharashtra (13.22 *per cent*) has been lower than that of the General Category States (13.86 *per cent*) in the current decade.

This Report on the Finances of the Government of Maharashtra is being brought out with a view to objectively assess the financial performance of the State during 2014-15 and to provide the State Government and State Legislature with timely inputs based on audit analysis of financial data. In order to give a perspective to the analysis, an effort has been made to compare the achievements with the targets envisaged by the State Government Fiscal Responsibilities and Budgetary Management Act, 2005 and in the budget estimates of 2014-15.

The Report

Based on the audited accounts of the Government of Maharashtra for the year ended March 2015, this Report provides an analytical review of the Annual Accounts of the Government. The Report is structured in three Chapters.

Chapter I is based on the audit of Finance Accounts and makes an assessment of the Maharashtra Government's fiscal position as on 31 March 2015. It provides an insight into trends of committed expenditure and the borrowing pattern.

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

Chapter III is an inventory of the Maharashtra Government's compliance to various reporting requirements and financial rules. The report also compiles the data collated from various Government departments/organisations in support of the audit findings.

Audit findings and recommendations

Chapter I

Finances of the State Government

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

During 2014-15, the State achieved two of the three major parameters specified by the Thirteenth Finance Commission and under Maharashtra Fiscal Responsibility and Budgetary Management Act *viz.* (i) the ratio of fiscal liability to Gross State Domestic Product at 19.0 *per cent* was lower than the norm of 25.3 *per cent* and (ii) the fiscal deficit at 1.89 *per cent* of Gross State Domestic Product was lower than the norm of three *per cent*. However, the third parameter of revenue surplus could not be achieved during 2014-15. The significant gap between the growth rates of the revenue receipts (10 *per cent*) and revenue expenditure (15 *per cent*) over the previous year resulted in revenue deficit of ₹ 12,138 crore during 2014-15.

Revenue receipts: The State could not maintain the momentum of growth of revenue receipts it achieved during 2010-13. The rate of growth of revenue receipts increased from 4.81 *per cent* in 2013-14 to 10.41 *per cent* in 2014-15. Grants-in-aid from Government of India in 2014-15 as compared to 2013-14 increased by 52 *per cent* mainly due to discontinuance of direct transfers to implementing agencies by Government of India.

Central tax transfers: The devolution of the State's share of union taxes substantially increased by 114 *per cent* during the award period of Thirteenth Finance Commission as compared to the Twelfth Finance Commission. The overall tax devolution during the award period was more than the projection and there was an increasing trend in all the components of the State share of the union taxes.

Interest payments: Interest payments (₹ 23,965 crore), which increased by 13 *per cent* during the year over 2013-14, were less than the projections made in the Thirteenth Finance Commission (₹ 26,775 crore) and Fiscal Correction Path (₹ 24,283 crore) but, marginally higher than the projections made in the Medium Term Fiscal Policy Statement (₹ 23,805 crore).

Non-plan revenue expenditure: The revenue expenditure (₹ 1,77,553 crore) constituted 89 *per cent* of the total expenditure (₹ 1,98,217 crore). Of the revenue expenditure (₹ 1,77,553 crore), 82 *per cent* (₹ 1,46,245 crore) was incurred on the non-plan component and as a percentage of revenue receipts, it increased to 88 *per cent* in 2014-15 from 86 *per cent* in 2013-14. The non-plan revenue expenditure at ₹ 1,46,245 crore remained higher than the normative assessments made by the Thirteenth Finance Commission (₹ 1,01,881 crore) and the projections made in the Medium Term Fiscal Policy Statement/Budget (₹ 1,41,354 crore) but less than that projected in the Fiscal Correction Path (₹ 1,54,084 crore).

Capital expenditure: The percentage of capital expenditure to total expenditure showed a declining trend from 14 *per cent* in 2010-11 to 10 *per cent* in 2014-15. There was negative growth of capital expenditure during 2014-15 over 2013-14 (-2.48 *per cent*) compared to the positive growth rate of General Category States (21.87 *per cent*). The ratio of capital expenditure to aggregate expenditure in 2014-15 was lower than the ratio of General Category States. Greater fiscal priority needs to be given to this area as increased priority to physical capital formation will increase the growth prospects of the State by creating durable assets.

Fiscal priority: The priority given to health and family welfare in the State (4.52 *per cent*) was less than that given to the General Category States (5.04 *per cent*). During 2005-06 to 2013-14, the compound annual growth rate of revenue expenditure on health (15.69 *per cent*) was lower than the growth rate of General Category States (16.20 *per cent*). The growth of revenue expenditure on health during 2014-15 over 2013-14 (24.67 *per cent*) was also lower than the growth rate of General Category States (28.73 *per cent*). Thus, greater fiscal priority needs to be given to this area.

Review of Government investments: The average return on the State Government's investment in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives varied between 0.02 and 0.05 *per cent* in the past three years while the Government paid an average interest of 7.42 *per cent* to 7.81 *per cent* on its borrowings. In spite of this unsustainable proposition there was no disinvestment during 2012-15.

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

Cash balances: There was an increase of six *per cent* in the cash balances of the State Government over the previous year, significant part of which pertained to balances in public accounts. The cash balances (₹ 49,648 crore) was nearly 25 *per cent* of the total expenditure (₹ 1,98,217 crore) of the State Government during 2014-15.

Debt sustainability: The resource gap in the State during 2013-14 and 2014-15 was negative, indicating decreasing capacity of the State to sustain the debt in the medium to long run. This was a result of insufficiency of the incremental non-debt receipt to meet the incremental primary expenditure and incremental interest payments. In order to bridge the resource gap, the State needs to improve its resource mobilisation as well as prune unproductive expenditure.

Chapter II

Financial Management and Budgetary Control

The slow pace of implementation of various social and developmental programmes in the State left a saving of ₹ 43,265.62 crore, set-off by an excess of ₹ 3,817.72 crore. The excess expenditure increased from ₹ 604.64 crore in 2013-14 to ₹ 3817.72 crore in 2014-15. The excess over provision occurred in 32 grants/appropriation during the year and requires regularization of the State Legislature. There were instances of inadequate provision of funds. Rush of expenditure at the end of the financial year was another chronic feature noticed in the State. In many cases, the anticipated savings were either not surrendered or surrendered on the last two days of March 2015, leaving no scope for utilising these funds for other developmental purposes.

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

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

Chapter III

Financial Reporting

The Government's compliance to various rules, procedures and directives was lacking in various departments which was evident from delays in furnishing of utilisation certificates by various grantee institutions against the loans and grants-in-aid. Delays were also seen in submission of annual accounts by autonomous bodies and departmentally managed commercial undertakings. There were instances of large outstanding cases of losses and misappropriations for which departmental action was pending since long. There were delays in submission of detailed contingent bills drawn against abstract contingent bills. Significant amounts of expenditure and receipts under Central and State Schemes, booked under the Minor head '800-Other expenditure' and '800-Other receipts' were not distinctly depicted in the State Finance Accounts of 2014-15 thus, adversely affecting its transparency.

The departments should ensure timely submission of utilisation certificates in respect of the grants released to the grantee institutions for specific purposes. The annual accounts in respect of the autonomous bodies should be submitted timely to the Principal Accountant General (Audit)-I, Maharashtra, Mumbai and Accountant General (Audit)-II, Maharashtra, Nagpur. Departmental enquiries in respect of all fraud and misappropriation cases should be expedited to bring the defaulters to book and internal controls in all the organisations should be strengthened. An effective monitoring mechanism should be put in place in the departments to adjust the advances drawn on abstract contingent bills within the stipulated period, as required under the extant rules.

CHAPTER - I

FINANCES OF THE STATE

GOVERNMENT

Finances of the State Government

Profile of Maharashtra

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

The percentage of population below the poverty line at 20.0¹ *per cent* is lower than the all India average of 29.5 *per cent*. The Gross State Domestic Product (GSDP) in 2014-15 at current prices was ₹ 16,86,695 crore. The State has shown lower economic growth in the past decade as the Compound Annual Growth Rate (CAGR) of its GSDP for the period 2005-06 to 2014-15 has been 14.81 *per cent* as compared to 15.44 *per cent* in the General Category States (GCS) of the country. The State's literacy rate increased from 76.88 *per cent* (as per 2001 census) to 82.34 *per cent* (as per 2011 census). The per capita income of the State stands at ₹ 1,42,858² against the country average of ₹ 80,388³. General data relating to the State is given in **Appendix 1.1**.

Gross State Domestic Product

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

Table 1.1 Trends in annual growth rate of GSDP

Year	2010-11	2011-12	2012-13	2013-14	2014-15
India's GDP (₹ in crore) #	7248860	8391691	9388876	10472807	n.a.
Growth rate of GDP (percentage)	18.66	15.77	11.88	11.54	n.a.
State's GSDP (₹ in crore) #	1049150	1170121	1322222	1510132	1686695
Growth rate of GSDP (percentage)	22.60	11.53	13.00	14.21	11.69

Annual growth rate of GDP and GSDP at current price

#Figures revised as per Central Statistics Office as on 31 July 2015

Table 1.1 shows that the annual growth rate of GSDP of the State was uneven and ranged between 22.60 (2010-11) to 11.69 (2014-15).

1.1 Introduction

This chapter is based on the audit of the Finance Accounts and makes an assessment of the State's fiscal position as on 31 March 2015. It provides a broad perspective of the finances of the State during 2014-15 and analyses critical changes observed in the major fiscal aggregates in relation to the previous year, keeping in view the overall trends during the last five years. The structure and form of Government accounts have been explained in **Appendix 1.2 Part A** and the layout of the Finance Accounts

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

² Central Statistical Office

³ Economic Survey of Maharashtra 2014-15

is depicted in **Appendix 1.2 Part B**. The methodology adopted for assessment of the fiscal position and norms/ceilings prescribed by the Maharashtra Fiscal Responsibility and Budgetary Management (MFRBM) Act, 2005; MFRBM (Amendment) Act, 2006; MFRBM Rules, 2006; MFRBM (Amendment) Rules, 2008; MFRBM (Second Amendment) Rules, 2011 and MFRBM (Amendment) Rules, 2012 of the State are given in **Appendix 1.3**. According to the Act, Government developed its own Fiscal Correction Path (FCP) given in **Appendix 1.4**. As prescribed in the Act, Government laid its Medium Term Fiscal Policy Statement (MTFPS) for 2014-15 in the State Legislature in June 2014.

1.1.1 Summary of fiscal transactions in 2014-15

The **Table 1.2** presents the summary of the State Government's fiscal transactions during the current year (2014-15) *vis-à-vis* the previous year (2013-14), while **Appendix 1.5** provides details of receipts and disbursements as well as the overall fiscal position during the current year.

Table 1.2: Summary of fiscal operations during 2014-15

(₹ in crore)

2013-14	Receipts	2014-15	2013-14	Disbursements	2014-15		
Section-A: Revenue					Non-Plan	Plan	Total
149821.81	Revenue receipts	165415.46	154902.42	Revenue expenditure	146244.84	31308.28	177553.12
108597.96	Tax revenue	115063.90	53979.27	General services	60156.61	329.16	60485.77
11351.97	Non-tax revenue	12580.89	70879.08	Social services	57705.59	19246.90	76952.49
16630.43	Share of Union Taxes/Duties	17630.03	27991.32	Economic services	26086.66	11599.91	37686.57
13241.45	Grants from Government of India	20140.64	2052.75	Grants-in-aid and Contributions	2295.98	132.31	2428.29
Section B: Capital							
0.00	Miscellaneous Capital Receipts	0	20020.45	Capital Outlay	3278.80	16244.67	19523.47
728.03	Recoveries of Loans and Advances	975.08	1645.10	Loans and Advances disbursed	783.60	356.94	1140.54
26734.80	Public debt receipts*	29373.28	10261.86	Repayment of Public Debt*			8827.78
1350.00	Appropriation from Contingency fund	2350.00	850.00	Appropriation to Contingency fund			4350.00
859.62	Contingency Fund	4360.00	1360.00	Contingency Fund			2350.00
64020.20	Public Account Receipts	83021.94	56434.89	Public Account Disbursements			68985.90
48843.73 [#]	Opening Cash Balance	46883.46	46883.46 [#]	Closing Cash Balance			49648.41
292358.18	Total	332379.22	292358.18	Total			332379.22

[#] Figure differs by 0.01 from previous year due to rounding

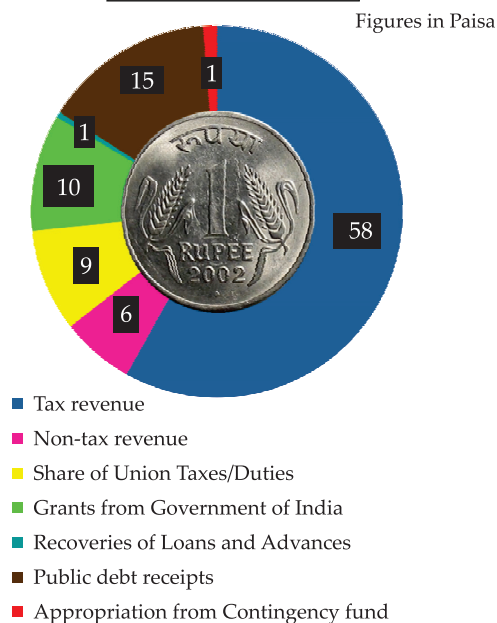
Source: Finance Accounts of respective years

* Excluding ways and means advances on 10 occasions for 42 days.

(Receipt: ₹ 6,352.90 crore and Disbursement: ₹ 6,352.90 crore)

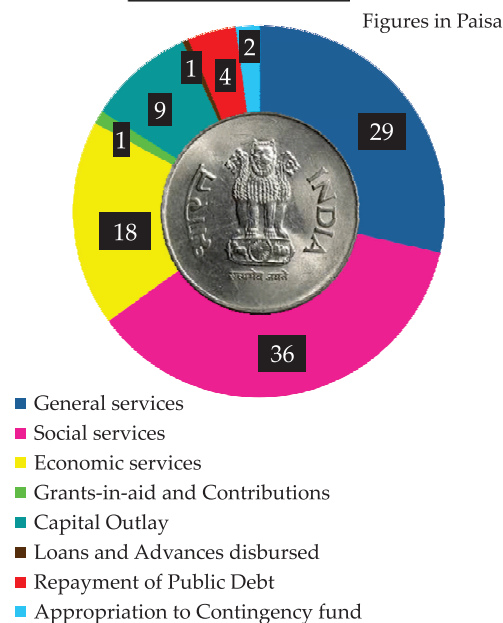
Composition of sources and application of funds in the Consolidated Fund of the State during 2014-15 is given in **Chart 1.1** and **1.2**.

**Chart 1.1
Rupee Comes From**



(Source: Finance Accounts 2014-15)

**Chart 1.2
Rupee Goes To**



(Source: Finance Accounts 2014-15)

The following are the major changes in fiscal transactions during 2014-15 over the previous year:

Revenue Receipts	<ul style="list-style-type: none"> Increased by 10 per cent Own tax revenue increased by six per cent
Revenue Expenditure	<ul style="list-style-type: none"> Increased by 15 per cent Plan expenditure increased by 21 per cent
Capital Expenditure	<ul style="list-style-type: none"> Decreased by two per cent
Loans and Advances	<ul style="list-style-type: none"> Recoveries increased by 34 per cent Disbursements decreased by 31 per cent
Public Debt	<ul style="list-style-type: none"> Receipts increased by 10 per cent Repayments decreased by 14 per cent
Cash Balance	<ul style="list-style-type: none"> Increased by six per cent

1.1.2 Review of the fiscal situation

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

Table 1.3: Review of the fiscal situation

Fiscal variables	2014-15				
	ThFC targets for the State in percentage	Targets as prescribed in FRBM Act	Targets proposed in the budget/ MTFPS	Projections made in five year fiscal correction path	Actuals
Revenue deficit (-) /surplus (+) (₹ in crore)	0	(-) 4103.13	(-) 4103.13	(-) 13883.43	(-) 12137.66
Fiscal deficit/GSDP (in per cent)	3	3	1.87	2	1.89
Ratio of total outstanding debt of the Government to GSDP (in per cent)	25.3	25.3	18.2	17.9	19.0

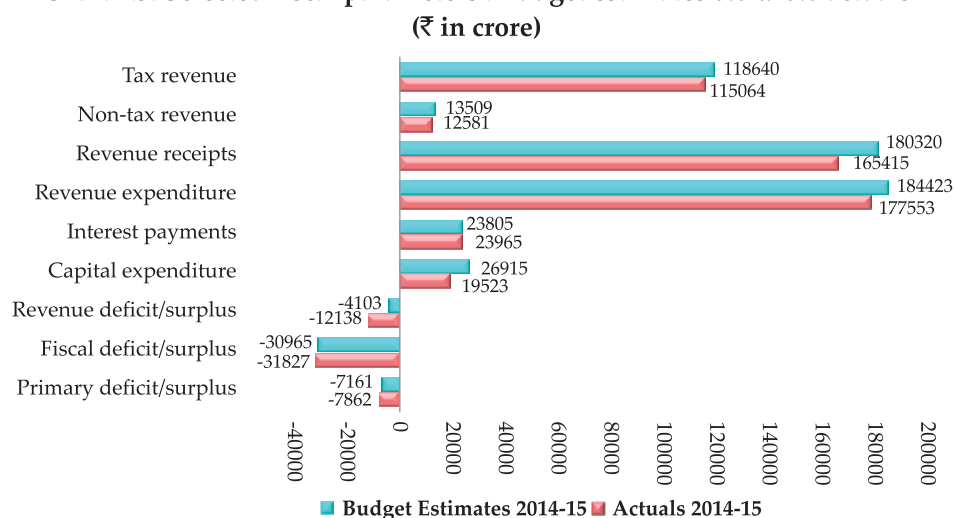
Source: MTFPS/FCP/ThFC

From **Table 1.3** it can be seen that during 2014-15, the State achieved two of the three major parameters specified by the ThFC and under MFRBM Act *viz.* (i) the ratio of fiscal liability to GSDP at 19.0 *per cent* was lower than the norm of 25.3 *per cent* and (ii) the fiscal deficit at 1.89 *per cent* of GSDP was lower than the norm of three *per cent*. However, the third parameter of revenue surplus could not be achieved during 2014-15. Similarly, the target prescribed in the Budget/MTFPS in respect of fiscal deficit was also not achieved. In as far as ratio of total outstanding debt of the Government to GSDP, the State is slightly above the target proposed in the Budget/MTFPS and FCP.

1.1.3 Budget estimates and actuals

There was a revenue deficit in 2014-15 as the actual revenue receipts was less than the budget estimates by 8.27 *per cent*, while revenue expenditure was less than the budget estimates by 3.73 *per cent*. The capital expenditure decreased by 27.46 *per cent* while interest payments increased by 0.67 *per cent* over the budget estimates.

Chart 1.3: Selected fiscal parameters : Budget estimates vis-a-vis actuals



(Source: Finance Accounts 2014-15)

As may be observed from **Chart 1.3** (also see **Appendix 1.6**), there was considerable variation between budget estimates and actuals in the case of several key parameters. Revenue receipts had a negative variation (₹ 14,905 crore: 8.27 *per cent*) over budget estimates.

The decrease in revenue receipts was the net result of decrease in tax revenue by three *per cent*, non-tax revenue by seven *per cent*, share of Union Taxes and Duties by 13 *per cent* and grants-in-aid from Government of India (GoI) by 28 *per cent*.

Revenue expenditure decreased by 3.73 *per cent* over the budget estimates, mainly because of less expenditure under Economic Services, *i.e.* Rural Development and General Economic Services. The actual capital expenditure was less by ₹ 7,392 crore (27 *per cent*) compared to the original budget estimates of 2014-15. The decrease was mainly under Rural Development (₹ 5,069 crore), Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes (₹ 1,625 crore) and Energy (₹ 821 crore).

Revenue deficit of ₹ 4,103 crore as per the budget estimates was much lower than the actual revenue deficit of ₹ 12,138 crore during 2014-15 because of decrease in revenue receipts by ₹ 14,905 crore.

Fiscal deficit (₹ 31,827 crore) was more than the assessment made in the budget estimates (₹ 30,965 crore) by three *per cent*, mainly due to higher growth of revenue expenditure *vis-à-vis* growth of revenue receipts.

1.2 Resources of the State

1.2.1 Resources of the State as per annual finance accounts

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

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

Table 1.4: Trends in growth and composition of aggregate receipts

	(₹ in crore)				
Sources of State's receipts	2010-11	2011-12	2012-13	2013-14	2014-15
Revenue receipts	105868	121286	142947	149822	165415
Capital receipts	21397	25467	22588	27463	30348
Contingency Fund	853	511	875	860	4360
Public Account receipts	48406	53389	47060	64020	83022
Total receipts	176524	200653	213470	242165	283145

Source: Finance Accounts of respective years

Chart 1.4 depicts the trends in various components of the receipts of the State during 2010-15. **Chart 1.5** and **Flow chart 1.1** depicts the composition of the receipts of the State during the current year.

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

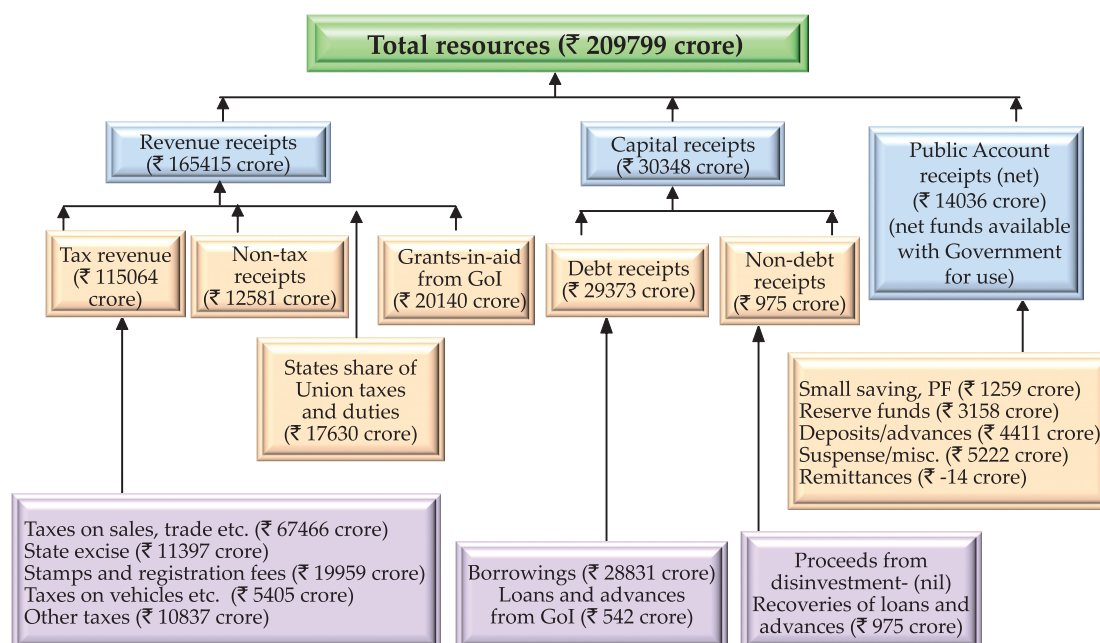
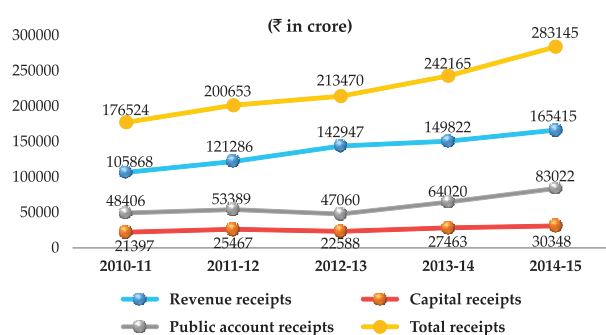
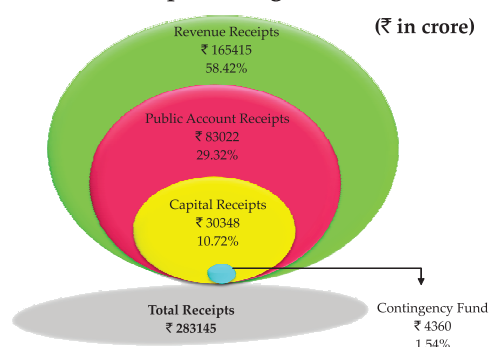


Chart 1.4: Trends in Aggregate receipts



(Source: Finance Accounts of respective years)

Chart 1.5: Composition of aggregate receipts during 2014-15



(Source: Finance Accounts 2014-15)

The total receipts of the State increased by ₹ 1,06,621 crore (60 per cent) from ₹ 1,76,524 crore in 2010-11 to ₹ 2,83,145 crore in 2014-15. The share of public account receipts in total receipts of the State increased from 27 per cent in 2010-11 to 29 per cent in 2014-15 while the share of revenue receipts in total receipts of the State decreased from 60 per cent in 2010-11 to 58 per cent in 2014-15.

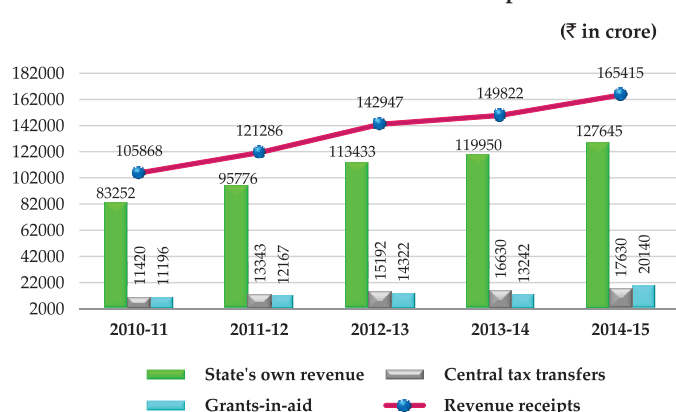
Public Account disbursements increased by 22.24 *per cent* (₹ 12,551 crore) in 2014-15 mainly due to increase under Deposit and Advances by 4.94 *per cent* (₹ 1,263 crore) and Small Savings, Provident Fund *etc.* by 13.73 *per cent* (₹ 408 crore).

1.3 Revenue receipts

Statement 14 of the Finance Accounts details the revenue receipts of the Government. These consist of the State's own tax and non-tax revenues, Central tax transfers and grants-in-aid from GoI. The trends of revenue receipts over the period 2010-15 are presented in **Chart 1.6** and also in **Appendix 1.7**.

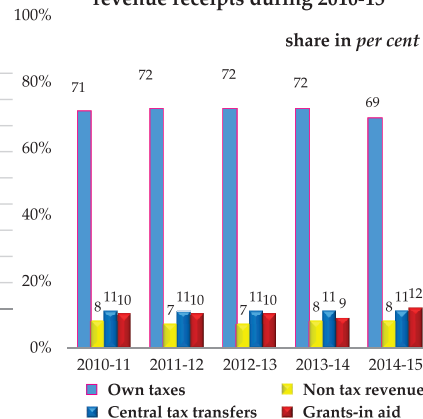
The composition of revenue receipts over the period 2010-15 are presented in **Chart 1.7**.

Chart 1.6: Trends in revenue receipts



(Source: Finance Accounts of respective years)

Chart 1.7: The composition of revenue receipts during 2010-15



(Source: Finance Accounts of respective years)

Revenue receipts (RR) grew by ₹ 15,593 crore (10 *per cent*) over 2013-14. The increase was the net effect of increase in tax revenue by ₹ 6,466 crore (six *per cent*), non-tax revenue by ₹ 1,229 crore (11 *per cent*), State's share of Union Taxes and Duties by ₹ 1,000 crore (six *per cent*) and Grants-in-Aid from GoI by ₹ 6,899 crore (52 *per cent*). The revenue receipts at ₹ 1,65,415 crore were almost 91 *per cent* of the assessments made by the State Government in its FCP (₹ 1,80,794 crore) and 92 *per cent* of the MTFPS (₹ 1,80,320 crore) for the year 2014-15.

The revenue receipts have shown a progressive increase over the period 2010-15. As shown in **Chart 1.7**, there was an increasing trend in the share of the State's own taxes during the period 2010-12 and it remained constant till 2013-14. It decreased during 2014-15. The share of non-tax revenue showed a declining trend during 2010-12 and marginally increased in 2013-14 and remained constant during 2014-15. The share of Central transfers was relatively stable during 2010-15. The

share of grants-in-aid was constant during 2010-13 and declined during 2013-14 and increased in 2014-15.

During 2005-06 to 2013-14, the CAGR of revenue receipts (15.16 *per cent*) was less than the growth rate of GCS (15.76 *per cent*). The growth of revenue receipts during 2014-15 over 2013-14 (10.41 *per cent*) was also lower than the growth rate of GCS (16.10 *per cent*) as given in **Appendix 1.1**.

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

Table 1.5: Trends in revenue receipts relative to GSDP

	2010-11	2011-12	2012-13	2013-14	2014-15
Revenue receipts (₹ in crore)	105868	121286	142947	149822	165415
Rate of growth ⁴ of RR (<i>per cent</i>)	21.81	14.56	17.86	4.81	10.41
RR/GSDP (<i>per cent</i>) [#]	10.09	10.37	10.81	9.92	9.81
Buoyancy ratios⁵					
Revenue receipts buoyancy w.r.t. GSDP [#]	0.965	1.263	1.374	0.338	0.890
State's own taxes buoyancy w.r.t. GSDP [#]	1.192	1.454	1.391	0.350	0.509
Gross State Domestic Product (₹ in crore) [@]	1049150	1170121	1322222	1510132	1686695
Revenue receipts buoyancy w.r.t. State's own taxes	0.810	0.868	0.988	0.966	1.750
Source: Finance Accounts of respective years					
[@] GSDP figures had been revised					
[#] Figures differ from previous year due to correction in GSDP					

There was an increase in the rate of growth of revenue receipts from 4.81 *per cent* in 2013-14 to 10.41 *per cent* in 2014-15.

The ratio of State's own tax buoyancy with reference to GSDP increased from 1.192 in 2010-11 to 1.454 in 2011-12 and declined during 2012-14 to 0.350. This ratio increased marginally to 0.509 in 2014-15.

1.3.1 State's own resources

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

The State's actual tax and non-tax receipts for the year 2014-15 *vis-à-vis* assessment made by the ThFC and the MTFPS (2014-15) are given in **Table 1.6**.

Table 1.6: Actual tax and non-tax receipts

	ThFC projections	Budget estimates	MTFPS projection	Actual
Tax revenue	122167	118640	118640	115064
Non-tax revenue	14416	13509	13509	12581
Source: Finance Accounts/ThFC/Budget/MTFPS				

Table 1.6 shows that the actual realisation of tax revenue during the year was lower than the normative assessment of the ThFC, projections made in the budget and MTFPS. The non-tax revenue of the Government was also lower than the normative

⁴ see Glossary at page 135

⁵ Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For instance, revenue buoyancy at 0.9 implies that revenue receipts tend to increase by 0.9 percentage points, if the GSDP increases by one *per cent* (also see Glossary at page 135)

assessment of the ThFC (13 *per cent*) and also the Budget/MTFPS projections (seven *per cent*).

1.3.1.1 Tax revenue

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

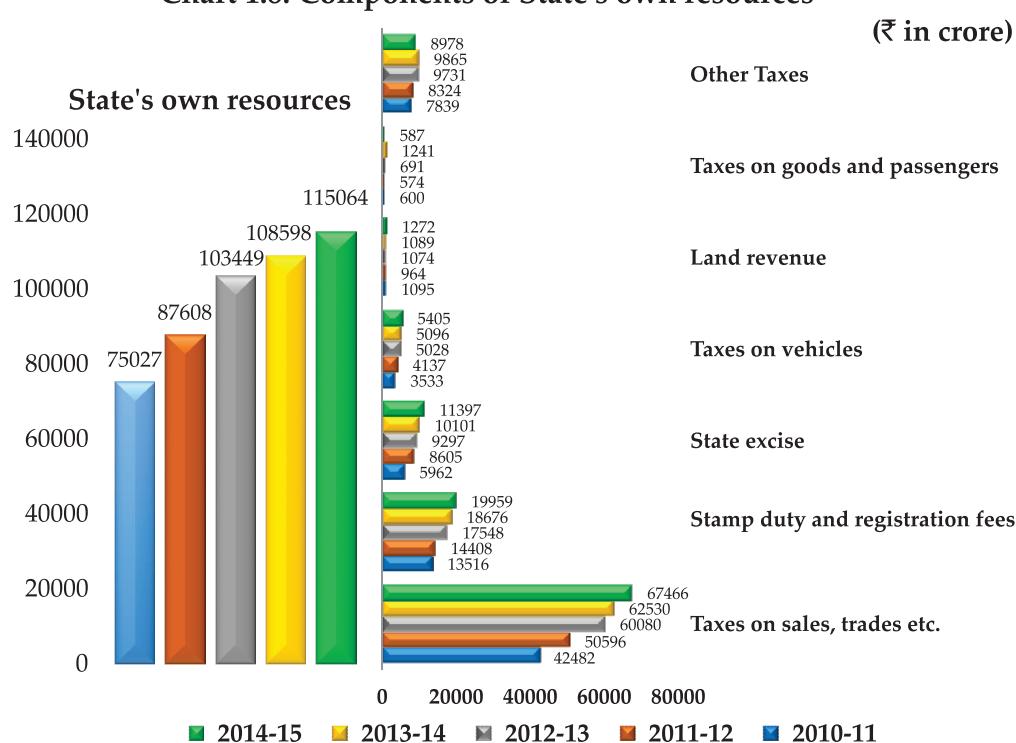
Table 1.7: Components of State's own resources

(₹ in crore)

Revenue Head	2010-11	2011-12	2012-13	2013-14	2014-15	Percentage increase in 2014-15 over previous year
Taxes on sales, trades <i>etc.</i>	42482	50596	60080	62530	67466	8
Stamp duty and registration fees	13516	14408	17548	18676	19959	7
State excise	5962	8605	9297	10101	11397	13
Taxes on vehicles	3533	4137	5028	5096	5405	6
Land revenue	1095	964	1074	1089	1272	17
Taxes on goods and passengers	600	574	691	1241	587	(-53)*
Other taxes ⁶	7839	8324	9731	9865	8978	(-9)
Total	75027	87608	103449	108598	115064	6

* The exceptional variation is due to book adjustment of dues on Passenger Tax amounting to ₹ 456.89 crore and ₹ 286.05 crore payable during 2013-14 and 2014-15 respectively by the Maharashtra State Road Transport Corporation to the State Government.
Source: Finance Accounts of respective years

Chart 1.8: Components of State's own resources



(Source: Finance Accounts of respective years)

The increase in tax revenue by ₹ 6,466 crore (six *per cent*) over the previous year was mainly under (a) Taxes on sales, trades, *etc.* by ₹ 4,936 crore (eight

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

per cent) due to increase in tax collection under 'Value Added Tax', (b) State excise by ₹ 1,296 crore (13 per cent) due to receipt of more excise duty on wines and spirits, (c) Stamps and registration fees by ₹ 1,283 crore (seven per cent) due to more collection of Stamp duty and registration fees and (d) Taxes on vehicles by ₹ 309 crore (six per cent) due to more proceeds from State Motor Vehicles Taxation Act and Environment tax.

During 2005-06 to 2013-14, the CAGR of tax revenue (15.82 per cent) was more than the growth rate of GCS (15.32 per cent). The growth of own tax revenue during 2014-15 over 2013-14 (5.95 per cent) was also lower than the growth rate of GCS (10.51 per cent) as given in **Appendix 1.1**.

The tax revenue as a percentage of GSDP (6.82 per cent) was less than the normative assessment of the ThFC (8.58 per cent), MTFPS (8.40 per cent) and FCP (7.06 per cent).

1.3.1.2 Non-tax revenue

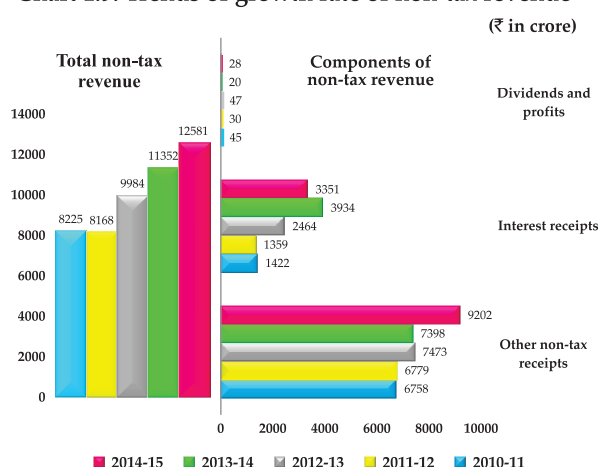
Growth rate of non-tax revenue is shown in **Table 1.8** and **Chart 1.9**.

Table 1. 8: Growth rate of non-tax revenue

Revenue head	2010-11	2011-12	2012-13	2013-14	2014-15	Percentage increase in 2014-15 over previous year
	(₹ in crore)					
Interest receipts	1422	1359	2464	3934	3351	(-15)
Dividends and profits	45	30	47	20	28	40
Other non-tax receipts	6758	6779	7473	7398	9202	24
Total	8225	8168	9984	11352	12581	11

Source: Finance Accounts of respective years

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



(Source: Finance Accounts of respective years)

The increase in non-tax revenue receipts by ₹ 1,229 crore (11 per cent) over 2013-14 was mainly due to 559 per cent increase (₹ 1,238 crore) in Miscellaneous Receipts, Mumbai Development Scheme and Other Items under Urban Development. The non-tax revenue receipts (₹ 12,581 crore) of the Government was less than the projections made in the FCP (₹ 13,520 crore) by seven per cent, the MTFPS/Budget (₹ 13,509 crore) of the Government by seven per cent as well as the normative assessment of the ThFC by 13 per cent (₹ 14,416 crore).

During 2005-06 to 2013-14, the CAGR of non-tax revenue (8.44 *per cent*) was less than the growth rate of GCS (13.53 *per cent*). The growth of non-tax revenue during 2014-15 over 2013-14 (10.83 *per cent*) was, however, higher than the growth rate of GCS (10.07 *per cent*) as given in **Appendix 1.1**.

1.3.2 Central tax transfers

Central tax transfers increased by six *per cent* from ₹ 16,630 crore in 2013-14 to ₹ 17,630 crore in 2014-15. The increase was mainly under Taxes on Income other than Corporation Tax (₹ 716 crore), Corporation Tax (₹ 569 crore) set off by decrease in Union Excise Duties (₹ 304 crore).

1.3.3 Grants-in-aid from Government of India

The grants-in-aid from GoI increased by 52 *per cent* from ₹ 13,242 crore in 2013-14 to ₹ 20,140 crore in 2014-15. The increase was mainly under Centrally Sponsored Plan Schemes (189 *per cent*), Central Plan Schemes (116 *per cent*) and Non-plan Grants (32 *per cent*) while the grants for State Plan Schemes decreased by 55 *per cent* in 2014-15 as shown in **Table 1.9**. The trend of total grants from GoI as a percentage of revenue receipts continuously decreased from 2010-11 to 2013-14, however, it increased to 12.18 during 2014-15.

During 2014-15 grants under Centrally Sponsored Plan Schemes increased by 189 *per cent* compared to 2013-14. This increase was due to GoI's decision 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.

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

	(₹ in crore)				
	2010-11	2011-12	2012-13	2013-14	2014-15
Non-plan grants	2304	1723	4676	5533	7304
Grants for State Plan Schemes	5805	6380	5630	3684	1665
Grants for Central Plan Schemes	245	65	113	648	1399
Grants for Centrally Sponsored Plan Schemes	2842	3999	3903	3377	9772
Total	11196	12167	14322	13242	20140
Percentage of increase/decrease over previous year	(-) 0.06	8.67	17.71	(-)7.54	52.10
Total grants as a percentage of revenue receipts	10.58	10.03	10.02	8.84	12.18

Source: Finance Accounts of respective years

The increase under Non-Plan grants (₹ 1,771 crore) was mainly under Grants under the proviso to Article 275 (1) of the Constitution of India (₹ 2,254 crore), set off by decrease in Grants from Central Road Fund (₹ 521 crore). The increase under Central Plan Schemes (₹ 751 crore) was mainly under Rural Development (₹ 946 crore), Medical and Public health (₹ 132 crore), set off by decrease in Social Security and Welfare (₹ 324 crore). The increase under grants from Centrally Sponsored Plan Schemes (₹ 6,395 crore) was mainly due to increase under (a) Crop Husbandry (₹ 1,521 crore), (b) Nutrition (₹ 1,295 crore), (c) Social Welfare and Child Welfare (₹ 936 crore), (d) General Education (₹ 827 crore), (e) Tourism (₹ 799 crore), (f) Non-conventional Sources of Energy (₹ 621 crore) and (g) Water Supply and Sanitation (₹ 620 crore) set off by decrease under Social Securities and Welfare (₹ 512 crore).

The overall decrease under grants from the State Plan Schemes (₹ 2,018 crore) was mainly due to decrease under Jawaharlal Lal Nehru Urban Renewal Mission

(₹ 1,196 crore), Other Grants (₹ 270 crore), Backward Region Grant Fund (₹ 247 crore) and Accelerated Irrigation Benefits Programme and other Water related Schemes (₹ 248 crore).

1.3.4 Thirteenth Finance Commission grants

1.3.4.1 Introduction

The setting up of a Finance Commission every five years is a constitutional mandate. The Finance Commission determines the relative share of Centre and State in the net proceeds of taxes, the relative share of each State *vis-a-vis* other States and grants-in-aid to States. The Thirteenth Finance Commission (ThFC) was constituted by the President under Article 280 of the Constitution of India to make recommendations for the period 2010-2015. An overall assessment was made on the achievement of the State during the award period 2010-2015 and the audit findings are given below.

1.3.4.2 Audit findings

Central Tax transfers

The ThFC recommended the share of States in Central taxes to be increased from 30.50 *per cent* recommended by Twelfth Finance Commission (TFC) to 32 *per cent*. The share of the State in the net proceeds of Central tax (excluding service tax) and net proceeds of service tax were fixed at 5.199 *per cent* and 5.281 *per cent* respectively while it was 4.997 *per cent* and 5.063 *per cent* respectively in the TFC period. The devolution of different components of State's share of Union taxes during the award period of TFC and ThFC are given in **Table 1.10**.

Table 1.10: Devolution of different components of State's share of Union Taxes

(₹ in crore)

Components of State's share of Union taxes	Award period of TFC 2005-2010	Award period of ThFC 2010-2015	Difference
Corporation Tax	11617.71	26882.25	15264.54
Customs	6218.10	12381.13	6163.03
Income Tax	7220.33	16348.31	9127.98
Other taxes and duties on commodities and services	(-) 1.28	24.06	25.34
Other taxes on income and expenditure	(-) 0.81	0.15	0.96
Service tax	3421.69	10242.32	6820.63
Taxes on wealth	17.80	70.50	52.70
Union excise duties	6113.08	8155.74	2042.66
Grand Total	34606.62	74104.46	39497.84

Source: Data of Finance department and website of Ministry of Finance

The devolution of State's share of Union taxes assigned to the State substantially increased by 114 *per cent* during the award period of ThFC. There was an increasing trend in all the components of the State's share of Union taxes.

Table 1.11 summarises the actual release of share in Union taxes during 2010-15 *vis-à-vis* projections made by the ThFC.

Table 1.11: Actual devolution vis-à-vis projections made by the ThFC

(₹ in crore)

Year	ThFC projections	Tax devolution receivable	Actual tax devolution	Difference
2010-11	5.199 per cent of net proceeds of all shareable taxes excluding service tax and 5.281 per cent of net proceeds of shareable service tax	10883.23	11419.23	536.00
2011-12		13718.05	13303.61	(-) 414.44
2012-13		15728.00	15191.95	(-) 536.05
2013-14		16130.93	16586.70	455.77
2014-15		16130.93	17602.97	1472.04
Total		72591.14	74104.46	1513.32

Source: Report of ThFC, data of Finance Department and website of Ministry of Finance

Though the actual tax devolution during 2011-12 and 2012-13 were less than the projections, the overall tax devolution during the award period 2010-2015 was more than the projections made by the ThFC.

Achievement of targets

Table 1.12 and **Table 1.13** compares the fiscal outcomes during the award period with the projections made by ThFC.

Table 1.12: Thirteenth Finance Commission projections and actual fiscal outcomes

Key aggregates	2010-11		2011-12		2012-13		2013-14		2014-15	
	ThFC projection	Actual	ThFC projection	Actual	ThFC projection	Actual	ThFC projection	Actual	ThFC projection	Actual
Revenue deficit (-) / surplus (+) (₹ in crore)	No projections made	(-)592	0	(-) 2438	0	4211	0	(-) 5081	0	(-)12138
Fiscal deficit/GSDP	No projections made	1.80	3	1.72	3	1.04	3	1.72	3	1.89
Ratio of debt to GSDP	26.3	21.1	26.1	21.0	25.8	20.3	25.5	19.5	25.3	19.0

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

Table 1.13: Thirteenth Finance Commission projections and actual fiscal outcomes

(₹ in crore)

Key aggregates	2010-11		2011-12		2012-13		2013-14		2014-15	
	ThFC projection	Actual	ThFC projection	Actual	ThFC projection	Actual	ThFC projection	Actual	ThFC projection	Actual
Tax revenue	70649	75027	80721	87608	92678	103449	106406	108598	122167	115064
Non-tax revenue	11560	8225	12168	8168	12822	9984	13586	11352	14416	12581
Non-Plan revenue expenditure	67884	89532	73742	101519	85884	114206	93328	128992	101881	146245
Pension	6071	9874	6678	11683	7346	13429	8081	15185	8889	17386
Interest payment	16213	15648	18343	17505	20783	19076	23577	21207	26775	23965

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

From **Table 1.12** it is evident that Government could achieve only two of the three fiscal targets recommended by ThFC i.e. fiscal deficit to GSDP and outstanding debt to GSDP ratio were within the norms prescribed by ThFC. The third parameter of revenue surplus could not be achieved except during 2012-13. As regards the key aggregates on the revenue side (**Table 1.13**), non-tax revenue was a matter of concern throughout the award period. Similarly non-plan revenue expenditure and pension payments were above the projections made by the ThFC throughout the award period.

Debt waiver under the debt consolidation and relief facilities

The ThFC had framed a scheme of debt relief of Central loans named the 'Debt consolidation and relief facilities' based on the fiscal performance of the State linked to the reduction of deficit in the State. Accordingly, the Government of Maharashtra

(GoM) received a debt write-off of ₹ 170.23 crore from GoI during 2011-12. Further, GoM received provisional relief of ₹ 118.55 crore during 2011-12, ₹ 454.73 crore during 2012-13 and ₹ 447.40 crore during 2013-14 on account of reset of interest rates on National Small Savings Fund (NSSF) loans. The actual receipt of interest relief was compared with the ThFC's assessment as shown in **Table 1.14**.

Table 1.14: Interest relief on NSSF loans vis-à-vis ThFC's assessment

(₹ in crore)

Particulars	2010-11	2011-12	2012-13	2013-14	2014-15	Total
ThFC's tentative interest relief on NSSF loans	503.29	476.51	447.40	418.30	389.20	2234.70
Interest relief received	0	0	573.28	447.40	0	1020.68

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

From **Table 1.14** it can be seen that GoM had received only ₹ 1,020.68 crore as against the projected relief of ₹ 2,234.70 crore. GoM did not receive the interest relief during 2014-15. As this interest relief was linked to reduction in deficit, the State's non-achievement of reduction in revenue deficit during four of the five years of the award period (refer **Table 1.12**) resulted in short receipt of ₹ 1,214.02 crore from GoI.

1.3.4.3 Optimisation of Thirteenth Finance Commission grants

As per recommendation of ThFC, GoI allocated ₹ 16,302.56 crore as grants to GoM for utilization during 2010-15. The details of the ThFC grants released, disbursed and utilized during 2010-2015 is given in **Table 1.15** and the grant-wise details are indicated in **Appendix 1.8**. In respect of some grants, the amounts received by GoM was less than that recommended by the ThFC by ₹ 2,051.88 crore and in some grants, the amount received was more than that recommended by the ThFC by ₹ 2,080.28 crore. The year-wise, grant-wise short receipts/excess release are given in **Appendix 1.9**.

Table 1.15: Details of grants released, disbursed and utilised

(₹ in crore)

Sr. No.	Purpose for which grant is released	2010-15					
		Amount to be released by GoI as per recommendation of ThFC	Actual release by GoI	Net Shortfall in release of Grants by GoI	Net Excess release/ release without provision	Amount for which UCs submitted by GoM (position as on July 2015)	Percentage of utilisation of grants released
1a	Local Bodies (PRI)	5565.60	5591.83	339.83	366.06	3458.70	61.85
1b	Local Bodies (ULB)	3177.71	2904.84	658.45	385.58	1725.46	59.40
2	Disaster Relief	1859.60	1854.61	4.99	0.00	1061.75	57.25
3	Improving Outcome Grants	940.05	685.73	621.93	367.61	158.80	23.16
4	Environment related Grants	677.60	1638.63	0.00	961.03	230.58	14.07
5	Elementary Education	744.00	744.00	0.00	0.00	743.93	100.00
6	Roads and Bridges	2103.00	2103.00	0.00	0.00	Not applicable*	Not applicable*
7	State specific Grants	1235.00	808.32	426.68	0.00	569.59	70.47
Grand Total		16302.56	16330.96	2051.88	2080.28	7948.81	48.67

Source: Information furnished by Finance Department

* UC is not mandatory as per ThFC guidelines

From **Table 1.15** and **Appendix 1.8** and **Appendix 1.9**, it is seen that

- GoM received ₹ 2,004.81 crore for which no specific amount was recommended by the ThFC which pertained to forfeited grant to PRI (₹ 318.09 crore), forfeited grant to Urban Local Body (₹ 358.08 crore), incentive grant for reduction in infant mortality (₹ 367.61 crore) and renewable energy (₹ 961.03 crore) (**Appendix 1.9**).

- In respect of general basic grant to Panchayati Raj Institutions (PRI) and Urban Local Bodies (ULB), an amount of ₹ 47.97 crore and ₹ 27.50 crore respectively was received in excess of the recommended amount (**Appendix 1.9**).
- There was a net shortfall of ₹ 2,051.88 crore of the recommended grants under various categories, of which the short fall under Local bodies ULB (₹ 658 crore), Improving Outcome Grants (₹ 622 crore) and Local bodies PRIs (₹ 340 crore) were predominant (**Table 1.15**).
- In 10 schemes⁷, the State Government received 50 *per cent* or less of the recommended grants relating to the ThFC (**Appendix 1.8**).
- Only 48.67 *per cent* of the grant was utilized by GoM till July 2015. Utilisation was less than 25 *per cent* in respect of Environment Related Grants and Improving Outcome Grants (**Table 1.15**).
- Complete utilization of ThFC grants was achieved only in Elementary Education (**Table 1.15**).
- As may be seen from **Table 1.15**, of the total grants released during 2010-15 (₹ 5,591.83 crore) to PRIs, the actual utilization by the PRIs during 2010-15 was only 61.85 *per cent* (₹ 3,458.70 crore).

Non-disbursement of grants

The grants received from GoI have been released by the Finance Department (FD) to the administrative/implementing department from time to time. All the necessary related actions like budgetary provisions, utilization of grants, submission of fund release proposal, utilization certificates *etc.* were processed by the departments concerned. The grants received were fully disbursed by FD to administrative/implementing departments except in the following cases due to non-receipt of fund release proposals from the implementing departments concerned as shown in **Table 1.16**.

Table 1.16: Details of non-disbursement of grants

(₹ in crore)

Sr. No.	Name of the grant/purpose	Grant received from GoI	Grants disbursed by FD to the administrative departments till Supplementary-I i.e. July 2015	Grants yet to be disbursed by FD	Percentage of undisbursed grant to grant received
1	Renewable energy	961.03	0.00	961.03	100
2	Infant mortality	367.61	231.34	136.27	37
3	Incentive for issuing UIDs	76.58	31.74	44.84	59
4	Food testing lab	16.00	8.00	8.00	50
5	Improvement of statistical systems at State and District level	14.00	7.00	7.00	50
6	Improvement in Justice Delivery	207.54	204.54	3.00	1
Total				1160.14	

Source: Information furnished by Finance Department

It is seen from the table that GoM had not released an amount of ₹ 1,160.14 crore pertaining to ThFC grants. This was due to slow progress of work and under/non-utilization of grants by the implementing departments. Therefore, revenue deficit is

⁷ Incentive grant for UID; Allocation of grants for Improving delivery of Justice; Improvement of Statistical System at State and District level; Employee and Pension data base; Grant for District Innovation Fund; Construction of Anganwadi Centres; Heritage Conservation; Prison Department; Food Testing Lab; and Strengthening Industrial Training Institutions

understated to that extent. Further, in respect of Sl. No. 3 to 5, due to slow pace of utilization of grants during the award period, the undisbursed grants pertaining to earlier years were received only in March 2015.

Observations in respect of other grants of ThFC are given below:

- As per the condition for general performance grant to ULBs, service level benchmarks were to be notified by GoM on or before 31 March 2014. This notification was delayed and issued by GoM only in August 2014 resulting in short-release of performance grant of ₹ 658 crore during 2010-15 in ULB.
- In the case of grant for Food Testing Labs, out of ₹ 32 crore which GoM was entitled to receive as ThFC grant during 2010-15, it received only ₹ 16 crore till March 2015 as Utilization Certificates were submitted by GoM for only ₹ 7.91 crore. Consequently, of the five⁸ Food Testing Labs proposed to be established, only the lab at Mumbai was functional.
- The Director of Archaeology, to whom the work of heritage conservation was entrusted, received ₹ 25 crore pertaining to 2011-12 under the ThFC grant and parked them in the Personal Ledger Account (PLA). As of August 2015, the PLA had an unutilized grants of ₹ 5.94 crore out of ₹ 25 crore received under the ThFC. In addition, the PLA also had an unutilized grants received under the TFC (₹ 12.28 crore) and grants received under the Chief Minister's Special Programme (₹ 3.06 crore) as of August 2015.
- Delay in submission of action plan report and slow progress of work on improvement of statistical system at the State and the district levels resulted in receipt of only ₹ 14 crore out of ₹ 35 crore from GoI of which, only ₹ 5.58 crore was utilized by the Planning Department of GoM as of August 2015.
- Of the grant of ₹ 542.65 crore recommended by ThFC for improvement in justice delivery against eight components⁹, ₹ 207.54 crore was received by GoM during 2010-15 but UCs were submitted by the Law and Judiciary Department only for ₹ 118.98 crore.

1.4 Capital receipts

The details of Capital receipts and its composition during 2010-15 are given in **Table 1.17**.

Table 1.17: Trends in growth and composition of capital receipts

	(₹ in crore)				
Sources of State's receipts	2010-11	2011-12	2012-13	2013-14	2014-15
Capital Receipts (CR)	21397	25467	22588	27463	30348
Miscellaneous Capital Receipts	17	456	0	0	0
Recovery of Loans and Advances	640	559	863	728	975
Public Debt Receipts	20740	24452	21725	26735	29373
Rate of growth of debt capital receipts	(-)3.82	17.90	(-)11.15	23.06	9.87
Rate of growth of non-debt capital receipts	21.67	54.49	(-)14.98	(-)15.64	33.93
Rate of growth of GSDP	22.60	11.53	13.00	14.21	11.69
Rate of growth of CR (per cent)	(-) 3.20	19.02	(-) 11.30	21.58	10.51

Source: Finance Accounts of respective years

⁸ Mumbai, Aurangabad, Nagpur, Pune and Nashik

⁹ Morning/evening courts, Alternate Dispute Resolution Centres and training of mediators, Training of Judicial Officers, Public Prosecutors Training at Uttan/Nagpur, Heritage Court Building, State Judicial Academy, Lok Adalats and Legal Aid and Court Managers

Table 1.17 shows that the growth of capital receipts reduced from 22 *per cent* in 2013-14 to 11 *per cent* in 2014-15. The non-debt capital receipts registered a positive growth of 33.93 *per cent* in 2014-15 as compared to negative growth of 15.64 *per cent* in 2013-14.

1.4.1 Proceeds from disinvestment

Disinvestment increases non-debt capital receipts and allows the Government to increase its capital expenditure without impacting the fiscal deficit. As per ThFC recommendations, the State Governments should actively consider withdrawal/reduction of State Public Sector Units in non-welfare and non-utility sectors. There is an immediate need to reduce the number of State Public Sector Units as the large number of such enterprises not only engages the productive assets of the Government, but also promotes inefficiency due to lack of proper monitoring by the State Governments. Disinvestment and privatisation should also be considered and actively pursued. It was noticed that the average return on the State Government's investment in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives varied between 0.02 and 0.05 *per cent* in the past three years while the Government paid an average interest of 7.42 *per cent* to 7.81 *per cent* on its borrowings. In spite of this unsustainable proposition there was no disinvestment during 2012-15 (**Table 1.37**).

1.4.2 Recoveries of loans and advances

The details of loans and advances given by the State Government during 2010-15 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 recoveries made with respect to opening balance (4/2*100)
(1)	(2)	(3)	(4)	(5)	(6)
2010-11	19590.09	959.08	640.09	19909.08	3.27
2011-12	19909.08	836.29	558.74	20186.63	2.81
2012-13	20186.63	1415.94	862.85	20739.72	4.27
2013-14	20739.72	1645.10	728.03	21656.79	3.51
2014-15	21656.79	1140.54	975.08	21822.25	4.50

Source: Finance Accounts of the respective years

Recoveries of loans and advances increased by 34 *per cent* (₹ 247 crore), mainly on account of more recoveries from Loans for Power Projects (₹ 231 crore). The percentage of recovery is meagre and ranged between 2.81 to 4.50 during the last five years. The complete information regarding arrears in repayments and loans in perpetuity were not furnished by Government.

1.4.3 Public Debt receipts

A time series data on public debt receipts is shown in **Table 1.19**

Table 1.19: Data on public debt receipts

(₹ in crore)

	2010-11	2011-12	2012-13	2013-14	2014-15
Open Market Borrowings	11500 (55.45)	21000 (85.88)	17500 (80.55)	23600 (88.27)	25083 (85.39)
National Small Savings Fund	7505 (36.19)	1965 (8.04)	2664 (12.26)	1425 (5.33)	2982 (10.15)
Other Financial Institutions	915 (4.41)	1181 (4.83)	810 (3.73)	745 (2.79)	766 (2.61)
Loans and Advances from Government of India	820 (3.95)	306 (1.25)	751 (3.46)	965 (3.61)	542 (1.85)
Public Debt Receipts	20740	24452	21725	26735	29373
Public Debt Repayments	4774	6458	6653	10262	8828

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

Table 1.19 indicates that the share of open market borrowings in public debt receipts has decreased to 85.39 per cent in 2014-15 from 88.27 per cent in 2013-14. Share of NSSF loans increased to 10.15 per cent in 2014-15 from 5.33 per cent in 2013-14. Loans and advances from GoI was less than two per cent of public debt receipts during 2014-15.

During 2014-15, the public debt receipts increased by 10 per cent (₹ 2,638 crore) and public debt repayment decreased by 14 per cent (₹ 1,434 crore) over 2013-14, resulting in net increase of ₹ 4,072 crore in public debt receipts.

1.5 Public account receipts

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

Table 1.20: Trends of receipts under Public Account

(₹ in crore)

Resources under various heads	2010-11	2011-12	2012-13	2013-14	2014-15
Public Account receipts					
a. Small Savings, Provident Fund etc.	3882.03 (2022)	4449.03 (2260)	4759.89 (2188)	4868.46 (1894)	4642.54 (1260)
b. Reserve Fund	3346.12 (2153)	3052.51 (1399)	4960.13 (1976)	5540.03 (2742)	5908.54 (3158)
c. Deposits and Advances	21917.52 (6259)	25544.27 (4532)	26657.82 (6442)	32347.23 (6772)	31249.40 (4411)
d. Suspense and Miscellaneous	(-) 992.59 (-1104)	(-) 1491.27 (-1509)	(-) 11307.73 (100)	(-) 2693.61 (-2705)	17039.01 (5222)
e. Remittances	20253.24 (-482)	21834.84 (-256)	21989.52 (842)	23958.08 (-1117)	24182.45 (14)
Total	48406.32 (8849)	53389.38 (6426)	47059.63 (11549)	64020.19 (7585)	83021.94 (14036)

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

Public Account receipts were increased by 71.51 per cent over the period 2010-15. Increase of 29.68 per cent (₹ 19,002 crore) in Public Account receipts in 2014-15 over the

previous year was on account of increase under Suspense and Miscellaneous (₹ 19,733 crore) set off by decrease in Deposits and Advances (₹ 1,098 crore).

1.5.1 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. However, during 2014-15, GoI released ₹ 460.45¹⁰ crore to the State implementing agencies as shown in **Appendix - VI** of Finance Accounts 2014-15.

1.5.2 Funds operated outside legislative scrutiny

As per ThFC recommendations, public expenditure through creation of funds outside the Consolidated Fund of the State needs to be discouraged. An instance wherein public expenditure was met through creation of fund outside the Consolidated Fund was mentioned in **Paragraph 1.2.3** of the Report of the Comptroller and Auditor General on State Finances for the year 2013-14. This procedure continued during current year. The Housing Department, GoM created (May 2010) Maharashtra Nivara Nidhi with the objective of supplementing the resources of the Government for undertaking various housing schemes through Central assistance. This fund was created under the jurisdiction of Maharashtra Housing and Development Authority outside the Consolidated Fund as well as the public accounts of the GoM. The closing balance in this fund as on March 2015 is ₹ 34.72 crore. Thus, creation and operation of Maharashtra Nivara Nidhi outside the Government accounts escaped the legislative scrutiny through the regular process of authorisation. It would be appropriate if the activities planned under Maharashtra Nivara Nidhi are carried out through regular budgetary process.

1.5.3 Parking of funds outside Government account

As per the information regarding bank accounts operated by the Drawing and Disbursing Officers (DDOs) furnished by the Director of Accounts and Treasuries, the balance in DDO's bank account as on May 2015 in respect of 5,734 number of DDOs (out of a total number of 12,227 DDOs) was ₹ 8,311.05 crore and the balance in their bank account other than the regular bank account was ₹ 3,519.09 crore. The above amount (₹ 11,830.14 crore) was thus parked outside the Consolidated Fund of the State. Further, in the absence of sufficient details, audit was not in a position to ascertain as to how much out of ₹ 11,830.14 crore pertained to financial year 2014-15 and before.

1.6 Application of resources

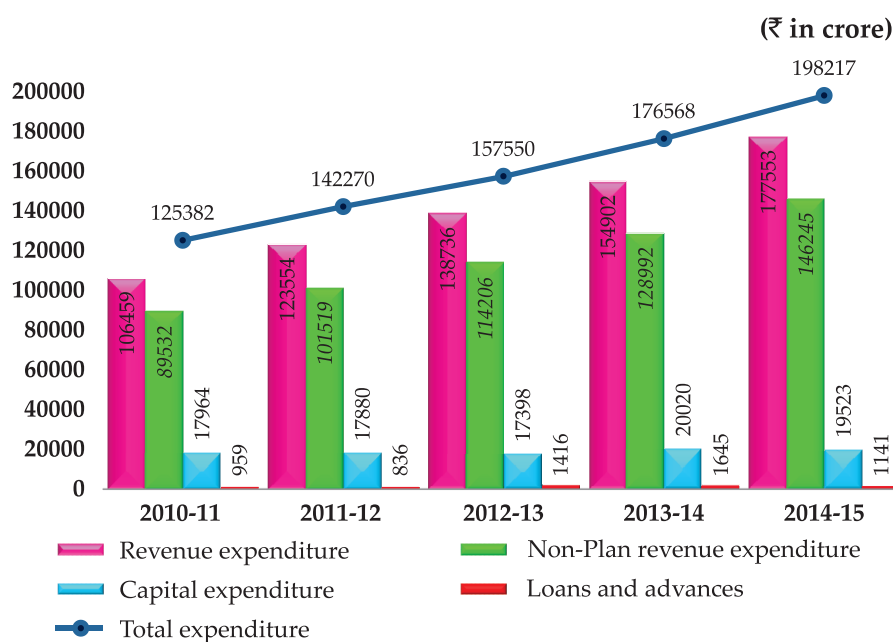
Analysis of the allocation of expenditure assumes significance since major expenditure responsibilities are entrusted with the State Government at various levels. Within the framework of fiscal responsibility legislations, there are budgetary constraints in raising public expenditure financed by deficit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

¹⁰ As per the Public Financial Management System portal of the Controller General of Accounts

1.6.1 Growth and composition of expenditure

Chart 1.10 presents the trends in total expenditure over a period of the last five years (2010-15) and its composition both in terms of ‘economic classification’ and ‘expenditure by activities’ depicted in **Charts 1.11** and **1.12** respectively.

Chart 1.10: Trends in various components of total expenditure



(Source: Finance Accounts of respective years)

Total expenditure

The total expenditure and its compositions during 2010-15 are presented in **Table 1.21** and **Chart 1.11**.

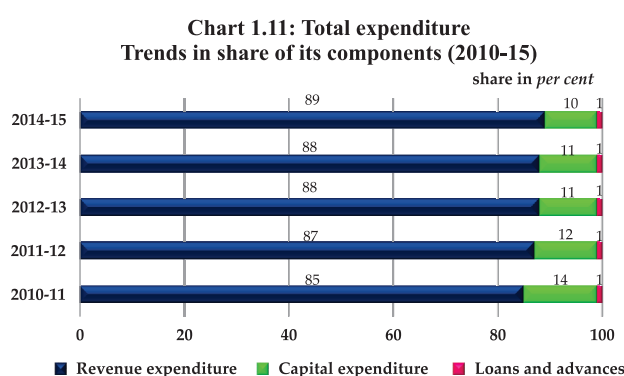
Table 1.21: Total expenditure and its composition

(₹ in crore)

	2010-11	2011-12	2012-13	2013-14	2014-15
Total expenditure	125382	142270	157550	176568	198217
Revenue expenditure	106459	123554	138736	154902	177553
	(85)	(87)	(88)	(88)	(89)
<i>of which, Non-Plan revenue expenditure</i>	89532	101519	114206	128992	146245
Capital expenditure	17964	17880	17398	20020	19523
	(14)	(12)	(11)	(11)	(10)
Loans and advances	959	836	1416	1645	1141
	(1)	(1)	(1)	(1)	(1)

Figure in parenthesis indicate percentage to total expenditure

Source: Finance Accounts of respective years



(Source: Finance Accounts of respective years)

The total expenditure of the State increased at an average growth rate of 14.52 per cent from ₹ 1,25,382 crore in 2010-11 to ₹ 1,98,217 crore in 2014-15 but, the percentage of capital expenditure to total expenditure decreased from 14 per cent in 2010-11 to 10 per cent in 2014-15. 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 2005-06 to 2013-14, the CAGR of total expenditure (12.96 per cent) was less than the growth rate of GCS (15.23 per cent). The growth of total expenditure during 2014-15 over 2013-14 (12.26 per cent) was also lower than the growth rate of GCS (19.32 per cent) as given in **Appendix 1.1**.

Table 1.22: Total expenditure – basic parameters

Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
Total expenditure (TE) (₹ in crore)	125382	142270	157550	176568	198217
Rate of growth of TE over previous year (per cent)	10.37	13.47	10.74	12.07	12.26
TE/GSDP ratio (per cent) [#]	11.95	12.16	11.92	11.69	11.75
RR /TE ratio (per cent)	84.40	85.30	90.70	84.85	83.45
Buoyancy of Total expenditure with reference to:					
GSDP (ratio) [#]	0.459	1.168	0.826	0.849	1.049
RR (ratio)	0.476	0.925	0.601	2.509	1.178

[#]Ratios revised due to change in GSDP figures
Source: Finance Accounts of respective years

The increase of ₹ 21,649 crore (12.26 per cent) in total expenditure in 2014-15 over the previous year was on account of an increase of ₹ 22,651 crore in revenue expenditure set off by decrease in capital expenditure by ₹ 497 crore and in disbursement of loans and advances ₹ 504 crore.

The ratio of total expenditure to GSDP remained around 12 per cent during 2010-15. The ratio of revenue receipts to total expenditure increased from 84.40 per cent in 2010-11 to 90.70 per cent in 2012-13 and gradually decreased to 83.45 per cent during 2013-15. The table shows that on an average 86 per cent of total expenditure was met out of revenue receipts during 2010-15.

The ratio of buoyancy of total expenditure with reference to GSDP and revenue receipts showed a mixed trend. The ratio of buoyancy of total expenditure with reference to GSDP increased to 1.049 in 2014-15 from 0.849 in 2013-14. This indicated that during 2014-15 for each one per cent increase in GSDP, total expenditure grew by 1.049 per cent. The ratio of buoyancy of total expenditure with reference to revenue receipts decreased to 1.178 in 2014-15 from 2.509 in 2013-14.

Of the total expenditure during 2014-15, non-plan expenditure contributed 76 per cent while plan expenditure was 24 per cent. Of the increase of

₹ 21,649 crore in total expenditure, the share of plan expenditure increased by 18 *per cent*, while non-plan expenditure increased by 82 *per cent*.

During 2005-06 to 2013-14, the CAGR of capital expenditure (8.96 *per cent*) was lower than the growth rate of GCS (14.61 *per cent*). There was negative growth of capital expenditure during 2014-15 over 2013-14 (-2.48 *per cent*) compared to the positive growth rate of GCS (21.87 *per cent*) as given in **Appendix 1.1**.

Trends in total expenditure in terms of activities

In terms of the activities, total expenditure could be considered as being composed of expenditure on General Services including interest payments, Social and Economic Services, grants-in-aid and loans and advances. Relative shares of these components in the total expenditure are indicated in **Table 1.23** and **Chart 1.12**.

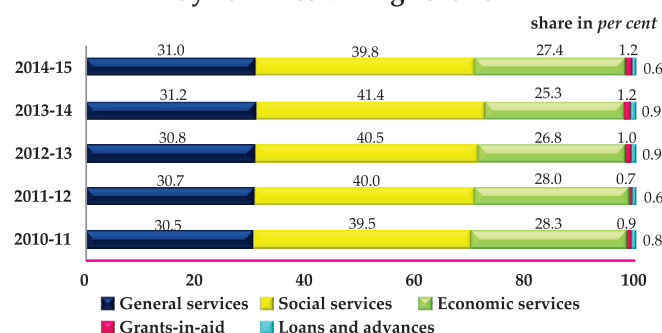
Table 1.23: Components of expenditure – relative shares

(in *per cent*)

	2010-11	2011-12	2012-13	2013-14	2014-15
General Services	30.5	30.7	30.8	31.2	31.0
<i>of which, Interest Payments</i>	12.5	12.3	12.1	12.0	12.1
Social Services	39.5	40.0	40.5	41.4	39.8
Economic Services	28.3	28.0	26.8	25.3	27.4
Grants-in-aid	0.9	0.7	1.0	1.2	1.2
Loans and Advances	0.8	0.6	0.9	0.9	0.6

Source: Finance Accounts of respective years

Chart 1.12: Trends in composition of total expenditure by activities during 2010-15



(Source: Finance Accounts of respective years)

The movement of the relative share of the above components of expenditure indicated that the share of General Services, Social Services and Loans and Advances in the total expenditure decreased during 2014-15 over the previous year. These decreases were set-off by increase in the respective share of Economic Services.

Though the share of General Services and Social Services in total expenditure decreased, the expenditure on these services increased in real terms by ₹ 6,333 crore and ₹ 5,757 crore respectively. Under General Services the increase was mainly under Interest (₹ 2,758 crore), Pensions and Other Retirement Benefits (₹ 1,281 crore), Elections (₹ 844 crore) and Police (₹ 576 crore). The increase under Social Services was mainly under Relief on account of Natural Calamities (₹ 1,657 crore), Medical and Public Health (₹ 1,581 crore), General Education (₹ 1,497 crore) and Water Supply and Sanitation (₹ 852 crore). The decrease under Social Services was mainly under Housing (₹ 493 crore) and Sports and Youth Services (₹ 143 crore).

The increase in the share of Economic Services was mainly due to increase in Power (₹ 4,875 crore) and Rural Employment (₹ 1,711 crore) and Other Rural Development Programme (₹ 1,492 crore).

Though the share of grants-in-aid in total expenditure remained constant, the expenditure on grants-in-aid increased in real terms by ₹ 376 crore. The increase was mainly due to increase under the head 'Compensation and Assignment to Local Bodies and Panchayati Raj Institutions' (₹ 350 crore).

Revenue expenditure

Revenue expenditure during 2014-15 increased by ₹ 22,651 crore (15 per cent) over 2013-14, mainly due to increase in expenditure on General Services (₹ 6,507 crore), Social Services (₹ 6,073 crore), Economic Services (₹ 9,695 crore) and increase in Grants-in-aid and Contributions (₹ 376 crore). While 24 per cent of the increase was under Plan head, the remaining 76 per cent was under Non-Plan head. The revenue expenditure during 2014-15 (₹ 1,77,553 crore) was lower than the assessment made by the State Government in its FCP by 8.80 per cent and MTFPS/Budget by 3.73 per cent. The Non-Plan Revenue expenditure (₹ 1,46,245 crore) exceeded the normative assessments made by the ThFC (₹ 1,01,881 crore) and the MTFPS/Budget (₹ 1,41,354 crore) but less than the State Government's projections in FCP (₹ 1,54,084 crore) (Table 1.25).

Revenue expenditure constituted 89 per cent of the total expenditure (Chart 1.11). The increase in revenue expenditure was mainly on (a) Power (₹ 5,191 crore), (b) Interest Payments (₹ 2,758 crore), (c) Rural Employment (₹ 1,711 crore), (d) Medical and Public Health (₹ 1,665 crore), (e) Relief on account of Natural Calamities (₹ 1,657 crore), (f) General Education (₹ 1,503 crore), (g) Other Rural Development Programme (₹ 1,360 crore) and (h) Pension and other Retirement Benefits (₹ 1,281 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)

	2010-11	2011-12	2012-13	2013-14	2014-15
Revenue expenditure (RE),	106459	123554	138736	154902	177553
<i>of which</i>					
Non-Plan Revenue expenditure (NPRE)	89532	101519	114206	128992	146245
Plan Revenue expenditure (PRE)	16927	22035	24530	25910	31308
Rate of Growth of					
RE (per cent)	12.16	16.06	12.29	11.65	14.62
NPRE (per cent)	14.52	13.39	12.50	12.95	13.38
PRE (per cent)	1.14	30.18	11.32	5.63	20.83
Revenue Expenditure as percentage to TE	84.91	86.84	88.06	87.73	89.58
NPRE/GSDP (per cent)	8.53	8.68	8.64	8.54	8.67
NPRE as percentage of TE	71.41	71.36	72.49	73.06	73.78
NPRE as percentage of RR	84.57	83.70	79.89	86.10	88.41
Buoyancy of Revenue expenditure with					
GSDP (ratio)	0.540	1.396	0.946	0.820	1.250
Revenue Receipts (ratio)	0.557	1.103	0.688	2.422	1.404

Source: Finance Accounts of respective years

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

Plan revenue expenditure

The Plan Revenue Expenditure increased by ₹ 5,398 crore (21 *per cent*) in 2014-15 over the previous year, mainly due to increase in expenditure under Rural Development (₹ 1,919 crore), Health and Family Welfare (₹ 1,424 crore) and Agriculture and Allied Activities (₹ 1,165 crore).

The State Government is entrusted with the execution of the Central Plan and Centrally Sponsored Schemes in the State for which, grants are released by GoI. The State Government provides for the Central and State's share in its budget. During the year, GoI released ₹ 12,829.94 crore towards Centrally Sponsored Schemes, Central Plan Schemes and additional Central Assistance. The State Government spent ₹ 13,843.47 crore (including state share) under these schemes. Details of releases of Central share and State share in respect of major schemes are given in Annexure to Statement 15 of Finance Accounts 2014-15.

Non-plan revenue expenditure

The Non-Plan Revenue Expenditure (NPRE) in 2014-15 constituted a dominant share of 82 *per cent* in the revenue expenditure and increased by ₹ 17,253 crore (13 *per cent*) over the previous year, mainly due to increase under General Services (₹ 6,661 crore), Energy (₹ 5,173 crore), Social Welfare and Nutrition (₹ 1,854 crore), Rural Development (₹ 1,123 crore), Education, Sports, Arts and Culture (₹ 868 crore), Water Supply, Sanitation, Housing and Urban Development (₹ 553 crore) and Transport (₹ 505 crore).

The NPRE as a percentage of revenue receipts (**Table 1.24**) decreased from 84.6 *per cent* in 2010-11 to 79.9 *per cent* in 2012-13. It increased to 86.1 *per cent* in 2013-14 and further to 88.4 in 2014-15 indicating that on an average 88 *per cent* of the revenue receipts were used to meet the NPRE.

Table 1.25 provides the comparative position of NPRE with reference to assessments made by the ThFC, the FCP and MTFPS/Budget projections of the State Government.

Table 1.25: NPRE vis-à-vis assessment made by the ThFC, FCP and MTFPS

(₹ in crore)

Year	Assessments made by the ThFC	Projection in FCP	Projection in MTFPS/Budget	Actuals
2013-14	93328	121699	125647	128992
2014-15	101881	154084	141354	146245

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

As may be seen, the NPRE remained significantly higher than the normative assessments of the ThFC, the FCP and MTFPS/Budget projections during 2013-14. During 2014-15, NPRE was more than the normative assessments of the ThFC and MTFPS/Budget projects and lower than the projections in FCP.

Subsidies

Subsidies given during the years 2010-11 to 2014-15 are presented in the **Table 1.26**.

Table 1.26: Expenditure on subsidies

(₹ in crore)

	2010-11	2011-12	2012-13	2013-14	2014-15	
					BE	Actuals
Subsidies	5485 (5)	9833 (8)	9268 (6)	12063 (8)	18203 (10)	19753 (12)
Total Revenue Expenditure	106459	123554	138736	154902	184423	177553
Revenue Receipts	105868	121286	142947	149822	180320	165415

Figures in parenthesis indicate percentage to Revenue Receipts
Source: Finance Accounts of respective years

Table 1.26 indicates that expenditure under subsidies increased by 64 *per cent* from ₹ 12,063 crore in 2013-14 to ₹ 19,753 crore in 2014-15. During the current year, subsidies constituted about 11 *per cent* of the total revenue expenditure. The major schemes which received subsidy include subsidy to Distribution/Transmission Licencees for reduction in Agriculture and Power loom Tariff (53 *per cent*), subsidy to Medium and Large Industries under the Graded Package Scheme of Incentives (13 *per cent*), Transport (eight *per cent*), Financial Assistance under Rashtriya Krishi Vikas Yojana (schemes in Five Year Plan) (five *per cent*), covering the deficit in Foodgrain Transactions (five *per cent*) and Indira Awas Yojana (three *per cent*).

The subsidies projected by the Government in the FCP and the actual expenditure incurred during 2013-14 and 2014-15 are presented in **Table 1.27**.

Table 1.27: Subsidies vis-à-vis FCP

(₹ in crore)

	2013-14		2014-15	
	Projections in FCP	Actuals	Projections in FCP	Actuals
Power (Subsidy for reduction in Agriculture and Powerloom Tariff)	3499	5276	10500	10500
General/Others	4782	6787	10089	9253
Total	8281	12063	20589	19753

Source: Finance Accounts and Budget documents of respective years

The subsidies given to Power (subsidy for reduction in Agriculture and Powerloom Tariff) and for other schemes with reference to the projections made in the FCP increased nearly three times during 2014-15 compared to previous year. The budget provision and actual expenditure on subsidy given to Power was ₹ 10,500 crore.

The major components under 'General/Others' as shown in **Table 1.27** are (a) food subsidy under which the Government provided ₹ 761 crore in the State budget 2014-15 and the actual expenditure was ₹ 916 crore, (b) Subsidy to Medium and Large Industries under the Graded Package Scheme of Incentives under which the budget provision and actual expenditure was ₹ 2,500 crore and (c) subsidy on loss to State Road Transport Corporation for which the budget provision and actual expenditure was ₹ 1,508 crore.

Capital expenditure

During 2014-15, capital expenditure (₹ 19,523 crore) constituted 10 *per cent* of the total expenditure (**Chart 1.11**) and decreased by two *per cent* over 2013-14. The decrease was mainly on account of decrease in Capital Outlay on Major and Medium Irrigation (₹ 904 crore), Capital Outlay on Roads and Bridges (₹ 717 crore), Capital Outlay on Urban Development (₹ 318 crore) set off by

increase in Capital Outlay on Food, Storage and Warehousing (₹ 1,250 crore) and Capital Outlay on Co-operation (₹ 259 crore). During 2014-15, the capital expenditure (₹ 19,523 crore) was lower than the assessment made by the State Government in its FCP (₹ 23,342 crore) by 16 *per cent*, Budget (₹ 26,915 crore) by 27 *per cent* and the projections made in MTFPS (₹ 27,898 crore) by 30 *per cent*. The major areas of decrease are commented in **Para 1.1.3**.

Loans and advances

Loans and advances constituted one *per cent* of the total expenditure during 2010-15 (**Chart 1.11**). Disbursements of loans and advances during 2014-15 decreased by 31 *per cent* (₹ 504 crore) over 2013-14. This decrease was mainly in Loans for Power Projects – Loans to Public Sector and other Undertakings (₹ 666 crore)

Conversion of loan into Grant-in-aid

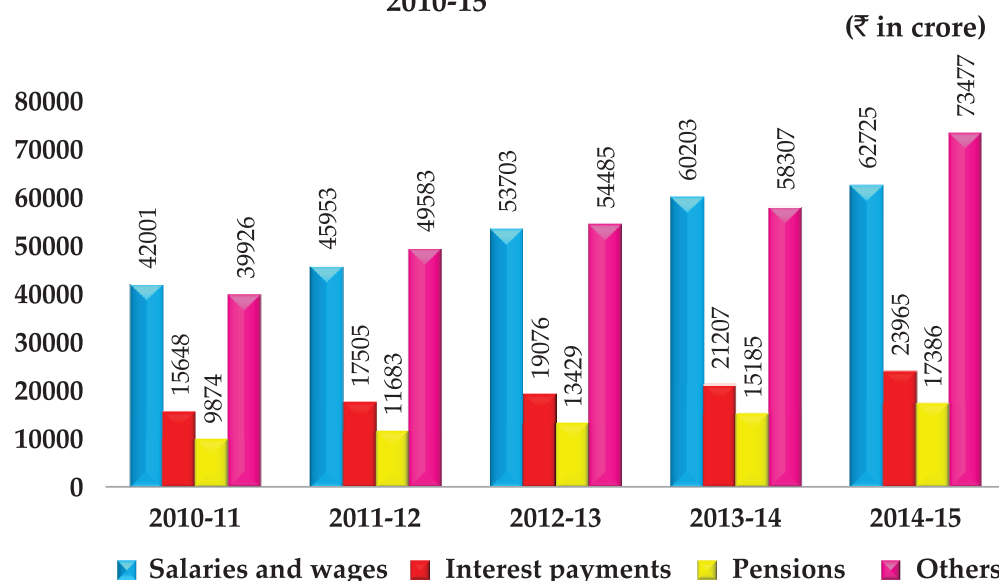
The Industry, Energy and Labour Department, GoM decided (December 2013) to discontinue with the loans under schemes “Loans to Maharashtra State Electricity Distribution Company Ltd. for General Development and System Improvement” and “Loans for street lights in dalit areas under Scheduled Tribes special Component Plan” and instead distribute the same as grant-in-aid from 2013-14. It was also decided to convert the loans given under these schemes during 2010-11 to 2012-13 into grant-in-aid and discontinue with the collection of outstanding interests on such loans from 2013-14. As per the departmental reply (September 2015), as on March 2013, the loan pertaining to dalit basti had an outstanding balance of ₹ 80.81 crore.

Government’s decision to convert the outstanding loans from 2010-11 to 2012-13 into grant-in-aid tantamount to waiver of loan of ₹ 80.81 crore which includes the principal amount of loan as well as interest thereon which is revenue foregone. Further, Government neither initiated any follow-up action to arrive at the amount to be written off nor any budgetary provisions were made for waiver off these amounts. As a result, these outstanding loans continue to get reflected as assets in the Finance Accounts of the last two years (2013-14 and 2014-15). This has resulted in over statement of assets and under-statement of expenditure and to this extent the Finance Accounts figures are incorrect.

1.6.2 Committed expenditure

The committed expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages and pensions. Despite recommendations of the TFC, the statement of committed liabilities has not been included in the Finance Accounts due to non-receipt of the complete information from the Government. **Chart 1.13** and **Table 1.28** present the trends in the expenditure on these components during 2010-15.

Chart 1.13: Trends of committed expenditure during 2010-15



(Source: Finance Accounts of respective years)

Table 1.28: Components of committed expenditure

(₹ in crore)

Components of committed expenditure	2010-11	2011-12	2012-13	2013-14	2014-15	
					BE	Actuals
Salaries and Wages	42001	45953	53703	60203 ^s	60677	62725 ^s
	(40)	(38)	(38)	(40)	(39)	(38)
of which	40917	42955	50165	56985		58457
Non-Plan Head	(39)	(35)	(35)	(38)		(35)
of which	1084	2998	3538	3218		4268
Plan Head**	(1)	(2)	(2)	(2)		(3)
Interest Payments	15648	17505	19076	21207	23805	23965
	(15)	(14)	(13)	(14)	(13)	(14)
Pensions	9874	11683	13429	15185	17633	17386
	(9)	(10)	(9)	(10)	(10)	(11)
Total Committed expenditure	67523	75141	86208	96595	83846	104076
	(64)	(62)	(60)	(64)	(46)	(63)
Other Components ¹¹	38936	48413	52508	58307	100577	73477
	(37)	(40)	(37)	(39)	(56)	(44)
Total Revenue Expenditure	106459	123554	138736	154902	184423	177553
Revenue Receipts	105868	121286	142947	149822	180320	165415

Figures in parenthesis indicate percentage to Revenue Receipts

^s Salaries: ₹ 60,469 crore + Wages: ₹ 2,256 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 2010-11 (₹ 25,937 crore), 2011-12 (₹ 27,358 crore), 2012-13 (₹ 32,870 crore), 2013-14 (₹ 37,334 crore) and 2014-15 (₹ 38,225 crore)

Source: Finance Accounts of respective years

Salaries and wages

The average annual growth in salaries and wages during 2010-15 was 12.33 per cent. The expenditure on salaries and wages increased by ₹ 2,522 crore (four per cent) from ₹ 60,203 crore in 2013-14 to ₹ 62,725 crore in 2014-15. The expenditure of

¹¹ Revenue expenditure under General Services, Social Services, Economic Services and Grants-in-aid (excluding salary and wages, interest payments and pension payments)

₹ 62,725 crore on salaries and wages during 2014-15 was higher than the State's own FCP (₹ 61,682 crore) and lower than the projections made in MTFPS (₹ 64,986 crore).

During 2005-06 to 2013-14, the CAGR of salary and wages (14.11 *per cent*) was lower than the growth rate of GCS (15.23 *per cent*). The growth of salary and wages during 2014-15 over 2013-14 (7.13 *per cent*) was also lower than the growth rate of GCS (11.75 *per cent*) as given in **Appendix 1.1**.

Pension payments

The expenditure on pension payments had increased at an average annual growth of 19 *per cent* from ₹ 9,874 crore in 2010-11 to ₹ 17,386 crore in 2014-15. The increase in pension payments of ₹ 2,201 crore (14 *per cent*) during 2014-15 over the previous year was mainly due to more expenditure on Pensions and Other Retirement Benefits.

During 2005-06 to 2013-14, the CAGR of pension (18.54 *per cent*) was lower than the growth rate of GCS (18.70 *per cent*). The growth of pension during 2014-15 over 2013-14 (9.87 *per cent*) was also lower than the growth rate of GCS (12.43 *per cent*) as given in **Appendix 1.1**.

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

Table 1.29: Pension payments vis-à-vis ThFC assessment and State's projections

(₹ in crore)

Year	Projection in MTFPS	Assessment made by the ThFC	Projection in FCP	Actuals
2013-14	15293	8081	14339	15185
2014-15	17633	8889	17663	17386

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

The pension payments during 2014-15 was higher than the normative assessments made by the ThFC but lower than the projections of the State Government under MTFPS and FCP.

In order to limit future pension liabilities, the Government had introduced the New Pension Scheme 2005, for employees recruited after 01 November 2005. An amount of ₹ 1,692.92 crore¹² was deposited by GoM during 2014-15 towards employee's contribution and employer's share. The State Government's liability on this account as on 31 March 2015 was ₹ 4,426.95 crore. During 2014-15, the State Government has transferred ₹ 1,410 crore to the National Securities Depository Limited, since the inception of the scheme. Untransferred amounts with accrued interest represent outstanding liabilities of the Government.

Interest payments

Interest payments increased by 53 *per cent* from ₹ 15,648 crore in 2010-11 to ₹ 23,965 crore in 2014-15, primarily due to increase in debt liabilities. Relative to revenue receipts, interest payments revealed a marginal declining trend during 2010-13. It increased to 14 *per cent* during 2013-14 and remained constant during 2014-15.

¹² Employees contribution: ₹ 756.25 crore; Employers' contribution: ₹ 936.67 crore inclusive of interest

Table 1.30: Interest payments *vis-à-vis* ThFC, FCP and MTFPS assessments

(₹ in crore)

Year	Projection in MTFPS	Assessment made by the ThFC	Projection in FCP	Actuals
2013-14	21098	23577	23647	21207
2014-15	23805	26775	24283	23965

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

The interest payments with reference to the assessments made by the ThFC and the FCP were lower during 2013-14 as well as in 2014-15. With reference to the projections made in the MTFPS, interest payments were marginally higher during 2013-14 and 2014-15.

The increase in interest payments by ₹ 2,758 crore in 2014-15 over the previous year was mainly due to increase in interest paid on market loans (₹ 2,133 crore) and State Provident Fund (₹ 427 crore).

The balance in interest bearing deposit account was ₹ 29,991.99 crore at the end of March 2014, which was not invested. The GoM paid an interest of ₹ 1,926.67 crore during 2014-15 on ₹ 29,405.49 crore. No interest was paid on the balance portion of funds of ₹ 586.50 crore. The interest liability on the balance portion of funds during the year works out to ₹ 51.03 crore. The outstanding amount of interest against these uninvested interest bearing deposit funds over the years has not been estimated and this will impact the overall liability of the State Government. The revenue expenditure as well as revenue deficit was understated to the extent of ₹ 51.03 crore.

Of the total accumulated balance of reserve funds of ₹ 25,610.02 crore as on March 2014, ₹ 25,427.16 crore related to non-interest bearing funds and ₹ 182.86 crore related to interest bearing reserve funds. Out of ₹ 182.86 crore, only ₹ 10.88 crore (General Insurance Fund) was invested during the year, leaving a balance of ₹ 171.98 crore. However, the State Government paid ₹ 4.91 crore towards interest on uninvested portion of ₹ 171.58 crore. The liability on the balance uninvested amount of ₹ 0.40 crore works out to ₹ 0.03 crore, at the average rate of 7.5 *per cent* for 2014-15 on Ways and Means Advances. In the circumstances, the revenue expenditure and resultantly, the revenue deficit was understated to the extent of ₹ 0.03 crore on account of interest on reserve fund.

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

Local bodies (LBs) in Maharashtra consist of PRIs and ULBs. In conformity with the provisions of the 73 and 74 Constitutional Amendment, the State Government established a three tier system of PRIs comprising Zilla Parishads (ZPs) at the district level, PSs at block level and Village Panchayats (VPs) at village level. There are Municipal Corporations (MC), Municipal Councils and Nagar Panchayats (NPs) for urban area population in the State. Though the Second State Finance Commission (SFC) recommended (March 2002) allocation of 40 *per cent* of State revenues to LBs, it was not accepted by the State Government. The Third SFC was constituted in January 2005 for the period 2006-07 to 2010-11 and submitted its report in June 2006 which was presented to the State Legislature on 20 December 2013. The Fourth SFC was constituted in February 2011 for the period 2011-12 to 2015-16 and was to submit its report to the State Government by September 2012. However, the date for submission of report was extended by the State Government up to December 2014.

1.6.3.1 Accounts and finances of Panchayati Raj Institutions

ZPs are required to prepare the budget for the planned development of the district and utilisation of the resources. GoI schemes, funded through the District Rural Development Agency and State Government schemes are also implemented by ZPs. The district fund consist of moneys received from the State budget funds for planned and non-planned schemes, assigned tax and non-tax revenue, receipts of ZPs, interest on investment, *etc.* (Table 1.31; Sl. No. 3). ZPs are empowered to impose water tax, pilgrim tax and special tax on land and buildings. The intermediate tier at the block level Panchayat Samitis (PSs) in the State do not have their own source of revenue and are totally dependent on the block grants received from ZPs. PSs undertake development works at the block level. VP is the body consisting of persons registered in the electoral rolls of the village within a VP. VPs are empowered to levy tax on buildings, betterment charges, pilgrim tax, taxes on fairs/festivals/entertainment, taxes on bicycles, vehicles, shops, hotels, *etc.*

Accounting arrangements

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

Audit arrangements

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

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

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

Transfer of functions and functionaries

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

As on September 2015, the State Government has transferred 16 functions and 15,480 functionaries to PRIs. Non-transfer of functions and related functionaries has been commented in earlier Local Bodies Audit Reports.

Status of accounts

As per Section 136 of ZP Act and Rule 66 of Maharashtra Zilla Parishads and Panchayat Samitis Account Code, 1968, the prescribed date for preparation and approval of annual accounts of ZPs for a financial year is 30 September of the following year and accounts of ZPs are required to be published in the Government Gazette by 15 November of the year. Accordingly, the Accounts for 2013-14 should have been finalized by September 2014 and published by November 2014. However, information provided by the Rural Development Department (March 2015) indicated that only the accounts up to the year 2010-11 have been published in the Government Gazette and submitted to the State Legislature. The finalisation of the accounts for the year 2011-12 was in the final stage and would be placed in the coming session of the State Legislature. The finalisation of accounts for the year 2012-13 was in progress.

Local fund (transaction) audit of all ZPs and PSs was conducted for the year 2013-14. The consolidated Audit Review Report for the year 2011-12 was prepared by DLFA and presented to the State Legislature in June 2014.

1.6.3.2 Accounts and finances of urban local bodies

In accordance with the 74 Constitutional Amendment (1992), the GoM amended (December 1994) the existing Mumbai Municipal Corporation Act, 1888; The Maharashtra Municipal Corporation Act, 1949; The Nagpur City Municipal Corporation (NCMC) Act, 1948; and The Maharashtra Municipal Councils, Nagar Panchayats and Industrial Townships Act, 1965. All the MCs, except Municipal Corporation of Greater Mumbai and NCMC which had their own Acts, are governed by the provisions of the amended Maharashtra Municipal Corporation Act, 1949. There are 26 MCs which have been created for urban agglomerations having a population of more than three lakh. These MCs have been classified into four categories *i.e.* A, B, C and D based on the criteria of population, per capita income and per capita area. Similarly, 238 Municipal Councils (12 A class, 63 B class and 163 C class) including 15 NPs have been created for smaller urban areas and categorized based on their population.

Financial profile

Municipal funds are formed under the provisions contained in the Acts. All moneys received by or on behalf of the MCs and Municipal Councils under the provisions of the respective Acts, all moneys raised by way of taxes, fees, fines and penalties, all moneys received by or on behalf of MC and Municipal Councils from the Government, public or private bodies and individuals by way of grants or gifts or deposits and all interests and profits are credited to the Municipal funds. The State Government and Central Government release grants to the MCs and Municipal Councils for implementation of schemes of the State sector and for the Centrally Sponsored Schemes respectively. In addition, grants under the State Finance Commission and the Central Finance Commission recommendations are released for developmental works (**Table 1.31; Sl. No.2**).

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

Accounting arrangements

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

Audit arrangements

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

Status of accounts

As per information furnished (August 2013 to March 2014) by 17 out of the 25 MCs (excluding NCMC) which have prepared their annual accounts, audit by MCA has been completed up to 2013-14 in six¹³ MCs and up to 2012-13 in five¹⁴ MCs and reports submitted to the respective Standing Committees. In the remaining six¹⁵ of 17 MCs, there were arrears in audit by MCA ranging between two and 11 years.

1.6.3.3 Quantum of assistance

The quantum of assistance provided by way of grants and loans to local bodies and others during 2014-15 relative to the previous years is presented in **Table 1.31**.

Table 1.31: Financial assistance to local bodies and other institutions

(₹ in crore)

Sr No	Institutions	2010-11	2011-12	2012-13	2013-14	2014-15
1	Educational institutions (Aided Schools, Aided Colleges, Universities, etc.)	16098.97	18981.18	27186.61	24168.39	25571.20
2	Municipal Corporations and Municipalities	4350.04	4871.33	4401.93	5179.74	5172.30
3	Zilla Parishads and other Panchayati Raj Institutions	13260.93	14294.73	16444.42	18184.73	18769.44
4	Development agencies	187.26	276.83	246.51	250.70	905.85
5	Hospital and other charitable institutions	1084.74	1313.33	1792.44	2196.33	3678.22
6	Social Welfare and Nutrition	1822.49	2888.36	4106.58	5601.02	7174.72
7	Agriculture and Allied Activities	1943.47	2300.01	2128.53	1287.51	824.71
8	Welfare of SC, ST and OBC	1335.60	1596.41	2397.81	1962.06	2097.80
9	Administrative Services	-	1159.23	1415.51	1257.77	1392.42
10	Housing	-	1020.31	1267.28	708.97	367.43
11	Other Institutions	7562.95	6661.29	2380.29	7252.60	6756.88
Total		47646.45	55363.01	63767.91	68049.82	72710.97
Assistance as percentage of RE		45	45	46	44	41

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

It would be seen from **Table 1.31** that the financial assistance to local bodies and other institutions by the State Government increased from ₹ 47,646 crore in 2010-11 to ₹ 72,711 crore in 2014-15. As compared to the previous year, the assistance

¹³ Dhule; Malegaon; Municipal Corporation of Greater Mumbai; Mira-Bhayandar; Pimpri-Chinchwad; and Thane

¹⁴ Ahmednagar; Bhiwandi-Nizampur; Kalyan-Dombivli; Kolhapur; and Vasai-Virar

¹⁵ Jalgaon; Nasik; Navi Mumbai; Pune; Sangli-Miraj-Kupwad; and Solapur

during 2014-15 increased by seven *per cent*. During 2014-15, more financial assistance was given to (a) Educational Institutions (₹ 1,403 crore) mainly due to payment of more assistance to non-Government colleges, (b) Hospital and other charitable institutions (₹ 1,482 crore), (c) Development Agencies (₹ 655 crore) and Zilla Parishads and other Panchayati Raj Institutions (₹ 585 crore) due to more payment to educational grants under Section 182 of the Maharashtra Zilla Parishads and Panchayat Samitis Act, 1961.

1.7 Quality of expenditure

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

1.7.1 Adequacy of public expenditure

The expenditure responsibilities relating to the social sector and the economic infrastructure assigned to the State Governments are largely State subjects. Enhancing human development levels requires the States to step up their expenditure on key Social Services like education, health *etc.* Low fiscal priority (ratio of expenditure under a category to aggregate expenditure) is attached to a particular sector if it is below the respective national average. The fiscal priorities given by the GoM for development expenditure, social expenditure and capital expenditure during 2011-12 and 2014-15 is indicated in **Table 1.32**.

Table 1.32: Fiscal Priority of the State in 2011-12 and 2014-15

Fiscal Priority of the State	AE / GSDP	DE [#] / AE	SSE / AE	ESE / AE	CE / AE	Education, Sports, Art and Culture / AE	Health and Family Welfare / AE
General Category States Average (Ratio) 2011-12	15.98	65.39	36.63	28.76	13.23	17.10	4.68
Maharashtra Average (Ratio) 2011-12	12.17	68.37	40.05	28.32	12.55	21.09	3.80
General Category States Average (Ratio) 2014-15	16.49*	69.12	36.50	32.61	14.01	16.23	5.04
Maharashtra Average (Ratio) 2014-15	11.75	67.67	39.90	27.77	9.85	20.07	4.52
AE: Aggregate expenditure; DE: Development expenditure SSE: Social Sector expenditure; ESE: Economic Sector expenditure; CE: Capital expenditure [#] Development expenditure includes development revenue expenditure, development capital expenditure and loans and advances disbursed * Based on 17 States except Goa and Puducherry Source: Finance Accounts of respective years							

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

- The ratios of AE to GSDP in 2011-12 and 2014-15 (12.17 *per cent* and 11.75 *per cent*) were lower in the State as compared to GCS (15.98 *per cent* and 16.49 *per cent*). This meant that the GCS were spending more as a proportion of their GSDP when compared to Maharashtra.
- The State Government has given adequate fiscal priority to development expenditure and social sector expenditure during 2011-12, as their ratios to AE were higher than the average ratio of GCS. During 2014-15 the development

expenditure of the State was lower than the average ratio of GCS whereas the Social Sector expenditure of the State was more than the GCS.

- The ratios of Economic Sector expenditure to AE in the State during 2011-12 and 2014-15 were lower than that of GCS.
- The ratio of CE to AE in the State was lower in 2011-12 and 2014-15 as compared to the ratio of GCS. Greater fiscal priority needs to be given to this area as increased priority to physical capital formation will increase the growth prospects of the State by creating durable assets.
- The ratio of expenditure on education, sports, art and culture to AE which was 21.09 *per cent* in 2011-12 decreased to 20.07 *per cent* in 2014-15. During 2005-06 to 2013-14, the CAGR of revenue expenditure on education in Maharashtra (17.17 *per cent*) was marginally higher than the growth rate of GCS (17.10 *per cent*). The growth of revenue expenditure on education during 2014-15 over 2013-14 (3.81 *per cent*) was, however, lower than the growth rate of GCS (14.55 *per cent*) as given in **Appendix 1.1**. The priority given to these areas in Maharashtra was lower than that given to GCS.
- Less priority was given to Health and Family Welfare in Maharashtra than the GCS during 2011-12 and 2014-15. During 2005-06 to 2013-14, the CAGR of revenue expenditure on health (15.69 *per cent*) was lower than the growth rate of GCS (16.20 *per cent*). The growth of revenue expenditure on health during 2014-15 over 2013-14 (24.67 *per cent*) was also lower than the growth rate of GCS (28.73 *per cent*) as given in **Appendix 1.1**. Greater fiscal priority needs to be given to this area by the State Government.

1.7.2 Efficiency of expenditure use and its effectiveness

In view of the importance of public expenditure on development heads from the point of view of social and economic development, it is important for the State Government to take appropriate expenditure rationalization measures and lay emphasis on provision of core public and merit goods¹⁶. Apart from improving the allocation towards development expenditure¹⁷, particularly in view of the fiscal space being created on account of decline in debt servicing in recent years, the efficiency of expenditure use is also reflected by the ratio of capital expenditure to total expenditure (and/or GSDP) and the proportion of revenue expenditure being spent on operation and maintenance of the existing social and economic services. The higher the ratio of these components to total expenditure (and/or GSDP), the better would be the quality of expenditure. **Table 1.33** and **Chart 1.14** present the trends in DE relative to the AE of the State during the current year *vis-à-vis* budget estimates of the current year and the actual expenditure during the previous years.

¹⁶ See Glossary at page 135

¹⁷ The analysis of expenditure data is segregated into development and non-development expenditure. All expenditure relating to revenue account, capital outlay and loans and advances are categorized into Social Services, Economic Services and General Services. Broadly, the Social and Economic Services constitute development expenditure, while expenditure on General Services is treated as non-development expenditure

Table 1.33: Development expenditure

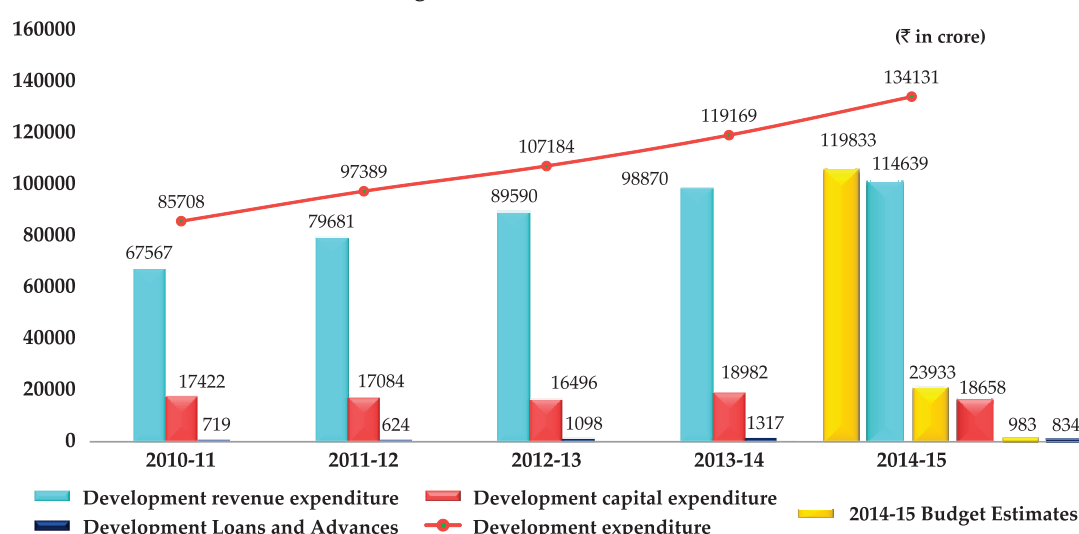
(₹ in crore)

Components of Development Expenditure	2010-11	2011-12	2012-13	2013-14	2014-15	
					BE	Actuals
Development expenditure (a to c)	85708	97389	107184	119169	144749	134131
	(68.4)	(68.5)	(68.0)	(67.5)	(68.2)	(67.7)
a. Development revenue expenditure	67567	79681	89590	98870	119833	114639
	(53.9)	(56.0)	(56.9)	(56.0)	(56.4)	(57.8)
b. Development capital expenditure	17422	17084	16496	18982	23933	18658
	(13.9)	(12.0)	(10.5)	(10.8)	(11.3)	(9.4)
c. Development Loans and Advances	719	624	1098	1317	983	834
	(0.6)	(0.4)	(0.7)	(0.7)	(0.5)	(0.4)

Figures in parenthesis indicate percentage to total expenditure

Source: Finance Accounts of respective years

Chart 1.14: Development expenditure for the years 2010-11 to 2013-14 and budget estimates vis-a-vis actuals 2014-15



(Source: Finance Accounts of respective years)

Development revenue expenditure

The development revenue expenditure increased by ₹ 15,769 crore from ₹ 98,870 crore in 2013-14 to ₹ 1,14,639 crore in 2014-15. The increase was under Social Services (₹ 6,074 crore) and Economic Services (₹ 9,695 crore). The actual development revenue expenditure was less than the State's projection in the budget by ₹ 5,194 crore.

Development capital expenditure

The development capital expenditure decreased by ₹ 324 crore from ₹ 18,982 crore in 2013-14 to ₹ 18,658 crore in 2014-15. The decrease was under Social Services ₹ 316 crore. The main component of decrease was Capital Outlay on Urban Development (₹ 318 crore). The actual development capital expenditure was less than the State's projection in the budget by ₹ 5,275 crore.

Development loans and advances

Development loans and advances decreased by ₹ 483 crore from ₹ 1,317 crore in 2013-14 to ₹ 834 crore in 2014-15. The actual development loans and advances were less than the State's projections in the budget by ₹ 149 crore.

Efficiency of expenditure use in selected social and economic services

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

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

(in per cent)

Social/Economic infrastructure	2013-14			2014-15		
	Ratio of CE to TE	In RE, the share of		Ratio of CE to TE	In RE, the share of	
		S and W	O and M		S and W	O and M
Social Services (SS)						
Education, Sports, Art and Culture	0.27	84.64	0.00	0.24	82.98	0.44
Health and Family Welfare	7.50	65.76	0.06	5.24	55.38	1.13
Water Supply, Sanitation, Housing and Urban Development	9.31	3.26	14.41	5.88	3.11	4.19
Total (SS)	3.10	57.41	1.76	2.48	54.31	1.41
Economic Services (ES)						
Agriculture and Allied Activities	15.77	48.41	0.62	28.59	45.79	0.00
Irrigation and Flood Control	74.13	41.32	14.94	73.82	45.34	26.58
Energy	19.77	0.38	2.08	10.47	0.20	0.17
Transport	49.24	1.21	1.56	39.97	0.93	10.69
Total (ES)	36.47	20.18	2.34	30.34	16.89	3.38
Total (SS+ES)	15.93	46.87	1.92	13.91	42.01	2.06
TE: Total expenditure; CE: Capital Expenditure; RE: Revenue Expenditure; S and W: Salaries and Wages; O and M: Operations and Maintenance						
Source: Finance Accounts of respective years						

The trends presented in **Table 1.34** reveal that development capital expenditure as a percentage to total expenditure decreased from 15.93 in 2013-14 to 13.91 in 2014-15. The percentage of capital expenditure on Social Services to the total expenditure decreased from 3.10 in 2013-14 to 2.48 in 2014-15. The decrease was mainly seen under Water Supply, Sanitation, Housing and Urban Development, Health and Family Welfare and Education, Sports, Arts and Culture. The percentage of capital expenditure on Economic Services to the total expenditure also decreased from 36.47 *per cent* in 2013-14 to 30.34 *per cent* in 2014-15. The decrease was mainly seen under Energy, Transport set off by increase in Agriculture and Allied Activities.

The share of salary and wages in revenue expenditure decreased from 46.87 *per cent* in 2013-14 to 42.01 *per cent* in 2014-15. The share of salary and wages in revenue expenditure on Social Services decreased from 57.41 *per cent* in 2013-14 to 54.31 *per cent* in 2014-15. The decrease was mainly under Health and Family Welfare, Education, Sports, Art and Culture and Water Supply, Sanitation, Housing and Urban Development. The share of salary and wages in revenue expenditure on Economic Services also decreased from 20.18 *per cent* in 2013-14 to 16.89 *per cent* in 2014-15. The decrease was mainly under Agriculture and Allied Activities set off by increase under Irrigation and Floor Control.

The share of operations and maintenance in revenue expenditure increased from 1.92 *per cent* in 2013-14 to 2.06 *per cent* in 2014-15. The share of operations and maintenance in revenue expenditure on Social Services decreased from 1.76 *per cent* in 2013-14 to 1.41 *per cent* in 2014-15. The decrease was seen mainly under

Water Supply, Sanitation, Housing and Urban Development set off by increase under Health and Family Welfare. The share of operations and maintenance in revenue expenditure on Economic Services increased from 2.34 *per cent* in 2013-14 to 3.38 *per cent* in 2014-15. The increase was seen mainly under Irrigation and Flood Control and Transport set off by decrease in Energy.

1.8 Financial analysis of Government expenditure and investments

In the post-MFRBM framework, the State is expected to keep its fiscal deficit (and borrowings) not only at low levels but also meet its capital expenditure/investment (including loans and advances) requirements. In addition, in a transition to complete dependence on market-based resources, the State Government needs to initiate measures to earn adequate returns on its investments and recover its cost of borrowed funds rather than bearing the same on its budget in the form of implicit subsidy and take requisite steps to infuse transparency in financial operations. This section presents the broad financial analysis of investments and other capital expenditure incurred by the Government during the current year *vis-à-vis* previous years.

1.8.1 Ongoing projects

1.8.1.1 Water Resources Department

Cost overrun and delays in execution of projects

There were 515 ongoing irrigation projects in the five¹⁸ Irrigation Development Corporations (IDCs) under Water Resources Department. Data of all the ongoing projects furnished by the IDCs were analysed in audit to assess the number of years these projects have been under execution. The summarized position is given in **Table 1.35**.

Table 1.35: Age profile of ongoing projects under WRD

Age Profile (Since the date of original AA)	Total projects			
	Major	Medium	Minor	Total
More than 30 years	34	23	28	85
More than 20 years but up to 30 years	8	13	40	61
More than 15 years but up to 20 years	9	25	67	101
More than 10 years but up to 15 years	2	8	68	78
More than 5 years but up to 10 years	5	22	152	179
Up to 5 years	1	0	10	11
Total	59	91	365	515

Source: Information furnished by IDCs; as of March 2015

Table 1.35 shows that 247 projects (47.96 *per cent*) were under execution for more than 15 years and of these, 85 projects (16.50 *per cent*) were under execution for more than 30 years.

¹⁸ Maharashtra Krishna Valley Development Corporation; Konkan Irrigation Development Corporation; Tapi Irrigation Development Corporation; Vidarbha Irrigation Development Corporation; and Godavari Marathwada Irrigation Development Corporation

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

(₹ in crore)

IDC	Status of 515 ongoing projects				Status of 401 out of 515 ongoing projects with cost overrun					
	Number of projects	Expenditure	Updated cost	Balance cost	Number of projects	Amount of original AA	Expenditure	Cost overrun	Updated cost	Balance cost
MKVDC	81	18641.77	40274.93	21633.16	68	4511.97	18327.77	13815.80	40274.93	21947.16
KIDC	63	7231.70	15580.08	8348.38	43	1010.93	6676.09	5665.16	15580.08	8903.99
TIDC	37	4577.27	14898.50	10321.23	37	3181.00	4577.27	1396.27	14898.50	10321.23
VIDC	270	27494.83	73797.93	46303.10	224	10626.90	27011.41	16384.51	72635.35	45623.94
GMIDC	64	6956.66	17452.42	10495.76	29	514.60	7314.67	6800.07	16731.38	9416.71
Total	515	64902.23	162003.86	97101.63	401	19845.40	63907.21	44061.81	160120.24	96213.03

Source: Information furnished by the IDCs; Status as of March 2015

Table 1.36 shows that the balance estimated cost of 515 ongoing projects was ₹ 97,101.63 crore. Of these 515 projects, there was cost overrun in 401 projects amounting to ₹ 44,061.81 crore *i.e.* an increase of more than two times the original cost.

1.8.1.2 Public Works Department

As on 31 March 2015, an expenditure of ₹ 244.55 crore was incurred on 77 ongoing projects (**Appendix 1.10**). There was time overrun up to seven years in respect of 53 projects of roads and bridges (expenditure: ₹ 156.01 crore) and up to five years in respect of 23 projects of buildings (expenditure: ₹ 88.52 crore). In one project pertaining to roads and bridges (expenditure: ₹ 0.02 crore), the target dates of completion were beyond March 2015.

1.8.2 Investment and returns

As of 31 March 2015, Government invested ₹ 1,10,672 crore in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives (**Table 1.37**). The average return on this investment was 0.04 *per cent* in the last five years while the Government paid average interest rate of 7.55 *per cent* on its borrowings during 2010-15.

Table 1.37: Return on investment

Investment/Return/Cost of Borrowings	2010-11	2011-12	2012-13	2013-14	2014-15
Investment at the end of the year (₹ in crore)	74391.39	83016.00	90677.84	101867.20	110671.69
Return (₹ in crore)	44.82	30.20	47.00	19.68	28.14
Return (<i>per cent</i>)	0.06	0.04	0.05	0.02	0.03
Average rate of interest on Government borrowing (<i>per cent</i>)	7.49	7.51	7.42	7.54	7.81
Difference between interest rate and return (<i>per cent</i>)	7.43	7.47	7.37	7.52	7.78

Source: Finance Accounts of respective years

The increase in investments of ₹ 8,804 crore during 2014-15 was mainly attributable to capital contributions to Vidarbha Irrigation Development Corporation (₹ 2,961 crore), Godavari Marathwada Irrigation Development Corporation (₹ 1,423 crore), Maharashtra Krishna Valley Development Corporation (₹ 1,167 crore), Maharashtra State Power Generation Corporation Limited (₹ 621 crore), Tapi Irrigation Development Corporation (₹ 545 crore), Konkan Irrigation Development Corporation (₹ 502 crore), Maharashtra Water Conservation Development Corporation (₹ 490 crore) and Maharashtra State Road Transport Corporation (₹ 286 crore).

As on 31 March 2015, 21 Companies (**Appendix 1.11**) in which Government had invested ₹ 27,103.15 crore (share capital: ₹ 19,889.17 crore and loans: ₹ 7,213.98 crore) were incurring losses and their net accumulated losses as on September 2015 amounted to ₹ 17,161.21 crore.

Information furnished by the Commissioner for Cooperation and Registrar of Co-operative Societies revealed that of the 3,920 Societies with an aggregate investment of ₹ 140.30 crore (equity: ₹ 83.76 crore and loan: ₹ 56.54 crore), 1,865 Societies had incurred losses (31 March 2015) and their accumulated losses (₹ 29.32 crore) were 43 *per cent* of the initial investments made in these Societies. Further, 764 societies were under liquidation which had ₹ 11.62 crore as investments by Government.

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

1.8.2.1 Departmental commercial undertakings

Activities of quasi-commercial nature are also performed by departmental undertakings of certain Government departments. The State Government has 49 Departmental Commercial Undertakings (DCUs). The position of department-wise investments by the Government up to the year for which *proforma* accounts have been finalised, net profits/loss as well as return on capital invested in these undertakings are given in **Appendix 1.12**. It was observed that:

- An amount of ₹ 2,114.82 crore had been invested by the State Government in four¹⁹ undertakings at the end of the financial year up to which their accounts were finalised (**Appendix 3.3**).
- Of the four undertakings having 49 units, only two²⁰ units could earn net profit amounting to ₹ 8.95 crore against capital investment of ₹ 21.57 crore, thereby yielding a rate of return of 45 *per cent*.
- Of the loss-making DCUs, 35²¹ 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

¹⁹ Agriculture, Animal Husbandry, Dairy Development and Fisheries; Food, Civil Supplies and Consumer Protection; Land Development Bulldozer Scheme; and Revenue and Forest

²⁰ Unit Scheme, Mumbai (2013-14) and Cattle Feed Scheme, Mumbai (2013-14) refer Sl. No. 5 and 9 of Appendix 1.13

²¹ Mother Dairy, Kurla; Central Dairy, Goregaon; Agricultural Scheme, Mumbai; Greater Mumbai Milk Scheme, Worli; Electrical Scheme, Mumbai; Dairy Project, Dapchari; Government Milk Chilling Centre, Saralgaon (Dist: Thane); Government Milk Schemes in Ahmednagar, Akola, Aurangabad, Beed, Bhiwandi, Bhoom Amravati, Chalisgaon, Chandrapur, Chiplun, Dhule, Gondia, Khopoli, Mahabaleshwar, Mahad, Miraj, Nagpur, Nanded, Nashik, Parbhani, Pune, Ratnagiri, Satara, Solapur, Udgir, Wani and Yavatmal; and CBRF, Palghar

cannot be ascertained from the *proforma* accounts of the departmental undertakings.

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

1.8.3 Loans and advances by State Government

In addition to investments in Co-operative Societies, Corporations and Companies, the Government has also been providing loans and advances to many institutions/organizations. **Table 1.38** presents the outstanding loans and advances as on 31 March 2015, interest receipts *vis-à-vis* interest payments during the last three years.

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

	(₹ in crore)		
Quantum of loans/interest receipts/cost of borrowings	2012-13	2013-14	2014-15
Opening Balance	20187	20740	21657
Amount advanced during the year	1416	1645	1140 [#]
Amount repaid during the year	863	728	975
Closing Balance	20740	21657	21822
<i>of which</i>			
Outstanding balance for which terms and conditions have been settled	NA	NA	NA
Net addition	553	917	165
Interest Receipts	167	166	185
Interest receipts as <i>per cent</i> to outstanding loans and advances	0.81	0.77	0.85
Interest payments as <i>per cent</i> to outstanding fiscal liabilities of the State Government	7.09	7.22	7.49
Difference between interest receipts and interest payments (<i>per cent</i>)	(-) 6.28	(-) 6.45	(-)6.64
<i>Source: Finance Accounts of respective years</i>			
[#] lower rounding			

As can be seen from the **Table 1.38**, the total outstanding loans and advances as on 31 March 2015 was ₹ 21,657 crore. The amount of loans disbursed during the year decreased from ₹ 1,645 crore in 2013-14 to ₹ 1,140 crore in 2014-15. Of the total amount of loans and advances disbursed during the year, ₹ 662 crore went to Economic Services and ₹ 172 crore to Social Services. Under the Economic Services, the major portion of loans went to Power (89 *per cent*). However, interest received against these loans increased from 0.77 *per cent* during 2013-14 to 0.85 *per cent* in 2014-15, mainly due to more interest receipts from Urban Development Department (₹ 24 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. Consequently, the information contained in Finance Accounts 2014-15 in accordance with the Indian Government Accounting Standards-3 was incomplete.

1.8.4 Cash balances and investment of cash balances

Table 1.39 and **Chart 1.15** depict the cash balances and investments made by the State Government out of cash balances during the year.

Table 1.39: Cash balances and investment of cash balances

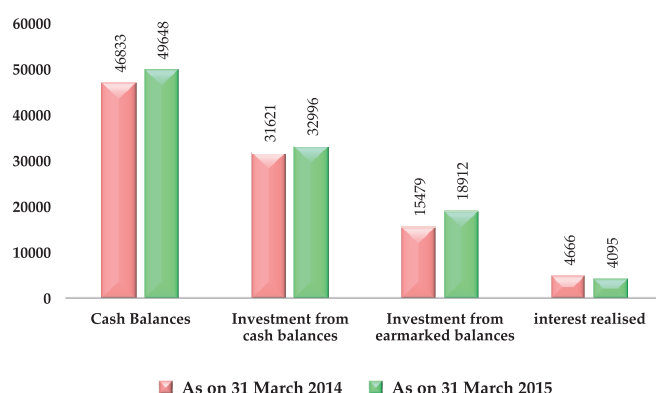
(₹ in crore)

Particulars	As on 31 March 2014	As on 31 March 2015	Increase (+)/ Decrease(-)
Cash in treasuries	0.17	0.04	(-)0.13
Deposits with Reserve Bank of India	(-)277.04	(-)2323.4	(-)2046.36
Remittances in transit-Local	54.88	57.88	3.00
Cash with the departmental officers	4.76	5.65	0.89
Permanent advance for contingent expenditure with departmental officers	0.50	0.57	0.07
Investments from cash balances (a to d)	31620.91	32996.05	1375.14
a. GoI Treasury Bills	31620.22	32995.36	1375.14
b. GoI Securities	-----	0.00	
c. Other Securities, if any specify	-----		
d. Other Investments	0.69	0.69	0.00
Fund-wise break-up of investment from Earmarked balances (a to e)	15479.28	18911.62	3432.34
a. General and other Reserve Funds	10.89	10.89	0.00
b. Sinking Fund	15453.89	18886.23	3432.34
c. Fund for Development of Milk supply	1.00	1.00	0.00
d. Other Development and Welfare Funds	13.42	13.42	0.00
e. Miscellaneous Deposits	0.08	0.08	0.00
Total Cash Balances	46883.46	49648.41	2764.95
Interest Realised	4666.37	4095.02	(-)571.35

Source: Finance Accounts of respective years

Chart 1.15: Cash balance and investment of cash balance

(₹ in crore)



(Source: Finance Accounts of respective years)

The State Government's cash balances of ₹ 49,648 crore at the end of the current year showed an increase by six per cent (₹ 2,765 crore) over the previous year. Of the above, ₹ 32,995 crore was invested in GoI Treasury Bills which earned an interest of ₹ 4,095 crore during the year. Further, ₹ 18,912 crore was invested in earmarked funds. The State Government resorted to ways and means advances on 10 occasions during the year as shown in the notes below **Table 1.2**.

The cash balances of the State Government at the end of March 2015 (₹ 49,648 crore) was nearly 25 per cent of the total expenditure of the State Government during the year (₹ 1,98,217 crore).

1.8.4.1 Outstanding balances under the head 'Cheques and Bills'

This head is an intermediary accounting head for initial record of transactions which are to be cleared eventually. When the cheque is issued, the functional head is debited

and the Major Head-8670-Cheques and Bills is credited. On clearance of the cheque by the bank, minus credit is given to Major Head 8670-Cheques and Bills by crediting the Major Head- 8675-Deposits with Reserve Bank of India and thereby reducing the cash balance of the Government. Thus, the outstanding balance under the Major Head 8670-Cheques and Bills represents the amount of un-encashed cheques.

As on 31 March 2015, there was an outstanding balance (cumulative) of ₹ 12,985.22 crore. During 2014-15, the total value of lapsed cheques amounted to ₹ 5.74 crore (₹ 2.73 crore on salaries, ₹ 1.07 crore on pension payments, ₹ 0.12 crore on refunds of revenue, ₹ 0.02 crore on Provident Fund disbursements, ₹ 0.16 crore on Insurance and Pension Funds and ₹ 1.64 crore on Others).

1.9 Assets and liabilities

1.9.1 Growth and composition of assets and liabilities

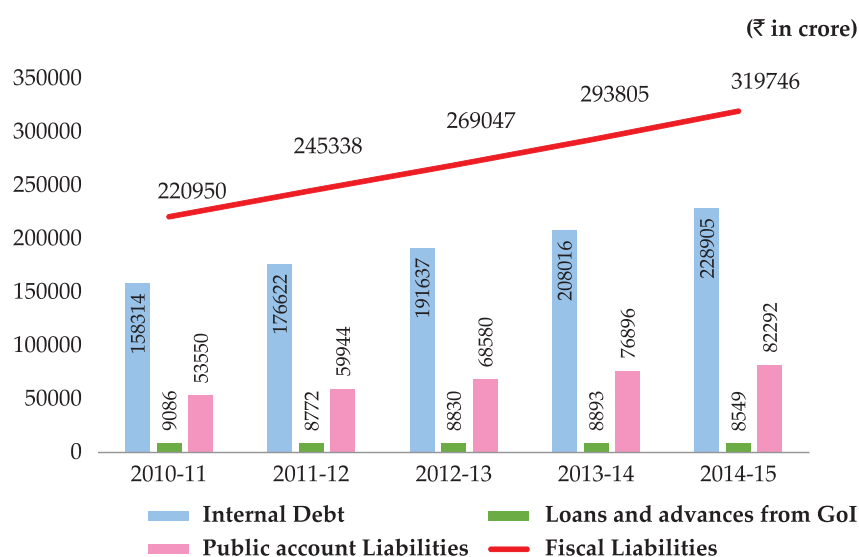
In the existing cash-based Government accounting system, comprehensive accounting of fixed assets like land and buildings owned by the Government is not done. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred. **Appendix 1.13** gives an abstract of such liabilities and the assets as on 31 March 2015, compared with the corresponding position on 31 March 2014. While the liabilities consist mainly of internal borrowings, loans and advances from the GoI, receipts from the Public Account and Reserve Funds, the assets mainly comprise the capital outlay and loans and advances given by the State Government and cash balances.

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

1.9.2 Fiscal liabilities

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

Chart 1.16: Composition of outstanding fiscal liabilities



(Source: Finance Account of the respective years)

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

Table 1.40: Fiscal liabilities – basic parameters

(₹ in crore)

	2010-11	2011-12	2012-13	2013-14	2014-15
Fiscal Liabilities (₹ in crore)	220950	245338	269047	293805	319746
Rate of Growth (<i>per cent</i>)	12.26	11.04	9.66	9.20	8.83
Ratio of Fiscal Liabilities to					
GSDP (<i>per cent</i>) [#]	21.1	21.0	20.3	19.5	19.0
Revenue Receipts (<i>per cent</i>)	208.7	202.3	188.2	196.1	193.3
Own Resources (<i>per cent</i>)	265.4	256.2	237.2	244.9	250.5
Buoyancy of Fiscal Liabilities with reference to :					
GSDP (ratio) [#]	0.542	0.957	0.743	0.647	0.755
Revenue Receipts (ratio)	0.562	0.758	0.541	1.913	0.848
Own Resources (ratio)	0.524	0.734	0.524	1.600	1.376

Source: Finance Accounts of respective years

[#] Figures differ from previous year due to revised GSDP figures

The overall fiscal liabilities of the State increased at an average annual rate of 10.20 *per cent* during the period 2010-15. The growth rate decreased continuously from 12.26 *per cent* in 2010-11 to 8.83 *per cent* in 2014-15. During 2014-15, the debt to GSDP ratio at 18.96 *per cent* was higher than the projections made in MTFPS (18.17 *per cent*) but lower than the ThFC (25.3 *per cent*) and MFRBM Rules, 2011 (25.3 *per cent*). These liabilities were nearly twice the revenue receipts and more than twice the State's own resources at the end of 2014-15. The buoyancy of these liabilities with respect to GSDP during 2014-15 was 0.755, indicating that for each one *per cent* increase in GSDP, fiscal liabilities grew by 0.755 *per cent*.

Of the total fiscal liabilities, the share of public debt was maximum (74 *per cent*), followed by deposits²² (16 *per cent*), Small Savings, Provident Fund²³, *etc.* (seven *per cent*) and reserve funds (three *per cent*). Fiscal liabilities increased by ₹ 25,941 crore from ₹ 2,93,805 crore in 2013-14 to ₹ 3,19,746 crore in 2014-15, mainly due to increase in Public Debt (₹ 20,545 crore), Deposits (₹ 4,411 crore), and Small Savings and Provident Funds (₹ 1,260 crore) set off by decrease in Reserve Fund (₹ 275 crore).

The State Government set up a Consolidated Sinking Fund during the financial year 1999-2000 for amortization of open market loans. As on 31 March 2015, the closing balance in the Sinking Fund was ₹ 18,886.23 crore which included ₹ 3,432 crore for 2014-15 and the entire balance was invested.

1.9.2.1 Increasing trend of balance under 8443-Civil Deposits

During 2010-11 to 2014-15, the closing balance at the end of the financial year under the Major Head 8443–Civil Deposits showed an increasing trend as indicated in **Table 1.41**.

²² Deposits include Security Deposits, Deposits from Government Companies, Corporations *etc.*; Defined Contribution Pension Scheme for Government Employees; and Civil Deposits which are liable to be repaid by the Government to the subscribers and depositors

²³ Small Savings, Provident Fund include State Provident Fund and Insurance and Pension Funds which are liable to be repaid by the Government to the subscribers and depositors

Table 1.41: Balance under 8443-Civil Deposits

(₹ in crore)

Year	Opening balance 8443-Civil Deposits as on 01 April	Receipts	Disbursements	Closing balance of 8443-Civil Deposits as on 31 March	Net increase during the year	Closing balance of 8443-106-Personal Deposits as on 31 March in (percentage)
2010-11	8219.78	15806.01	13489.28	10536.51	2316.73	6626.45 (63)
2011-12	10536.51	19517.15	18721.93	11331.72	795.22	6533.47 (58)
2012-13	11331.72	19509.83	17331.91	13509.64	2177.92	7952.89 (59)
2013-14	13509.64	24727.68	22545.07	15692.25	2182.61	9254.78 (59)
2014-15	15692.25	22714.76	21665.23	16741.78	1049.53	9726.09 (58)

Source: Finance Accounts of respective years

It may be seen that the balance in 106 – Personal Deposits constituted more than 50 *per cent* of the balances under the Major Head 8443–Civil Deposits. Further, in the case of all funds which are transferred to the Personal Deposit Accounts from the Consolidated Fund of the State, the balances at the close of the financial year should be transferred back to the Consolidated Fund. From the notes to accounts to the Finance Accounts 2014-15, it would be seen that funds which need to be transferred back to the Consolidated Fund at the end of the financial year was not ascertainable. As a result, the actual liabilities under the Major Head 8443–Civil Deposits were also not ascertainable.

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

As per the Finance accounts 2014-15, there was an unreconciled balance of ₹ 4,044.95 crore under Civil Deposits and Other Civil Deposits pertaining to the period 1960-61 to 2014-15. Of the above ‘Provident Fund Accounts maintained by Departmental Officers’ was the major item pertaining to 1960-61 to 2014-15 that remained unreconciled (₹ 4,038.77 crore) as of March 2015.

1.9.3 Transactions under reserve fund

Reserve and Reserve Funds are created for specific and well defined purposes in the accounts of the State Government. These funds are fed by contributions or grants from the Consolidated Fund of India or State or from outside agencies. The contributions are treated as expenditure under the Consolidated Fund. The expenditure relating to the funds are initially accounted under the Consolidated Fund itself for which the vote of the Legislature is obtained. At the end of the year, at the time of closure of accounts, the expenditure relating to the funds are transferred to the Public Account through operation of deduct entry in accounts. The funds may further be classified as ‘Funds carrying interest’ and ‘Funds not carrying interest’. Generally, the Reserve Funds are classified under the following three categories based on the sources from which they are fed:

- Funds accumulated from grants made by another Government and at times aided by public subscriptions;
- Funds accumulated from sums set aside by the Union/State from the Consolidated Fund of India or Consolidated Fund of State, as the case may be, to provide reserves for expenditures to be incurred by them for particular purposes;
- Funds accumulated from contributions made by outside agencies to the State Government.

In Maharashtra, there were 18 reserve funds earmarked for specific purposes of which, nine funds were active as shown in **Appendix 1.14**. The total accumulated balance as on 31 March 2015 in these funds was ₹ 28,767.72 crore (₹ 28,738.71 crore in active

funds and ₹ 29.01 crore in inoperative funds). However, the investment out of this balance was only ₹ 18,911.54 crore (66 *per cent*). An account of these funds is included in Statement No. 21 of the Finance Accounts 2014-15.

The transactions relating to Maharashtra Mineral Development Fund for the period 2010-11 to 2014-15 are discussed below.

Maharashtra Mineral Development Fund: This fund was constituted for mineral exploration and development of mining activities in the Maharashtra State under Maharashtra Mineral Development (Creation and Utilisation) Fund Act, 2001. Contribution of 10 *per cent* of the total mineral revenue collection of the previous financial year is required to be transferred to this fund. During 2014-15, ₹ 214.12 crore was transferred and an expenditure of ₹ 214.12 crore was incurred. The balance fund at the end of March 2015 was ₹ 223.22 crore. The year-wise details of receipts and disbursements of this fund is given in **Table 1.42**.

Table 1.42: Year-wise details of Maharashtra Mineral Development Fund

(₹ in crore)

Description	2010-11	2011-12	2012-13	2013-14	2014-15
Opening Balance	288.96	288.96	288.96	223.22	223.22
Receipts	91.74	91.74	105.66	203.78	214.12
Disbursements	91.74	91.74	171.40	203.78	214.12
Closing Balance	288.96	288.96	223.22	223.22	223.22

Source: Finance Accounts of respective years

Audit scrutiny of the records revealed that there was a short transfer of ₹ 203.68 crore to Maharashtra Mineral Development Fund during 2010-11 to 2012-13 as given in **Table 1.43**.

Table 1.43: Short transfer of amount to Maharashtra Mineral Development Fund

(₹ in crore)

0853- Receipts during preceding year	Financial Year	Amount due for transfer to Fund 10 <i>per cent</i> of (a)	Actually transferred to Fund	Difference (if any) {c-d}
(a)	(b)	(c)	(d)	(e)
1318.22	2010-11	131.82	91.74	40.08
1711.12	2011-12	171.11	91.74	79.37
1898.88	2012-13	189.89	105.66	84.23
1922.86	2013-14	192.28	203.78	0
2072.56	2014-15	207.26	214.12	0
8923.64	Total	892.36	707.04	203.68

Source: Finance Accounts of respective years

1.9.4 Contingent liabilities

1.9.4.1 Status of guarantees

Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee has been extended. The maximum amount for which guarantees were given by the State Government and the outstanding guarantees during the last three years as given in the Statement 9 of the Finance Accounts (Volume-I) 2014-15 are summarised in **Table 1.44**.

Table 1.44: Guarantees given by the Government of Maharashtra

(₹ in crore)

Guarantees	2012-13	2013-14	2014-15
Maximum amount guaranteed	41353	32247	34564
Outstanding amount of guarantees	9246	7235	7999
Percentage of maximum amount guaranteed to total revenue receipt	29	22	21

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 2014-15, guarantees of ₹ 992.92 crore were given by the State Government to (a) Maharashtra State Co-operative Cotton Produce Marketing Federation Ltd, Mumbai (₹ 700 crore); (b) Mahatma Phule Backward Class Development Corporation (₹ 67.57 crore); (c) Maharashtra State Other Backward Class Finance and Development Corporation (₹ 70.50 crore); (d) Lokshahir Annabhau Sathe Development Corporation (₹ 60.50 crore); (e) Maharashtra State Co-operative Marketing Federation Ltd, Mumbai (₹ 35 crore); (f) Sant Rohidas Leather Industries and Cobbler Development Corporation (₹ 31.15 crore); and (g) Vasantrao Naik Scheduled Caste, Scheduled Tribe Development Corporation (₹ 28.20 crore). Outstanding guarantees (₹ 7,999 crore) during 2014-15 accounted for five *per cent* of the revenue receipts (₹ 1,65,416 crore) and 0.47 *per cent* of the GSDP (₹ 16,86,695 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 stated that the State was in the process of setting up Guarantee Redemption Fund. However, the State Government had not created the fund as of March 2015.

The State Government charged guarantee fees for guarantees given to institutions and the same was booked under 'Miscellaneous General Services'. Receipts under guarantee fees decreased to ₹ 47.87 crore during 2014-15 from ₹ 68.09 crore during 2013-14. The guarantee fee of ₹ 47.87 crore received during the year was taken as revenue receipts due to non-creation of the guarantee redemption fund and thus, the revenue deficit of the State stands understated to that extent.

Invocation of guarantee

Due to default in payment by the co-operative housing societies, the Social Justice and Special Assistance Department, GoM sanctioned (January 2013) ₹ 31.89 crore towards invocation of guarantee to Maharashtra State Co-operative Housing Financial Corporation Limited which had disbursed loan to 248 backward class housing societies under the Government scheme "Financial Assistance to Backward Classes Co-operative Housing Societies" for which Government stood as a guarantor. Out of the 248 societies, 103 societies where the members belonged to Scheduled Castes were having outstanding principal and interest of ₹ 10.28 crore and 134 societies where the members belonged to denotified tribes/Nomadic Tribes and Other Backward Community were having outstanding principal and interest of ₹ 20.25 crore. The outstanding principal and interest amounting to ₹ 1.35 crore pertained to 11 societies belonging to Scheduled Tribes was paid by the Tribal Development Department of GoM. The Social Justice and Special Assistance Department could not realise any amount from sale of assets of societies as no auction was conducted due to the societies

being in rural areas. The Commissioner of Social Welfare, Pune was declared as the drawing and disbursing officer for this invocation claim.

Audit scrutiny of departmental records (June 2015) revealed that the invocation claim for ₹ 10.28 crore out of ₹ 31.89 crore was discharged during 2012-13 to 2014-15. Out of ₹ 10.28 crore, Government classified expenditure of ₹ 1.77 crore under revenue head and ₹ 8.51 crore under the loan head without mentioning the conditions for recovery of loan from these societies. Classifying claims of invocation of guarantee directly under the service head was in violation of the 'The Indian Government Accounting Standards'. By classifying ₹ 1.77 crore under revenue head, Government had treated ₹ 1.77 crore as irrecoverable loan written off. The invocation claim for the remaining ₹ 20.25 crore which was to be met from the provisions of the general budget was not discharged (July 2015) as Commissioner of Social Welfare, Pune was not authorized to operate budgetary plan scheme code sanctioned by the Government. Thus, the remaining invocation claim of ₹ 20.25 crore was yet to be discharged though Government sanctioned it in January 2013. Liability of any further interest in this regard was not known.

1.9.4.2 Off-budget borrowings

The borrowings of a State are governed under Article 293 of the Constitution of India. In addition to the contingent liabilities shown in **Table 1.44**, the State also guaranteed loans availed of by the Government companies and corporations. These companies and corporations borrowed funds from the market and financial institutions for implementation of various State Plan programmes projected outside the State budget. Although the State Government projects that funds for these programmes would be met out of the resources mobilised by these companies and corporations outside the State budget, in reality, the borrowings of many of these concerns ultimately turn out to be the liabilities of the State Government termed as 'off-budget borrowings'. Off-budget borrowings are not permissible under Article 293 (3) of the Constitution of India. As per the MTFPS Statement 2008-09, the State Government had completely stopped off-budget borrowings from the year 2005-06. There were no off-budget borrowings during the years 2006-07 to 2014-15. However, at the close of 2014-15, ₹ 1,011 crore was outstanding on account of off-budget borrowings made prior to 2005-06.

1.9.4.3 Information on committed liabilities

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

1.10 Debt management

1.10.1 Debt profile

Per capita debt of the State Government is as given in **Table 1.45**.

Table 1.45: Time series analysis showing the per capita debt

(₹ in crore)

	2010-11	2011-12	2012-13	2013-14	2014-15
Internal Debt	158314	176622	191637	208016	228906
Loans and Advances from GoI	9086	8772	8830	8893	8549
Total	167400	185394	200467	216909	237455
Population (as per Census 2001/2011)	9.69 crore	11.24 crore	11.24 crore	11.24 crore	11.24 crore
Per Capita Debt (in ₹)	17275.54	16494.13	17835.14	19297.95	21125.89

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

The per capita debt increased from ₹ 17,275.54 in 2010-11 to ₹ 21,125.89 in 2014-15.

1.10.2 Debt sustainability

Debt sustainability implies State's ability to service the debt. Apart from the magnitude of debt of the State Government, it is important to analyse various indicators that determine the debt sustainability²⁴ of the State. Analysis of various debt sustainability indicators of the State for the period of five years beginning from 2010-11 is given in **Table 1.46**.

Table 1.46: Debt sustainability: indicators and trends

Indicators of debt sustainability	2010-11	2011-12	2012-13	2013-14	2014-15
Outstanding Debt (₹ in crore)	220950	245318	269077	293805	319746
Debt/GSDP ratio	21.1	21.0	20.3	19.5	19.0
Debt/RR ratio	208.7	202.3	188.2	196.1	193.3
Burden of Interest Payments (IP/RR Ratio) (in per cent)	15	14	13	14	14
Sufficiency of non-debt receipts (Resource Gap) (₹ in crore)	7299	(-)1112	6400	(-)12278	(-)5808
Net Availability of Borrowed Funds (₹ in crore)	10756	8682	4633	3551	1976

Source: Finance Account of respective years

A necessary condition for stability states that if the rate of growth of the economy exceeds the interest rate or cost of public borrowings, the debt GSDP ratio is likely to be stable provided the primary balances are either zero or positive or are moderately negative.

Table 1.46 reveals that though outstanding debt increased from ₹ 2,20,950 crore in 2010-11 to ₹ 3,19,746 crore in 2014-15, Debt/GSDP ratio as well as Debt/RR ratio are showing a declining trend. However, resource gap i.e. sufficiency of non-debt receipts was negative during three of the last five years (2011-12, 2013-14 and 2014-15). Further, the net availability of borrowed funds is showing a decreasing trend from ₹ 10,756 crore in 2010-11 to ₹ 1,976 crore in 2014-15.

Sufficiency of non-debt receipts

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

²⁴ See Glossary at page 135

The negative resource gap indicates the non-sustainability of debt while the positive resource gap strengthens the capacity of the State to sustain the debt. **Table 1.46** reveals that the positive resource gap during the year 2012-13 turned negative during 2013-14 as well as 2014-15, indicating the beginning of risk of non-sustainability of debt in the medium to long run.

The negative resource gap (₹ 5,808 crore) was a result of insufficiency of the incremental non-debt receipt (₹ 15,841 crore) to meet the incremental primary expenditure (₹ 18,891 crore) and incremental interest payments (₹ 2,758 crore).

Net availability of borrowed funds

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

Table 1.46 reveals that the net availability of borrowed funds decreased from ₹ 4,633 crore in 2012-13 to ₹ 3,551 crore in 2013-14 and further reduced to ₹ 1,976 crore in 2014-15. During 2014-15, Government raised internal debt of ₹ 28,831 crore, GoI loans of ₹ 542 crore and other obligations of ₹ 41,800 crore. Government repaid internal debt of ₹ 7,942 crore, GoI loans of ₹ 886 crore and discharged other obligations of ₹ 36,404 crore and paid interest of ₹ 23,965 crore, resulting in net availability of borrowed funds to the extent of negative ₹ 1,976 crore during the year.

Table 1.47: Maturity profile of State debt

Maturity Profile (in years)	Amount (₹ in crore)	per cent
0 – 1	7586.63	3.31
2 – 3	20902.31	9.13
4 – 5	42552.67	18.60
6 – 7	42160.22	18.42
8 and above	110359.90	48.21
Information not furnished by the State Government	5343.72	2.33
Total	228905.45	100.00

Source: Finance Accounts 2014-15

Chart 1.17: Maturity profile of the State debt



(Source: Finance Accounts 2014-15)

The maturity of the State debt as per **Table 1.47** and **Chart 1.17** indicates that nearly 50 *per cent* of the total State debt is repayable within the next seven years. **Table 1.47** further indicates that the liability of the State to repay the debt would be ₹ 42,552.67 crore during the period 2018-20 and ₹ 42,160.22 crore during 2020-22 which would put a strain on the Government budget during that period.

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

1.11 Fiscal imbalances

Three key fiscal parameters – revenue, fiscal and primary deficits - indicate the extent of overall fiscal imbalances in the Finances of the State Government during a specified period. The deficit in the Government accounts represents the gap between its receipts and expenditure. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further the ways in which the deficit is financed and the resources raised are applied are important pointers to its fiscal health. This section presents trends, nature and magnitude and the manner of financing these deficits and also the assessment of actual levels of revenue and fiscal deficits *vis-à-vis* targets set under MFRBM Act/Rules for the financial year 2014-15.

1.11.1 Trends in deficits

Chart 1.18 presents the trends in deficit indicators over the period 2010-15.

Chart 1.18: Trends in deficit indicators



(Source: Finance Accounts of respective years)

The revenue deficit of ₹ 592 crore during 2010-11 was mainly due to increase in revenue expenditure. The revenue deficit was to be brought down to zero by 2011-12 and revenue surplus was to be generated thereafter as per the MFRBM Rules (Second Amendment), 2011. The target of bringing down the revenue deficit to zero could not be achieved in 2011-12 but, a revenue surplus of ₹ 4,211 crore was achieved in 2012-13. This revenue surplus during 2012-13 was achieved mainly due to increase in revenue receipts by 18 *per cent* as against an increase in revenue expenditure by 12 *per cent*. The revenue surplus turned out to revenue deficit (₹ 5,081 crore) during 2013-14 due to sharp increase in revenue expenditure. During 2014-15, the revenue deficit increased by 2.4 times to ₹ 12,138 crore as compared to previous year.

The fiscal deficit of ₹ 26,018 crore during 2013-14 increased to ₹ 31,827 crore during 2014-15, as a result of net increase in revenue expenditure (₹ 7,057 crore) over the previous year.

Primary deficit²⁵ during 2010-12 turned to primary surplus during 2012-13 (₹ 5,336 crore). This again turned to primary deficit during 2013-14 (₹ 4,811 crore) and 2014-15 (₹ 7,862 crore).

During the year 2014-15, there were transactions outside the Consolidated Fund, budgeting and booking under incorrect heads, non-provision of interest on reserve funds and deposit accounts, *etc.* As a result, the revenue deficit was overstated by ₹ 23.83 crore and understated by ₹ 302.08 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		2010-11	2011-12	2012-13	2013-14	2014-15
Composition of Fiscal Deficit(-)/ Surplus (+) (1+2+3) (a)		(-)18857	(-)20140	(-)13740	(-)26018	(-)31827
		(-1.8)	(-1.71)	(-1.04)	(-1.76)	(-1.89)
1	Revenue Deficit(-)/ Surplus (+)	(-)592	(-)2438	4211	(-)5081	(-)12138
		(-0.06)	(-0.21)	(0.32)	(-0.34)	(-0.72)
2	Net Capital Expenditure	(-)17946	(-)17424	(-)17398	(-)20020	(-)19524
		(-1.71)	(-1.48)	(-1.31)	(-1.36)	(-1.16)
3	Net Loans and Advances	(-)319	(-)277	(-)553	(-)917	(-)165
		(-0.03)	(-0.02)	(-0.04)	(-0.06)	(-0.01)
Financing Pattern of Fiscal Deficit[#]						
1	Market Borrowings	10484	19420	16324	19163	22263
		(1)	(1.65)	(1.23)	(1.3)	(1.32)
2	Loans from GoI	337	(-)144	58	94	(-)344
		(0.03)	(-0.01)	(0)	(0.01)	(-0.02)
3	Special Securities Issued to National Small Savings Fund	5155	(-)1172	(-)936	(-)2286	(-)805
		(0.49)	(-0.1)	(-0.07)	(-0.15)	(-0.05)
4	Loans from Financial Institutions and other Loans	(-)9	60	(-)373	(-)499	(-)568
		(0)	(0.01)	(-0.03)	(-0.03)	(-0.03)
5	Small Savings, PF <i>etc.</i>	2022	2260	2188	1893	1259
		(0.19)	(0.19)	(0.17)	(0.13)	(0.07)
6	Deposits and Advances	6259	4532	6442	6772	4411
		(0.6)	(0.39)	(0.49)	(0.46)	(0.26)

²⁵ See Glossary at page 135

Finances of the State Government

Particulars		2010-11	2011-12	2012-13	2013-14	2014-15
7	Suspense and Miscellaneous	(-)1104	(-)1509	100	(-)2705	5222
		(-0.11)	(-0.13)	(0.01)	(-0.18)	(0.31)
8	Remittances	(-)482	(-)256	843	(-)1117	(-)14
		(-0.05)	(-0.02)	(0.06)	(-0.08)	(0)
9	Reserve Funds	2153	1400	1976	2742	3158
		(0.21)	(0.12)	(0.15)	(0.19)	(0.19)
10	Contingency Fund	842	(-)489	140	(-)500	2010
		(0.08)	(-0.04)	(0.01)	(-0.03)	(-0.12)
11	Appropriation to/from Contingency fund	(-)850	500	(-)150	500	(-)2000
		(-0.08)	(0.04)	(-0.01)	(0.03)	(0.12)
12	Total (1 to 11) (b)	24807	24602	26612	24058	34592
13	Increase(-)/ Decrease (+) in Cash Balance (a) – (b)	(-)5950	(-)4462	(-)12872	1960	2765
		(-0.57)	(-0.38)	(-0.97)	(0.13)	(0.16)
14	Overall deficit (12+13)	18857	20140	13740	26018	31827
		(1.8)	(1.71)	(1.04)	(1.76)	(1.89)

Figures in parenthesis indicate the *per cent* to GSDP

All figures are net of disbursements/outflows during the year

Source: Finance Accounts of respective years

The fiscal deficit increased by ₹ 5,809 crore during 2014-15 due to the revenue deficit. The net capital expenditure as a percentage of the fiscal deficit decreased from 77 *per cent* during 2013-14 to 61 *per cent* during 2014-15.

As can be seen from **Table 1.49**, during the period 2014-15 there was an overall deficit (decrease in cash balance) after financing the fiscal deficit.

Table 1.49: Receipts and disbursements under components financing the fiscal deficit during 2014-15

(₹ in crore)

Particulars		Receipts	Disbursements	Net
1	Market Borrowings	25083	2820	22263
2	Loans from GoI	542	886	(-)344
3	Special Securities Issued to NSSF	2982	3787	(-)805
4	Loans from Financial Institutions and other Loans	766	1334	(-)568
5	Small Savings, PF etc.	4642	3383	1259
6	Deposits and Advances	31249	26838	4411
7	Suspense and Miscellaneous	17039	11817	5222
8	Remittances	24182	24196	(-)14
9	Reserve Funds	5909	2751	3158
10	Contingency Fund	4360	2350	2010
11	Appropriation to/from Contingency Fund	2350	4350	(-)2000
12	Total (1 to 11) (b)	119104	84512	34592
13	Increase(-)/Decrease (+) in Cash Balance (a) – (b)			2765
14	Overall deficit (12+13) (a)			31827

Source: Finance Accounts 2014-15

Cost of borrowings

During the year 2014-15, the State Government raised market loans of ₹ 25,083 crore under internal debt. The cost of raising of this internal debt being ₹ 30.50 crore was 0.12 *per cent* of the market loan taken by the State Government.

1.11.3 Quality of deficit/surplus

The ratio of revenue deficit to fiscal deficit and the bifurcation of primary deficit into primary revenue deficit and capital expenditure (including loans and advances) would indicate the quality of deficit in the State's finances. The ratio of revenue deficit to fiscal deficit indicates the extent to which borrowed funds were used for current consumption. During the current year, this ratio was 0.38 i.e. 38 *per cent* of the borrowing was used for current consumption.

Non-debt receipts of the State were enough to meet the primary expenditure requirements in the revenue account. But, the non-debt receipts were not enough to meet the expenditure requirements under capital account resulting in primary deficit during 2010-12 as well as in 2013-15. However, during 2012-13, non-debt receipts were sufficient to meet the expenditure requirements both under revenue and capital account resulting in primary surplus. The details are indicated in **Table 1.50**.

Table 1.50: Primary deficit/surplus – bifurcation of factors

(₹ in crore)

Year	Non-debt receipts	Primary Revenue Expenditure	Capital Expenditure	Loans and Advances	Primary Expenditure	Primary revenue deficit(-)/surplus(+)	Primary deficit (-)/surplus (+)
1	2	3	4	5	6 (3+4+5)	7 (2-3)	8 (2-6)
2010-11	106525	90812	17963	959	109734	15713	(-) 3209
2011-12	122131	106050	17880	836	124766	16081	(-) 2635
2012-13	143810	119660	17398	1416	138474	24150	5336
2013-14	150550	133695	20021	1645	155361	16855	(-)4811
2014-15	166390	153588	19523	1141	174252	12802	(-)7862

Source: Finance Accounts of respective years

The capital expenditure as a percentage to primary expenditure²⁶ decreased from 16.37 *per cent* during 2010-11 to 11.20 *per cent* during 2014-15.

1.12 Follow up

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

1.13 Conclusion and recommendations

1. The revenue receipts (₹ 1,65,415 crore) increased during the year by 10 *per cent* over the previous year which was the net effect of increase in tax revenue (six *per cent*), Central tax transfers (six *per cent*) and increase in grants-in-aid from Government of India (52 *per cent*). The growth of revenue receipts during 2014-15 over 2013-14 (10.41 *per cent*) was also lower than the growth rate of General Category State (16.10 *per cent*). The revenue receipts were 92 *per cent* of budget estimates for the year 2014-15. The non-tax revenue receipts of the State Government was less than the projections made in the Fiscal Correction Path and budget estimates by seven *per cent* and the Thirteenth Finance Commission by 13 *per cent*.

²⁶ 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

2. The revenue expenditure increased by 15 *per cent* over the previous year and constituted 89 *per cent* of the total expenditure during 2014-15. Non-plan revenue expenditure constituted 82 *per cent* of the revenue expenditure and as a percentage of revenue receipts it increased to 88 *per cent* in 2014-15 from 86 *per cent* in 2013-14. The Non-Plan Revenue Expenditure at ₹ 1,46,245 crore remained higher than the normative assessment made by the Thirteenth Finance Commission (₹ 1,01,881 crore) and budget estimates (₹ 1,41,354 crore) but lower than the State Government's projections in FCP (₹ 1,54,084 crore). The Plan revenue expenditure and Non-Plan Revenue Expenditure increased by 21 *per cent* and 13 *per cent* respectively over the previous year.

As against the targeted revenue deficit of ₹ 4,103 crore during 2014-15, the actual deficit was ₹ 12,138 crore due to the significant gap between the growth rates of the revenue receipts (10 *per cent*) and revenue expenditure (15 *per cent*) over the previous year. The fiscal deficit (₹ 31,827 crore) increased as compared to the previous year and constituted 1.89 *per cent* of Gross State Domestic Product which was within the limit of three *per cent* set under Fiscal Responsibility and Budgetary Management. The primary deficit during 2014-15 at ₹ 7,862 crore increased by 63 *per cent* over the previous year (₹ 4,811 crore).

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

3. Expenditure under subsidies increased by 64 *per cent* over the previous year and constituted about 11 *per cent* of the revenue expenditure. The expenditure on salaries and wages (including the grants-in-aid component) was higher than the State's own Fiscal Correction Path and lower than the projections made in the budget estimates. Financial assistance to local bodies and other institutions, which constituted 41 *per cent* of the revenue expenditure during 2014-15, increased by seven *per cent* over the previous year.
4. The capital expenditure, which constituted 10 *per cent* of the total expenditure, decreased by two *per cent* during 2014-15 over the previous year. There was negative growth of capital expenditure during 2014-15 over 2013-14 (-2.48 *per cent*) compared to the positive growth rate of General Category States (21.87 *per cent*). The percentage of capital expenditure to total expenditure showed a declining trend from 14 *per cent* in 2010-11 to 10 *per cent* in 2014-15. The ratio of capital expenditure to aggregate expenditure in the State during 2014-15 was lower than the ratio of General Category States.

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

5. The average return on the State Government's investment in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives varied between 0.02 and 0.05 *per cent* in the past three years while the Government paid an average interest of 7.42 to 7.81 *per cent* on its borrowings.

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

6. The fiscal liabilities of the State Government at ₹ 3,19,746 crore during 2014-15 increased by ₹ 25,941 crore over the previous year. The ratio of fiscal liabilities to Gross State Domestic Product at 19 *per cent* was lower than the norm of 25.3 *per cent* recommended by the Thirteenth Finance Commission and the MFRBM Rules, 2011. These liabilities were nearly twice the revenue receipts and more than twice the State's own resources at the end of 2014-15.
7. The resource gap in the State during 2013-14 and 2014-15 was negative, indicating decreasing capacity of the State to sustain the debt in the medium to long run. This was a result of insufficiency of the incremental non-debt receipt to meet the incremental primary expenditure and incremental interest payments.

In order to bridge the resource gap, the State needs to improve its resource mobilisation as well as prune unproductive expenditure.

8. Under the new Pension Scheme 2005, the State Government has transferred ₹ 1,410 crore to National Securities Depository Limited (Fund Managers) since the inception of the scheme. The total amount available in the fund as on 31 March 2015 was ₹ 4,426.95 crore. Retention of these amounts assisted the State Government in enhancing its liquidity position.
9. There was an increase of six *per cent* in the cash balances of the State Government over the previous year, significant part of which pertained to balances in public accounts. Cash balances of the State at the close of 2014-15 was ₹ 49,648 crore of which, ₹ 32,996 crore was in cash balance investment account.
10. The devolution of the State's share of union taxes substantially increased by 114 *per cent* during the award period of Thirteenth Finance Commission as compared to the Twelfth Finance Commission. The overall tax devolution during the award period was more than the projections made by the Thirteenth Finance Commission and there was an increasing trend in all the components of the State share of the union taxes.

CHAPTER - II

**FINANCIAL MANAGEMENT AND
BUDGETARY CONTROL**

Financial Management and Budgetary Control

2.1 Introduction

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

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

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

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

2.2 Summary of Appropriation Accounts

There are 31 departments in the State at the Secretariat level headed by Principal Secretaries/Secretaries. Each department is operating one or more than one demand and the demand for grant generally reflects the allocation for a department.

The summarised position of actual expenditure during 2014-15 against 249 grants/appropriations is given in **Table 2.1**.

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

(₹ in crore)

	Nature of expenditure	Original grant/appropriation	Supplementary grant/appropriation	Total	Actual expenditure	Saving (-)/Excess (+)	Amount surrendered	Amount surrendered on 30 and 31 March 2015	Percentage of savings surrendered on 30 and 31 March (9/8)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Voted	I Revenue	161351.14	22699.16	184050.30	155719.76	(-)28330.54	29026.94	28368.37	97.73
	II Capital	28616.32	8506.73	37123.05	23061.78	(-)14061.27	13352.01	13174.47	98.67
	III Loans and Advances	982.60	43.35	1025.95	1140.56	114.61	216.46	198.78	91.83
Total Voted		190950.06	31249.24	222199.30	179922.10	(-)42277.20	42595.41	41741.62	98.00
Charged	IV Revenue	26775.42	661.97	27437.39	26987.21	(-)450.18	254.78	198.16	77.78
	V Capital	3.44	0.26	3.70	3.27	(-)0.43	2.34	2.34	100
	VI Public Debt - Repayment	11735.40	165.37	11900.77	15180.68	3279.91	71.45	28.53	39.93
Total Charged		38514.26	827.60	39341.86	42171.16	2829.30	328.57	229.03	69.70
Appropriation to Contingency fund		4350.00	...	4350.00	4350.00
Grand Total		233814.32	32076.84	265891.16	226443.26	(-)39447.90	42923.98	41970.65	97.78

Source: Appropriation Accounts 2014-15

Note: The expenditure excludes the recoveries adjusted as reduction of expenditure under revenue expenditure ₹ 5,153.86 crore and capital expenditure ₹ 3,541.59 crore as detailed in Appendix II of Appropriation Accounts

Supplementary provisions of ₹ 32,076.84 crore obtained during the year constituted 13.72 per cent of the original provision as against 10.40 per cent in the previous year.

The overall savings of ₹ 39,447.90 crore were the result of savings of ₹ 43,265.62 crore in 135 grants and 54 appropriations under the revenue section, 92 grants and 10 appropriations under the capital section, set-off by an excess of ₹ 3,817.72 crore in 29 grants and three appropriations. Of this savings ₹ 42,923.98 crore (99.21 per cent) was surrendered. Of this surrendered amount, ₹ 41,970.65 crore (97.78 per cent) was surrendered only on the last two days of the financial year.

As may be seen from **Table 2.1**, against the original provision of ₹ 2,33,814.32 crore, expenditure of only ₹ 2,26,443.26 crore was incurred, thereby requiring no supplementary funds. This indicates that seeking supplementary provision was avoidable as the expenditure did not even reach the level of original provision. The actual savings of ₹ 39,447.90 crore includes 100 per cent of the supplementary budget of ₹ 32,076.84 crore and 3.15 per cent of the original provision, which clearly indicates inaccurate estimation of funds and lack of control mechanism. Cases where supplementary provisions proved unnecessary as the expenditure did not come up to the level of the original provisions are discussed in **Para 2.3.4.3**.

The savings and excesses were intimated by the offices of the Accountants General (Accounts and Entitlements)²⁷ 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 2015, requesting the Controlling Officers to explain the reasons for the significant variations, but no explanation was received (October 2015).

²⁷ Accountant General (Accounts and Entitlements)-I, Mumbai and Accountant General (Accounts and Entitlements)-II, Nagpur

2.3 Financial Accountability and Budget Management

2.3.1 Excess expenditure

As per Article 204 (3) of the Constitution of India, no money shall be withdrawn from Consolidated Fund of the State except under appropriation made by law passed in accordance with the provisions of this article. Instructions were issued by FD in June 2008 that necessary steps may be taken by Secretaries to ensure rigid enforcement of prescribed financial rules and to see that no excess expenditure takes place in future for reasons which can be anticipated and taken care of in advance either in Budget Estimates or supplementary grants, except in rare or exceptional circumstances.

Notwithstanding the above instructions, excess expenditure over budget provision increased from ₹ 604.64 crore in 2013-14 to ₹ 3,817.72 crore in 2014-15. The excess over provision occurred in 32 grants/appropriation during the year and requires regularization under Article 205 of the Constitution indicating that budgetary estimates were not reviewed properly (as the provisions being insufficient). Expenditure exceeded budget by more than ₹ 100 crore each in two cases and the details are given in **Appendix 2.1**.

Firm measures need to be put in place to avoid excess expenditure by defaulter departments. There is no cogent reasons for the inevitability of excess expenditure when Government gets opportunity to present the Supplementary Demand for Grants during the three sessions of Legislature in a year. The exceeding of Budgetary Grant is the result of bad planning, lack of foresight and ineffective monitoring on the part of budget estimates as well as Supplementary Demands for Grants.

2.3.1.1 Excess over provisions relating to previous years requiring regularisation

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/appropriation regularised by the State Legislature. Although, no time limit for regularisation of expenditure has been prescribed under the Article, the regularisation of excess expenditure is done after the completion of discussions on the Appropriation Account by the Public Accounts Committee. However, excess expenditure amounting to ₹ 5,065.58 crore for the year 2009-10 to 2013-14 in respect of 174 grants and 24 appropriations (**Appendix 2.2**) was yet to be regularised as of October 2015 due to non-furnishing of Explanatory Notes by the concerned administrative departments/FD.

2.3.1.2 Persistent Excess

There was no instance of persistent excess at Grant level. Scrutiny of the appropriation accounts for the period from 2012-13 to 2014-15 revealed that persistent excess expenditure occurred under the 17 sub-heads as shown in **Appendix 2.3**. Though all of these may not have resulted in excess at Grant level and hence may not require regularisation, however, special emphasis need to be given while monitoring the expenditure under these sub heads.

The persistent excess indicated that the budgetary control is not effective and previous years' trends were not taken into account while allocating the funds for the year.

2.3.1.3 Inadequate supplementary provisions resulting in excess expenditure

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

In eight cases supplementary provision of ₹ 2,695.86 crore proved insufficient by more than ₹ one crore each leaving an aggregated uncovered excess expenditure of ₹ 3,723.20 crore (**Appendix 2.4**).

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

2.3.2 Unexplained re-appropriations

Paragraph 165 of the Budget Manual stipulates that the orders sanctioning re-appropriation of funds of ₹ 500 and above and those which involve some unique or special feature should briefly specify reasons for the additions to and deductions from the sub-heads affected by them. However, a scrutiny of re-appropriation orders issued by the administrative departments revealed that out of 1,583 items of re-appropriation made, the reasons in respect of 67 (four *per cent*) were of general nature such as, 'actual requirement, revised estimates, release of 90 *per cent* grants by the FD' *etc.* Besides, in 167 items (11 *per cent*), no specific reasons were furnished. This also goes against the principle of transparency envisaged in Section 6 of the Maharashtra Fiscal Responsibility and Budgetary Management Act.

2.3.3 Rush of expenditure

According to the Bombay Financial Rules, 1959, rush of expenditure in the closing month of the financial year should be avoided. Contrary to this, in 612 sub-heads, expenditure exceeding ₹ 10 crore, which also constituted more than 50 *per cent* of the total expenditure was incurred in March 2015. In 41 grants where expenditure exceeding over ₹ 20 crore and also constituting 50 to 100 *per cent* of total expenditure was incurred during the last quarter of 2014-15 as shown in **Appendix 2.5**. In all these grants, expenditure incurred in March 2015 was also to the extent of 50 to 100 *per cent* of total expenditure.

Uniform flow of expenditure is the primary requirement of proper budgetary control which is lacking in the grants/major heads as shown in **Appendix 2.5**, indicating deficient financial management. A detailed analysis of this aspect in the selected grant is included in **Para 2.4.2**.

2.3.4 Appropriation *vis-à-vis* allocative priorities; Excess provision resulting in savings

Appropriation Accounts revealed that in 66 cases savings exceeded ₹ 10 crore in each case and also by more than 20 *per cent* of the total provision as shown in **Table 2.2** and **Appendix 2.6**.

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

Sr. No.	Range of Savings	Number of cases	Total Grant (₹ in crore)	Savings (₹ in crore)	Percentage
1	Up to ₹ 20 crore	12	550.28	181.15	32.92
2	More than ₹ 20 crore and up to ₹ 50 crore	13	1214.46	419.29	34.52
3	More than ₹ 50 crore	41	71587.22	31792.32	44.41
Total		66	73351.96	32392.76	44.16

Source: Appropriation Accounts of 2014-15

Further, against the total savings of ₹ 43,265.62 crore, savings of ₹ 40,328.10 crore (93.21 *per cent*) occurred in 44 grants involving ₹ 100 crore and above in each case as detailed in **Appendix 2.7**.

The departments that had major savings were Police, School Education, Urban, Housing, Social Justice, Tribal, Rural Development in the Revenue section and Public Works, Water Resources, Rural Development, Social Justice, Planning, Tribal under Capital section.

There was revenue deficit of ₹ 12,138 crore and fiscal deficit of ₹ 31,827 crore and therefore, depiction of overall saving of ₹ 43,265.62 crore was only notional. This implies that excess provisions were made without due regard to the receipts. Had these savings not occurred, the deficits would have gone up.

2.3.4.1 Persistent savings

In 14 cases, during the last five years, there were persistent savings of more than ₹ 100 crore in each case as shown in **Appendix 2.8**.

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

2.3.4.2 Unnecessary/excessive supplementary provisions

After the close of the financial year, the supplementary appropriations found to be unnecessary or excessive will be commented as an irregularity in the Appropriation Accounts.

Supplementary provisions aggregating ₹ 12,586.98 crore obtained in 43 cases (₹ 10 crore or more in each case) during the year proved unnecessary as the actual expenditure (₹ 1,06,451.05 crore) did not come up to the level of the original provision (₹ 1,22,473.83 crore) as detailed in **Appendix 2.9**. Details of grants having saving of more than ₹ 1,000 crore and where supplementary provision proved unnecessary are detailed below:

Table 2.3: Grants having saving of more than ₹ 1,000 crore and where supplementary provision proved unnecessary

(₹ in crore)

Grant Number and Description	Original provision	Supplementary provision	Expenditure	Savings
E-2 General Education	34534.74	569.91	33465.14	1639.52
L-7 Capital Expenditure on Rural Development	2358.65	112.60	874.42	1596.83
N-3 Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	8069.41	851.47	7524.97	1395.91
O-10 Capital Outlay on Other Rural Development Programmes	5867.26	245.35	826.51	5286.10
T-5 Revenue Expenditure on Tribal Development Plan	4116.87	558.68	3561.39	1114.16

Source: Appropriation Accounts 2014-15

From **Table 2.3**, it can be seen that the supplementary provision proved unnecessary since the expenditure did not even come up to the original provision in all the five cases which clearly indicates inaccurate estimation of funds and lack of control mechanism.

2.3.4.3 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 the year 2014-15, in one case saving of ₹ 201.21 crore occurred under the grant G-06 - Pensions and Other Retirement Benefits (Revenue Voted), but no part of it was surrendered by the departments concerned.

Besides, in 115 cases, ₹ 35,478.36 crore was surrendered (in excess of ₹ 10 crore in each case) on the last two working days of the financial year (**Appendix 2.10**) indicating inadequate financial control.

2.4 Outcome of review of selected grants

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

With a view to ascertain how far the authorities were adhering to these instructions, a review of the budgetary procedure and control over expenditure was conducted in respect of Grant No H-05-Roads and Bridges and Grant L-03-Rural Development Programmes.

Under Grant H-05, provision is made for Maintenance and Repair Works under Thirteenth Finance Commission Grants, Central Road Fund (Allocation) Major Works and Ordinary Major/Minor Works and consists of one major head *viz.* 3054-Roads and Bridges.

Grant L-03 is a composite grant consisting of 11 major heads of which five²⁸ major heads are operated by Rural Development Department and four²⁹ major heads are operated by Water Conservation Department. Two major heads *viz.* '2501-Special Programmes for Rural Development' and '2505-Rural Development' are operated by both departments.

2.4.1 Allocation of expenditure

Summary of actual expenditure *vis-a-vis* original/supplementary provision made during the year 2012-2015 are given in **Table 2.4**.

Table 2.4: Detail of budgetary provision and actual expenditure under Grant No H-05 and L-03

(₹ in crore)

Year	Original provision	Supplementary provision	Total Grant or Appropriation	Actual Expenditure	Saving	Percentage of saving
Grant No H-05 Roads and Bridges						
2012-13	2839.43	417.05	3256.48	2696.92	559.56	17.18
2013-14	2540.27	1380.44	3920.71	2606.45	1314.26	33.52
2014-15	2731.89	1448.67	4180.65	3604.84	575.81	13.77
Grant No L-03- Rural Development Programmes						
2012-13	2922.32	930.43	3852.75	3174.39	678.36	17.61
2013-14	3337.33	1179.94	4517.27	3200.60	1316.67	29.15
2014-15	5234.79	1689.70	6924.49	5080.32	1844.17	26.63

Source: Appropriation Accounts of respective years

Paragraph 158 of Budget Manual envisaged that for better control over expenditure and to prevent over budgeting, the budget estimates should be prepared with great care so that the budget estimates may neither be inflated nor under pitched.

From the above table, it is revealed that there is persistent saving during the period 2012-15 ranging between 13.77 *per cent* to 33.52 *per cent* under Grant H-05 and 17.61 to 29.15 *per cent* under the Grant L-03.

²⁸ 2235; 2415; 2515; 2810; and 3054

²⁹ 2406; 2702; 2402; and 2551

The persistent savings indicated that the budgetary control in the Department was not effective and also the previous year trends were not taken into account while allocating the funds for the financial year.

Persistent Savings under sub-heads

Similarly, scrutiny of the Appropriation Accounts for the period from 2012-13 to 2014-15 revealed that there remained persistent unspent provisions under the following sub-heads during the financial years 2012-15. The details are given in **Table 2.5**.

Table 2.5: Sub-head wise persistent savings

(₹ in crore)						
Sr. No.	Description	Year	Total grant	Expenditure	Saving	Percentage of Saving
Grant No H-05 Roads and Bridges						
1	3054 80 001 (00) (01) Roads and Bridges, General, Direction and Administration, Inter Account Transfer Establishment Charges Transferred prorata from MH 2059 Public Works	2012-13	155.75	84.78	70.97	45.57
		2013-14	168.00	29.80	138.20	82.26
		2014-15	168.00	111.54	56.46	33.61
2	3054 80 052 (00) (01) Roads and Bridges, General, Machinery and Equipment, Inter Account Transfer Tools and Plant Charges Transferred prorata from MH 2059 Public Works	2012-13	8.68	2.47	6.21	71.54
		2013-14	8.68	0.77	7.91	91.13
		2014-15	9.11	3.72	5.39	59.17
Total					285.14	

Source: Appropriation Accounts of respective years

Though the above expenditure is of adjustment nature, it is the responsibility of the department to anticipate the savings and surrender well in time so that it can be utilized for other programmes. However, reasons for non-surrender of funds of ₹ 285.14 crore under the above sub-heads of Grant H-05 are awaited. (October 2015).

2.4.2 Rush of Expenditure

According to the Bombay Financial Rules, 1959, rush of expenditure in the closing month of the financial year should be avoided. Uniform flow of expenditure is the primary requirement of proper budgetary control. During 2014-15, it was noticed in both H-05 and L-03 grant that substantial expenditure ranging from 50 *per cent* to 100 *per cent* has been incurred in the month of March, indicating deficient financial management as shown in **Appendix 2.11**.

Unnecessary provision of supplementary grant and thereafter re-appropriation of fund under Grant H-05

A supplementary grant or appropriation is an addition to the original grant or appropriation. Paragraph 170 of Budget manual specifies that great care should be taken in submitting proposal for supplementary grant, as the procedure for obtaining them involves considerable labour. After the close of the financial year, the supplementary appropriation found to be unnecessary or excessive will be commented as an irregularity in the Appropriation Accounts.

Scrutiny of the Appropriation Accounts of the financial year 2014-15 revealed that the Department made provision of supplementary grants in the following sub-heads and the same has been withdrawn in the month of March 2015, as detailed in **Table 2.6**.

Table 2.6: Major head-wise provision and withdrawal of supplementary grants

(₹ in crore)

Year	MH	Sub-head	Original Grant	Supplementary grant	Actual expenditure	Amount re-appropriated
2014-15	3054	80 107(00)(01)	00	5.00	00	5.00
2014-15	3054	80 004(00)(01)	00	0.21	00	0.21
Total			00	5.21	00	5.21

Source: Appropriation Accounts 2014-15

From the above table, it is evident that unnecessary provision of supplementary grant was made though there was no provision made in the original grant.

Control/Monitoring of Expenditure under Grant H-05

As per paragraph 155(i) and (iv) of Budget Manual, in order to ensure that the amount allotted to each disbursing officer is not exceeded without permission, the disbursing officer should submit the statement of his expenditure for the month and total expenditure up to date to the controlling officer in form 9 and all controlling officers should maintain a register of expenditure in budget manual form 10 for effective control of expenditure.

From the test check of records of three controlling offices (SE PWC Nagpur, SE PWC Chandrapur and SE PWC Osmanabad), it was noticed that disbursing officers were not submitting the statement of expenditure in form 9 and similarly controlling officers were also not maintaining the register of expenditure in budget manual form 10.

On this being pointed out, the SEs stated that since monthly statement of expenditure in form 9 was not submitted by the disbursing officer, form 10 at controlling officers level was also not maintained. The reply is not tenable as non-submission of monthly expenditure in form 9 by the disbursing officer and non-maintenance of statement of expenditure in form 10 defeats the very purpose of monitoring the budget and the progress of actual expenditure by controlling officer.

2.4.3 Transfer of funds from Consolidated Fund to Public Accounts under Grant L-03

A) In the accounts for the year 2013-14, it was observed that an amount of ₹ 206.72 crore has been transferred from MH 2515-800(01)(08)-Grant-in-aid to Zilla Parishads for Rural Development to MH 8443-108-Public Works Deposit to avoid lapse of budget provided by the Legislature for the year 2013-14.

On this being pointed out, it was justified that the funds were received only in March 2014 and used for the work of laying roads, gutter and other related basic facilities out of the MP/MLA fund and it was not possible to complete the work by March 2014. Moreover, it was stated that since the work was already in progress, if the funds were surrendered, it would affect the progress and time schedule of work. Further, it would be difficult to get it back immediately as the elections were also due during 2014-15. In view of these reasons, sanction of the Deputy Chief Minister was obtained to transfer the funds to Public Accounts with instructions to complete the work by September 2014.

The department replied that extension to complete the work was given up to 30 March 2015 by Government (March 2015). Further, department stated that 20 per cent of work remained incomplete due to non-release of balance funds.

B) Similarly, audit observed that in the year 2014-15 also an amount of ₹ 144.46 crore was transferred from MH 2515-800(01)(08)-Grant-in-aid to Zilla Parishads for Rural Development to MH 8443-108-Public Works Deposit to avoid lapse of budget provided by the Legislature for the year

2014-15. This exception was permitted (March 2015) after stipulating that the work should be completed by September 2015 and further extension of time would not be allowed.

Transfer of funds to Public Works Deposits is not acceptable to audit because such a transfer was objected by Accountant General Nagpur vide letter dated 18 September 2012 and subsequent Government Resolution of FD (April 2014) objecting transfer of unutilised funds to 8443-Civil Deposits at the end of the financial year. It has also been reiterated by FD that under any circumstances it should not be kept as deposits under Public Works Department.

2.4.4 Budget Speech Analysis

Bio-metric Attendance System

Budget speech of 2012-13, announced that to ensure attendance punctuality at village level Government and Semi-Government functionaries, State has decided to introduce Bio-metric attendance system and a pilot project has been launched which will be fully operationalised during 2012-13.

The scheme was implemented in six talukas³⁰ of six districts³¹ from July 2011 and funds of ₹ 5.65 crore were distributed. Tenders were called for at Government level and Thirteenth Finance Commission funds were used.

Due to technical problems like non-availability of internet connection, irregular supply of electricity *etc.* the scheme did not materialise and Government ordered to close the scheme (May 2015). Thus, the very purpose of the scheme could not be achieved inspite of spending ₹ 5.65 crore for implementation.

Yashwantrao Chavan Gram Sadak Yojana

Said scheme was announced in the Budget speech of 2012-13 to connect the rural people not being covered under Prime Minister Gram Sadak Yojana to cover 5000 habitations in next five years.

The scheme could not be implemented due to non-availability of fund thereby defeating the purpose of budget speech announcements.

Special Programme for development of pilgrimage places

In the Budget speech of 2014-15, a provision of ₹ 25.49 crore was announced to provide basic amenities at the pilgrimage places. Though ₹ 25.49 crore was budgeted, FD released only ₹ 22.49 crore and a 25 *per cent* cut was imposed on the released amount and only ₹ 16.87 crore was made available for expenditure. Details about the successful implementation and the achievement of the intended benefits of the special programme was not made available to audit (October 2015).

2.4.5 Suspense Transactions

An analysis of Suspense transactions under Grant L-03 co-related with Grant H-06 is given every year in Appropriation Accounts. As per instructions of FD (March 1989) adjustments of all items under the sub-head Cash Settlement Suspense Account would be carried out in the same year and the sub-head should be closed to Nil. Hence no budget provision is made under this head.

³⁰ Srivardhan; Walva; Dharani; Mudked; Divli; and Sangamner

³¹ Raigad; Sangli; Amravati; Nanded; Wardha; and Ahmednagar

The Maharashtra Public Works Department Account Code also states that the minor head suspense sub-divided into four heads³² kept in each division under suspense Major Head of expenditure are of a temporary character and all transactions recorded under them are ultimately removed either by payment or recovery in cash or adjustment.

On verification of Appropriation Accounts 2014-15, it has been noticed that the closing balance at the end of the year had a debit balance and the reasons for the non-clearance of details under the sub-head have not been provided so far.

Analysis of the suspense transactions under the grant L-03 for the year 2014-15 is given in **Table 2.7**.

Table 2.7: Details of suspense transaction under L-03

(₹ in lakh)

Suspense Head	Opening Balance	Debit	Credit	Closing Balance
	(+) Debit/(-) Credit			(+) Debit/(-) Credit
Stock	(+)945.68		1.65	(+)944.03
Purchase	(-)86.90	--	---	(-)86.90
Miscellaneous Public Works Advance	(+)198.81	---	---	(+)198.81
Cash Settlement Suspense Account	(+)15.31	---	---	(+)15.31
Total	(+)1072.90	---	1.65	(+)1071.25

Source: Appropriation Accounts 2014-15

Explanation for non-clearance of debit balance under the suspense head for years together are sought for from the Administrative Department (October 2015). Reply is awaited.

2.5 Advances from Contingency Fund

The Contingency Fund of the State has been established under the Bombay Contingency Fund Act, 1956, in terms of provisions of Article 267 (2) and 283 (2) of the Constitution of India. Advances from the Fund are to be made only for meeting expenditure of an unforeseen and emergent character, postponement of which, till its authorisation by the Legislature, would be undesirable. The Fund is in the nature of an imprest and its corpus is ₹ 150 crore, which was temporarily raised from time to time to ₹ 2,150 crore. The balance at the beginning of the year (2014-15) was ₹ 140 crore. During the year 2014-15, ₹ 10 crore drawn from contingency fund in 2013-14, was recouped to the fund. The closing balance of the fund as on 31 March 2015 was ₹ 2,150 crore.

During 2014-15, of the 11 sanctions issued by FD for an amount of ₹ 4,370.21 crore, eight withdrawals amounting to ₹ 559.45 crore were made from the fund. In three cases, as listed in **Appendix 2.12**, the nature of expenditure for which the departments concerned had obtained advances from the fund was foreseeable. Therefore, the drawals from the Contingency Fund was irregular. Further, in respect of nine sanctions, the actual expenditure of ₹ 553.75 crore ranged between zero and 96 *per cent* of the sanctioned amount as detailed in **Appendix 2.13**. The fact that in three out of 11 sanctions, advances amounting to ₹ 11.03 crore were not drawn by the departments concerned indicated the funds were not required to meet expenses of emergent character.

2.6 Misclassification of expenditure

Accounting of Government revenue and expenditure outside Consolidated Fund

As per Article 266 and 204 of the Constitution of India, all revenues of the Government shall form part of the Consolidated Fund of the State and no money shall be withdrawn from that

³² (i) purchase (ii) stock (iii) miscellaneous public works advance and (iv) workshop suspense

fund except under appropriation made by law. The State Government, however, has authorised the heads of Government Hospitals to retain the fees and other hospital charges received from patients in their Personal Ledger Accounts (PLA) under the Public Account and utilise the same for various expenses like maintenance of buildings, equipment, office expenses *etc.* Even the hospitals which do not have a PLA keep their receipts in the PLAs of the neighbouring hospitals. The quantum of all such transactions outside the Consolidated Fund is given in **Table 2.8**.

Table 2.8: Transactions outside the Consolidated Fund

(₹ in crore)

Opening balance as on 01 April 2014	Amount credited to personal ledger accounts during the year	Amount withdrawn from personal ledger accounts during the year	Closing balance as on 31 March 2015
174.24*	124.51	100.68	198.07
* decrease in previous year's closing balance was due to rectification of misclassification			
Source: Finance Accounts 2014-15			

The above procedure is not only a violation of constitutional provisions but also circumvents intended Legislative and budgetary control over expenditure. Thus, the crediting of Government receipts in PLA resulted in overstatement of revenue deficit by ₹ 23.83 crore as can be seen from **Table 2.8**.

Incorrect booking of Revenue expenditure under Capital

During 2014-15, grants-in-aid of ₹ 297.39 crore (three cases) and subsidies of ₹ 4.69 crore (one case) released by Government of Maharashtra (GoM) was classified and booked under capital expenditure heads instead of revenue expenditure heads of accounts, resulting in understatement of the revenue deficit by ₹ 302.08 crore.

Non-transfer of unspent balances to Consolidated Fund

As per Government Resolution of Revenue and Forest Department of Maharashtra, the unspent 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. There was an accumulated unspent balance of ₹ 720.94 crore over the years lying in the account as on 31 March 2015 which remained uncredited to the Consolidated Fund of the State.

Similarly, as per the Government Resolution of Home Department of Maharashtra, the unspent balance at the end of the year in the PD accounts operated by the Regional Transport Offices/Deputy Transport Officers is to be brought to 'nil' by crediting the same into Consolidated Fund. There were unspent balances of ₹ 4.20 crore in 17 PD accounts as on 31 March 2015 not credited to Consolidated Fund. Thus, the non-transfer of unspent balances from PD accounts back to Consolidated Fund at the end of the financial year resulted in overstatement of revenue deficit by ₹ 725.14 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 322 sub-treasuries) and the Pay and Accounts Office, Mumbai during 2014-15 are brought out in the succeeding paragraphs.

2.7.1 Transfer of funds to personal deposit accounts

The PD accounts, also known as PLA, are in the nature of a banking account kept in the treasuries. The GoM is authorised to keep funds required for specific purposes in the PD

accounts by transfer of funds from the Consolidated Fund. Generally, administrators³³ are required to close such accounts on the last working day of the year and transfer the unspent balances back to the Government accounts (Consolidated Fund). However, as on 31 March 2015, 2,659 PD accounts showing a total balance of ₹ 9,726.08 crore were not transferred back to the Consolidated Fund, as indicated in **Table 2.9**.

Table 2.9: Status of personal deposit accounts during 2014-15

Sr. No.	Particulars	Number	Particulars	Amount (₹ in crore)
1	Opening balance	4221	Opening balance	9254.78
2	Newly opened	63	Amount credited	16811.48
3	Closed accounts	1625	Amounts disbursed	16340.18
4	Closing Balance	2659	Closing balance	9726.08

Source: Finance Accounts 2014-15

Out of ₹ 16,811.48 crore credited to PD accounts (including receipts from other sources) during 2014-15, ₹ 2,115.23 crore (13 per cent) was credited in March 2015 alone.

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

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

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

- In 152 cases, there was difference between the administrators' balance and the treasury/Pay and Accounts Office balance.
- In 338 cases, there was difference between the treasury balance and the sub-treasury balance.
- In 184 cases, there was difference between the sub-treasury balance and the administrators' balance.

Besides, 1,301 out of 4,221 administrators have not furnished the certificates of balances as on March 2014 to Treasury Officers/Pay and Accounts Office.

2.7.3 Personal Ledger Accounts inoperative for more than one year

As per rule 495 of MTR and Maharashtra Treasury Manual, PLA which are inoperative for more than three continuous accounting years should be closed and the balance at the credit of such accounts should either be paid to the PLA holder or credited to the consolidated fund of the State. This limit was revised to one year as per instructions issued by FD (January 2014).

It was noticed that in 1,211 cases PLAs were not operated by the administrators since last one year and more, resulting in unutilized balance of ₹ 45.82 crore lying idle in the PLAs. The district-wise details are given in **Appendix 2.14**. As per the established practice, the funds from the consolidated fund to PLA should be transferred through 'Nil bills' (non-cash transaction). However, all treasuries (except Pune Treasury) did not follow the above practice but withdrew large funds through cheques and credited it to PLAs subsequently. Since the purpose of

³³ Personal deposit/Personal ledger account holders

cash/cheque withdrawals are not always readily ascertainable from the vouchers, the unspent amount so transferred from the consolidated fund and not credited back from the inoperative PLAs could not be ascertained as the PD accounts include receipts from sources other than the Consolidated Fund also.

2.7.4 Overpayment of pension

Overpayment of pensionary benefits of ₹ 1.47 crore was made during 2014-15 on account of incorrect calculation of dearness relief, non-adjustment of provisional Death-cum-Retirement Gratuity, non-reduction of family pension from the specific dates mentioned in the pension payment orders *etc.* Of this, only ₹ 0.64 crore had been recovered up to September 2015. Thus, a balance of ₹ 0.83 crore was still outstanding.

2.8 Conclusion and recommendations

The overall savings of ₹ 39,447.90 crore were the net result of savings of ₹ 43,265.62 crore, set off by an excess of ₹ 3,817.72 crore. This excess expenditure requires regularization by the State Legislature. There was rush of expenditure (50 to 100 *per cent*) during the last month of the financial year under 41 grants.

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

During 2014-15, grants-in-aid of ₹ 297.39 crore (three cases) and subsidies of ₹ 4.69 crore (one case) released by the GoM was classified and booked under capital expenditure heads instead of revenue expenditure heads of accounts, resulting in understatement of revenue deficit by ₹ 302.08 crore.

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

CHAPTER - III
FINANCIAL REPORTING

Financial Reporting

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

3.1 Delay in furnishing utilisation certificates

The Bombay Financial Rules, 1959 provide that for the grants provided for specific purposes, utilisation certificates (UCs) should be obtained by the departmental officers from the grantee institutions and after verification, the UCs should be forwarded to the concerned accounting offices *i.e.* 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. The department-wise position of outstanding UCs is given in **Appendix 3.1**. The year-wise position of total outstanding UCs in the State as on 31 March 2015 is given in **Table 3.1**.

Table 3.1: Year-wise position of outstanding UCs as of 31 March 2015

Year	Number of UCs awaited	Amount involved (₹ in crore)
Upto 2012-13	60920	35632.06
2013-14	5390	7307.78
2014-15	15567	18209.03
Total	81877	61148.87

Source: Finance Accounts 2014-15

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

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

In order to identify the institutions which attract audit under Section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, the Government/heads of departments are required to furnish to audit every year, detailed information about the financial assistance given to various institutions, the purpose of assistance granted and the total expenditure of the institutions. The details of such assistance released to the institutions during the year were awaited from Government departments (October 2015).

According to the accounts received for the year 2014-15, 332 institutions attracted audit by the Comptroller and Auditor General of India. Of these, 60 institutions have been audited during 2014-15.

Table 3.2 shows age-wise arrears of annual accounts due up to 2014-15 in respect of 5,252 annual accounts as of August 2015.

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

Delay in number of years	Number of accounts
0-1	1504
1-3	1366
3-5	1185
5-7	1078
7-9	56
9 and above	63
Total	5252

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

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

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

The delay in submission of annual accounts ranged between one month and 138 months. The accounts of Maharashtra State Human Rights commission for the year 2002-03 to 2013-14 were furnished to audit only in December 2014, with delay ranging between six months to 138 months. Accounts from 2013-14 onwards of six bodies namely Maharashtra Khadi and Village Industries Board, Maharashtra State Legal Services Authority, Maharashtra State Minorities Commission, Tapi Irrigation Development Corporation, Vidharba Irrigation Development Corporation and Godawari Marathwada Irrigation Development Corporation were yet to be received. The delays were mainly in approval of the accounts by the respective Governing Bodies.

The accounts of Maharashtra Maritime Board and Maharashtra Pollution Control Board were not presented to Legislature after 2004-05. Further, the accounts of Maharashtra State Legal Services Authority, Mumbai for the year 2008-09 was yet to be presented in the Legislature.

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

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

The departmental undertakings of certain Government departments, performing activities of quasi-commercial nature, are required to prepare *proforma* accounts in the prescribed format annually showing the working results of financial operations so that Government can assess their performance. The finalised accounts of the departmentally managed commercial and quasi-commercial undertakings reflect their overall financial health and efficiency in conducting their business.

Heads of Government departments have to ensure that the undertakings prepare such accounts and submit the same to the Principal Accountant General (Audit)-I, Maharashtra, Mumbai for audit within a specified time frame. As of March 2015, there were 49 such undertakings of which, 39 had prepared accounts up to 2013-14. In respect of five undertakings, there was large pendency in finalisation of *proforma* accounts ranging from 16 to 29 years as these were sick units and not operational and had stopped preparing accounts. Milk Transport Scheme, Worli has been closed from 2007-08 onwards. The department-wise position of arrears in preparation of *proforma* accounts and investment made by the Government are given in **Appendix 3.3**.

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 368 cases of misappropriations, defalcations *etc.* involving ₹ 81.76 crore up to March 2015 on which final action was pending. The department-wise breakup of

pending cases and age analysis are given in **Appendix 3.4**. The nature of these cases is given in **Appendix 3.5**. The age-profile of the pending cases and the number of cases pending in each category as emerged from these appendices are summarised in **Table 3.3**.

Table 3.3: Profile of misappropriations, losses, defalcations etc.

Age-profile of the pending cases			Nature of the pending cases		
Range in Years	Number of cases	Amount involved (₹ in lakh)	Nature/characteristic of the cases	Number of cases	Amount involved (₹ in lakh)
0-5	55	1481.88	Theft	89	66.94
5 - 10	58	1839.45			
10 - 15	47	3662.31	Misappropriation/Loss of material	279	8109.01
15 - 20	45	562.88			
20 - 25	32	443.49			
25 and above	131	185.94			
Total	368	8175.95	Total pending cases	368	8175.95

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

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

Table 3.4: Reasons for the delay/pendency of cases

Reasons for the delay/ pendency of cases	Number of Cases	Amount (₹ in lakh)
Departmental and criminal investigation awaited	94	5598.62
Departmental action initiated but not finalised	117	1433.12
Criminal proceedings finalised but recoveries were pending	17	46.70
Orders for recovery or write-off awaited	56	66.42
Pending in the courts of law	84	1031.09
Total	368	8175.95

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

It is seen from the above, that out of 368 cases involving ₹ 81.76 crore, 255 cases (69 per cent) involving ₹ 48.55 crore (59 per cent) were pending for more than 10 years. Further, while 117 cases involving ₹ 14.33 crore were pending for final departmental action, 56 cases involving ₹ 0.66 crore were pending for recovery or write-off orders.

3.6 Opaqueness in Government accounts

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

Minor Heads 800-Other Receipts/Other Expenditure are intended to be operated only when the appropriate Minor Head has not been provided in the accounts. Routine operation of Minor Heads 800 is to be discouraged, since it renders the accounts opaque. Details of significant transactions (involving more than ₹ 50 crore and constituting more than 50 per cent of the relevant Major Head) of receipts (two items involving ₹ 266.48 crore) and expenditure (eight items involving ₹ 12,193.44 crore) at sub-head level, are given in **Appendix 3.6**.

3.7 Reconciliation of receipts and expenditure

All Controlling Officers (CO) 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 for an expenditure of ₹ 1,28,084 crore (72.92 *per cent*) against the total expenditure of the Government amounting to ₹ 1,75,649.11 crore and for receipts of ₹ 47,447.07 crore (38.45 *per cent*) against the total receipts of the Government amounting to ₹ 1,23,398.80 crore. Major defaulting departments are Food, Civil Supplies and Consumer Protection; Urban Development; Trade, Commerce and Mining; Water Supply and Sanitation; School Education and Sports; Social Justice and Special Assistance; Tourism and Cultural Affairs; Revenue *etc.* Incomplete reconciliation affects the correctness and completeness of accounts.

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

As per the Maharashtra Treasury Rules (MTR), 1968, the Drawing and Disbursing Officers (DDOs) are required to submit Detailed Contingent (DC) bills which are vouchers in support of final expenditure, against 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 2015, 5,457 DC bills amounting to ₹ 1,001.17 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 3.7** respectively.

Table 3.5: Pendency in submission of DC bills against AC bills

(₹ in crore)

Year	AC bills drawn		DC bills received		Outstanding AC bills	
	Number	Amount	Number	Amount	Number	Amount
Up to 2012-13	106683	4067.94	103473	3492.45	3210	575.49
2013-14	2746	311.64	2146	147.75	600	163.89
2014-15	4017	382.47	2370	120.68	1647	261.79
Total	113446	4762.05	107989	3760.88	5457	1001.17

Source: Finance Accounts 2014-15

Audit conducted an analysis of unadjusted AC bills as on 31 March 2015 in the Home Department of Government of Maharashtra (GoM). For this purpose, the Bombay Financial Rules (BFR) 1959; MTR, 1968; annual circulars/instructions of Finance Department; and instructions/directives issued by GoM from time to time were used as audit criteria. In this regard, 283 AC bills of 23 DDOs of Home Department were selected randomly for test-check. Audit analysis revealed the following:

3.8.1 Pending Detailed Contingency bills

The year-wise position of pendency in submission of DC bills in Home Department as on March 2015 was as shown in **Table 3.6**.

Table 3.6: Year-wise position of pending Detailed Contingent bills as on 31 March 2015

Year	Pending DC bills			
	Number	As per cent to total number	Amount (₹ in crore)	As per cent to total amount
Upto 2010-11	304	33	274.85	37
2011-12	5	1	11.63	2
2012-13	108	12	153.14	21
2013-14	282	30	147.14	20
2014-15	224	24	148.80	20
Total	923	100	735.56	100

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

From the above, it can be seen that 304 DC bills amounting to ₹ 274.85 crore were pending for more than four years. On further analysis, it was observed that of the 304 DC bills, 40 bills were of more than one crore each as shown in **Appendix 3.8** of which, 39 bills were pending at the office of the Director General of Police (DGP), Mumbai as of August 2015.

3.8.2 Non-maintenance/incomplete maintenance of registers

As per Rule 306 of MTR, 1968, a register of AC bill is to be kept by each DDO and CO in the form prescribed in order to watch the submission of DC bills in respect of amount drawn on AC bills. All the AC bills drawn by the CO and the officer subordinate to him should be entered in this register and note of the despatch of the DC bills should be taken against the respective items as soon as DC bills are submitted to Controlling Audit Officer. This register should be reviewed every month by a Gazetted Officer concerned, who should report all cases of delay in submission of DC bills to the CO.

Of the test-checked records of 23 DDOs, it was noticed that only eight DDOs maintained the register in the prescribed format whereas, five DDOs did not maintain the register in the prescribed format and 10 DDOs did not maintain the prescribed register at all.

Register is the permanent records of the department to watch the trail of the transaction. Non-maintenance/incomplete maintenance results in difficulty in ascertaining that the DC bills in support of AC bills had been submitted to the treasury within the prescribed time limit.

3.8.3 Non-submission/delay in submission of Detailed Contingency bills

Of the test checked 283 AC bills of 23 DDOs, it was revealed that only five DC bills of two DDOs were submitted within the stipulated period of 30 days, whereas 157 DC bills of 18 DDOs were submitted after a delay ranging from one month to eight years. It was further revealed that clearance certificates to the AC bills had not been issued till August 2015 by Accountant General (Accounts and Entitlements)-I, Maharashtra, Mumbai/Accountant General (Accounts and Entitlements)-II, Maharashtra, Nagpur/Pay and Accounts Office, Mumbai, either due to non-compliance to the remarks offered by the Accounting offices mentioned above on the DC bills or the DC bills were pending with the treasuries for scrutiny. Further audit scrutiny revealed that in the case of 110 AC bills of 11 DDOs, the DC bills were not submitted till August 2015. 11 AC bills of one DDO were not traceable in the office of the Commissioner of Police, Mumbai.

3.8.4 Drawal of Abstract Contingent bills in the month of March

In six cases, AC bills amounting ₹ 18.25 crore were drawn by DGP, Mumbai between March 2014 and March 2015 for making payments to the suppliers/parties but, no payments were made till August 2015 due to non-completion of purchase procedure.

Further, of ₹ 90.65 crore drawn by DGP, Mumbai in the month of March 2011, ₹ 82.02 crore had remained in the account of the DDO and refunded into the Treasury after a period of two to three years (**Appendix 3.9**). This showed that the primary objective of drawing these AC bills was to avoid the lapse of budgeted grants, indicating lack of budgetary controls.

3.8.5 Parking of funds drawn on Abstract Contingent bills in the Personal Ledger Accounts

The Home Department (HD), through 12 separate orders in March 2011, sanctioned ₹ 273.92 crore to the DGP, Mumbai for purchase of various items like machinery, equipment and arms and ammunition for the State Police Force, Modernization of Police Force Scheme, Anti-Naxal Programme *etc.* The HD also accorded sanction to draw this amount through AC bills and deposit the amount into the Personal Ledger Account (PLA) opened in the name of the Additional Chief Secretary (ACS), Home Department. The DGP was to submit the DC bills within stipulated period of 30 days.

The PLA was opened in April 2011 specifically for these 12 sanctions with the following conditions:

- The PLA was to be operative till March 2012; and
- The unspent balance as on 31 March 2012 should be credited to Government.

The DGP, Mumbai drew 177 AC bills amounting to ₹ 261.40 crore in March 2011, which was credited in June 2011 into this PLA. Since the purchase procedure could not be completed in respect of all the items, only ₹ 159.54 crore could be spent out of this PLA till March 2012 and there was a balance of ₹ 101.86 crore as on 31 March 2012. The HD extended operation of this PLA up to 31 October 2012.

Audit noticed that the DGP, Mumbai spent ₹ 58.18 crore from the PLA after October 2012 and the unspent balance of ₹ 43.68 crore was credited to the Government Accounts only in June 2014 and the PLA was closed in August 2014. Thus, ₹ 101.86 crore remained outside the Consolidated Fund of the State from November 2012 to June 2014 and it also affected the correctness of the Government accounts, both expenditure as well as liabilities.

3.8.6 Abstract Contingent bills drawn for strengthening of Police force in naxalite affected area

During January 2011, the HD released ₹ 42.30 crore to DGP, Mumbai for purchase of Mine Protected Vehicles (MPV), Brower Air Turbine Fuel and GPS Tracker System for strengthening of Police Force in naxalite affected areas. In March 2011, HD permitted the DGP to draw ₹ 42.30 crore on AC bills with the condition that the amount should be deposited into PLA of ACS, Home Department and DC bills should be submitted within the stipulated period of 30 days. Of the ₹ 42.30 crore drawn in March 2011, the DGP, Mumbai used ₹ 9.25 crore on purchase of Augmented Grenade Launcher with Ammunition and Helicopter on Wet Lease. In the remaining ₹ 33.05 crore, audit observed the following:

- One AC bill for ₹ 22.75 crore was drawn in March 2011 for purchasing MPV. The supplier (M/s TATA Motors) delivered 20 MPV between February 2012 and March 2012 and raised a bill for ₹ 18.91 crore. However, payment to the supplier could not be made and the amount drawn on AC Bill was remitted into Pay and Accounts Office, Mumbai in February 2012 *i.e.* 11 months after its drawal.
- Another AC bill for ₹ 30 lakh was drawn in March 2011 for purchasing Brower Air Turbine Fuel. The supplier (M/s Titan Anthony Aviation India Pvt. Ltd.), delivered the same in July 2013. However, payment of ₹ 17.55 lakh was made to the supplier in April 2014 not from ₹ 30 lakh drawn on AC bill but through regular bill drawn from supplementary grant of 2013-14. The earlier amount drawn for this purpose (₹ 30 lakh) was remitted to Pay and Accounts Office, Mumbai only in June 2014 *i.e.* after more than three years.
- AC bill for ₹ 10 crore was drawn in March 2011 for purchasing GPS Tracker System. This item could not be purchased as tenders were not finalized and the amount was remitted in June 2014.

Thus, of ₹ 42.30 crore drawn on AC bills, only ₹ 9.25 crore was used by DGP, Mumbai and balance amount of ₹ 33.05 crore was remitted in February 2012 (₹ 22.75 crore) and in June 2014 (₹ 10.30 crore).

3.9 Conclusion and recommendations

1. As on 31 March 2015, utilisation certificates (81,877) amounting ₹ 61,148.87 crore were not furnished by the grantee institutions indicating lack of proper monitoring in utilization of grants and loans given for specific purposes. Similarly, 5,457 detailed contingent bills amounting ₹ 1,001.17 crore were not submitted by the Drawing and Disbursing Officers of various departments.

The sanctioning authorities/concerned departments may evolve a mechanism to ensure that utilisation certificates in respect of the grants released for specific purposes are furnished by the grantee institutions on time. The Government may also ensure timely submission of detailed contingent bills by the Drawing and Disbursing Officers as stipulated in Maharashtra Treasury Rules, 1968.

2. There were delays in submission/finalisation of accounts by autonomous bodies/commercial undertakings which dilutes accountability and defeats the purpose of preparation of accounts. Also, Government's investments in these organisations could not be scrutinised by audit.

The Controlling Departments may identify the reasons for delay in finalisation of accounts of autonomous bodies/undertakings and institute remedial measures to ensure that arrears in accounts are cleared in a time bound manner.

Mumbai,
The 15 January 2016


(MEENAKSHI MISHRA)
Principal Accountant General (Audit)-I,
Maharashtra

Countersigned

New Delhi,
The 19 January 2016


(SHASHI KANT SHARMA)
Comptroller and Auditor General of India

APPENDICES

Appendix

1.1

State Profile

(Reference: Profile of Maharashtra; Page 1)

A GENERAL DATA			
Sr. No.	Particulars		Maharashtra figures
1	Area		3.08 lakh sq. km.
2	Population		
	a	As per 2001 Census	9.69 crore
	b	As per 2011 Census	11.24 crore
3	a	Density of Population* (as per 2001 census) (All India Density = 325 persons per sq. km.)	315 persons per sq. km.
	b	Density of Population* (as per 2011 census) (All India Density = 382 persons per sq. km.)	365 persons per sq. km.
4	Population Below Poverty Line** (BPL) (All India Average = 29.5 per cent)		20.0 per cent
5	a	Literacy* (2001) (All India Average = 64.8 per cent)	76.88 per cent
	b	Literacy* (2011) (All India Average = 73.0 per cent)	82.34 per cent
6	Infant mortality *** (per 1000 live births) (All India Average = 40 per 1000 live births)		24
7	Life Expectancy at birth **** (All India Average = 67.5 years)		71.3 years
8	Gini Coefficient* (A measure of inequality of income among the population. Value rate is from zero to one. Value closer to zero indicates inequality is less and vice versa)		
	a	Rural (All India = 0.29)	0.27
	b	Urban (All India = 0.38)	0.41
9	Gross State Domestic Product [§] (GSDP) 2014-15 at current price		1686695
10	Per capita GSDP CAGR (2005-06 to 2014-15)	Maharashtra	13.22 per cent
		General Category States	13.86 per cent
11	GSDP CAGR (2005-06 to 2014-15)	Maharashtra	14.81 per cent
		General Category States	15.44 per cent
12	Population growth [@] (2005-06 to 2014-15)	Maharashtra	13.35 per cent
		General Category States	12.76 per cent

B FINANCIAL DATA [#]					
Particulars		CAGR		Growth during 2014-15	
		2005-06 to 2013-14		over 2013-14	
		GCS	Maharashtra	GCS	Maharashtra
		(in per cent)			
a	of Revenue Receipts	15.76	15.16	16.10	10.41
b	of Own Tax Revenue	15.32	15.82	10.51	5.95
c	of Non-Tax Revenue	13.53	8.44	10.07	10.83
d	of Total Expenditure	15.23	12.96	19.32	12.26
e	of Capital Expenditure	14.61	8.96	21.87	(-) 2.48
f	of Revenue Expenditure on Education	17.10	17.17	14.55	3.81
g	of Revenue Expenditure on Health	16.20	15.69	28.73	24.67
h	of Salary and Wages	15.23	14.11	11.75	7.13
i	of Pension	18.70	18.54	12.43	9.87

* Census Info India 2011 Final population Totals

** Report of the expert group (Rangarajan) to Review the Methodology for Measurement of Poverty, Planning Commission (June 2014)

*** SRS Bulletin of September 2014

**** Economic Survey of Maharashtra 2014-15

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

§ Central Statistical Office

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

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

Appendix

1.2

Structure and form of Government Accounts

(Reference: Paragraph 1.1; Page 2)

Part-A: Structure of Government Accounts:

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

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

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

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

Part-B: Layout of Finance Accounts

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

Source: Finance Accounts

Fiscal Responsibility and Budgetary Management Act and Rules

(Reference: Paragraph 1.1; Page 2)

MAHARASHTRA FISCAL RESPONSIBILITY AND BUDGETARY MANAGEMENT ACT, 2005

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

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

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

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

- The State Government shall maintain a revenue surplus in 2011-12 and thereafter.
- The fiscal deficit of the State Government shall not exceed 3 *per cent* of GSDP in 2010-11 and thereafter.
- The State Government shall maintain the outstanding debt to GSDP up to 26.3 *per cent* in 2010-11, 26.1 *per cent* in 2011-12, 25.8 *per cent* in 2012-13, 25.5 *per cent* in 2013-14 and 25.3 *per cent* in 2014-15.

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

Medium Term Fiscal Policy Statement

- As prescribed in the Act, the State Government laid a Medium Term Fiscal Policy Statement (MTFPS) and a Fiscal Policy Strategy Statement along with the budget before the Legislature in June 2014. 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 2014-15, the Government is continuously committed to improve its spending pattern qualitatively and quantitatively. It has been focused to provide both the balanced sectoral and regional development. The present policy of balanced sectoral allocation to achieve both growth and improvement in Human Development Index would continue. The State has been optimally utilising its borrowing option mainly for the infrastructural development. Borrowings would be contained well within the limit set by the Central Government. As the guarantees given to sugar factories and textile mills have been invoked in recent past, the Government will scrutinize any future such proposals more carefully and would like to catalyse investment in infrastructure and agro-business. Budget 2014-15 reflects an attempt being made to gradually curtail non-productive non-plan revenue expenditure and to move towards revenue surplus status. At the same time, it is to be ensured that public investment in Agriculture, Human Development and Infrastructure is not squeezed.
- The State Government has developed its own Fiscal Correction Path (FCP) indicating the milestones of outcome indicators with target dates of implementation during the period from 2007-08 to 2018-19 keeping in view the fiscal targets laid down in the FRBM Act and/or the rules made thereunder.

Source: Budget 2014-15

Appendix

1.4

Outcome indicators of the
State's own Fiscal Correction Path

(Reference: Paragraph 1.1; Page 2)

(₹ in crore)

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

Source: Information received from Finance Department, Government of Maharashtra

Appendix

1.5

Abstract of Receipts and Disbursements for the year 2014-15 as compared to 2013-14

(Reference: Paragraph 1.1.1; Page 2)

(₹ in crore)

Receipts				Disbursements						
2013-14			2014-15	2013-14			Non-Plan	Plan	Total	2014-15
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
SECTION-A : REVENUE										
149821.81	Revenue receipts		165415.46	154902.42	Revenue expenditure	146244.84	31308.28	177553.12	177553.12	
108597.96	Tax revenue	115063.90		53979.27	General services	60156.61	329.16	60485.77		
				70879.08	Social services	57705.59	19246.90	76952.49		
11351.97	Non-tax revenue	12580.89		38237.81	Education, Sports, Art and Culture	37233.21	2462.50	39695.71		
				6815.96	Health and Family Welfare	4793.31	3703.93	8497.24		
16630.43	State's share of Union Taxes	17630.03		6951.52*	Water Supply, Sanitation, Housing and Urban Development	2705.34	4723.36	7428.70		
				67.82	Information and Broadcasting	52.30	69.47	121.77		
5532.58	Non-Plan grants	7304.07		7951.38	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	3215.89	4880.77	8096.66		
				767.40	Labour and Labour Welfare	583.02	312.28	895.30		
3683.57	Grants for State Plan Scheme	1665.45		9995.61	Social Welfare and Nutrition	9047.58	3064.15	12111.73		
				91.58	Others	74.94	30.44	105.38		
4025.30*	Grants for Central and Centrally sponsored Plan Schemes	11171.12		27991.32	Economic Services	26086.66	11599.91	37686.57		
				7821.23	Agriculture and Allied Activities	4622.14	3945.23	8567.37		
				3129.98	Rural Development	2035.76	4136.03	6171.79		
				33.36*	Special Areas Programmes	0.55	32.73	33.28		
				2741.80	Irrigation and Flood Control	2071.03	415.79	2486.82		
				5726.12	Energy	10545.01	346.16	10891.17		
				2548.56	Industry and Minerals	2774.66	119.06	2893.72		
				4729.06	Transport	3825.94	1730.03	5555.97		
				83.73	Science, Technology and Environment	0.07	77.30	77.37		
				1177.48	General Economic Services	211.50	797.58	1009.08		
				2052.75	Grants-in-aid and Contributions	2295.98	132.31	2428.29		
5080.61	Revenue deficit carried over to Section B		12137.66		Revenue Surplus carried over to Section B	0.00	0.00	0.00		

* Higher rounding

Appendix 1.5 (contd.)

(1)		(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)
SECTION-B :											
48843.72	III	Opening Cash balance including Permanent Advances and Cash Balance Investment		46883.46		III	Opening Overdraft from RBI				0.00
0	IV	Miscellaneous Capital receipts		0.00	20020.45	IV	Capital Outlay	3278.80	16244.67	19523.47	19523.47
					1038.52		General Services	186.77	678.54	865.31	
					2273.94		Social Services	156.25	1801.57	1957.82	
					102.24		Education, Sports, Art and Culture	0.00	95.81	95.81	
					553.00		Health and Family Welfare	0.00	469.54	469.54	
					714.76		Water Supply, Sanitation, Housing and Urban Development	160.87	305.81	466.68	
					705.99		Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	0.00	751.92	751.92	
					76.24		Social Welfare and Nutrition	(-)4.62	59.43	54.81	
					121.71		Others	0.00	119.06	119.06	
					16707.99		Economic Services	2935.78	13764.56	16700.34	
					1464.36		Agriculture and Allied Activities	1624.15	1833.01	3457.16	
					802.87		Rural Development	0.00	934.88*	934.88	
					71.11		Special Area Programme	0.00	63.71	63.71	
					7878.52		Irrigation and Flood Control	961.61	6049.63	7011.24	
					1658.59		Energy	0.00	1342.35	1342.35	
					0.39		Industry and Minerals	(-)0.01	116.22	116.21	
					4588.08		Transport	286.05	3413.80	3699.85	
					244.07		General Economic Services	63.98	10.96	74.94	
					0.00		Science Technology and Environment	0	0	0	
728.03	V	Recoveries of Loans and Advances		975.08	1645.10	V	Loans and Advances disbursed				1140.54
215.40		From Power Projects	446.09		1004.41		For Power Projects			589.67	
238.37		From Government Servants	249.23		328.54		To Government Servants			306.27	
274.26		From others	279.76		312.15		To Others			244.60	
0	VI	Revenue surplus brought down		0.00		VI	Revenue deficit brought down				12137.66

* Higher rounding

Appendix 1.5 (concl.d.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
26734.80	VII Public Debt receipts		29373.28	10261.86	VII Repayment of Public Debt				8827.78
0.00	External debt	0.00		0.00	External debt			0.00	
25770.33	Internal debt other than Ways and Means Advances and Overdraft	28831.02		9391.09	Internal debt other than Ways and Means Advances and Overdraft			7941.54	
0.00	Net transactions under Ways and Means Advances including Overdraft	0.00		0.00	Net transactions under Ways and Means Advances including Overdraft			0.00	
964.47	Loans and Advances from Central Government	542.26		870.77	Repayment of Loans and Advances to Central Government			886.24	
1350	VIII Appropriation from Contingency Fund	2350	2350	850	VIII Appropriation to Contingency Fund			4350	4350
859.62	IX Contingency Fund	4360	4360	1360	IX Contingency Fund			2350	2350
64020.19	X Public Account receipts		83021.94	56434.88	X Public Account disbursements				68985.90
4868.46	Small Savings and Provident Funds	4642.54		2974.67	Small Savings and Provident Funds			3382.99	
5540.03	Reserve Funds	5908.54		2798.46	Reserve Funds			2750.84	
(-)2693.61	Suspense and Miscellaneous	17039.01		11.79	Suspense and Miscellaneous			11817.00	
23958.08	Remittances	24182.45 [#]		25074.86	Remittances			24196.78	
32347.23	Deposits and Advances	31249.40		25575.10	Deposits and Advances			26838.29	
	XI Closing Overdraft from Reserve Bank of India			46883.46	XI Cash Balance at end				49648.41
				0.17	Cash in Treasuries			0.04	
	XII Inter State Settlement	0		(-)277.04	Deposits with Reserve Bank			(-)2323.40	
				54.88	Local Remittances			57.88	
				4.76	Departmental Cash Balance			5.65	
				0.50	Permanent Advances			0.57	
				31620.91	Cash Balance Investment			32996.05	
				15479.28	Investment of earmarked balances			18911.62	
142536.36	Total		166963.76	142536.36	Total				166963.76

Source: Finance accounts of respective years

[#] Lower rounding

Appendix

1.6

Outcome of analysis of budgetary assumptions during 2014-15

(Reference: Paragraph 1.1.3; Page 5)

(₹ in crore)

	Budget estimates	Actuals	Increase(+)/ Decrease (-)	Increase (+)/ Decrease(-) (in per cent)
1	2	3	4 (3-2)	5
Revenue Receipts of which	180320	165415	(-)14905	(-)8.27
Tax Revenue	118640	115064	(-)3576	(-)3.01
<i>Taxes on Sales, Trade etc.</i>	69090	67466	(-)1624	(-)2.35
<i>State excise</i>	11500	11397	(-)103	(-)0.90
<i>Taxes on vehicles</i>	5250	5405	155	2.95
<i>Stamps and Registration fees</i>	19426	19959	533	2.74
<i>Taxes on Goods and Passengers</i>	1098	587	(-)511	(-)46.54
<i>Land Revenue</i>	1867	1272	(-)595	(-)31.87
<i>Taxes and duties on electricity</i>	6501	4350	(-)2151	(-)33.09
<i>Other taxes</i>	3908	4628	720	18.42
Non-Tax Revenue	13509	12581	(-)928	(-)6.87
<i>Interest Receipts</i>	2974	3351	377	12.68
<i>Miscellaneous General Services</i>	414	450	36	8.70
<i>Non-ferrous Mining and Metallurgical Industries</i>	2767	2336	(-)431	(-)15.58
<i>Other Non-Tax Revenue</i>	7354	6444	(-)910	(-)12.37
Share of Union Taxes and Duties	20213	17630	(-)2583	(-)12.78
Grants-in-aid from GoI	27958	20140[#]	(-)7818	(-)27.96
Revenue Expenditure of which	184423	177553	(-)6870	(-)3.73
General Services	62469	60486	(-)1983	(-)3.17
<i>Administrative services</i>	16649	15086	(-)1563	(-)9.39
<i>Pension and Miscellaneous General Services</i>	14671	14407	(-)264	(-)1.80
<i>Appropriation for reduction or avoidance of debt/ transfer to RF</i>	1890	1890	0	0
<i>Interest Payments</i>	23805	23965	160	0.67
<i>Fiscal Services</i>	2945	2804	(-)141	(-)4.79
<i>Organs of State</i>	2509	2334	(-)175	(-)6.97
Social Services	77184	76952	(-)232	(-)0.30
<i>Education, Sports, Art and Culture</i>	41280	39696	(-)1584	(-)3.84
<i>Social Welfare and Nutrition</i>	6913	12112	5199	75.21
<i>Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes</i>	9471	8096 [#]	(-)1375	(-)14.52
<i>Health and Family Welfare</i>	9643	8497	(-)1146	(-)11.88
<i>Water Supply, Sanitation, Housing and Urban Development</i>	8590	7429	(-)1161	(-)13.52
<i>Information and Broadcasting</i>	84	122	38	45.24
<i>Labour and Labour Welfare</i>	1057	895	(-)162	(-)15.33
<i>Others</i>	146	105	(-)41	(-)28.08

[#] Lower rounding

Appendix 1.6 (concl.d.)

1	2	3	4 (3-2)	5
Economic Services	42649	37687	(-)4962	(-)11.63
<i>Agriculture and Allied Services</i>	8604	8567	(-)37	(-)0.43
<i>Rural Development</i>	12436	6172	(-)6264	(-)50.37
<i>Special Area Programme</i>	45	33	(-)12	(-)26.67
<i>Irrigation and Flood Control</i>	2600	2487	(-)113	(-)4.35
<i>Energy</i>	9417	10891	1474	15.65
<i>Industry and Minerals</i>	3008	2894	(-)114	(-)3.79
<i>Transport and Communication</i>	5269	5556	287	5.45
<i>Science, Technology and Environment</i>	81	78*	(-)3	(-)3.70
<i>General Economic Services</i>	1189	1009	(-)180	(-)15.14
Grants-in-aid and contributions	2121	2428	307	14.47
Capital expenditure	26915	19523	(-)7392	(-)27.46
<i>Irrigation and Flood Control</i>	6912	7011	99	1.43
<i>Transport and Communication</i>	2743	3700	957	34.89
<i>Energy</i>	2163	1342	(-)821	(-)37.96
<i>Health and Family Welfare</i>	562	469 [#]	(-)93	(-)16.55
<i>Education, Sports, Art and Culture</i>	226	96	(-)130	(-)57.52
<i>Water Supply, Sanitation, Housing and Urban Development</i>	289	467	178	61.59
<i>Rural Development</i>	6004	935	(-)5069	(-)84.43
<i>Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes</i>	2377	752	(-)1625	(-)68.36
<i>Others</i>	5639	4751	(-)888	(-)15.75
Revenue surplus (+)/deficit (-)	(-)4103	(-)12138	(-)8035	195.83
Fiscal surplus (+)/deficit (-)	(-) 30965	(-)31827	(-)862	2.78
Primary surplus (+)/deficit (-)	(-)7161	(-)7862	(-)701	9.79

Source: Finance Accounts and Budget for 2014-15

[#] Lower rounding

* Higher rounding

Appendix

1.7

Time series data on
State Government Finances

(Reference: Paragraph 1.3; Page 7)

(₹ in crore)

(₹ in crore)										
	2010-11		2011-12		2012-13		2013-14		2014-15	
(1)	(2)		(3)		(4)		(5)		(6)	
Part A: Receipts										
1. Revenue Receipts	105867.82		121286.14 ¹		142947.23		149821.81		165415.46	
(i) Tax Revenue	75027.10	(71)	87608.46	(72)	103448.58	(72)	108597.96	(72)	115063.90	(69)
Taxes on Agricultural Income	0	(0)	0	(0)	0	(0)	0	(0)	0	(0)
Taxes on Sales, Trade, etc.	42482.72	(57)	50596.36	(58)	60079.72	(58)	62530.03	(58)	67466.29	(59)
State Excise	5961.85	(8)	8605.47	(10)	9297.11	(9)	10101.12	(9)	11397.08	(10)
Taxes on Vehicles	3532.90	(5)	4137.42	(5)	5027.42	(5)	5095.92	(5)	5404.97	(5)
Stamps and Registration fees	13515.99	(18)	14407.49	(16)	17548.25	(17)	18675.98	(17)	19959.29	(17)
Land Revenue	1094.98	(1)	963.81	(1)	1074.02	(1)	1088.85	(1)	1272.38	(1)
Taxes on Goods and Passengers	599.88	(1)	574.25	(1)	690.74	(1)	1240.68	(1)	586.56	(0)
Other Taxes	7838.78	(10)	8323.66	(9)	9731.32	(9)	9865.38	(9)	8977.33	(8)
(ii) Non-tax Revenue	8225.04	(8)	8167.70	(7)	9984.40	(7)	11351.97	(8)	12580.89	(8)
(iii) State's share of Union taxes and duties	11419.78	(11)	13343.34	(11)	15191.92	(11)	16630.43	(11)	17630.03	(11)
(iv) Grants-in-aid from GoI	11195.90	(10)	12166.64	(10)	14322.33	(9)	13241.45	(9)	20140.64	(12)
2. Miscellaneous Capital Receipts	17.28		455.83		0		0		0	
3. Recoveries of Loans and Advances	640.09		558.74		862.85		728.03		975.08	
4. Total revenue and non-debt capital receipts (1 + 2 + 3)	106525.19		122300.71		143810.08		150549.84		166390.54	
5. Public Debt Receipts	20739.78		24452.56		21725.12		26734.80		29373.28	
Internal Debt (excluding Ways and Means Advances and Overdrafts)	19919.86		24146.19		20974.33		25770.33		28831.02	
Net transactions under Ways and Means Advances and Overdraft	0		0		0		0		0	
Loans and Advances from Government of India ²	819.92		306.37		750.79		964.47		542.26	
6. Appropriation from Contingency Fund	0		1000.00		725.00		1350.00		2350.00	
7. Inter-State settlement	0		0		0		0		0	
8. Total receipts in the Consolidated Fund (4+5+6+7)	127264.97		147753.27		166260.20		178634.64		198113.82	
9. Contingency Fund Receipts	853.00		511.20		875.00		859.62		4360.00	
10. Public Account receipts	48406.32		53389.38		47059.63		64020.19		83021.94	
11. Total receipts of the State (8+9+10)	176524.29		201653.85		214194.83		243514.45		285495.76	
Part B: Expenditure										
12. Revenue expenditure (per cent of 15)	106459.38	(85)	123554.19	(87)	138735.98	(88)	154902.42	(88)	177553.12	(89)
Plan	16927.59	(16)	22035.04	(18)	24530.08	(18)	25910.34	(17)	31308.28	(18)
Non-Plan	89531.79	(84)	101519.15	(82)	114205.90	(82)	128992.08	(83)	146244.84	(82)
General Services (incl. Interest payments)	37704.23	(36)	42852.88	(35)	47665.67	(34)	53979.27	(35)	60485.77	(34)
Social Services	48282.06	(45)	54812.21	(44)	62038.97	(45)	70879.08	(46)	76952.49	(43)
Economic Services	19285.36	(18)	24868.75	(20)	27550.82	(20)	27991.32	(18)	37686.57	(21)
Grants-in-aid and Contribution	1187.73	(1)	1020.35	(1)	1480.52	(1)	2052.75	(1)	2428.29	(1)
13. Capital Expenditure (per cent of 15)	17963.37	(14)	17879.54	(12)	17397.98	(11)	20020.45	(11)	19523.47	(10)
Plan	15654.05	(87)	15031.38	(84)	15094.60	(87)	17681.42	(88)	16244.67	(83)
Non-Plan	2309.32	(13)	2848.16	(16)	2303.38	(13)	2339.03	(12)	3278.80	(17)
General Services	541.49	(3)	795.91	(4)	901.69	(5)	1038.52	(5)	865.31	(4)
Social Services	1240.71	(7)	2096.95	(12)	1823.98	(10)	2273.94	(11)	1957.82	(10)
Economic Services	16181.17	(90)	14986.68	(84)	14672.31	(84)	16707.99	(83)	16700.34	(86)

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

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

² Includes Ways and Means Advances

Appendix 1.7 (contd.)

(1)	(2)	(3)	(4)	(5)	(6)
14. Disbursement of Loans and Advances (per cent of 15)	959.08 (1)	836.28 (1)	1415.94 (1)	1645.10 (1)	1140.54 (1)
15. Total (12+13+14)	125381.83	142270.01	157549.90	176567.97	198217.13
16. Repayments of Public Debt	4773.61	6458.35	6652.52	10261.86	8827.78
Internal Debt (excluding Ways and Means Advances and Overdrafts)	4290.63	5837.92	5959.59	9391.09	7941.54
Net transactions under Ways and Means Advances and Overdrafts	0	0	0	0	0
Loans and Advances from Government of India ³	482.98	620.43	692.93	870.77	886.24
17. Appropriation to Contingency Fund	850.00	500.00	875.00	850.00	4350.00
18. Total disbursement out of Consolidated Fund (15+16+17)	131005.44	149228.36	165077.42	187679.83	211394.91
19. Contingency Fund disbursements	11.20	1000.00	734.62	1360.00	2350.00
20. Public Account disbursements	39557.62	46962.93	35511.03	56434.89	68985.90
21. Total disbursement by the State (18+19+20)	170574.26	197191.29	201323.07	245474.72	282730.81
Part C: Deficits					
22. Revenue Deficit(-)/Surplus (+) (1-12)	(-)591.56	(-)2438.05⁴	4211.25	(-)5080.61	(-)12137.66
23. Fiscal Deficit (-)/Surplus (+) (4-15)	(-)18856.64	(-)20139.53⁴	(-)13739.82	(-)26018.13	(-)31826.59
24. Primary Deficit (-)/Surplus (+) (23-25)	(-)3208.67	(-)2634.90⁴	5335.82	(-)4811.09	(-)7861.85
Part D: Other Data					
25. Interest Payments (included in revenue expenditure)	15647.97	17504.63	19075.64	21207.04	23964.74
26. Financial Assistance to local bodies etc.	47646.45	55363.01	63767.90	68049.83	72710.98
27. Ways and Means Advances/Overdraft availed (days)					
Ways and Means availed (days)	nil	nil	8	5	42 days
Overdraft availed (days)	nil	nil	nil	nil	nil
28. Interest on WMA/Overdraft	0	0	0.22	0.40	5.12
29. Gross State Domestic Product (GSDP)	1049150	1170121⁵	1322222⁵	1510132⁵	1686695⁵
30. Outstanding Fiscal liabilities (year-end)	220950	245318	269077	293805	319746
31. Outstanding guarantees (year-end)⁶ (including interest)	15040.87	13977.44⁷	9245.72	7234.57	7999.45
32. Maximum amount guaranteed (year-end)	44413.93	28139.20	41352.75	32247.11	34563.60
33. Number of ongoing projects	233	614	782	753	592
34. Capital blocked in ongoing projects	5699.76	43681.43	62152.25	62145.87	65146.79⁸

³ Includes Ways and Means Advances from GoI

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

⁵ GSDP figures have been revised

⁶ As per Finance Accounts of respective years

⁷ Differs from closing balance for the year 2011-12 owing to updated information furnished by State Government

⁸ (Also refer Appendix 1.10)

Appendix 1.7 (concl.)

(1)	(2)	(3)	(4)	(5)	(6)
Part E: Fiscal Health Indicators					
I Resource Mobilization					
Own Tax revenue/GSDP	7.15	7.45	7.81	7.36	6.82
Own Non-Tax Revenue/GSDP	0.78	0.69	0.75	0.77	0.75
Central Transfers/GSDP	1.09	1.14	1.15	1.13	1.05
II Expenditure Management					
Total Expenditure/GSDP	12.00	12.10	11.90	12.00	11.80
Total Expenditure/Revenue Receipts	118.40	117.30	110.20	117.90	119.80
Revenue Expenditure/Total Expenditure	84.90	86.84	88.10	87.70	89.60
Expenditure on Social Services/Total Expenditure	39.50	40.00	40.50	41.40	38.80
Expenditure on Economic Services/Total Expenditure	28.30	28.01	26.80	25.30	27.40
Capital Expenditure/Total Expenditure	14.30	12.57	11.00	11.30	9.80
Capital Expenditure on Social and Economic Services/Total Expenditure.	13.90	12.01	10.50	10.80	9.40
III Management of Fiscal Imbalances					
Revenue deficit/GSDP	(-)0.60	(-)0.20	0.30	(-)0.30	(-)0.70
Fiscal deficit/GSDP	(-)1.80	(-)1.70	(-)1.04	(-)1.70	(-)1.90
Primary Deficit (surplus)/GSDP	(-)0.30	(-)0.20	0.50	(-)0.40	(-)0.50
Revenue Deficit (surplus)/Fiscal Deficit	3.10	12.10	(-)30.60	19.50	38.10
Primary Revenue Deficit (surplus)/GSDP	1.50	1.30	(-)0.40	1.00	0.70
IV Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP	21.10	21.00	20.40	19.50	19.00
Fiscal Liabilities/RR	208.70	202.30	188.20	196.10	193.30
Primary deficit vis-à-vis quantum spread (percentage)	(-)14.77	(-)11.56	36.87	(-)26.81	(-)68.97
Debt Redemption (Principal +Interest)/ Total Debt Receipts	87.71	87.19	103.47	103.24	112.85
V Other Fiscal Health Indicators					
Return on Investment	0.06	0.04	0.05	0.02	0.03
Balance from Current Revenue (₹ in crore)	8345	10331	20332	14713	8224
Financial Assets/Liabilities	0.80	0.80	0.80	0.80	0.80
<i>Source: Finance Accounts of respective years</i>					

Appendix

1.8

Details of grants released,
disbursed and utilised

(Reference: Paragraph 1.3.4.3; Page 14)

(₹ in crore)

Sr. No	Name of the grant/purpose	2010-15		
		Amount to be released by GoI as per recommendation of ThFC	Actual release by GoI	Actual utilisation/ Amount for which UC is submitted by GoM
1	Local bodies			
a	Basic grants to PRIs	3595.17	3643.04	2535.61
b	General performance grant to PRIs	1903.43	1567.75	817.40
c	Forfeited grants to PRIs	0.00	318.09	71.79
d	Special Area basic grants to PRIs	39.40	39.50	22.49
e	Special area performance grant to PRI	27.60	23.45	11.41
	Total	5565.60	5591.83	3458.70
f	Basic grants to ULBs	2077.71	2105.21	1259.15
g	General performance grant to ULBs	1100.00	441.55	466.31
h	Forfeited grant to ULBs	0.00	358.08	
	Total	3177.71	2904.84	1725.46
2	Disaster relief			
a	State Disaster Response Fund	1834.60	1834.61	1046.75
b	Capacity building	25.00	20.00	15.00
	Total	1859.60	1854.61	1061.75
3	Improving outcome grants			
a	Improvement in justice delivery	542.65	207.54	118.98
b	Incentive for issuing UIDs	317.40	76.58	31.74
c	Improvement of statistical systems at State and district level	35.00	14.00	5.58
d	Employee and pension data base	10.00	2.50	2.50
e	District Innovation Fund	35.00	17.50	0.00
f	Infant mortality	0.00	367.61	0.00
	Total	940.05	685.73	158.80
4	Environment Related grants			
a	Forest	309.60	309.60	230.58
b	Water sector management	368.00	368.00	Not applicable*
c	Renewable energy	0.00	961.03	0.00
	Total	677.60	1638.63	230.58
5	Elementary Education	744.00	744.00	743.93
6	Roads and bridges	2103.00	2103.00	Not applicable*
7	State Specific Needs			
a	Construction of anganwadi centres	300.00	150.00	97.44
b	Anti-sea erosion measures	205.00	153.75	102.50
c	Development of roads in hilly areas	200.00	150.00	136.39
d	Police training	223.00	200.70	161.49
e	Heritage conservation	100.00	50.00	16.67
f	Upgradation and improvement of prison	60.00	30.37	25.40
g	Food Testing Labs	32.00	16.00	7.91
h	Strengthening of ITIs	115.00	57.50	21.79
	Total	1235.00	808.32	569.59
	GRAND TOTAL	16302.56	16330.96	7948.81

Source: Information furnished by Finance Department

* UC is not mandatory as per ThFC guidelines

Appendix

1.9

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

Commission till 2015

(Reference: Paragraph 1.3.4.3; Page 14)

(₹ in crore)

Sr. No	Name of the grant/ Purpose	Condition for release of subsequent instalment	Details of grant received less/more than that recommended by ThFC till 2015			Net shortfall/ excess	
			Year from which grant was recommended	Amount of short release	Amount of excess release/release without provision	Shortfall	Excess
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(1a)	Local bodies (PRI)						
	Basic grants to PRIs	Submission of UC of the earlier releases	2010-11	6.17	----		
			2011-12	----	54.23		
			2012-13	----	35.12		
			2013-14	----	18.88		
			2014-15	54.19	----		
	Total			60.36	108.23	----	47.87
	General performance grant to PRI	Submission of UC of the earlier releases and submission of certificates regarding fulfilment of conditionalities	2011-12	----	18.07		
			2012-13	----	23.45		
			2013-14	----	12.60		
			2014-15	389.80	----		
	Total			389.80	54.12	335.68	----
	Forfeited grants to PRIs		2011-12	----	80.10		
			2012-13	----	109.54		
			2013-14	----	128.45		
	Total			----	318.09	----	318.09
	Special area basic grant to PRI		2014-15	----	0.10		
	Total			----	0.10	----	0.10
	Special area performance grant to PRI	No condition is stipulated. (To be released by GoI from 2011-12 as per guidelines)	2014-15	4.15	----		
	Total			4.15	----	4.15	----
	Total PRI			454.31	480.54	339.83	366.06
1b	Local bodies (ULB)						
	Basic grants to ULB	Submission of UC of the earlier releases	2010-11	3.63	----		
			2011-12	----	31.32		
			2012-13	----	20.25		
			2013-14	----	10.92		
			(2 nd instalment) 2014-15	31.36	----		
	Total			34.99	62.49	----	27.5
	General performance grant to ULB	Submission of UC of the earlier releases	2011-12	----	10.45		
			2012-13	130.84	----		
			2013-14	155.16	----		
			2014-15	382.90	----		
	Total			668.90	10.45	658.45	----
	Forfeited grant to ULB		2011-12	----	58.32		
			2012-13	----	104.06		
			2013-14	----	195.70		
	Total			----	358.08	----	358.08
	Total ULB			703.89	431.02	658.45	385.58

Appendix 1.9 (contd.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
2	Disaster Relief						
	SDRF	Confirmation of accounting procedure	2013-14	----	0.01		
			2014-15	----	----		
	Total			----	0.01	----	0.01
	Capacity Building	Submission of perspective plan approved by SEC and submission of UCs for the grants released	2013-14	----	----		
			2014-15	5.00			
	Total			5.00	----	5.00	----
	Total Disaster relief			5.00	0.01	4.99	----
3	Improving outcome Grants						
	Improvement in Justice delivery	Formation of State Litigation Policy, Utilisation of the 100% of I instalment and 60% utilisation of II instalment	2010-11	----	0.01		
			2011-12	37.77	----		
			2012-13	86.25	----		
			2013-14	102.57	----		
			2014-15	108.53	----		
	Total			335.12	0.01	335.11	----
	Incentive for issuing UID	To be released on a reimbursement basis based on various criteria i.e. mainly by identifying the BPL population.	2010-11	31.74	----		
			2011-12	63.48	----		
			2012-13	63.48	----		
			2013-14	63.48	----		
			2014-15	18.64	----		
	Total			240.82	----	240.82	----
	Improvement of statistical systems at State and District level	Achievement of milestones and utilization of atleast 2/3rd of the first instalment	2010-11	7.00	----		
			2011-12	----	7.00		
			2012-13	7.00	----		
			2013-14	7.00	----		
			2014-15	7.00	----		
	Total			28.00	7.00	21.00	----
	Employee and Pension database	Completion of work in three years and submission of UC	Balance Grant	7.50	----	7.50	----
	District Innovation Fund	Submission of report in the prescribed format on the end use of the first instalment	Balance Grant	17.50	----	17.50	----
	Infant Mortality	Eligibility for grant will be based on SRS bulletins for relevant years	2012-13	----	133.08		
			2013-14	----	98.27		
			2014-15	----	136.26		
	Total			----	367.61	----	367.61
	Total Improving outcome Grants			628.94	374.62	621.93	367.61

Appendix 1.9 (concl.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
4	Environment related grants						
	Renewable energy		2014-15	---	961.03	----	961.03
	Total Environment related grants				961.03		961.03
5	State specific grants						
	Construction of Anganwadi centres	To be released from 2011-12 on submission of action plan duly approved by HLMC and subsequent releases on utilization of at least 2/3rd of 1st instalment released	2013-14	75.00	----		
			2014-15	75.00	----		
			Total	150.00	----	150.00	----
	Anti-sea erosion measures		2013-14	----	----		
			2014-15	51.25	----		
			Total	51.25	----	51.25	----
	Development of roads in hilly areas		2014-15	50.00	----	50.00	----
	Police training		2014-15	22.30	----	22.30	----
	Heritage conservation		2013-14	25.00	----		
			2014-15	25.00	----		
			Total	50.00	----	50.00	----
	Upgradation and improvement of prison		2011-12	----	0.22		
			2012-13	----	0.15		
			2013-14	15.00	----		
			2014-15	15.00	----		
	Total			30.00	0.37	29.63	
	Food testing Labs		2012-13	----	----		----
			2013-14	8.00	----		
			2014-15	8.00	----		
	Total			16.00	----	16.00	----
	Strengthening of ITIs		2012-13	----	----		
			2013-14	28.75	----		
			2014-15	28.75	----		
	Total			57.50	----	57.50	----
	Total State specific grants			427.05	0.37	426.68	----
	GRAND TOTAL			2219.19	2247.59	2051.88	2080.28

Source: Information furnished by Finance Department

Appendix

1.10

Profile of ongoing projects of Public Works Department

(Reference: Paragraph 1.8.1.2; Page 38)

(₹ in crore)

Department		No. of incomplete projects	Initial budgeted cost	Revised total cost	Cost overrun	Cumulative actual expenditure as on 31 March 2015
PWD	Buildings	9	40.94	NA-I(B)	0.00	20.01
		14	34.97	-	0.00	68.51
	Housing	-	-	-	-	-
	Roads	11	51.35	NA-I(B)/NA-II(C)	0.00	19.32
		26	60.89	-	0.00	108.91
	Bridges	9	31.13	NA-I(B)/NA-II(C)	0.00	17.09
		8	10.62	-	0.00	10.71
Total		77	229.90		0.00	244.55

Source: Appendix IX of Finance Accounts 2014-15

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

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

Appendix

1.11

Details of Government investments and accumulated losses in Government Companies as of September 2015

(Reference: Paragraph 1.8.2; Page 38)

(₹ in crore)

Sr. No.	Sector and name of the Company	Period of accounts	State Government		Net profit/loss for the year	Accumulated loss of loss making companies
			Equity	Loans outstanding		
A. Working Government Companies						
AGRICULTURE AND ALLIED						
1	Maharashtra State Farming Corporation Limited.	2013-14	2.75	128.85	(-)7.00	(-)208.15
Sector-wise total			2.75	128.85	(-)7.00	(-)208.15
FINANCE						
2	Maharashtra State Handlooms Corporation Limited	2013-14	86.27	20.08	(-)4.09	(-)118.24
Sector-wise total			86.27	20.08	(-)4.09	(-)118.24
INFRASTRUCTURE						
3	Development Corporation of Konkan Limited	2013-14	8.81	5.92	(-)0.80	(-)14.51
4	Maharashtra State Road Development Corporation Limited	2011-12	773.56	-	(-)173.16	(-)3271.16
5	Mihan India Limited	2013-14	-	-	(-)31.95	(-)27.44
Sector-wise total			782.37	5.92	(-)205.91	(-)3313.11
MANUFACTURING						
6	Maharashtra State Power looms Corporation Limited	2012-13	12.77	0.20	(-)0.76	(-)10.91
Sector-wise total			12.77	0.20	(-)0.76	(-)10.91
POWER						
7	MSEB Holding Company Limited	2013-14	15101.44	6578.01	(-)155.23	(-)3962.65
8	Maharashtra Power Development Corporation Limited	2013-14	-	-	(-)0.06	(-)1012.47
9	Maharashtra State Electricity Distribution Company Limited	2013-14	327.67	223.07	(-)1166.64	(-)5946.99
Sector-wise total			15429.11	6801.08	(-)1321.93	(-)10922.11
SERVICES						
10	Mahatourism Corporation Limited	2013-14	-	-	(-)0.01	(-)0.07
11	Mumbai Metro Rail Corporation Limited	2013-14	0.05	-	(-)0.44	(-)0.73
Sector-wise total			0.05	-	(-)0.45	(-)0.80
Total A (All sector-wise working Government companies)			16313.32	6956.13	(-)1540.14	(-)14573.32

Appendix 1.11 (concl.)

Sr. No.	Sector and name of the Company	Period of accounts	State Government		Net profit/loss for the year	Accumulated loss of loss making companies
			Equity	Loans outstanding		
B. Working Statutory Corporations						
SERVICE						
12	Maharashtra State Road Transport Corporation	2013-14	3326.77	200.00	(-)572.65	(-)1294.33
Total B (All sector wise working Statutory Corporations)			3326.77	200.00	(-)572.65	(-)1294.33
C. Non-working Government Companies						
AGRICULTURE AND ALLIED						
13	Dairy Development Corporation of Marathwada Limited	2013-14	–	–	(-)0.0005	(-)3.09
14	Ellora Milk Products Limited	2013-14	–	–	(-)0.001	(-)1.52
15	Parbhani Krishi Go-samvardhan Limited	2013-14	–	–	(-)0.03	(-)1.01
Sector-wise total				0.00	(-)0.03	(-)5.62
FINANCE						
16	Kolhapur Chitranagri Mahamandal Limited	1998-99	3.24	0.13	(-)0.14	(-)1.61
Sector-wise total			3.24	0.13	(-)0.14	(-)1.61
MANUFACTURING						
17	Maharashtra Electronics Corporation Limited	2013-14	9.69	57.72	(-)13.64	(-)295.48
18	Maharashtra State Textile Corporation Limited	2013-14	236.15	–	(-)37.89	(-)916.42
19	Sahyadri Glass Works Limited	1993-94			(-)0.41	(-)9.22
20	The Gondwana Paints and Minerals Limited	2013-14	–	–	(-)0.0006	(-)1.34
21	The Pratap Spinning, Weaving and Manufacturing Company Limited	2013-14	–	–	(-)0.01	(-)63.87
Sector-wise total			245.84	57.72	(-)51.95	(-)1286.33
Total C (All sector wise non-working Government Companies)			249.08	57.85	(-)52.12	(-)1293.56
Grand Total (A+B+C)			19889.17	7213.98	(-)2164.91	(-)17161.21

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

Appendix

1.12

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

(Reference: Paragraph 1.8.2.1; Page 39)

Sr. No.	Name of the Undertaking	Year of commencement	Period of accounts	Mean Government Capital	Block Assets at depreciated cost	Depreciation provided during the year	Turnover	Net Profit (+)/ Loss (-)	Interest on Capital	Total Return (9+10)	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	2013-14	6679.90	1804.48	70.63	4740.04	(-)13413.23	701.39	(-)12711.84	(-)190.30
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	2013-14	2383.18	1403.60	56.40	3573.00	(-)2416.82	250.23	(-)2166.59	(-)90.91
4	Central Dairy, Goregaon	1951	2013-14	10049.67	672.53	38.89	2498.29	(-)2845.46	1055.22	(-)1790.24	(-)17.81
5	Unit Scheme, Mumbai	1950	2013-14	2606.12	2355.32	69.70	0.00	520.51	273.64	794.15	30.47
6	Agricultural Scheme, Mumbai	1950	2013-14	958.43	890.20	18.92	0.00	(-)163.96	100.64	(-)63.32	(-)6.61
7	Electrical Scheme, Mumbai	1950	2013-14	578.33	11.12	0.61	0.00	(-)545.54	60.72	(-)484.82	(-)83.83
8	Water Supply Scheme, Mumbai	1950	2013-14	1362.12	852.04	37.61	0.00	(-)476.99	143.02	(-)333.97	(-)24.52
9	Cattle Feed Scheme, Mumbai	1950	2013-14	(-)222.72	18.43	0.61	0.00	374.09	(-)2.39	371.70	(-)1636.00
10	Cattle Breeding and Rearing Farm, Palghar	1979	2013-14	124.54	50.96	0.01	0.00	(-)86.25	13.08	(-)73.17	(-)58.75
11	Dairy Project, Dapchari	1960	2013-14	1171.90	408.40	20.82	24.66	(-)1109.97	123.05	(-)986.92	(-)84.22
12	Government Milk Scheme, Bhiwandi	1987	2013-14	3.98	25.05	1.28	46.15	(-)61.98	12.47	(-)49.51	(-)1243.97
13	Government Milk Chilling Centre, Saralgaon (Dist.: Thane)	1978	2013-14	19.19	11.61	0.26	0.00	(-)18.51	2.01	(-)16.50	(-)85.98
14	Government Milk Scheme, Khopoli	1966	2013-14	301.30	128.22	9.40	628.71	(-)140.98	31.64	(-)109.34	(-)36.29
15	Government Milk Scheme, Mahad	1966	2013-14	103.29	78.11	1.56	0.24	(-)49.80	10.85	(-)38.95	(-)37.71
16	Government Milk Scheme, Chiplun	1966	2013-14	287.38	65.78	4.97	0.00	(-)211.80	30.18	(-)181.62	(-)63.20
17	Government Milk Scheme, Ratnagiri	1965	2013-14	379.02	103.82	3.57	347.36	(-)192.82	39.80	(-)153.02	(-)40.37
18	Government Milk Scheme, Kankavali	1966	2012-13	263.20	173.33	15.07	248.48	(-)95.01	27.64	(-)67.37	(-)25.60
	TOTAL	---		27510.45	9118.00	356.58	12979.00	(-)20934.52	2900.66	(-)18033.86	(-)65.55
Pune Region											
19	Government Milk Scheme, Pune	1950	2013-14	663.71	377.55	17.92	0.00	(-)1207.80	69.69	(-)1138.11	(-)171.48
20	Government Milk Scheme, Mahabaleshwar	1966	2013-14	211.49	41.57	2.95	0.00	(-)93.59	22.21	(-)71.39	(-)33.75
21	Government Milk Scheme, Satara	1979	2013-14	630.68	293.63	4.34	555.14	(-)454.27	66.22	(-)388.04	(-)61.53
22	Government Milk Scheme, Miraj	1961	2013-14	4812.47	453.24	25.04	0.00	(-)1576.19	505.31	(-)1070.88	(-)22.25
23	Government Milk Scheme, Solapur	1960	2013-14	199.59	27.01	1.73	1.58	(-)280.72	20.96	(-)259.76	(-)130.15
	TOTAL			6517.94	1193	51.98	556.72	(-)3612.57	684.39	(-)2928.18	(-)44.92
Nashik Region											
24	Government Milk Scheme, Nashik	1960	2013-14	208.91	76.73	3.50	184.27	(-)396.12	21.94	(-)374.18	(-)179.11
25	Government Milk Scheme, Wani (Dist.: Nashik)	1978	2013-14	41.94	13.52	0.02	68.27	(-)53.53	4.40	(-)49.13	(-)117.14
26	Government Milk Scheme, Ahmednagar	1969	2013-14	328.86	124.02	8.94	0.00	(-)611.37	34.53	(-)576.84	(-)175.41
27	Government Milk Scheme, Chalisgaon	1969	2013-14	178.31	16.44	1.39	0.00	(-)97.70	18.72	(-)78.98	(-)44.29
28	Government Milk Scheme, Dhule	1961	2013-14	1073.75	216.51	8.36	75.97	(-)416.62	112.74	(-)303.88	(-)28.30
	TOTAL			1831.77	447.22	22.21	328.51	(-)1575.34	192.33	(-)1383.01	(-)75.50

Appendix 1.12 (concl.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Aurangabad Region											
29	Government Milk Scheme, Aurangabad	1962	2013-14	1462.21	239.41	7.24	639.56	(-)803.14	153.53	(-)649.61	(-)44.43
30	Government Milk Scheme, Udgir	1971	2013-14	3319.20	661.08	28.05	1291.12	(-)1623.10	348.52	(-)1274.58	(-)38.40
31	Government Milk Scheme, Beed	1976	2013-14	3238.04	552.11	16.64	2187.80	(-)1007.87	339.99	(-)667.88	(-)20.63
32	Government Milk Scheme, Nanded	1977	2013-14	1173.53	99.33	4.73	924.16	(-)560.29	123.22	(-)437.07	(-)37.24
33	Government Milk Scheme, Bhoom	1978	2013-14	1637.11	131.48	6.02	0.00	(-)552.74	171.90	(-)380.84	(-)23.26
34	Government Milk Scheme, Parbhani	1979	2013-14	886.12	63.32	2.77	857.58	(-)465.68	93.04	(-)372.64	(-)42.05
	TOTAL			11716.21	1746.73	65.45	5900.22	(-)5012.82	1230.20	(-)3782.62	(-)32.29
Amravati Region											
35	Government Milk Scheme, Amravati	1962	2013-14	1076.28	888.06	6.38	368.41	(-)450.69	113.01	(-)337.68	(-)31.37
36	Government Milk Scheme, Akola	1962	2013-14	1456.62	466.60	18.53	281.16	(-)829.65	152.95	(-)676.70	(-)46.46
37	Government Milk Scheme, Yavatmal	2000	2013-14	440.44	189.09	5.67	68.27	(-)83.38	46.25	(-)37.13	(-)8.43
38	Government Milk Scheme, Nandura	1979	2012-13	186.91	59.20	0.18	113.93	(-)142.45	19.63	(-)122.82	(-)65.71
	TOTAL			3160.25	1602.95	30.76	831.77	(-)1506.17	331.84	(-)1174.33	(-)37.16
Nagpur Region											
39	Government Milk Scheme, Nagpur	1958	2013-14	0.00	1098.11	7.31	2079.55	(-)941.05	0.00	(-)941.05	0.00
40	Government Milk Scheme, Wardha	1976	2013-14	1092.13	30.12	1.11	568.57	(-)282.23	114.67	(-)167.56	(-)15.34
41	Government Milk Scheme, Chandrapur	1979	2013-14	0.00	85.97	3.45	1546.96	(-)198.54	0.00	(-)198.54	0.00
42	Government Milk Scheme, Gondia	1979	2013-14	2563.80	108.62	2.57	0.00	(-)784.10	269.20	(-)514.90	(-)20.08
	TOTAL			3655.93	1322.82	14.44	4195.08	(-)2205.92	383.87	(-)1822.05	(-)49.84
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			1,857.85	15.27	9.27	826.24	383.32	170.74	554.06	29.82
Food, Civil Supplies and Consumer Protection Department											
48	Procurement and Distribution and Price Control Scheme in Mumbai and Thane Rationing Area	1959	2010-11	63789.49	142.96	15.70	54886.17	1036.29	3181.78	4218.07	6.61
49	Procurement and Distribution and Price Control Scheme in Mofussil Area	1957	2010-11	82846.29	390.30	35.41	198330.56	(-)13071.45	8285.79	(-)4785.66	(-)5.78
	TOTAL			146635.78	533.26	51.11	253216.73	(-)12035.16	11467.57	(-)567.59	(-)0.38

Source: Proforma Accounts

Appendix

1.13

Summarised financial position of the Government of Maharashtra as on 31 March 2015

(Reference: Paragraph 1.9.1; Page 42)

(₹ in crore)

As on 31/03/2014	Liabilities	As on 31/03/2015	
208015.98	Internal Debt		228905.46
125231.62	Market Loans bearing interest	147494.98	
81.61	Market Loans not bearing interest	81.09	
926.59	Loans from LIC	716.76	
81776.16	Loans from other institutions	80612.63	
--	Ways and Means Advances/Overdrafts from Reserve Bank of India	--	
8893.22	Loans and Advances from Central Government		8549.25
6.73	Pre 1984-85 Loans	6.73	
70.03	Non-Plan Loans	64.13	
8816.46	Loans for State Plan Schemes	8478.39	
0	Loans for Central Plan Schemes	0	
0	Loans for Centrally Sponsored Plan Schemes	0	
0	Ways and Means Advances	0	
140.00	Contingency Fund		2150.00
21053.26	Small Savings, Provident Funds etc.		22312.81
45711.47	Deposits		50122.29
25610.02	Reserve Funds		28767.72
5729.47	Suspense and Miscellaneous Balances		10951.33
1166.83	Remittances		1152.50
316320.25	TOTAL		352911.36
As on 31/03/2014	Assets	As on 31/03/2015	
193355.05	Gross Capital Outlay on Fixed Assets		212878.51
101867.20	Investments in shares of Companies, Corporations etc.	110671.69	
91487.85	Other Capital Outlay	102206.82	
21656.78	Loans and Advances		21822.25
6391.27	Loans for Power Projects	6534.85	
14027.85	Other Development Loans	13992.70	
1237.66	Loans to Government servants	1294.70	
11.79	Advances		11.50
46883.46	Cash		49648.41
0.17	Cash in Treasuries	0.04	
(-)277.04	Deposits with Reserve Bank	(-)2323.40	
54.88	Local remittances	57.88	
4.76	Departmental Cash Balance	5.65	
0.5	Permanent Advances	0.57	
31620.91	Cash Balance Investments	32996.05	
15479.28	Investment of earmarked balances	18911.62	
54929.99	Deficit on Government Accounts		69067.51
5080.61	(i) Revenue deficit of the current year	12137.66	
(-)0.06	(ii) Proforma correction	(-)0.15	
(-)499.90	(iii) Amount closed to Government Accounts	2000.00	
50349.34	Accumulated deficit upto 31 March 2014	54930.00	
(-)516.82	Capital Receipts		(-)516.82
(-)516.82	Upto previous year	(-)516.82	
0.00	During the year	0.00	
316320.25	TOTAL		352911.36

Source: Finance Accounts of respective years

Explanatory Notes for Appendices 1.5, 1.7 and 1.13

The abridged accounts in the foregoing statements have to be read with comments and explanations in the Finance Accounts. Government accounts being mainly on cash basis, the deficit on Government account, as shown in **Appendix 1.13**, indicates the position on cash basis, as opposed to accrual basis in commercial accounting. Consequently, items payable or receivable or items like depreciation or variation in stock figures, etc., do not figure in the accounts. Suspense and Miscellaneous balances include cheques issued but not paid, payments made on behalf of the State and other pending settlements, etc. There was a difference of ₹ 30.81 crore (credit) between the figures reflected in the Accounts and that intimated by the Reserve Bank of India under "Deposits with Reserve Bank". The difference is mainly due to "Treasury/Bank difference" of ₹ 30.81 crore.

Appendix

1.14

Active and Inoperative Reserve Funds*(Reference: Paragraph 1.9.3; Page 44)*

(₹ in crore)

Classification	Opening balance	Receipts	Payments	Closing balance
Inoperative Reserve Funds				
8115-103 - Depreciation Reserve Fund road Transport Department Betterment Fund	0.08	0	0	0.08
8121-101 - General and Other Reserve Funds of Government Commercial Departments/Undertakings	0.06	0	0	0.06
8229-102 - Development Funds for Medical and Public Health	0.08	0	0	0.08
8229-104 - Development Funds for Animal Husbandry Purposes	0.12	0	0	0.12
8229-107 - Funds for Development of Milk Supply	1.10	0	0	1.10
8229-200 - Other Development and Welfare Fund - Guarantee Reserve Fund	23.36	0	0	23.36
8229-200 - Other Development and Welfare Fund - State Transport Road Development Fund	0.24	0	0	0.24
8235-101 - Calamity Relief Fund	0.33	0	0	0.33
8235-200 - Other Funds - Foodgrains Reserve Fund	3.64	0	0	3.64
TOTAL	29.01	0	0	29.01
Active Reserve Funds				
8115-103 - Depreciation Reserve Fund - Road Transport Department Depreciation Fund	0.26	0	0	0.26
8121 - 109 - General Insurance Fund	182.46	204.77	247.52	139.71
8222 - Sinking Funds	15453.89	3432.34	0	18886.23
8229-101 - Dev. Fund for Edu.- Library Fund	43.30	86.72	86.71	43.31
8229-119 - Employment Guarantee Fund	9619.83	0	232.42	9387.41
Fund for Development schemes-Cotton price Fluctuation Fund	8.94	0	0	8.94
Consumer Protection Fund	10.77	0.56	0.04	11.29
Maharashtra Mining Development Fund	223.22	214.12	214.12	223.22
8235-200 - Other Funds - Special Fund for compensatory Afforestation	38.34	0	0	38.34
TOTAL	25581.01	3938.51	780.81	28738.71

Source: Finance Accounts 2014-15

Appendix

2.1

Grants/appropriations closed with excess over provisions during 2014-15 requiring regularisation

(Reference: Paragraph 2.3.1; Page 59)

(₹ in crore)

Sr. No.	Name and title of the Voted grant/Charged appropriation	Total grant	Expenditure	Excess
Voted Grants (Revenue Section)				
1	C05 Other Social Services	30.37	33.54	3.17
2	O15 District Plan - Mumbai Suburban	150.26	150.29	0.03
3	O17 District Plan - Raigad	88.81	91.93	3.12
4	O20 District Plan - Pune	238.82	245.82	7.00
5	O21 District Plan - Satara	165.96	190.64	24.68
6	O25 District Plan - Nasik	193.95	199.18	5.23
7	O29 District Plan - Nandurbar	35.59	41.60	6.01
8	O30 District Plan - Aurangabad	146.52	160.52	14.00
9	O31 District Plan - Jalna	101.45	103.79	2.34
10	O33 District Plan - Nanded	139.41	145.41	6.00
11	O35 District Plan - Latur	117.16	119.32	2.16
12	O36 District Plan - Osmanabad	99.25	101.29	2.04
13	O37 District Plan - Hingoli	53.58	53.95	0.37
14	O38 District Plan - Nagpur	154.68	163.52	8.84
15	O40 District Plan - Bhandara	60.90	62.99	2.09
16	O41 District Plan - Chandrapur	118.14	124.01	5.87
17	O43 District Plan - Gondia	66.29	66.48	0.19
18	O45 District Plan - Akola	80.65	92.43	11.78
Voted Grants (Capital Section)				
19	M04 Capital Expenditure on Food	4778.35	5122.63	344.28
20	O18 District Plan - Ratnagiri	42.84	43.20	0.36
21	O23 District Plan - Solapur	56.13	59.71	3.58
22	O27 District Plan - Jalgaon	81.11	90.07	8.96
23	O28 District Plan - Ahmednagar	61.85	73.03	11.18
24	O34 District Plan - Beed	47.89	48.15	0.26
25	O42 District Plan - Gadchiroli	21.99	29.98	7.99
26	O44 District Plan - Amravati	62.37	62.41	0.04
27	O46 District Plan - Yavatmal	44.97	47.90	2.93
28	O47 District Plan - Buldhana	50.27	53.36	3.09
29	O48 District Plan - Washim	17.04	17.62	0.58
Charged Appropriation				
30	ZC01 Parliament/State/Union Territory Legislatures (Revenue Section)	0.96	0.99	0.03
31	G09 Public Debt and Inter State Settlement (Capital Section)	11200.42	14523.28	3322.86
32	I06 Internal Debt (Capital Section)	294.66	301.32	6.66
TOTAL		18802.64	22620.36	3817.72

Source: Appropriation Accounts 2014-15

Appendix

2.2

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

(Reference: Paragraph 2.3.1.1; Page 59)

(₹ in crore)

Years	Number of grants / appropriations	Grant/appropriation numbers	Amount of excess required to be regularised as commented in the Appropriation Accounts/Audit Reports
2009-10	42/6	B-1, C-2, C-5, C-6, D-8, H-3, H-6, I-4, K-5, K-6, K-11A, L-1, M-4, O-3, O-13, O-14, O-15, O-16, O-17, O-18, O-19, O-21, O-22, O-23, O-24, O-25, O-26, O-28, O-29, O-30, O-31, O-32, O-33, O-34, O-35, O-36, O-38, O-39, O-40, O-41, O-42, O-43, O-44, O-45, O-46, O-47, U-1, ZC-2	1717.58
2010-11	35/7	A-3, C-1, C-2, C-5, C-11, E-1, F-5, F-6, H-3, K-6, O-13, O-14, O-15, O-18, O-19, O-20, O-21, O-22, O-23, O-24, O-25, O-26, O-28, O-29, O-30, O-31, O-32, O-33, O-34, O-35, O-37, O-38, O-39, O-41, O-44, O-45, O-46, O-47, U-1, W-3, ZA-2	466.91
2011-12	28/3	C-2, C-11, G-3, H-3, K-5, K-8, L-1, O-14, O-19, O-20, O-21, O-22, O-24, O-26, O-27, O-29, O-30, O-31, O-35, O-36, O-38, O-39, O-41, O-42, O-43, O-45, O-46, O-47, W-7, X-2	1272.28
2012-13	33/5	C-6, C-7, G-3, H-3, O-5, O-14, O-18, O-19, O-20, O-21, O-22, O-23, O-24, O-25, O-26, O-27, O-28, O-29, O-30, O-31, O-32, O-33, O-34, O-35, O-36, O-37, O-38, O-40, O-41, O-42, O-43, O-45, O-46, O-47, W-1, W-7, X-2	1004.17
2013-14	36/3	C-2, C-11, G-6, I-1, I-6, L-2, O-15, O-16, O-17, O-18, O-19, O-20, O-21, O-22, O-23, O-24, O-25, O-26, O-27, O-28, O-29, O-30, O-31, O-32, O-33, O-35, O-36, O-37, O-38, O-40, O-41, O-42, O-43, O-44, O-45, O-46, O-47, O-48, W-7,	604.64
TOTAL	174/24		5065.58

Source: Appropriation Accounts of respective years

Appendix

2.3

**Persistent excess over provision
(at sub-head level)***(Reference: Paragraph 2.3.1.2; Page 59)*

(₹ in lakh)

Sr. No.	Grant	MJH	SMH	MNH	SCH	SBH	Sub-head Description	V/C	2012-13	2013-14	2014-15
1	G03	2049	01	101		218	Maharashtra State Development Loan	C	44051.35	6012.06	0.21
2	G06	2071	01	115		59	Leave Encashment Benefits	V	4553.93	36589.79	4.42
3	I03	2701	80	800		414	S.E. & Administrator CADA Aurangabad	V	2772.36	1009.83	279.13
4	R01	2210	06	101		93	B.C.G. Vaccination and T.B. Control Programme Centrally Sponsored Scheme (Central Share)	V	1047.35	1978.64	1007.46
5	G06	2071	01	105		23	Family Pensions sanctioned under section III of the New Pension Rules, 1950 - For Service after 1st April 1936	V	2070.59	527.62	0.04
6	W04	2230	03	003		569	Expansion of Industrial Training Institutes Intake Capacity	V	18.34	274.26	1090.42
7	C05	2235	02	104		319	Director D.D. Chawls	V	164.25	205.05	676.18
8	I05	4701	80	001	B	911	R and R ON C.R.T. ESTT./ S.E. MECH. Circle (CP) Nagpur	V	294.92	363.27	340.06
9	C02	2030	01	102		004	Settlement Commissioner and Director of Land Records (M.S.) Pune, NLRMP 25% CSS (75% state share)	V	518.45	194.34	16.11
10	G06	2071	01	109		53	State Aided Non-Government Technical and Technological Colleges and Polytechnics	V	501.92	123.38	14.17
11	J01	2014	00	114		31	Maharashtra State Legal Services Authority	V	164.90	260.00	208.16
12	W02	2202	02	105		29	Government Colleges of Education.	V	0.22	391.95	118.73
13	W03	2203	00	105		265	Establishment of New Government Polytechnics	V	58.61	313.03	96.05
14	O35	5054	04	800		504	Establishment Charges	V	91.58	90.62	92.42
15	O38	4059	01	51		197	Major Works-District Administration	V	0.01	65.93	52.45
16	J01	2014	00	111		26	Official Assignee	V	24.35	30.89	48.71
17	C06	2245	01	101		008	Director D.D. Chawls	V	30.86	11.08	45.72

Source: Appropriation Accounts of respective years

Appendix

2.4

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

(Reference: Paragraph 2.3.1.3; Page 60)

(₹ in crore)

Sr. No.	Grant Number	Name of grant	Original provision	Supplementary provision	Total	Expenditure	Excess
Revenue Voted							
1	C05	Other Social Services	15.63	14.74	30.3700	33.54	3.1700
2	O17	District Plan - Raigad	88.81	0.0001	88.8101	91.93	3.1199
3	O21	District Plan - Satara	157.96	8.00	165.9600	190.64	24.6800
4	O25	District Plan - Nasik	193.95	0.0001	193.9501	199.18	5.2299
5	O30	District Plan - Aurangabad	146.52	0.0001	146.5201	160.52	13.9999
6	O41	District Plan - Chandrapur	118.14	0.0001	118.1401	124.01	5.8699
Capital Voted							
7	M04	Capital Expenditure on Food	2270.61	2507.75	4778.3600	5122.63	344.2700
Capital Charged							
8	G09	Public Debt and Inter State Settlement	11035.05	165.37	11200.4200	14523.28	3322.8600
TOTAL			14026.67	2695.8604	16722.5304	20445.73	3723.1996
			(i.e. 3723.20)				

Source: Appropriation Accounts 2014-15

Appendix

2.5

Rush of expenditure during the last quarter and last month of 2014-15*(Reference: Paragraph 2.3.3; Page 60)*

Sr. No.	Grant Number	Major Head	Total Expenditure during the year	Expenditure during the last quarter of the year		Expenditure during March 2015	
				Amount (₹ in crore)	Percentage of total expenditure	Amount (₹ in crore)	Percentage of total expenditure
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	O01	2053 District Administration	138.96	96.51	69.45	91.39	65.77
2	A04	2070 Other Administrative Services	59.15	40.55	68.55	33.89	57.30
3	T05	2210 Medical and Public Health	160.32	111.03	69.26	83.81	52.28
4	O24	2215 Water Supply and Sanitation	22.59	11.89	52.63	11.55	51.13
5	O28	2215 Water Supply and Sanitation	32.90	19.90	60.49	19.90	60.49
6	O33	2215 Water Supply and Sanitation	28.40	18.37	64.68	18.37	64.68
7	T05	2215 Water Supply and Sanitation	76.41	58.81	76.97	56.80	74.34
8	Y02	2215 Water Supply and Sanitation	733.22	546.75	74.57	380.29	51.87
9	O23	2217 Urban Development	29.90	21.87	73.14	15.44	51.64
10	O41	2217 Urban Development	26.78	24.28	90.66	20.15	75.24
11	T05	2225 Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	1836.05	1266.19	68.96	1013.65	55.21
12	O46	2235 Social Security and Welfare	21.96	14.24	64.85	14.24	64.85
13	ZE01	2235 Social Security and Welfare	115.33	82.10	71.19	77.21	66.95
14	H03	2216 Housing	245.65	161.66	65.81	152.32	62.01
15	T05	2236 Nutrition	24.30	21.45	88.27	19.62	80.74
16	T05	2403 Animal Husbandry	22.23	17.31	77.87	13.00	58.48
17	T02	2425 Co-operation	57.08	57.08	100.00	57.08	100.00
18	O16	2515 Other Rural Development Programme	60.53	30.98	51.18	30.71	50.74
19	I03	2702 Minor Irrigation	52.55	38.16	72.62	32.77	62.36
20	O21	2702 Minor Irrigation	20.00	12.80	64.00	12.80	64.00
21	O23	2702 Minor Irrigation	20.37	15.71	77.12	11.15	54.74
22	T05	2702 Minor Irrigation	70.75	44.97	63.56	41.62	58.83
23	K07	2853 Non-ferrous Mining and Metallurgical Industries	179.83	167.29	93.03	165.41	91.98

Appendix 2.5 (concl.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
24	H05	3054 Roads and Bridges	3604.84	2290.82	63.55	1840.72	51.06
25	O21	3054 Roads and Bridges	33.31	21.31	63.97	21.31	63.97
26	O23	3054 Roads and Bridges	22.05	12.05	54.65	12.05	54.65
27	T05	3054 Roads and Bridges	184.33	153.73	83.40	137.53	74.61
28	O38	3451 Secretariat-Economic Services	23.34	18.76	80.38	14.44	61.87
29	L05	3604 Compensation and Assignment to Local Bodies and Panchayati Raj Institutions	1134.19	782.81	69.02	643.30	56.72
30	B10	4055 Capital Outlay on Police	21.22	21.22	100.00	21.22	100.00
31	T06	4210 Capital Outlay on Medical and Public Health	29.26	29.26	100.00	29.26	100.00
32	T06	4225 Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	167.26	147.31	88.07	133.21	79.64
33	X03	4236 Capital Outlay on Nutrition	23.73	23.73	100.00	23.73	100.00
34	O16	4402 Capital Outlay on Soil and Water Conservation	30.97	30.59	98.77	21.76	70.26
35	T06	4402 Capital Outlay on Soil and Water Conservation	79.87	78.99	98.90	65.93	82.55
36	V03	4425 Capital Outlay on Co-operation	284.09	266.75	93.90	266.75	93.90
37	O20	4515 Capital Outlay on Other Rural Development Programme	22.19	15.71	70.80	14.96	67.42
38	C10	4701 Capital Outlay on Major and Medium Irrigation	31.08	19.39	62.39	15.78	50.77
39	N04	6225 Loans for Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	111.66	107.68	96.44	107.68	96.44
40	C12	7610 Loans to Government Servants etc.	53.57	43.84	81.84	35.84	66.90
41	I06	6003 Internal Debt of State Government	301.32	225.88	74.96	202.96	67.36

Source: Appropriation Accounts, Monthly Civil Accounts for March 2015, Information from Accountant General (Accounts and Entitlements)-I Maharashtra, Mumbai and Accountant General (Audit)-II, Nagpur

Appendix

2.6

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

(Reference: Paragraph 2.3.4; Page 60)

(₹ in crore)

Sr. No.	Grant Number	Name of the grant/appropriation	Total grants/appropriations	Savings	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
1	A03	Public Service Commission (Revenue - Charged)	44.57	10.31	23
2	A04	Secretariat and Miscellaneous General Services (Revenue - Voted)	331.62	65.79	20
3	A06	Information and Publicity (Revenue - Voted)	173.55	55.80	32
4	A07	Civil Aviation (Revenue - Voted)	315.70	141.29	45
5	A08	Census, Surveys and Statistics (Revenue - Voted)	284.46	284.46	100
6	A09	Capital Outlay on Public Works (Capital - Voted)	110.00	106.40	97
7	B04	Secretariat and Other General Services (Revenue - Voted)	42.24	12.07	29
8	B07	Economic Services (Revenue - Voted)	181.87	73.57	40
9	B10	Capital Expenditure on Economic Services (Capital - Voted)	1068.09	467.00	44
10	C04	Secretariat and Other General Services (Revenue - Voted)	109.42	72.87	67
11	C12	Loans to Government Servants <i>etc.</i> (Capital - Voted)	79.05	25.48	32
12	D05	Dairy Development (Revenue - Voted)	564.84	118.91	21
13	E03	Secretariat and Other Social Services (Revenue - Voted)	424.55	272.81	64
14	E04	Expenditure on Capital Outlay on Education, Sports, Art and Culture. (Capital - Voted)	94.50	93.50	99
15	F02	Urban Development and Other Advance Services (Revenue - Voted)	6107.92	1592.83	26
16	F03	Secretariat and Other Social Services (Revenue - Voted)	281.23	62.93	22
17	G01	Sales Tax Administration (Revenue - Voted)	603.99	122.34	20
18	G02	Other Fiscal and Miscellaneous Services (Revenue - Voted)	293.35	153.76	52
19	G05	Treasury and Accounts Administration (Revenue - Voted)	263.60	52.23	20
20	G08	Capital Outlay on Other Administrative Services (Capital - Voted)	79.88	79.88	100
21	H03	Housing (Revenue - Voted)	330.14	84.49	26
22	H04	Secretariat and Other Economic Services (Revenue - Voted)	46.66	11.67	25
23	H08	Capital Expenditure on Public Works Administrative and Functional Buildings (Capital - Voted)	1426.65	542.74	38
24	H09	Capital Outlay on Removal of Regional Imbalance (Capital - Voted)	145.78	64.50	44
25	I05	Capital Expenditure on Irrigation (Capital - Voted)	10395.88	2993.76	29
26	I07	Loans to Government Servants <i>etc.</i> (Capital - Voted)	54.14	29.48	54
27	J01	Administration of Justice (Revenue - Voted)	1560.15	536.97	34
28	J02	Secretariat and Other Social and Economic Services (Revenue - Voted)	75.20	19.39	26
29	K10	Capital Expenditure on Industries (Capital - Voted)	150.93	35.77	24
30	L03	Rural Development Programmes (Revenue - Voted)	6924.49	1844.17	27
31	L07	Capital Expenditure on Rural Development (Capital - Voted)	2471.25	1596.83	65
32	M03	Secretariat and Other Economic Services (Revenue - Voted)	67.43	21.40	32

Appendix 2.6 (concl.)

(1)	(2)	(3)	(4)	(5)	(6)
33	N02	Secretariat and Other Social Services (Revenue - Voted)	416.47	107.31	26
34	N04	Capital Expenditure on Social Services (Capital - Voted)	1458.29	1007.96	69
35	O01	District Administration (Revenue - Voted)	209.69	68.05	32
36	O03	Rural Employment (Revenue - Voted)	2316.18	844.82	36
37	O04	Other Rural Development Programmes (Revenue - Voted)	6289.08	6289.03	100
38	O05	Hill Areas (Revenue - Voted)	43.84	11.11	25
39	O07	Secretariat-Economic Services (Revenue - Voted)	177.01	38.88	22
40	O08	Tourism (Revenue - Voted)	49.72	32.52	65
41	O09	Census, Survey and Statistics (Revenue - Voted)	63.31	16.97	27
42	O10	Capital Outlay on Other Rural Development Programmes (Capital - Voted)	6112.61	5286.10	86
43	O11	Capital Outlay on Hill Areas (Capital - Voted)	90.50	26.79	30
44	O14	District Plan - Mumbai City (Capital - Voted)	31.77	19.49	61
45	O21	District Plan - Satara (Capital - Voted)	62.04	24.69	40
46	O30	District Plan - Aurangabad (Capital - Voted)	58.48	15.66	27
47	O45	District Plan - Akola (Capital - Voted)	29.35	14.60	50
48	Q03	Housing (Revenue - Voted)	1455.01	979.95	67
49	R01	Medical and Public Health (Revenue - Voted)	8653.41	2552.99	30
50	R03	Capital Expenditure on Medical and Public Health (Capital - Voted)	28.81	19.73	68
51	S04	Capital outlay on Medical and Public Health (Capital - Voted)	47.50	43.05	91
52	T05	Revenue Expenditure on Tribal Areas Development Sub-Plan (Revenue - Voted)	4675.55	1114.16	24
53	T06	Capital Expenditure on Tribal Areas Development Sub-Plan (Capital - Voted)	1871.83	731.39	39
54	V01	Interest Payments (Revenue - Charged)	100.00	51.72	52
55	V03	Capital Expenditure on Social Services (Capital - Voted)	448.37	123.82	28
56	V04	Internal Debt of State Government	180.00	36.98	21
57	V05	Capital Expenditure on Economic Services (Capital - Voted)	89.34	29.46	33
58	W08	Capital Outlay on Other Social Services (Capital - Voted)	36.09	26.80	74
59	W09	Loans to Government Servants, etc. (Capital - Voted)	37.26	11.54	31
60	Y02	Water Supply and Sanitation (Revenue - Voted)	2049.69	866.08	42
61	Y06	Capital Expenditure on Economic and Social Services (Capital - Voted)	236.51	57.67	24
62	ZA01	Secretariat and Other Social Services (Revenue - Voted)	48.79	18.61	38
63	ZC01	Parliament/State/Union Territory Legislatures (Revenue - Voted)	130.71	47.99	37
64	ZD02	Art and Culture (Revenue - Voted)	161.28	64.45	40
65	ZD04	Tourism (Revenue - Voted)	270.79	68.95	25
66	ZE01	Minorities Development (Revenue - Voted)	319.55	98.04	31
		TOTAL	73351.96	32392.76	44

Source: Appropriation Accounts 2014-15

Appendix

2.7

Grants closed with savings of
₹ 100 crore and above

(Reference: Paragraph 2.3.4; Page 60)

(₹ 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	A07 Civil Aviation	315.70	0	315.70	174.42	141.28	44.75
2	A08 Census, Surveys and Statistics	0	284.46	284.46	0	284.46	100.00
3	B01 Police Administration	10001.07	178.24	10179.31	8929.14	1250.17	12.28
4	C01 Revenue and District Administration	1578.08	11.64	1589.72	1285.26	304.46	19.15
5	C07 Forest	1321.34	117.17	1438.51	1213.93	224.58	15.61
6	D03 Agriculture Services	3858.51	1068.77	4927.28	4087.48	839.80	17.04
7	D05 Dairy Development	564.84	0	564.84	445.93	118.91	21.05
8	E02 General Education	34534.74	569.91	35104.65	33465.15	1639.50	4.67
9	E03 Secretariat and Other Social Services	360.96	63.58	424.54	151.73	272.81	64.26
10	F02 Urban Development and Other Advance Services	5032.74	1075.18	6107.92	4515.09	1592.83	26.08
11	F04 Compensation and Assignments to Local Bodies and Panchayati Raj Institutions	934.39	499.14	1433.53	1181.70	251.83	17.57
12	G01 Sales Tax Administration	507.76	96.23	603.99	481.65	122.34	20.26
13	G02 Other Fiscal and Miscellaneous Services	293.35	0	293.35	139.59	153.76	52.42
14	G06 Pensions and Other Retirement Benefits	14434.61	0	14434.61	14233.40	201.21	1.39
15	H05 Roads and Bridges	2731.83	1448.67	4180.50	3604.82	575.68	13.77
16	H06 Public Works and Administrative and Functional Buildings	2445.53	69.87	2515.40	2036.06	479.34	19.06
17	I03 Irrigation, Power and Other Economic Services	2111.22	169.38	2280.60	1939.85	340.75	14.94
18	J01 Administration of Justice	1191.40	368.75	1560.15	1023.18	536.97	34.42
19	L02 District Administration	2644.62	414.85	3059.47	2839.17	220.30	7.20
20	L03 Rural Development Programmes	5234.79	1689.70	6924.49	5080.32	1844.17	26.63
21	N02 Secretariat and Other Social Services	416.27	0.20	416.47	309.16	107.31	25.77
22	N03 Welfare of Scheduled Caste, Scheduled Tribes and Other Backward Classes	8069.41	851.47	8920.88	7524.97	1395.91	15.65
23	O03 Rural Employment	2089.26	226.92	2316.18	1471.36	844.82	36.47
24	O04 Other Rural Development Programmes	6289.08	0	6289.08	0.05	6289.03	100.00

Appendix 2.7 (concl.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
25	Q03 Housing	1230.01	225.00	1455.01	475.05	979.96	67.35
26	R01 Medical and Public Health	7283.51	1369.90	8653.41	6100.41	2553	29.50
27	S01 Medical and Public Health	1875.24	114.32	1989.56	1849.72	139.84	7.03
28	T02 Welfare of Scheduled Castes and Scheduled Tribes and Other Backward Classes	1196.23	0	1196.23	1089.58	106.65	8.92
29	T05 Revenue Expenditure on Tribal Areas Development Sub-Plan	4116.87	558.68	4675.55	3561.39	1114.16	23.83
30	W03 Technical Education	1737.34	140.61	1877.95	1616.74	261.21	13.91
31	X01 Social Security and Nutrition	3171.27	195.01	3366.28	2849.42	516.86	15.35
32	Y02 Water Supply and Sanitation	1137.41	912.28	2049.69	1183.61	866.08	42.25
	Revenue - Charged						
33	G03 Interest Payments and Debt Servicing	22983.17	524.46	23507.63	23272.95	234.68	1.00
	Capital - Voted						
34	A09 Capital Outlay on Public Works	7.00	103.00	110.00	3.60	106.40	96.73
35	B10 Capital Expenditure on Economic Services	1066.83	1.26	1068.09	601.09	467.00	43.72
36	H07 Capital expenditure on Social Services and Economic Services	1526.90	1112.58	2639.48	2258.55	380.93	14.43
37	H08 Capital Expenditure on Public Works Administrative and Functional Buildings.	924.67	501.97	1426.64	883.90	542.74	38.04
38	I05 Capital Expenditure on Irrigation	7571.93	2823.94	10395.87	7402.12	2993.75	28.80
39	K11 Capital Expenditure on Energy	1702.27	0	1702.27	1415.73	286.54	16.83
40	L07 Capital Expenditure on Rural Development	2358.65	112.60	2471.25	874.42	1596.83	64.62
41	N04 Capital Expenditure on Social Services	1458.29	0	1458.29	450.33	1007.96	69.12
42	O10 Capital Outlay on Other Rural Development Programmes	5867.26	245.35	6112.61	826.51	5286.10	86.48
43	T06 Capital Expenditure on Tribal Areas Development Sub-Plan	1640.02	231.80	1871.82	1140.44	731.38	39.07
44	V03 Capital Expenditure on Social Services	70.52	377.85	448.37	324.56	123.81	27.61
	TOTAL	175886.89	18754.74	194641.63	154313.53	40328.10	20.72

Source: Appropriation Accounts 2014-15

Appendix

2.8

Grants closed with savings of more than
₹ 100 crore persistently during 2010-15

(Reference: Paragraph 2.3.4.1; Page 61)

(₹ in crore)

Sr. No.	Number and Name of the Grant	V/C	Amount of savings (per cent to total grants)				
			2010-11	2011-12	2012-13	2013-14	2014-15
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Revenue-Voted							
1	B01-Police Administration	V	418.05 (6.63)	476.99 (7.16)	762.73 (9.48)	945.88 (10.32)	1250.17 (12.28)
2	C01-Revenue and District Administration	V	173.43 (16.22)	147.45 (12.97)	182.33 (13.46)	219.70 (14.46)	304.46 (19.15)
3	D03-Agriculture Services	V	388.56 (14.66)	199.42 (7.05)	618.29 (16.17)	571.55 (14.58)	839.80 (17.04)
4	E02-General Education	V	1698.14 (6.92)	1340.98 (5.01)	1092.15 (3.75)	1094.41 (3.39)	1639.51 (4.67)
5	I03-Irrigation, Power and Other Economic Services	V	234.84 (10.50)	261.09 (10.71)	380.42 (15.84)	405.87 (15.46)	340.75 (14.94)
6	J01-Administration of Justice	V	172.89 (19.94)	128.01 (13.36)	260.05 (23.31)	254.45 (20.89)	536.97 (34.42)
7	N03-Welfare of Scheduled Caste, Scheduled Tribes and Other Backward Classes	V	869.50 (16.72)	694.33 (13.01)	516.35 (8.33)	741.64 (9.11)	1395.91 (15.65)
8	Q03-Housing	V	1039.17 (56.49)	882.50 (47.65)	676.78 (38.89)	742.99 (46.33)	979.95 (67.35)
9	R01-Medical and Public Health	V	142.66 (4.51)	153.25 (4.22)	405.43 (8.92)	117.90 (2.40)	2552.99 (29.50)
10	T05-Revenue Expenditure on Tribal Areas Development Sub-Plan	V	860.32 (32.39)	693.72 (24.15)	468.93 (14.80)	511.09 (14.47)	1114.16 (23.83)
Capital-Voted							
11	H08-Capital Expenditure On Public Works Administrative and Functional Buildings	V	208.33 (30.69)	324.97 (30.48)	367.39 (30.28)	488.03 (34.86)	542.74 (38.04)
12	I05-Capital Expenditure on Irrigation	V	331.91 (3.47)	813.03 (8.98)	1237.32 (14.41)	1548.29 (16.25)	2993.76 (28.80)
13	N04-Capital Expenditure on Social Services	V	395.81 (49.56)	675.12 (52.41)	508.86 (49.71)	610.73 (55.75)	1007.96 (69.12)
14	T06-Capital Expenditure on Tribal Areas Development Sub-Plan	V	339.30 (37.05)	474.41 (33.95)	824.93 (54.14)	177.04 (13.41)	731.39 (39.07)

Source: Appropriation Accounts 2014-15

Appendix

2.9

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

(Reference: Paragraph 2.3.4.2; Page 61)

(₹ in crore)

Sr. No.	Appropriation number	Name of the appropriation	Original	Actual expenditure	Savings out of original provision	Supplementary Provision
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Revenue-Voted						
1	A04	Secretariat and Miscellaneous General Services	281.12	265.83	15.29	50.50
2	B01	Police Administration	10001.07	8929.14	1071.93	178.24
3	B02	State Excise	119.17	118.65	0.52	12.11
4	B03	Transport Administration	1683.33	1643.04	40.29	13.88
5	B05	Jails	213.10	206.39	6.71	19.99
6	C01	Revenue and District Administration	1578.08	1285.26	292.82	11.64
7	C04	Secretariat and Other General Services	96.34	36.55	59.79	13.08
8	C07	Forest	1321.34	1213.93	107.41	117.17
9	D04	Animal Husbandry	810.19	773.17	37.02	23.60
10	E02	General Education	34534.74	33465.15	1069.59	569.91
11	E03	Secretariat and Other Social Services	360.96	151.73	209.23	63.58
12	F02	Urban Development and Other Advance Services	5032.74	4515.09	517.65	1075.18
13	F03	Secretariat and Other Social Services	218.32	218.30	0.02	62.91
14	G01	Sales Tax Administration	507.76	481.65	26.11	96.23
15	G05	Treasury and Accounts Administration	245.84	211.38	34.46	17.76
16	H03	Housing	264.60	245.65	18.95	65.54
17	H06	Public Works and Administrative and Functional Buildings.	2445.53	2036.06	409.47	69.87
18	I03	Irrigation, Power and Other Economic Services	2111.22	1939.85	171.37	169.38
19	J01	Administration of Justice	1191.40	1023.18	168.22	368.75
20	K04	Labour and Employment	166.75	150.21	16.54	11.33
21	L03	Rural Development Programmes	5234.79	5080.32	154.47	1689.70
22	N03	Welfare of Scheduled Caste, Scheduled Tribes and Other Backward Classes	8069.41	7524.97	544.44	851.47
23	O03	Rural Employment	2089.26	1471.36	617.90	226.92
24	O09	Census, Survey and Statistics	49.00	46.33	2.67	14.31
25	Q03	Housing	1230.01	475.05	754.96	225.00
26	R01	Medical and Public Health	7283.51	6100.41	1183.10	1369.90
27	S01	Medical and Public Health	1875.24	1849.72	25.52	114.32
28	T05	Revenue Expenditure on Tribal Areas Development Sub-Plan	4116.87	3561.39	555.48	558.68
29	W02	General Education	4219.86	4164.51	55.35	36.20
30	W03	Technical Education	1737.34	1616.74	120.60	140.61
31	W04	Art and Culture	766.66	695.45	71.21	13.12
32	X01	Social Security and Nutrition	3171.27	2849.42	321.85	195.01
33	ZD02	Art and Culture	130.12	96.83	33.29	31.16

Appendix 2.9 (concl.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Revenue-Charged						
34	L01	Interest Payments	818.21	808.39	9.82	22.38
Capital-Voted						
35	A09	Capital Outlay on Public Works	7.00	3.60	3.40	103.00
36	G08	Capital Outlay on Other Administrative Services	54.88	0	54.88	25.00
37	H08	Capital Expenditure On Public Works Administrative and Functional Buildings	924.67	883.90	40.77	501.97
38	I05	Capital Expenditure on Irrigation	7571.93	7402.12	169.81	2823.95
39	L07	Capital Expenditure on Rural Development	2358.65	874.42	1484.23	112.60
40	O10	Capital Outlay on Other Rural Development Programmes	5867.26	826.51	5040.75	245.35
41	R03	Capital Expenditure on Medical and Public Health	10.01	9.08	0.93	18.80
42	T06	Capital Expenditure on Tribal Areas Development Sub-Plan	1640.02	1140.44	499.58	231.80
43	V05	Capital Expenditure on Economic Services	64.26	59.88	4.38	25.08
		TOTAL	122473.83	106451.05	16022.78	12586.98

Source: Appropriation Accounts 2014-15

Appendix

2.10

**Cases of surrender of funds in excess of
₹ 10 crore on 30 and 31 March 2015***(Reference: Paragraph 2.3.4.3; Page 62)*

(₹ in crore)

Sr. No.	Grant Number	Major Head	Amount Surrendered
(1)	(2)	(3)	(4)
Revenue Section			
1	A02	2015 Elections	28.15
2	A04	2052 Secretariat - General Services	18.50
3	A04	2070 Other Administrative Services	11.47
4	A05	2235 Social Security and Welfare	10.09
5	A06	2220 Information and Publicity	45.93
6	A07	3053 Civil Aviation	62.54
7	A08	3454 Census, Surveys and Statistics	284.46
8	B01	2055 Police	1302.40
9	B01	2070 Other Administrative Services	21.94
10	B02	2039 State Excise	13.09
11	B03	2041 Taxes on Vehicles	48.36
12	B05	2056 Jails	26.71
13	B07	3001 Indian Railways-Policy Formulation, Direction, Research and Other Miscellaneous Organisations	15.19
14	B07	3051 Ports and Light Houses	58.38
15	C06	2245 Relief on account of Natural Calamities	1466.57
16	D03	2401 Crop Husbandry	732.66
17	D03	2402 Soil and Water Conservation	17.19
18	D03	2415 Agricultural Research and Education	88.03
19	E01	2049 Interest Payments	25.52
20	E02	2202 General Education	1622.28
21	E03	2204 Sports and Youth Services	206.22
22	E03	2235 Social Security and Welfare	48.47
23	E03	2251 Secretariat - Social Services	17.56
24	F02	2217 Urban Development	1430.18
25	F03	2230 Labour and Employment	60.88
26	F04	3604 Compensation and Assignments to Local Bodies and Panchayati Raj Institutions	226.56
27	G01	2040 Taxes on Sales	111.01
28	G02	2070 Other Administrative Services	100.87
29	G02	2075 Miscellaneous General Services	52.17
30	G03	2049 Interest Payments	79.89
31	G05	2054 Treasury and Accounts Administration	52.16

Appendix 2.10 (contd.)

(1)	(2)	(3)	(4)
32	J01	2014 Administration of Justice	568.52
33	K03	2058 Stationery and Printing	11.95
34	K04	2230 Labour and Employment	21.26
35	K06	2801 Power	32.87
36	K06	2810 Non-Conventional Sources of Energy	13.12
37	K07	2851 Village and Small Industries	17.77
38	K07	2853 Non-ferrous Mining and Metallurgical Industries	56.29
39	L01	2049 Interest Payments	14.60
40	L02	2053 District Administration	209.07
41	L03	2501 Special Programmes for Rural Development	89.35
42	L03	2505 Rural Employment	10.47
43	L03	2515 Other Rural Development Programmes	800.85
44	L03	2702 Minor Irrigation	140.37
45	L03	3054 Roads and Bridges	520.16
46	M02	2408 Food, Storage and Warehousing	27.02
47	M03	3451 Secretariat -Economic Services	18.42
48	N02	2216 Housing	91.55
49	N03	2225 Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	1251.91
50	N03	2235 Social Security and Welfare	114.55
51	O01	2053 District Administration	66.35
52	O03	2505 Rural Employment	844.84
53	O04	2515 Other Rural Development Programmes	6289.03
54	O05	2551 Hill Areas	11.49
55	O07	3451 Secretariat -Economic Services	40.34
56	O08	3452 Tourism	32.52
57	O09	3454 Census, Surveys and Statistics	17.00
58	Q03	2216 Housing	979.80
59	R01	2210 Medical and Public Health	2496.54
60	R01	2211 Family Welfare	53.71
61	S01	2210 Medical and Public Health	140.34
62	T02	2225 Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	103.65
63	T05	2210 Medical and Public Health	132.96
64	T05	2215 Water Supply and Sanitation	84.74

Appendix 2.10 (contd.)

(1)	(2)	(3)	(4)
65	T05	2225 Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	395.30
66	T05	2235 Social Security and Welfare	16.00
67	T05	2236 Nutrition	12.53
68	T05	2406 Forestry and Wild Life	23.17
69	T05	2425 Co-operation	10.93
70	T05	2501 Special Programmes for Rural Development	60.48
71	T05	2505 Rural Employment	17.69
72	T05	2702 Minor Irrigation	30.52
73	T05	2801 Power	14.82
74	V02	2425 Co-operation	32.02
75	V02	2435 Other Agricultural Programmes	23.43
76	V02	2851 Village and Small Industries	25.31
77	W01	2049 Interest Payments	33.39
78	W02	2202 General Education	100.02
79	W03	2203 Technical Education	270.66
80	W04	2230 Labour and Employment	72.67
81	X01	2235 Social Security and Welfare	201.18
82	X01	2236 Nutrition	303.84
83	Y02	2215 Water Supply and Sanitation	784.49
84	ZA01	2230 Labour and Employment	18.00
85	ZC01	2011 Parliament/State/Union Territory Legislatures	15.87
86	ZD02	2205 Art and Culture	64.26
87	ZD04	3452 Tourism	67.87
88	ZE01	2235 Social Security and Welfare	88.96
Capital Section			
89	A09	4059 Capital Outlay on Public Works	106.40
90	B10	4055 Capital Outlay on Police	425.81
91	B10	4070 Capital Outlay on other Administrative Services	46.70
92	B11	7610 Loans to Government Servants <i>etc.</i>	17.94
93	E04	4202 Capital Outlay on Education, Sports, Art and Culture	93.50
94	G08	4070 Capital Outlay on other Administrative Services	79.88
95	G09	6004 Loans and Advances from the Central Government	28.15
96	K10	4875 Capital Outlay on Other Industries	35.00
97	K11	4801 Capital Outlay on Power Projects	296.05

Appendix 2.10 (concl.)

(1)	(2)	(3)	(4)
98	L07	4402 Capital Outlay on Soil and Water Conservation	93.04
99	L07	4702 Capital Outlay on Minor Irrigation	16.19
100	M04	4408 Capital Outlay on Food, Storage and Warehousing	799.03
101	N04	4225 Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	936.13
102	N04	4235 Capital Outlay on Social Security and Welfare	42.27
103	N04	6225 Loans for Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	37.12
104	O10	4515 Capital Outlay on other Rural Development Programmes	5271.19
105	O10	5452 Capital Outlay on Tourism	14.32
106	O11	4551 Capital Outlay on Hill Areas	26.74
107	O14	4210 Capital Outlay on Medical and Public Health	16.95
108	R03	4210 Capital Outlay on Medical and Public Health	19.65
109	T06	4225 Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	558.75
110	T06	4702 Capital Outlay on Minor Irrigation	83.63
111	T06	5054 Capital Outlay on Roads and Bridges	59.81
112	V03	4425 Capital Outlay on Co-operation	16.62
113	W08	4202 Capital Outlay on Education, Sports, Art and Culture	22.06
114	W09	7610 Loans to Government Servants <i>etc.</i>	10.81
115	Y06	4215 Capital Outlay on Water Supply and Sanitation	52.37
		TOTAL	35478.36

Source: Appropriation Accounts 2014-15

Appendix

2.11

Rush of expenditure (detail of selected grants) during the last month of 2014-15

(Reference: Paragraph 2.4.2; Page 63)

Sr. No	Sub-Head	Sub-head description	Total Expenditure	Expenditure incurred in March	Percentage of expenditure incurred in March
			(₹ in crore)		
Grant H-5 Roads and Bridges					
1	305403102 00653	Ordinary Major/Minor Works – Major work	1.48	0.80	54.05
2	305403103 06127	Repairs to Communications in State Sector	0.02	0.02	100.00
3	305404800 A01653	Central Road fund (Allocation)	53.54	35.84	66.94
4	305405337 05053	Road Works	0.55	0.55	100.00
5	305480001 05263	Direction and Administration (Inter account Transfer-Establishment charges transferred prorata from 2059-Public Works)	111.55	111.55	100.00
6	305480052 05463	Inter account Transfer-Tools and Plants Charges transferred prorata from 2059-Public Works	3.72	3.72	100.00
7	305480190 07131	Assistance, to Maharashtra State Road Development Corporation Ltd.	50.60	50.60	100.00
8	305480190 19831	Financial assistance for the project undertaken by Maharashtra State Road Development Corporation Limited.	85.50	85.50	100.00
9	305480190 24653	National Highway Public Private Partnership Project Revolving Fund (Common Items)	21.01	18.15	86.39
10	305480797 02463	Transfer to Reserve Fund and Deposit Account Transfer of grants for Road Construction to the Deposit Head Subvention from Central Road Fund	258.18	258.18	100.00
11	305480797 23431	Works under ThFC Grants.	601.23	341.78	56.85
12	305480800 02550	Annual Contribution (a) The Indian Road Congress, New Delhi	0.03	0.03	100.00
13	305480800 02950	Participation in Seminars, Conference <i>etc.</i>	0.02	0.02	100.00
14	305480800 23653	ThFC Grants-Development of Roads in difficult areas.	58.27	42.02	72.11
Grant L-3 Rural Development Programme					
15	2515-198 (00)(02)	GIA to Gram Panchayat for various development schemes as per recommendations of ThFC (General Basic Grant)	643.49	349.17	54.26
16	2515-198 (00)(07)	Konkan Tourism Development Programme	9.33	9.33	100.00
17	3054-338 (02)(02)	Grant for road joining and road strengthening under Pradhan Mantri Gram Sadak Yojana (Backward/Tribal/Naxalite affected area)	14.50	14.50	100.00
18	2515-197 (00)(01)	GIA to Panchayat Samitis for various development schemes as per the recommendations of ThFC (General Basic Grant)	183.85	99.76	54.26
19	2515-101 (01)(02)	Financial Assistance to Village Panchayats in Backward and Adivasi areas	0.21	0.14	66.67
20	2235-104 (00)(01)	Payments against Deposit Linked Insurance Scheme	3.10	1.65	53.23
21	2515-101 (01)(04)	Incentives to ZP, Panchayat Samitis and Village Panchayats for best performance in the execution of special programmes and Gram Abhiyan	2.91	2.91	100.00
22	2515-101 (01)(05)	GIA to Zilla Parishads for construction of ZP Residential Buildings	6.75	6.75	100.00
23	2515-196 (00)(01)	GIA to ZPs for various development schemes as per the recommendations of ThFC (General Basic Grant)	91.93	49.88	54.26
24	2810-101 (01)(01)	Setting up of Gobar Gas Plants	16.56	16.00	96.62
25	2415-120 (P) (03)(01) &(03)	GIA to Yashwantrao Chavan Academy of Development Administration (YASHADA)	3.83	2.33	60.84

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

Appendix

2.12

**Cases of drawal from Contingency Fund
where the expenditure was foreseeable***(Reference: Paragraph 2.5; Page 66)*

Sr. No.	Sanction number and date	Department/Grant Number/Major Head	Purpose for which drawn	Amount sanctioned (₹ in crore)
1	CNF-2014/3 Budget-8 dated 30.08.2014	School Education & Sports Department E-4/4202	Provision for construction of Memorial of Hindkesari Pahalwan Late Shri Maruti Mane at his birthplace Kavathepiran, Dist. Sangli	1.00
2	CNF-2014/5 Budget-13 dated 20.11.2014	Co-operation, Marketing & Textile Department	Provision for various administrative expenses for the Office of State Co-operative Election Authority	0.22
3	CNF-2014/10 Budget-16 dated 10.02.2015	Urban Development Department	Provision for expenses of Enquiry Committee regarding allotment of flats under discretionary quota	0.25
TOTAL				1.47

Source: Contingency Fund sanction orders from respective departments

Appendix

2.13

Meagre utilisation of funds drawn from the Contingency Fund*(Reference: Paragraph 2.5; Page 66)*

(₹ in crore)

Sr. No.	Sanction number and date	Department/Grant Number/ Major Head	Amount sanctioned	Amount utilized (percentage)
1	CNF-2014/1 Budget-6 date 5.04.2014	Revenue and Forest Department C-6/ 2245-Relief on account of natural calamities	850.00	104.18 (12.26)
2	CNF-2014/2 Budget-6 date 13.05.2014	Revenue and Forest Department C-6/ 2245-Relief on account of natural calamities	1500.00	103.11 (6.87)
3	CNF-2014/3 Budget-8 date 30.08.2014	School Education and Sports Department E-4/ 4202-Capital outlay on Education, Sports, Art and Culture	1.00	0.00
4	CNF-2014/5 Budget-13 date 20.11.2014	Co-operation, Marketing and Textile Department V-2/ 2070-Other Administrative Services	0.22	0.16 (72.73)
5	CNF-2014/6 Budget-13 date 24.11.2014	Revenue and Forest Department C-10/ 4406-Capital outlay on Forestry and Wildlife	10.00	0.00
6	CNF-2014/7 Budget-6 date 19.01.2015	Revenue and Forest Department C-7/ 2406-Forestry and Wildlife	3.00	2.88 (96.00)
7	CNF-2014/8 Budget-10 date 29.01.2015	Water Resource Department I-5/ 4701-Capital outlay on Major and Medium Irrigation	0.03	0.00
8	CNF-2014/9 Budget-6 date 2.02.2015	Revenue and Forest Department C-6/ 2245-Relief on account of natural calamities	2000.00	343.23 (17.16)
9	CNF-2014/10 Budget-16 date 10.02.2015	Urban Development Department F-3/ 2251-Secretariat - Social Services	0.25	0.19 (76.00)

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

Appendix

2.14

Inoperative Personal Ledger Account*(Reference: Paragraph 2.7.3; Page 68)*

Sr. No.	Name of Treasury	No. of accounts non-operative for one or more than one year	Balance as on 31 March 2015 (₹ in crore)
1	Ahmednagar	6	0.02
2	Akola	3	0.03
3	Amravati	11	15.44
4	Aurangabad	12	(-) 0.25
5	Beed	6	0.08
6	Bhandara	2	0.35
7	Buldhana	85	13.54
8	Chandrapur	10	0.80
9	Dhule	88	0.22
10	Gadchiroli	7	0.58
11	Gondia	28	0.02
12	Hingoli	25	0.05
13	Jalna	5	0.11
14	Jalgaon	5	0.03
15	Kolhapur	107	0.77
16	Latur	1	0.00
17	Mumbai City and Suburban	16	2.23
18	Nagpur	2	0.59
19	Nanded	27	0.36
20	Nandurbar	69	0.12
21	Osmanabad	2	0.42
22	Parbhani	7	0.07
23	Pune	56	0.25
24	Raigad	71	1.15
25	Ratnagiri	24	0.07
26	Sangli	186	1.22
27	Satara	31	0.20
28	Sindhudurg	1	0.00
29	Solapur	260	1.14
30	Thane	13	5.13
31	Wardha	10	0.05
32	Washim	10	0.03
33	Yavatmal	25	1.00
Grand Total		1211	45.82

Source: Information obtained from Accountant General (Accounts and Entitlement)-I, Mumbai, Accountant General (Audit)-II, Nagpur and Pay and Accounts office, Mumbai

Appendix

3.1

Department-wise breakup of
outstanding utilisation certificates

(Reference: Paragraph 3.1; Page 71)

Sr. No.	Department	Number of certificates	Amount (₹ in crore)
1	Agriculture, Animal Husbandry, Dairy Development and Fisheries	9903	1860.88
2	Co-operation, Marketing and Textiles	666	5140.48
3	Employment and Self-Employment	18	42.44
4	Environment	38	22.93
5	Finance	77	0.41
6	Food, Civil Supplies and Consumer Protection	36	0.27
7	General Administration	178	299.21
8	Higher and Technical Education	946	1715.83
9	Home	1585	1991.60
10	Housing	34	7.60
11	Industries, Energy and Labour	711	464.99
12	Law and Judiciary	325	9.96
13	Maharashtra Legislature Secretariat	39	3.39
14	Marathi Language	7	1.54
15	Medical Education and Drugs	53	83.81
16	Minority Development	540	320.54
17	Planning	15701	6456.24
18	Public Health	1245	1598.93
19	Public Works	349	146.64
20	Revenue and Forests	10457	3522.80
21	Rural Development and Water Conservation	5616	2759.88
22	School Education and Sports	6255	8263.96
23	Social Justice and Special Assistance	7532	2145.76
24	Tourism and Cultural Affairs	270	449.69
25	Tribal Development	11936	5113.35
26	Urban Development	3823	17922.18
27	Water Resources	27	0.27
28	Water Supply and Sanitation	1506	556.46
29	Women and Child Development	2004	246.83
TOTAL		81877	61148.87

Source: Finance Accounts 2014-15

Appendix

3.2

**Delay in submission of accounts/
audit reports by Autonomous bodies***(Reference: Paragraph 3.3; Page 72)*

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)	2013-14 2014-15	June 2014 June 2015	18/09/2014 07/09/2015	03 02	2013-14	SAR 2011-12 and 2012-13 presented on 24/12/2014
2	Mumbai Metropolitan Region Development Authority (MMRDA), Mumbai	01/04/2014 to 31/03/2019/ Section 20(1)	2012-13 2013-14	June 2013 June 2014	12/09/2014 12/09/2014	14 02	2013-14	No provision for presentation in MMRDA's Act
3	Maharashtra Jeevan Pradhikaran (MJP), Mumbai	1/04/2012 to 31/03/2017/ Section 20(1)	2012-13 2013-14	June 2013 June 2014	08/08/2014 30/06/2015	13 12	2012-13	SAR 2010-11 presented on 16/12/2014
4	Maharashtra Krishna Valley Development Corporation (MKVDC), Pune	01/04/2011 to 31/03/2016/ Section 19(3)	2012-13 2013-14	June 2013 June 2014	25/10/2013 04/08/2015	04 13	2012-13	SAR 2012-13 presented on 22/12/2014
5	Konkan Irrigation Development Corporation (KIDC), Thane	01/04/2013 to 31/03/2018/ Section 19(3)	2013-14	June 2014	14/11/2014	04	2013-14	SAR 2011-12 presented on 22/12/2014 and SAR 2012-13 presented on 29/07/2015
6	Maharashtra Maritime Board (MMB), Mumbai	01/04/2011 to 31/03/2016 Section 20(1)	2013-14	June 2014	20/05/2015	11	2012-13	SAR 2004-05 presented on 17/12/2006
7	Maharashtra State Commission for Women (MSCW), Mumbai	01/04/2013 to 31/03/2018/ Section 19(3)	2013-14	June 2014	21/05/2015	11	2013-14	SAR 2012-13 presented on 30/03/2015
8	Maharashtra Pollution Control Board (MPCB), Mumbai	01/04/2013 to 31/03/2018/ Section 20(1)	2013-14	June 2014	11/03/2015	08	2012-13	SAR 2004-05 presented in April 2008
9	Slum Rehabilitation Authority, Mumbai (SRA)	01/04/2011 to 31/03/2016/ Section 20(1)	2013-14	June 2014	17/01/2015	07	2013-14	SAR 2012-13 presented on 14/06/2014
10	Maharashtra Water Resources Regulatory authority (MWRRA)	01/04/2015 to 31/03/2020/ Section 20(1)	2013-14 2014-15	June 2014 June 2015	30/07/2014 03/07/2015	01 Nil	2013-14	SAR 2012-13 presented on 22/12/2014 and SAR 2013-14 presented on 24/07/2015
11	Rajiv Gandhi Science and Technology Commission (RGSTC)	01/04/2010 onwards till existence/ Section 19(3)	2013-14 2014-15	June 2014 June 2015	24/07/2014 16/06/2015	01 Nil	2013-14	SAR 2005-06 to 2010-11 presented on 21/04/2012
12	Maharashtra Khadi and Village Industries Board (MSKVIB), Mumbai	01/04/2012 to 31/03/2017/ Section 20(1)	2011-12	June 2012	26/02/2013	08	2011-12	SAR 2008-09 presented on 15/12/2010

Appendix 3.2 (concl.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
13	Maharashtra State Legal Services Authority (MSLSA) Mumbai	The audit of State District Legal Services Authorities have been taken under Section 19(2) of the CAGs (DPC) Act 1971	2008-09	June 2009	11/03/2010	08	2008-09	Yet to be presented
14	Maharashtra Commission for Protection of Child Rights (MCPCR)	The audit has been taken up as per Sn 19(2) of CAG's (DPC) Act 1971	2013-14 2014-15	June 2014 June 2015	13/01/2015 11/08/2015	06 01	2013-14	SAR 2008-09 to 2011-12 are yet to be presented
15	Maharashtra State Human Rights Commission (MSHRC)	The audit has been taken under section 19(2) of the CAG's (DPC) Act 1971 read with rule 35(2) of the protection of Human Rights Act, 1993	2002-03 to 2013-14	June of each year	26/12/2014	06 months to 138 months	2002-03	-
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 State Minorities Commission Act, 2004	2005-06 to 2007-08	Audit entrusted from December 2011	14/01/2015	36	2007-08	-
17	Maharashtra Electricity Regulatory Commission (MERC)	Under Section 104 of the Electricity Act, 2003 read with section 20(1) of the DPC Act, 1971	2014-15	July 2015	17/08/2015	01	2013-14	SAR for the year 2009-10 placed in the legislature on 12/06/2014
18	Tapi Irrigation Development Corporation (TIDC), Jalgaon	Up-to 31/03/2018 Section 19	2012-13	June 2013	26/11/2014	17	2012-13	SAR for the year 2011-12 placed in legislature on 19/12/2014
19	Vidharba Irrigation Development Corporation (VIDC), Nagpur	Up-to 31/03/2017 Section 19	2012-13	June 2013	11/11/2014	16	2012-13	SAR for the year 2010-11 placed in legislature on 22/12/2014
20	Godawari Marathwada Irrigation Development Corporation (GMIDC), Aurangabad	Up-to 31/03/2014 Section 19	2012-13	June 2013	08/09/2014	14	2012-13	SAR for the year 2011-12 placed in legislature on 22/12/2014
21	Maharashtra Water Conservation Corporation (MWCC), Aurangabad	Entrustment awaited	2011-12	30/06/2012	28/03/2014	-	-	-

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

Appendix

3.3

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

(Reference: Paragraph 3.4; Page 72)

Sr. No.	Name of Undertaking	Accounts finalised up to	Investment as per the last accounts (₹ in crore)	Remarks/Reasons for delay in preparation of accounts
(1)	(2)	(3)	(4)	(5)
Agriculture, Animal Husbandry, Dairy Development and Fisheries				
Mumbai Region				
1	Greater Mumbai Milk Scheme, Worli	2013-14	124.83	
2	Milk Transport Scheme, Worli	2006-07	2.34	Closed vide Government Order dated 17 July 2008
3	Mother Dairy, Kurla	2013-14	32.68	
4	Central Dairy, Goregaon	2013-14	92.16	
5	Unit Scheme, Mumbai	2013-14	24.61	
6	Agricultural Scheme, Mumbai	2013-14	10.02	
7	Electrical Scheme, Mumbai	2013-14	8.08	
8	Water Supply Scheme, Mumbai	2013-14	15.39	
9	Cattle Feed Scheme, Mumbai	2013-14	(-)3.04	
10	Cattle Breeding and Rearing Farm, Palghar	2013-14	1.57	
11	Dairy Project, Dapchhari	2013-14	17.19	
12	Government Milk Scheme, Bhiwandi	2013-14	1.54	
13	Government Milk Chilling Centre, Saralgaon, Thane	2013-14	0.28	
14	Government Milk Scheme, Khopoli	2013-14	2.84	
15	Government Milk Scheme, Mahad	2013-14	1.23	
16	Government Milk Scheme, Chiplun	2013-14	2.32	
17	Government Milk Scheme, Ratnagiri	2013-14	5.21	
18	Government Milk Scheme, Kankavali	2012-13	2.99	
Pune Region				
19	Government Milk Scheme, Pune	2013-14	12.43	
20	Government Milk Scheme, Mahabaleshwar	2013-14	1.24	
21	Government Milk Scheme, Satara	2013-14	7.05	
22	Government Milk Scheme, Miraj	2013-14	17.92	
23	Government Milk Scheme, Solapur	2013-14	3.23	
Nagpur Region				
24	Government Milk Scheme, Nagpur	2013-14	1.24	
25	Government Milk Scheme, Wardha	2013-14	10.73	
26	Government Milk Scheme, Chandrapur	2013-14	(-) 6.88	
27	Government Milk Scheme, Gondia	2013-14	29.21	

Appendix 3.3 (concl.)

(1)	(2)	(3)	(4)	(5)
Aurangabad Region				
28	Government Milk Scheme, Aurangabad	2013-14	20.31	
29	Government Milk Scheme, Udgir	2013-14	40.00	
30	Government Milk Scheme, Beed	2013-14	32.66	
31	Government Milk Scheme, Nanded	2013-14	12.32	
32	Government Milk Scheme, Bhoom	2013-14	14.30	
33	Government Milk Scheme, Parbhani	2013-14	18.61	Accounts for 2012-13 were yet to be received
Nashik Region				
34	Government Milk Scheme, Nashik	2013-14	4.16	
35	Government Milk Scheme, Dhule	2013-14	11.31	
36	Government Milk Scheme, Chalisgaon	2013-14	2.17	
37	Government Milk Scheme, Ahmednagar	2013-14	7.32	
38	Government Milk Scheme, Wani	2013-14	0.67	
Amravati Region				
39	Government Milk Scheme, Amravati	2013-14	12.37	
40	Government Milk Scheme, Akola	2013-14	17.56	
41	Government Milk Scheme, Yavatmal	2013-14	5.67	
42	Government Milk Scheme, Nandura	2012-13	2.51	
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 Forest 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	2010-11	637.89	
49	Procurement, Distribution and Price Control Scheme in Mofussil Area	2010-11	828.46	
	TOTAL		2114.82	
Source: Proforma Accounts				

Source: Proforma Accounts

Appendix

3.4

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

(Reference: Paragraph 3.5; Page 73)

(₹ in lakh)

Name of the Department	Upto 5 years	5-10yrs	10-15 yrs	15-20 yrs	20-25 yrs	25 yrs and more	TOTAL
Agriculture, Animal Husbandry, Dairy Development and Fisheries	5 (18.87)	5 (0.09)	4 (3.89)	6 (11.87)	4 (3.30)	56 (33.96)	80 (71.98)
Co-operation, Marketing and Textile	0 (0.00)	0 (0.00)	0 (10.83)	1 (0.53)	0 (0.00)	0 (0.00)	2 (11.36)
Finance	0 (0.00)	0 (0.00)	3 (58.08)	19 (370.64)	1 (0.70)	5 (2.87)	28 (432.29)
Food, Civil Supplies and Consumer Protection	1 (4.97)	0 (0.00)	1 (3.05)	0 (0.00)	5 (19.68)	3 (8.56)	10 (36.26)
General Administration	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	2 (2.58)	2 (2.58)
Higher and Technical Education	0 (0.00)	0 (0.00)	1 (29.65)	0 (0.00)	2 (290.84)	0 (0.00)	3 (320.49)
Home	4 (4.56)	3 (428.38)	6 (18.15)	3 (9.69)	6 (17.65)	8 (5.97)	30 (484.40)
Housing	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	1 (0.07)	1 (0.07)
Industries, Energy and Labour	1 (0.94)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	1 (0.94)
Law and Judiciary	2 (0.79)	2 (0.28)	1 (0.01)	1 (0.04)	0 (0.00)	0 (0.00)	6 (1.12)
Marathi Language	1 (2.69)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	1 (2.69)
Medical Education and Drugs	0 (0.00)	2 (4.82)	0 (0.00)	1 (7.96)	0 (0.00)	2 (7.02)	5 (19.80)
Planning	2 (0.29)	4 (0.46)	4 (0.27)	1 (0.00)	0 (0.00)	0 (0.00)	11 (1.02)
Public Health	3 (1369.01)	3 (1313.53)	12 (3528.49)	1 (1.19)	1 (4.59)	3 (4.35)	23 (6219.16)
Public Works	1 (0.00)	1 (0.00)	1 (0.00)	3 (0.57)	6 (1.15)	9 (8.22)	20 (9.94)
Revenue and Forest	3 (0.96)	2 (63.74)	4 (5.34)	0 (0.00)	1 (0.08)	27 (16.65)	37 (86.77)
Rural Development and Water Conservation	0 (0.00)	0 (0.00)	5 (3.27)	6 (150.84)	3 (100.47)	7 (7.14)	21 (261.72)
School Education and Sports	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	1 (2.02)	1 (2.02)
Social Justice and Special Assistance	1 (48.00)	0 (0.00)	0 (0.00)	2 (6.27)	0 (0.00)	4 (87.92)	7 (142.19)
Tribal Development	3 (9.43)	3 (0.23)	0 (0.00)	1 (3.28)	0 (0.00)	0 (0.00)	7 (12.94)
Water Resources	26 (18.72)	31 (23.87)	5 (1.28)	0 (0.00)	3 (5.03)	3 (0.61)	68 (49.51)
Water Supply and Sanitation	2 (2.65)	2 (4.05)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	4 (6.70)
TOTAL	55 (1481.88)	58 (1839.45)	47 (3662.31)	45 (562.88)	32 (443.49)	131 (185.94)	368 (8175.95)

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

Appendix

3.5

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

(Reference: Paragraph 3.5; Page 73)

(₹ in lakh)

Name of the Department	Theft cases		Misappropriation/loss of Government material		Total	
	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
Agriculture, Animal Husbandry, Dairy Development and Fisheries	6	5.74	74	66.24	80	71.98
Co-operation, Marketing and Textiles	1	0.53	1	10.83	2	11.36
Finance	1	13.89	27	418.40	28	432.29
Food, Civil Supplies and Consumer Protection	1	4.97	9	31.28	10	36.25
General Administration	0	0.00	2	2.58	2	2.58
Higher and Technical Education	0	0.00	3	320.49	3	320.49
Home	1	4.25	29	480.15	30	484.40
Housing	0	0.00	1	0.07	1	0.07
Industries, Energy and Labour	0	0.00	1	0.94	1	0.94
Law and Judiciary	4	0.57	2	0.56	6	1.13
Marathi Language	0	0	1	2.69	1	2.69
Medical Education and Drugs	0	0	5	19.80	5	19.80
Planning	10	0.89	1	0.13	11	1.02
Public Health	1	0.03	22	6219.12	23	6219.15
Public Works	1	0	19	9.94	20	9.94
Revenue and Forest	3	3.44	34	83.33	37	86.77
Rural Development and Water Conservation	2	3.51	19	258.21	21	261.72
School Education and Sports	0	0	1	2.03	1	2.03
Social Justice and Special Assistance	0	0	7	142.19	7	142.19
Tribal Development	2	1.8	5	11.14	7	12.94
Water Resources	52	20.62	16	28.89	68	49.51
Water Supply and Sanitation	4	6.70	0	0	4	6.70
TOTAL	89	66.94	279	8109.01	368	8175.95

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

Appendix

3.6

Details of sub-heads (schemes) booked under Minor Head 800 for the year 2014-15

(Reference: Paragraph 3.6; Page 73)

Major Head	Sub Major Head	Minor Head	Sub-head description	Amount (₹ in crore)
(i) Other receipts				
0801	01	800	800(24)(01)-Receipts from MSEDCL	190.39
6216	80	800	Loans to Co-operative Housing Societies of Government Servants, Zilla Parishad Employees	76.09
			TOTAL	266.48
(ii) Other expenditure				
2801	05	800	800(00)(01)-Subsidy to the Distribution/Transmission Licensee for reduction in Agriculture and Power loom Tariff (three years)	10499.61
5054	04	800	800(8)-Work Executed Through Loan Assistance From NABARD Major Works (three years)	595.38
4801	02	800	800(01)(07)-Capital Investment in Koradi TSP Extension	436.60
4801	05	800	800(00)(02)-Gaothan Feeder Separation Scheme and Infrastructure Development (three years)	255.00
2801	05	800	800(00)(06)-Grant-in-aid to Maharashtra State Power Distribution Company Limited for Removal of Regional Imbalance of Agriculture Pumpsets/Rural Electrification (three years)	150.00
4801	02	800	800(00)(08)-Capital Investment in Chandrapur Thermal Extension Project (three years)	140.47
4551	60	800	800(00)(01)-Special Development Programme for Hilly Areas	63.71
4070	00	800	800(00)(05)-Grant-in-aid to Maharashtra State Police Housing and Welfare Corporation	52.67
			TOTAL	12193.44

Source: Finance Accounts 2014-15

Appendix

3.7

**Details of pending Detailed
Contingent Bills up to 2014-15***(Reference: Paragraph 3.8; Page 74)*

Sr. No.	Department	No. of AC Bills	Amount (₹ in crore)
1	Agriculture, Animal Husbandry, Dairy Development and Fisheries	446	13.33
2	Co-operation, Marketing and Textiles	28	0.24
3	Employment and Self Employment	12	0.02
4	Environment	3	0.01
5	Finance	104	3.82
6	Food, Civil Supplies and Consumer Protection	12	0.26
7	General Administration	1136	117.21
8	Higher and Technical Education	31	0.62
9	Home	923	735.56
10	Housing	7	0.01
11	Industries, Energy and Labour	115	5.98
12	Law and Judiciary	268	5.40
13	Maharashtra Legislature Secretariat	1	0.00
14	Marathi Language Division	10	0.01
15	Medical Education and Drugs	101	8.23
16	Parliament Affairs	1	0.00
17	Planning	235	11.62
18	Public Health	67	41.85
19	Public Works	7	0.06
20	Revenue and Forest	701	21.30
21	Rural Development and Water Conservation	654	8.09
22	School Education and Sports	142	3.67
23	Social Justice and Special Assistance	303	8.98
24	Tourism and Cultural Affairs	54	13.81
25	Tribal Development	38	0.08
26	Urban Development	11	0.02
27	Water Resources	3	0.01
28	Water Supply and Sanitation	8	0.01
29	Women and Child Development	36	0.97
Grand Total		5457	1001.17

Source : Finance Accounts 2014-15

Appendix

3.8

Abstract Contingent Bills of ₹ one crore and more outstanding for more than four years

(Reference: Paragraph 3.8.1; Page 75)

Sr. No.	DDO Name	Voucher No.	Voucher Date	Amount drawn (₹ in crore)	Purpose
(1)	(2)	(3)	(4)	(5)	(6)
1	P.A. to Commissioner, State Intelligence Department, Maharashtra State, Mumbai	5697	31/03/2009	49.00	For purchasing speed boats for coastal security
2	Dy. Assistant Inspector General of Police (Accounts) Maharashtra State, Mumbai	3	04/02/2009	1.90	Purchase of AK 47 Rifles
3	Dy. Assistant Inspector General of Police (Accounts) Maharashtra State, Mumbai	2	04/02/2009	1.20	Purchase of 2173 Rifles
4	Dy. Assistant Inspector General of Police (Accounts) Maharashtra State, Mumbai	80	31/03/2009	1.33	Purchase of 135 computers
5	Dy. Assistant Inspector General of Police (Accounts) Maharashtra State, Mumbai	71	31/03/2009	2.36	Purchase of van marking charger
6	Dy. Assistant Inspector General of Police (Accounts) Maharashtra State, Mumbai	4973	31/03/2009	1.58	Purchase of GIS and GPS
7	Dy. Assistant Inspector General of Police (Accounts) Maharashtra State, Mumbai	4966	31/03/2009	1.74	Purchase of bomb suite
8	Dy. Assistant Inspector General of Police (Accounts) Maharashtra State, Mumbai	5445	31/03/2009	1.30	Purchase of Wood Furniture
9	Dy. Assistant Inspector General of Police (Accounts) Maharashtra State, Mumbai	1705	3/18/2010	2.00	Purchase of 7.62 SLR Rifles
10	Dy. Assistant Inspector General of Police (Accounts) Maharashtra State, Mumbai	9	29/03/2010	5.54	Purchase of SLR Rifles
11	Dy. Assistant Inspector General of Police (Accounts) Maharashtra State, Mumbai	3602	31/03/2010	2.10	Purchase of SLR Rifles
12	Dy. Assistant Inspector General of Police (Accounts) Maharashtra State, Mumbai	5856	31/03/2010	2.02	Purchase of arms & ammunition
13	Dy. Assistant Inspector General of Police (Accounts) Maharashtra State, Mumbai	3499	31/03/2010	1.50	Purchase of Multi Functional Belt
14	Dy. Assistant Inspector General of Police (Accounts) Maharashtra State, Mumbai	155	30/03/2011	2.99	Purchase of Scanner
15	Dy. Assistant Inspector General of Police (Accounts) Maharashtra State, Mumbai	75	31/03/2010	2.00	Purchase of Light van
16	Dy. Assistant Inspector General of Police (Accounts) Maharashtra State, Mumbai	104	31/03/2010	3.67	Purchase of Jeep
17	Dy. Assistant Inspector General of Police (Accounts) Maharashtra State, Mumbai	1	31/03/2010	1.10	Purchase of X ray scanner
18	Dy. Assistant Inspector General of Police (Accounts) Maharashtra State, Mumbai	164	31/03/2010	1.20	Purchase of 30 carriers
19	Dy. Assistant Inspector General of Police (Accounts) Maharashtra State, Mumbai	2	31/03/2010	4.76	Purchase of MSWAN

Appendix 3.8 (concl.d.)

(1)	(2)	(3)	(4)	(5)	(6)
20	Dy. Assistant Inspector General of Police (Accounts) Maharashtra State, Mumbai	52	31/03/2011	1.40	Purchase of bullet proof jacket
21	Dy. Assistant Inspector General of Police (Accounts) Maharashtra State, Mumbai	61	31/03/2011	4.83	Purchase of arms and ammunition
22	Dy. Assistant Inspector General of Police (Accounts) Maharashtra State, Mumbai	63	31/03/2011	1.56	Purchase of bullet proof jacket
23	Dy. Assistant Inspector General of Police (Accounts) Maharashtra State, Mumbai	65	31/03/2011	2.79	Purchase of arms and ammunition
24	Dy. Assistant Inspector General of Police (Accounts) Maharashtra State, Mumbai	73	31/03/2011	3.26	Purchase of arms and ammunition
25	Dy. Assistant Inspector General of Police (Accounts) Maharashtra State, Mumbai	7218	31/03/2011	3.38	Purchase of patrolling shoes
26	Dy. Assistant Inspector General of Police (Accounts) Maharashtra State, Mumbai	7136	31/03/2011	3.60	Purchase of cartridge SA-9 mm ball
27	Dy. Assistant Inspector General of Police (Accounts) Maharashtra State, Mumbai	7125	31/03/2011	3.25	Purchase of arms and ammunition
28	Dy. Assistant Inspector General of Police (Accounts) Maharashtra State, Mumbai	7143	31/03/2011	18.05	Purchase of bus troop carrier
29	Dy. Assistant Inspector General of Police (Accounts) Maharashtra State, Mumbai	7145	31/03/2011	22.75	Purchase of mine protected vehicle
30	Dy. Assistant Inspector General of Police (Accounts) Maharashtra State, Mumbai	7146	31/03/2011	10.72	Purchase of Tata Sumo
31	Dy. Assistant Inspector General of Police (Accounts) Maharashtra State, Mumbai	7152	31/03/2011	2.02	Purchase of truck
32	Dy. Assistant Inspector General of Police (Accounts) Maharashtra State, Mumbai		31/03/2011	6.00	Purchase of helicopter
33	Dy. Assistant Inspector General of Police (Accounts) Maharashtra State, Mumbai		31/03/2011	2.97	Purchase of truck
34	Dy. Assistant Inspector General of Police (Accounts) Maharashtra State, Mumbai	7224	31/03/2011	10.00	Purchase of GIS tracker system
35	Dy. Assistant Inspector General of Police (Accounts) Maharashtra State, Mumbai	7107	31/03/2011	15.97	Purchase of 7.620 SLR
36	Dy. Assistant Inspector General of Police (Accounts) Maharashtra State, Mumbai	7202	31/03/2011	2.06	System of application software connectivity
37	Dy. Assistant Inspector General of Police (Accounts) Maharashtra State, Mumbai	7205	31/03/2011	4.99	Purchase of computer with printer
38	Dy. Assistant Inspector General of Police (Accounts) Maharashtra State, Mumbai	7206	31/03/2011	9.31	Finger prints identification system
39	Dy. Assistant Inspector General of Police (Accounts) Maharashtra State, Mumbai	7111	31/03/2011	13.00	Purchase of bullet proof jacket & helmet
40	Dy. Assistant Inspector General of Police (Accounts) Maharashtra State, Mumbai	7223	31/03/2011	4.00	Finger prints identification system

Source: Information furnished by Home Department

Appendix

3.9

Details of Abstract Contingent bills drawn in the month of March and remitted into treasury

(Reference: Paragraph 3.8.4; Page 75)

Sr. No.	Abstract Contingent Bill			Purpose of drawing of AC bill	Expenditure	Balance remittance	
	Voucher No.	Date	Amount (₹ in crore)			Amount (₹ in crore)	Date
1	3499	30.03.2011	1.50	Purchase of multifunctional belt	Nil	1.50	11.03.2013
2	7224	31.03.2011	10.00	Purchase of GIS/GPS	Nil	10.00	19.06.2014
3	63	31.03.2011	1.56	Purchase of bullet proof jackets	Nil	1.56	20.06.2014
4	65	31.03.2011	2.79	Purchase of machineries and equipments	2.64	0.15	31.10.2012
5	7156	31.03.2011	1.00	Purchase of bullet proof jackets	Nil	1.00	20.06.2014
6	7147	31.03.2011	6.00	Purchase of helicopter on wet lease basis	5.99	0.01	11.11.2011
7	7202	31.03.2011	2.06	Purchase of 9 Application software connection system	0.004	2.056	19.06.2014
8	7206	31.03.2011	9.31	Purchase of Automated Finger Print Identification System	Nil	9.31	19.06.2014
9	7106	31.03.2011	10.72	Centralised purchase of arms and ammunition	Nil	10.72	05.12.2011
10	52	31.03.2011	1.40	Purchase of bullet proof jackets	Nil	1.40	20.06.2014
11	7223	31.03.2011	4.00	Purchase of Automatic Finger Print Identification System	Nil	4.00	19.06.2014
12	7111	31.03.2011	13.00	Purchase of bullet proof jacket and helmet	Nil	13.00	20.06.2014
13	7145	31.03.2011	22.75	Purchase of Mine Protect Vehicle	Nil	22.75	11.02.2012
14	73	31.03.2011	3.26	Purchase of arms and ammunition	Nil	3.26	31.10.2012
15	7225	31.03.2011	0.30	Purchase of Browser (Air Turbine Fuel)	Nil	0.30	19.06.2014
16	7224	31.03.2011	1.00	Purchase of Finger Print Identification System	Nil	1.00	19.06.2014
TOTAL			90.65		10.144	82.016	

Source: Information furnished by Home Department

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

Appendix 4.1 (contd.)

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

Appendix 4.1 (contd.)

Terms	Description
Guarantee Redemption Fund	Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee has been extended. As per the terms of the Guarantee Redemption Fund, the State Government was required to contribute an amount equal to atleast 1/5 th of the outstanding invoked guarantees plus an amount likely to be invoked as a result of the incremental guarantees during the year
Internal Debt	Internal Debt comprises regular loans from the public in India, also termed 'Debt raised in India'. It is confined to loans credited to the Consolidated Fund
Primary revenue expenditure	Primary revenue expenditure means revenue expenditure excluding interest payments
Re-appropriation	Means the transfer of funds from one Primary unit of appropriation to another such unit
Surrenders of unspent provision	Departments of the State Government are to surrender to the Finance, before the close of the financial year, all the anticipated unspent provisions noticed in the grants or appropriations controlled by them. The Finance is to communicate the acceptance of such surrenders, as are accepted by them to the Audit Officer and/or the Accounts Officer, as the case may be, before the close of the financial year
Supplementary grants	If the amount authorised by any law made in accordance with the provisions of Article 114 of the Constitution to be expended for a particular service for the current financial year is found to be insufficient for the purpose of that year or when a need has arisen during the current financial year for the supplementary or additional expenditure upon some 'new service' not contemplated in the original budget for that year, Government is to obtain supplementary grants or appropriations in accordance with the provision of Article 115 (1) of the Constitution
Suspense and Miscellaneous	Items of receipts and payments which cannot at once be taken to a final head of receipt or charge owing to lack of information as to their nature or for any other reasons, may be held temporarily under the major head "8658-Suspense Account" in the sector "L. Suspense and Miscellaneous" of the Accounts, (Footnotes under the major head in the list of major/minor heads of account may be referred to for further guidance). A service receipt of which full particulars are not given must not be taken to the head "Suspense Account" but should be credited to the minor head "Other Receipt" under the revenue major head to which it appears to belong pending eventual transfer to the credit of the correct head on receipt of detailed particulars
Public Accounts committee	A Committee constituted by the Legislative Assembly for the examination of the reports of the Comptroller and Auditor General of India relating to the appropriation accounts of the State, the annual financial accounts of the State or such other accounts or financial matters as are laid before it or which the Committee deems necessary to scrutinize
Block Grant	A block grant is a lump sum grant provided by the Government of India to the State Government, which are given considerable discretion in how the money is spent (with only general provisions as to the way it is to be spent)

Appendix 4.1 (concl.)

Terms	Description
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
FRBM	Fiscal Responsibility and Budget Management Act, 2005
GoI	Government of India
GSDP	Gross State Domestic Product
IP	Interest Payment
MTFPS	Medium Term Fiscal Policy Statement
O and M	Operation and Maintenance
PAC	Public Accounts Committee
RE	Revenue Expenditure
RR	Revenue Receipts
S and W	Salaries and Wages
SAR	Separate Audit Report
SSE	Social Sector Expenditure
TE	Total Expenditure
TFC	Twelfth Finance Commission
ThFC	Thirteenth Finance Commission
UC	Utilisation Certificate
VAT	Value Added Tax