

CHAPTER - III

BUDGETARY MANAGEMENT

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Budgetary Management

Effective financial management aims to ensure that decisions taken at the policy level are implemented successfully at the administrative level without wastage or diversion of funds. This chapter is based on the audit of Appropriation Accounts of the State. It reviews allocative priorities of the Government, reports on deviations from Constitutional provisions and highlights issues affecting transparency of budget formulation and effectiveness of its implementation. It further reviews whether the decisions taken at the policy level are implemented at the administrative level without diversion of funds.

3.1 Budget Process

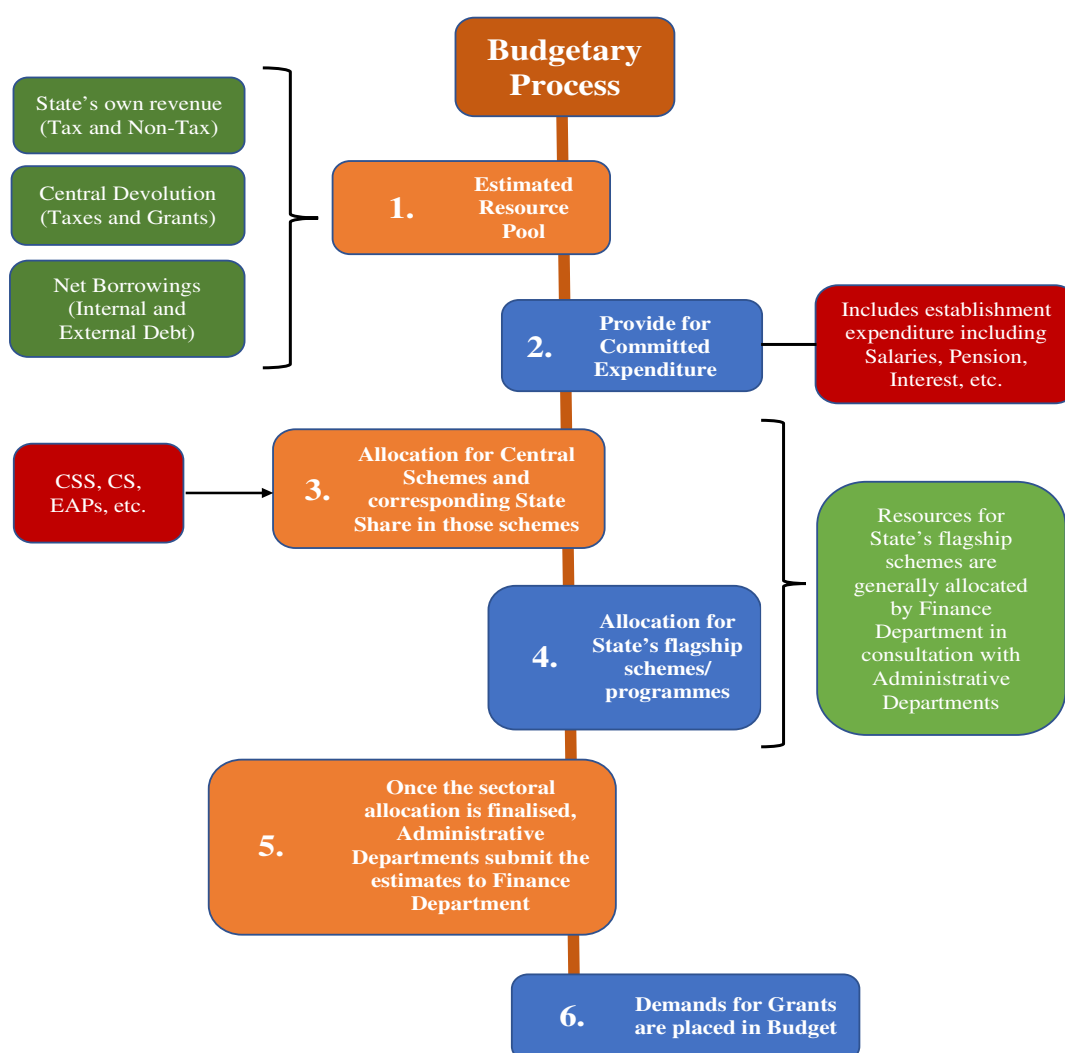
In compliance with Article 202 of the Constitution of India, in every financial year, a statement of the estimated receipts and expenditure of the State for that year called “The Annual Financial Statement” (Budget) is to be laid before the State legislature. The estimates of the expenditure show ‘charged’ and ‘voted’ items¹ of the expenditure separately and distinguish expenditure on revenue account from other expenditure. Legislative authorization is necessary before incurring any expenditure by the State Government.

The Maharashtra Budget Manual (MBM) prescribes the procedure to be followed for preparation of budget estimates and subsequent action relating to authorisation of expenditure. The budget is prepared by the Finance Department on the basis of the proposals received from the Heads of the departments on the dates prescribed by the Finance Department. The Finance Department consolidates the estimates and prepares the summary statement of the financial position for the budgeted year, detailed estimates of receipts and statements of demands for grants followed by detailed estimates of expenditure. These estimates include both voted and charged expenditure to be met from the Consolidated Fund of the State. The glossary of budget related terms is given in **Appendix 3.1**. The budget process begins with the release of the Budget Circular, normally in August, which provides guidance to departments in structuring their estimates for the following fiscal year. The budget preparation process in the State is given in **Chart 3.1**.

¹ **Charged expenditure:** certain categories of expenditure (e.g. salaries of Constitutional authorities, loan repayments etc) constitute a charge on the Consolidated Fund of the State and are not subject to vote by the legislature

Voted expenditure: All other expenditure is voted by the legislature

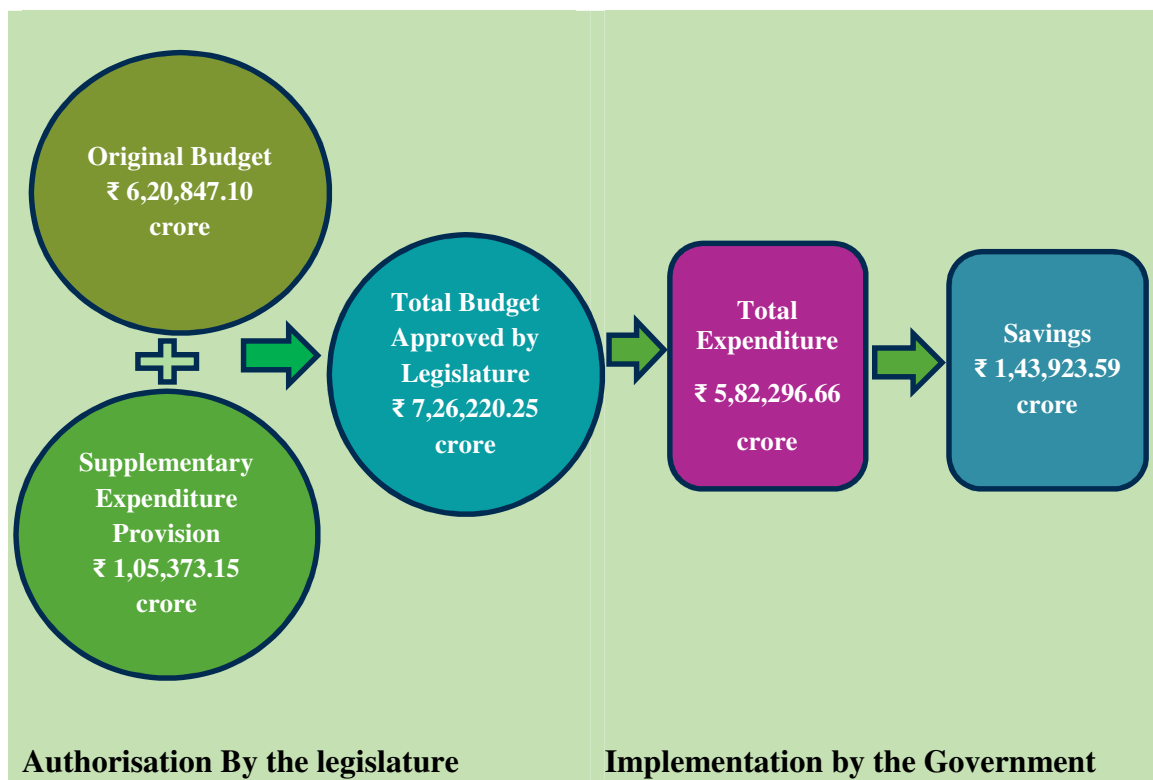
Chart 3.1: Budget preparation process in a State



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 it should neither be large nor small. A saving in an estimate constitutes as much of a financial irregularity as an excess in it. The budget estimates of receipts should be based on the existing rates of taxes, duties, fees *etc.*

The total amount approved by the State Legislature including the original and supplementary budgets, expenditure and savings during the year 2023-24 is depicted in **Chart 3.2**.

Chart 3.2: Flow Chart of Budget Implementation



Source: Appropriation Accounts 2023-24

The net savings of ₹ 1,43,923.59 crore was the result of gross savings of ₹ 1,43,959.17 crore offset by an excess expenditure of ₹ 35.58 crore (in 13 Voted Grants and two Charged Appropriation) during the year. The Supplementary Grants of ₹ 1,05,373.15 crore was excessive as the gross expenditure (₹ 5,82,296.66 crore) was within the original provision (₹ 6,20,847.10 crore). This was indicative of overestimation and poor financial management. The issue of unnecessary supplementary provisions has been discussed in detail under **Paragraph 3.3.1**.

3.1.1 Summary of total provisions, actual disbursements and savings during the financial year

The summarized position of total budget provision, actual expenditure and savings during 2023-24 against 299 grants/ appropriations are given in **Table 3.1**.

Table 3.1: Budget provision, disbursement and savings during 2023-24

(₹ in crore)					
Total budget provision		Disbursement		Savings	
Voted	Charged	Voted	Charged	Voted	Charged
612734.48	113485.77	490256.43	92040.23	122478.04 (19.99)	21445.54 (18.90)
Source: Appropriation Accounts 2023-24					
Figures in the parenthesis is the percentage of saving to the total budget provision					

3.1.2 Charged and Voted Disbursement

Article 112(2) of the Constitution requires that the estimates of expenditure embodied in the annual financial statement shall show separately the sums required to meet expenditure

described by the Legislature as expenditure charged upon the Consolidated Fund of State and all other sums required to meet other expenditure proposed to be made from the Consolidated Fund of State and shall distinguish expenditure on revenue account from other expenditure.

Trend analysis of the total Charged and Voted disbursement and Savings during the last five years (2019-20 to 2023-24) is shown in **Table 3.2**.

Table 3.2: Disbursement and Savings during 2019-20 to 2023-24

(₹ in crore)

Year	Disbursement		Savings			
	Voted	Charged	Voted	Percentage	Charged	Percentage
2019-20	328039.77	63443.42	101966.86	31.08	3726.33	5.87
2020-21	320694.58	96353.79	104429.48	32.56	2811.71	2.91
2021-22	370445.46	82405.21	93242.70	25.17	18293.33	22.20
2022-23	444090.50	89983.70	103831.39	18.95	14903.55	14.21
2023-24	490256.43	92040.23	122478.04	19.99	21445.54	18.90

Source: Appropriation Accounts of respective years

Under voted grants, savings as percentage of disbursement reduced considerably from 31.08 *per cent* in 2019-20 to 19.99 *per cent* in 2023-24.

3.1.3 Budget Marksmanship

Budget Marksmanship is about examining the relations between the budget projections of revenue and expenditure against actual receipt and spending. The World Bank's Public Expenditure and Financial Accountability (PEFA) measures the Budget Reliability in terms of Aggregate Expenditure Outturn and Expenditure Composition Outturn.

3.1.3.1 Aggregate Budget outturn

Aggregate Budget Outturn measures the extent to which the aggregate budget expenditure outturn/ actual expenditure reflects the amount originally approved, both in terms of less than approved and in excess of approved. Summarised position of original provision and its deviation from the actual outturn during the year 2023-24 is shown in **Table 3.3**.

Table 3.3: Original Budget *viz-a-viz* Actual Outturn

(₹ in crore)

Description	Original Budget (BE)	Approved	Actual Outturn	Difference between Actual and BE*
(1)	(2)	(3)	(4)=(3-2)	
Revenue	474951.93		451673.24	(-) 23278.69
Capital	145895.17		130623.42	(-) 15271.75
Total	620847.10		582296.66	(-) 38550.44

*Excess of actuals over original provision is denoted as (+) figure and in case of actuals being less than original provision is denoted as (-) figures.

Source: Appropriation Accounts 2023-24

In the Revenue section, deviation in outturn compared with original budget provision was 4.90 *per cent*. This was due to deviation between 0 and ± 25 *per cent* in 110 grants, between ± 25 *per cent* to ± 50 *per cent* in 45 grants, between ± 50 *per cent* to 100 *per cent* in 30 grants and equal to or more than 100 *per cent* in 43 grants.

In the Capital section, deviation in outturn compared with original budget provision was 10.47 *per cent*. This was due to deviation between 0 and ± 25 *per cent* in 67 grants, between ± 25 *per cent* to ± 50 *per cent* in 19 grants, between ± 50 *per cent* to 100 *per cent* in 18 grants and equal to 100 *per cent* in 20 grants.

3.1.3.2 Expenditure Composition Outturn

Expenditure Composition Outturn measures the extent to which re-allocations between the main budget categories during execution have contributed to variance in expenditure composition. Summarised position of original provision and actual outturn and their deviation from the revised estimate is shown in **Table 3.4**.

Table 3.4: Deviation of outturn as compared with RE

(₹ in crore)					
Description	Original Approved Budget (BE)	Revised (RE)	Actual Outturn	Difference between BE&RE	Difference between Actual and RE*
1	2	3	4	5	6
Revenue	474951.93	458838.48	451673.24	16113.45	(-)7165.24
Capital	145895.17	136076.84	130623.42	9818.33	(-)5453.42
Total	620847.10	594915.32	582296.66	25931.78	(-)12618.66
*Excess of actuals over original provision is denoted as (+) figure and in case of actuals being less than original provision is denoted as (-) figures. Source: Appropriation Accounts 2023-24					

In the Revenue section, deviation in outturn compared with RE was 1.56 *per cent*. This was due to deviation between 0 and ± 25 *per cent* in 175 grants, between ± 25 *per cent* to ± 50 *per cent* in 11 grants, between ± 50 *per cent* to 100 *per cent* in three grants and equal to or more than 100 *per cent* in six grants.

In the Capital section, deviation in outturn compared with RE was four *per cent*. This was due to deviation between 0 and ± 25 *per cent* in 108 grants, between ± 25 *per cent* to ± 50 *per cent* in six grants, between ± 50 *per cent* to 100 *per cent* in 20 grants and equal to or more than 100 *per cent* in two grants.

3.2 Appropriation Accounts

Appropriation Accounts compare the expenditure of the State Government for each financial year with the amounts of voted grants and charged appropriations for different purposes as specified in the schedules appended to the Appropriation Act passed under Articles 204 and 205 of the Constitution of India. Appropriation Accounts are on gross basis. These Accounts depict the original budget provision, supplementary grants, surrenders and re-appropriations distinctly and indicate actual capital and revenue expenditure on various specified services *vis-a-vis* those authorised by the Appropriation Act in respect of both Charged and Voted items of budget. Appropriation Accounts thus facilitate understanding of utilisation of funds, the management of finances and monitoring of budgetary provisions and are, therefore, complementary to the Finance Accounts.

The CAG of India conducts the audit of appropriations to ascertain whether the expenditure actually incurred under various grants is in accordance with the authorization given under

the Appropriation Act for the year and that the expenditure required to be charged under the provisions of the Constitution (Article 202) is so charged. It also ascertains whether the expenditure incurred is in conformity with the laws, relevant rules, regulations and instructions.

3.3 Comments on integrity of budgetary and accounting process

3.3.1 Unnecessary or Excessive Supplementary Grants

A supplementary Grant or appropriation is an addition to the original authorized Grant or appropriation. Article 205 of the Constitution of India read with Paras 169 and 170 of the MBM, provides a legal basis for Supplementary Budget or Supplementary Estimates (SE). When such additional expenditure is found to be inevitable and there is no possibility of effecting savings within the grant to cover the excess by re-appropriation, the Secretary of the Department concerned proposes to the Finance Department for supplementary or additional grant or appropriation.

Besides approving original budget of ₹ 6,20,847.10 crore for the year 2023-24, the State Legislature also approved Supplementary provisions of ₹ 1,05,373.15 crore during 2023-24, which constituted 16.97 *per cent* of the original provisions.

Supplementary provisions aggregating to ₹ 29,563.05 crore obtained in 44 voted Grants (₹ 10 crore or more in each case) during the year proved unnecessary as the actual expenditure of ₹ 1,64,204.75 crore in these grants did not reach the levels of even the original provision (₹ 2,02,942.45 crore) as detailed in **Appendix 3.2**. Grants having savings of more than ₹ 1,000 crore where supplementary provision proved unnecessary are given in **Table 3.5**.

Table 3.5: Grants having savings of more than ₹ 1,000 crore where Supplementary provision proved unnecessary

(₹ in crore)

Grant Number and Description	Original provision	Supplementary provision	Expenditure	Savings out of the original provisions (percentage)
Revenue Section (Voted)				
B-01 Police Administration	26513.59	321.68	21462.90	5050.69 (19.05)
T-05 Revenue Expenditure on Tribal Areas Development Sub-Plan	13101.03	2924.26	10481.65	2619.39 (19.99)
F-02 Urban Development and Other Advance Services	16817.61	4318.43	14420.40	2397.20 (14.25)
C-06 Relief on account of Natural Calamities	12273.79	1762.02	10083.94	2189.85 (17.84)
O-03 Rural Employment	4142.03	200.00	2255.06	1886.97 (45.56)
H-05 Roads and Bridges	8090.41	214.00	6587.32	1503.08 (18.58)
R-01 Medical and Public Health	14524.40	2189.05	13297.41	1226.99 (8.45)

Grant Number and Description	Original provision	Supplementary provision	Expenditure	Savings out of the original provisions (percentage)
C-07 Forest	4003.00	42.61	2943.66	1059.35 (26.46)
ZA-02 Secretariat and Other Social Services	3145.97	10.46	2125.77	1020.19 (32.43)
Capital Section (Voted)				
O-10 Capital Outlay on Other Rural Development	6346.15	160.00	2313.58	4032.57 (63.54)
F-07 Loans for Urban Development	5502.00	569.28	2416.42	3085.58 (56.08)
I-05 Capital Expenditure on Irrigation	16588.08	1528.47	14689.36	1898.71 (11.45)
L-07 Capital Expenditure on Rural Development	5924.98	184.15	4242.14	1682.84 (28.40)
Source: Appropriation Accounts 2023-24				

Thus, it can be concluded that the Supplementary grants of ₹ 1,05,373.15 crore led to a further increase in the savings against the Budget provision, as the actual expenditure (₹ 5,82,296.66 crore) was lower than the original budget provision (₹ 6,20,847.10 crore).

3.3.2 Advances from Contingency Fund

In terms of provisions of Articles 267(2) and 283(2) of the Constitution of India, the Contingency Fund of the State has been established under the Maharashtra Contingency Fund Act 1956. Advances from the fund are to be made only for meeting expenditure of an unforeseen and emergent character, postponement of which till its authorization by the Legislature would be undesirable. The fund is in the nature of an imprest.

As per the Maharashtra Contingency Fund Act, the corpus of the Contingency Fund of the State is ₹ 150 crore. No amount was drawn from the Contingency Fund during the period 2023-24.

3.3.3 Excessive or Unnecessary Re-appropriation of Funds

Re-appropriation is the transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where need for additional funds is identified. As per Paragraphs 162 to 164 of the MBM, the Finance Department and the Administrative Departments can sanction re-appropriation from one major, minor or sub head to another such head within the same grant/appropriation in the Appropriation Act.

Audit analysis revealed that re-appropriation proved excessive and resulted in huge savings/ excess in 40 Sub-Heads (₹ 10 crore and above in each case), details of which are given in **Appendix 3.3**. Out of those 40 Sub-Heads, the final savings was more than ₹ 100 crore in 11 sub-heads, as detailed in **Table 3.6**.

Table 3.6: Unnecessary re-appropriation leading to final saving (₹ 100 crore and above)

(₹ in crore)

Sl. No.	Grant	SBH	Description	Original	Sup	Re-app	Total	Actual	Savings
1	E02	220201196 A017	Purposive Grants to Zilla Parishads under Section 182 of the Maharashtra Zilla Parishads and Panchayat Samitis Act, 1961	28541.09	4861.76	18.91	33421.76	32297.34	1124.42
2	B01	205500108 009	City Police - Establishment	4209.50	93.26	0.54	4303.30	3414.86	888.44
3	N03	222501789 F08	Bharatratna Dr. Babasaheb Ambedkar Social Department Scheme (SCSP)	1596.57	0.00	74.77	1671.34	1157.26	514.08
4	I05	4700-80-190-012	Capital Expenditure on Irrigation	1198.26	0.00	158.16	1198.26	898.69	299.56
5	E02	220201106 I61	Samagra Shiksha Abhiyan (General) (State Share 40%)(Scheme)	874.48	0.00	38.82	913.30	708.14	205.16
6	I05	4700-80-190-034	Capital Expenditure on Irrigation	1625.18	0.00	67.84	1625.18	1422.49	202.69
7	X01	223602101 194	Anganwadi Services (Additional State Share 100%)	438.42	608.99	34.49	1081.90	920.26	161.64
8	I05	4700-80-190-013	Capital Expenditure on Irrigation	393.50	0.00	20.08	393.50	243.71	149.79
9	N03	222501277 334	Opening and Maintenance of Government Hostels for Scheduled Caste Boys and Girls (New Hostels)	400.00	0.00	37.62	437.62	291.84	145.78
10	T05	222502796 D72	Government Hostels for Boys and Girls (State level Scheme)	546.61	0.00	6.03	552.64	408.98	143.66
11	I05	4700-80-190-010	Capital Expenditure on Irrigation	490.52	0.00	38.33	490.52	367.26	123.26

Source: Detailed Appropriation Accounts

The above instances are indicative of the fact that the budget controlling officers could not adequately assess the requirements and did not update information regarding expenditure before re-appropriations.

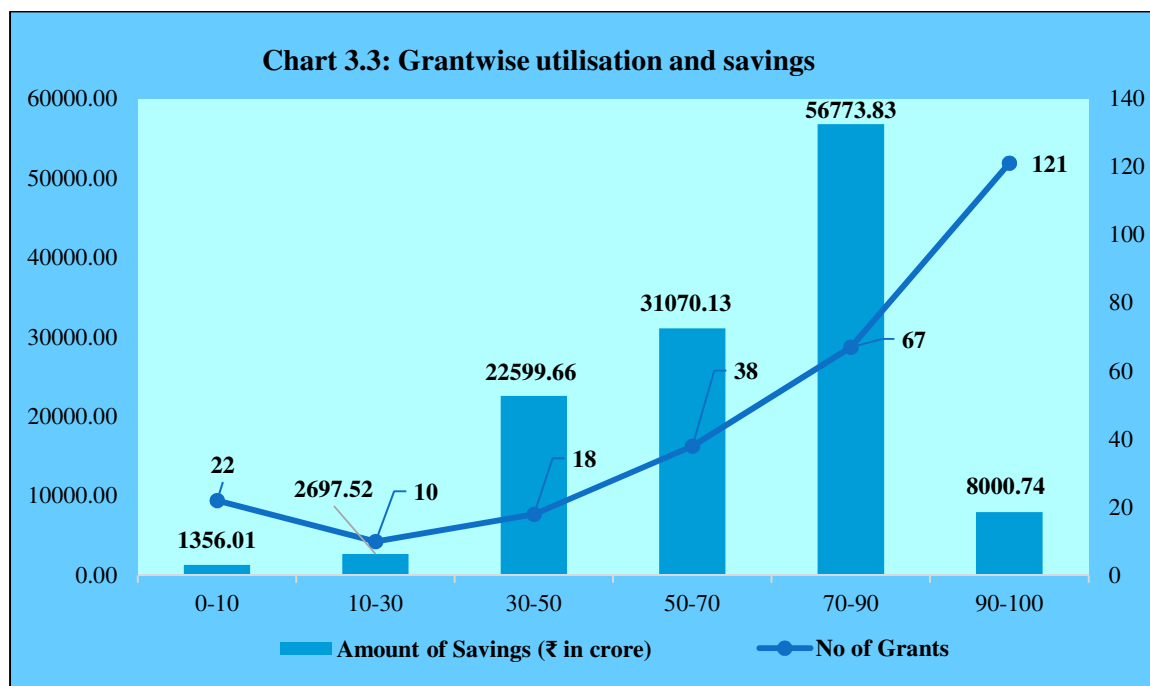
3.3.4 Unspent amount and surrendered Appropriation and/or huge Savings/ Surrenders

Budgetary allocations based on poor expenditure monitoring mechanism and weak scheme implementation capacities/weak internal controls, promote release of funds towards the end of the financial year and increase the propensity of the Departments to retain huge balances outside the Government account in Bank Accounts. Excessive savings also deprive other Departments of the funds which they could have utilized.

During 2023-24, out of the net savings of ₹ 1,43,923.59 crore, savings in 66 voted grants amounting to ₹ 94,915.71 crore was 20 *per cent* or more of the total provision in each case as indicated in **Appendix 3.4**. Further, in 44 out of the 66 voted grants the savings exceeded ₹100 crore in each case as shown in **Appendix 3.5**.

Para 173 of the MBM states that savings should not be kept in reserve by the Disbursing or Controlling Officers to meet possible unforeseen excess under other heads or to cover new expenditure which would normally be provided for in the next year's estimates. All savings when they come to notice, should immediately be surrendered. Provisions that cannot be profitably utilized should be surrendered.

The percentage of utilization of the total provision in 276 voted grants along with the total savings during 2023-24 is shown in **Chart 3.3**.



(Source: Appropriation Accounts 2023-24)

From the above **Chart 3.3**, it was noticed that 188 out of 276 voted grants had utilised more than 70 *per cent* of their allocation and out of the 188 grants, 121 voted grants had utilised more than 90 *per cent* of its allocation. During 2023-24, there was a gross savings of ₹ 1,43,959.17 crore. State Government needs to examine the reasons for poor utilisation of allocated funds in these Grants and take appropriate corrective action expeditiously. Observation on analysis of surrenders during 2023-24 is brought out in the succeeding paragraph.

Grant B-1-Police Administration-Under Major Head 2055-Police Minor head 116-Forensic Science, the budget provision of ₹ 11.78 crore for Upgradation of DNA forensic lab in Mumbai, Maharashtra under Nirbhaya Scheme was withdrawn through surrender in March 2023 without assigning any specific reason.

Grant D-9-Capital Expenditure on Fisheries- Under Major Head 4405- Capital Outlay on Fisheries Minor head 103- Marine Fisheries, the budget provision of ₹ 10 crore for Construction of Minor Fisheries Harbour was withdrawn through surrender in March 2023 without assigning any specific reason.

Grant L-3- Rural Development Programme- Under Major Head 2235- Social Security and Welfare, Minor Head 103-Women's Welfare: The sub-head relates to subsidy for

providing Sanitary Napkins at concessional rates to school going girls in rural areas under the Asmita Programme (State Scheme). Audit noticed that the budget allocation and expenditure trends for the Asmita Project from 2018-19 to 2023-24 indicated a consistent pattern of underutilization of funds. In 2018-19, only ₹ nine crore out of ₹ 20 crore was spent due to a lower number of eligible beneficiaries. From 2019-20 to 2021-22, no fresh expenditure was incurred as the scheme relied on unspent funds from previous years. In 2022-23, the budget allocation was ₹ 262.39 crore, but the entire amount remained unutilized due to delays in finalizing the revised implementation plan. Similarly, in 2023-24, ₹ 100 crore was allocated without any reported expenditure, and no specific reasons were provided for the savings.

Unrealistic estimation of the anticipated expenditure continued over the years resulting in savings under the sub-head.

Grant X-1 Social security and Nutrition- Under Major Head 2235- Social security and Welfare Minor Head-103 Women Welfare. An amount of ₹ 100 crore was obtained through supplementary demand for Lek Ladki Yojana, of which an amount of ₹ 80.30 crore was surrendered in March 2024 based on the actual expenditure on the Scheme.

Grant ZC-3-Loans to Government Servants - Under Major Head 4216- Capital Outlay on Housing, Minor head 051- Construction, the budget provision of ₹ 200 crore Redevelopment of Manora Amdar Niwas, Mumbai was surrendered in March 2024 without assigning any specific reason.

Audit analysis revealed that during 2021-22 and 2022-23 the entire budget provision of ₹ 180.59 crore and ₹ 200 crore respectively for redevelopment of Manora Amdar Niwas, Mumbai was surrendered in March of the financial year without assigning any specific reasons.

Grant ZH-5 Capital expenditure on Irrigation - Under Major Head 4702- Capital Outlay on Minor Irrigation, Minor head 101- Surface Water, out of the budget provision of ₹ 209 crore for restructuring and strengthening of old Malgulari tanks, ₹ 202.48 crore was surrendered in March 2024 due to less receipt of proposals of demand for funds under the scheme.

3.3.4.1 Persistent Savings

“Persistent savings” refers to the consistent practice of not utilizing the allocated funds every year. Persistent savings in the last five years indicated that the budgetary controls in the Departments were not effective and previous year’s trends were not taken into account while allocating the funds for the year. On test check of grants, audit observed that there were savings of more than ₹ 100 crore consistently for the last five years in 42 cases (Appendix 3.6).

The savings under Grant O-4 - Other Rural Development Programmes ranged between 99 to 100 per cent during 2019-20 to 2023-24 as shown in Table 3.7 below.

Table 3.7: Persistent saving under Grant O-4 - Other Rural Development Programmes

Year	Total budget Provision	Actual expenditure	Savings	Reasons for savings
2019-20	2175.35	-	2175.35	The unbudgeted outlay kept under this sub head in original estimates was distributed to the respective Administrative Department, through supplementary grants as per their requirement and therefore the entire provision of ₹ 2,175.35 crore was surrendered for accounting purpose
2020-21	101.12	0.21	100.91	Reason for saving of ₹ 100.91 crore have not been furnished (July 2021)
2021-22	100	-	100	The unbudgeted outlay kept under this sub head in original estimates was distributed to the respective Administrative Department, through supplementary grants as per their requirement and therefore the entire provision of ₹ 100 crore was surrendered for accounting purpose
2022-23	100	-	100	
2023-24	100	-	100	
Source: Appropriation Accounts of the respective years				

Budget provision sought and obtained by some Departments far in excess of actual requirement and inability to utilize the funds, deprives allocation of resources to priority sectors and also leads to poor legislative control over public finances.

3.3.4.2 Grants with 'Nil' expenditure

During 2023-24, budget provision of more than ₹ 10 crore amounting to ₹ 502.48 crore made under two grants remained unutilized at the end of the year. Details are given in Table 3.8.

Table 3.8: Grants with 'Nil' expenditure

(₹ in crore)

Sl. No.	Grant	V/C	Total Provision	Actual Expdr.	Remarks
1	B-12 Loans for flood control project	V	28.00	0.00	The entire provision under the Grant was surrendered due to the State Government's decision to operate new subhead under revenue expenditure 'Major Head 2711-190(00)(03)-Assistance to Public Sector and other undertakings' instead of capital expenditure 'Major Head 6711-190 (00)(01) Loans to Public Sector and other undertakings' for the project- Asian Development bank assisted sustainable coastal protection and management investment programme.
2	W-8 Capital expenditure on other social services	V	474.48	0.00	The entire provision under the Grant was surrendered due to non-receipt of approval from the Central Government for the scheme- Children and Adolescents Libraries and Digital Infrastructure - Scheme Part VII (₹ 469.38 crore), non- receipt of funds from Central Government for Establishment of a new Government Polytechnic Institutes in undeveloped district, a 100 per cent Centrally sponsored scheme (₹ 2.60 crore), and Construction of Hostel for Girls studying in Polytechnic under Skill Development Programme (₹ 2.50 crore).
Total			502.48		
Source: Appropriation Accounts 2023-24					

3.3.5 Excess expenditure and its regularization

Article 205(1) (b) of the Constitution provides that if any money has been spent on any service during a financial year in excess of the amount granted for that service for that year, the Governor shall cause to be presented to the Legislative Assembly of the State, a demand for such excess. This implies that it is mandatory for a State Government to get excesses over grants/appropriations regularized by the State Legislature for the Financial Year. Although no time limit for regularization of excess expenditure has been prescribed under the Article, the regularization of excess expenditure is done after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee. Failure to do so is in contravention of constitutional provisions and defeats the objective of ensuring accountability of the Executive over utilization of public money.

3.3.5.1 Excess expenditure relating to 2023-24

Excess expenditure over the provision for the year is not only in contravention of the provisions requiring Legislative sanction but also indicative of bad planning, which could be avoided by keeping track of expenditure progression with budget made for the purpose. However, during the year 2023-24, against the Budget Estimates of ₹ 7,26,220.25 crore, expenditure of ₹ 5,82,296.66 crore was incurred in 299 grants/ appropriations. Though there were overall savings of ₹ 1,43,923.58 crore, there was excess expenditure in 13 voted grants and two charged appropriations amounting to ₹ 35.58 crore, which required regularization as per Article 205 of the Constitution of India. The Grants/appropriations closed with excess over provisions during 2023-24 requiring regularization are shown in **Table 3.9**.

Table 3.9: Grants/appropriations closed with excess over provisions during 2023-24 requiring regularization

(₹ in crore)				
Sr. No.	Name and the title of the Voted grant/ Charged appropriation	Total grant	Expenditure	Excess
Voted Grant				
1	C-02 Stamps and Registration	412.17	423.98	11.81
2	O-18 District Plan-Thane	547.67	548.35	0.68
3	O-20 District Plan-Raigad	253.53	253.63	0.10
4	O-38 District Plan-Dhule	189.11	190.34	1.23
5	O-44 District Plan- Nandurbar	111.42	111.43	0.01
6	O-48 District Plan –Jalna	257.95	257.97	0.02
7	O-60 District Plan- Hingoli	167.72	167.72	0.00
8	O-70 District Plan- Gadchiroli	252.58	258.40	5.82
9	O-76 District Plan- Akola	171.64	171.64	0.00
10	O-84 District Plan-Palghar	198.72	198.87	0.15
11	O-19 District Plan-Thane	202.33	202.38	0.05
12	O-47 District Plan-Chhatrapati Sambhaji Nagar	166.66	166.67	0.01
13	O-75 District Plan-Amravati	122.74	122.75	0.01
Charged Expenditure				
14	C-02 Stamp and Registration	0.00 ²	0.01	0.01
15	T-01 Interest Payment	40.36	56.04	15.68
	Total	3094.60	3130.18	35.58

Source: Appropriation Accounts 2023-24

² Budget Provision less than ₹ one lakh

3.3.5.2 Regularisation of excess expenditure of previous financial years

As has been stated in Para 3.3.5 above, excess expenditure remaining un-regularized for extended periods dilutes legislative control over the executive. As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/appropriation regularized by the State Legislature. Although no time limit for regularization of expenditure has been prescribed, the regularization of excess expenditure is done after completion of discussion on Appropriation Accounts by the Public Accounts Committee. Excess expenditure amounting to ₹ 2,990.18 crore for the year 2017-18 to 2022-23 in respect of 48 grants and 17 appropriations was pending for regularization as on March 2024 as detailed in **Appendix 3.7**.

3.3.6 Grants-in-Aid for creation of capital assets

Grants-in-aid are payments in the nature of assistance, donations or contributions made by one government to another government, body, institution or individual. Grants-in aid are given for specified purpose of supporting an institution including construction of assets.

As per IGAS 2, Grants-in-Aid disbursed by a grantor to a grantee shall be classified and accounted for as Revenue Expenditure irrespective of the purpose for which the funds were disbursed, except in cases where it has been specifically authorized by the President on the advice of the CAG of India.

Table 3.10 highlights the extent of misclassification of GIA as Capital Expenditure instead of as Revenue Expenditure by the State during 2019-20 to 2023-24.

Table 3.10: Misclassification of Grants-in-Aid as Capital expenditure

	(₹ in crore)				
	2019-20	2020-21	2021-22	2022-23	2023-24
GIA booked as Capital Expenditure	1580.59	1423.66	1662.63	3440.70	3544.73
Total Expenditure	338690.64	342638.31	398792.31	473922.42	521898.02
Capital Outlay	36415.57	29686.70	46670.39	61643.61	72573.40
Share of GIA in Capital Outlay in <i>per cent</i>	4.34	4.80	3.56	5.58	4.88
Impact on Revenue Deficit (-) /revenue Surplus (+) if expenditure from GIA is treated as Revenue Expenditure	1580.59	1423.66	1662.63	3440.70	3544.73
Source: Finance Accounts of respective years					

3.4 Comments on transparency of Budgetary and Accounting Process

3.4.1 Lumpsum Budgetary Provisions

Para 53 and Para 12(e) of Appendix X of MBM stipulates that budget provision should be examined with respect to the difference between the estimates and actuals in the past three years and the proposed amount should be reduced on that basis. Lumpsum should not as a rule, be proposed to be made in the budget estimates. The lumpsum budgetary provisions for 2023-24 are shown in **Table 3.11**.

Table 3.11: Lumpsum Budgetary Provisions

(₹ in crore)

S. No.	Grant No and Head of Account	Provision	Expenditure	Remarks
1	G-2-2070-800(02)(01)-Lump sum Provision for Salaries and Allowances etc.	2500.00	0.00	Unbudgeted Revenue Outlay kept under this head was distributed to the respective Administrative Departments and expenditure met from the functional head of that Department, therefore entire provision was surrendered in March 2024. As per para 12 (e) of Appendix 10 of Maharashtra Budget Manual, lump sum provision should not be made in the Budget Estimates.
2	O-10-4515-800(01)(01)-Lumpsum Provision for Unbudgeted Capital Outlay (State Plan)	3041.51	0.00	
3	O-04-2515-800(01)(01)-Lumpsum Provision for Unbudgeted Revenue Outlay (State Plan)	100.00	0.00	
Source: Appropriation Accounts 2023-24				

3.4.2 Major Policy pronouncements in Budget and their actual funding for ensuring implementation

Several policy initiatives/schemes (₹ 10 crore and above) were taken up by the State Government during 2023-24. These policy initiatives which were wholly or partially executed due to non-approval of scheme guidelines/modalities, for want of administrative sanction, non-release of budget, etc.

Appendix XI, Volume II of the Finance Accounts for the year 2023-24 provides details of major policy decisions taken during the year, including new schemes proposed in the budget. In 2023-24, new capital schemes amounting to ₹ 21,443.65 crore and revenue schemes totaling ₹ 3,665.92 crore were introduced. Of the total expenditure of ₹ 25,109.57 crore incurred on these new schemes, ₹ 24,608.11 crore was State's share, while ₹ 501.40 crore was the Central Share. The details of 29 new schemes each with an expenditure exceeding ₹ 100 crore, undertaken by the State Government during the year. is shown in **Appendix 3.8**.

3.5 Comments on effectiveness of Budgetary and Accounting Process

3.5.1 Budget projection and gap between expectation and actual

Budgetary allocations based on unrealistic proposals, poor expenditure monitoring mechanism, weak scheme implementation capacities/ weak internal controls lead to sub-optimal allocation among various developmental needs. Excessive savings in some departments deprives other departments of the funds, which they could have utilized.

The summarized position of actual Expenditure *vis-à-vis* budget (original/supplementary) provisions during 2023-24 is given in **Table 3.12**.

Table 3.12: Summarised position of actual Expenditure vis-à-vis Budget (Original/Supplementary) provisions during 2023-24

(₹ in crore)

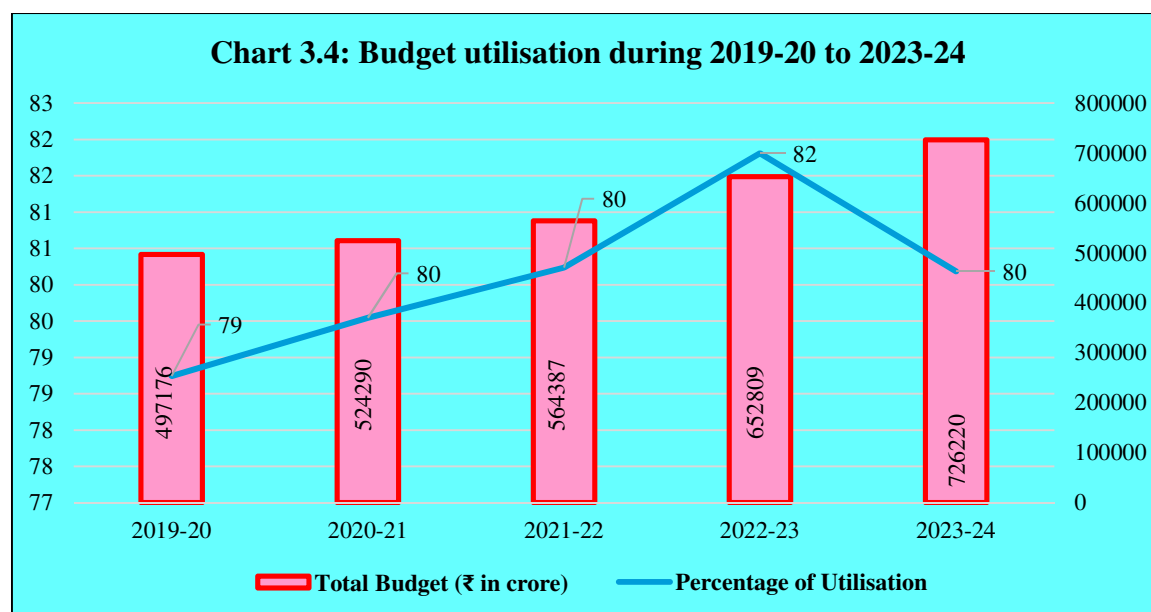
	Nature of expenditure	Original grant/appropriation	Supplementary grant/appropriation	Total	Actual expenditure	Savings (-)	Savings (in Per cent)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Voted	I Revenue	419488.69	78115.85	497604.54	400494.83	(-)97109.71	19.52
	II Capital	83377.49	22500.96	105878.45	84787.45	(-)21091.00	19.92
	III Loans and Advances	7904.13	1347.35	9251.48	4974.15	(-)4277.32	46.23
Total Voted		510770.31	101964.16	612734.47	490256.43	(-)122478.03	19.99
Charged	IV Revenue	55463.23	1957.37	57420.60	51178.42	(-)6242.18	10.87
	V Capital	55.25	12.84	68.09	44.97	(-)23.12	33.96
	VI Public Debt	54558.31	1438.78	55997.09	40816.84	(-)15180.25	27.11
Total Charged		110076.79	3408.99	113485.78	92040.23	(-)21445.55	18.90
Appropriation to Contingency fund		0.00	0.00	0.00	0.00	0.00	0.00
Grand Total		620847.10	105373.15	726220.25	582296.66	(-)143923.59	19.82
Source: Appropriation Accounts 2023-24							

It may be seen from **Table 3.12** that during the year 2023-24, Government of Maharashtra incurred expenditure of ₹ 5,82,296.66 crore against the total grants and appropriations of ₹ 7,26,220.25 crore resulting in overall savings of ₹ 1,43,923.59 crore. The net savings were offset by an excess of ₹ 35.58 crore. These savings stood at 19.82 *per cent* of total grants and appropriations made during the year.

The savings and excesses were intimated by the office of the Principal Accountant General (Accounts and Entitlement)-I, Maharashtra regularly to the Controlling Officers through Monthly Reports on expenditure. They also took up the matter with Departments concerned after closure of the preliminary and final accounts in March 2024, requesting the Controlling Officers to explain the reasons for the significant variations, but no explanation was received (June 2024).

The extent of utilisation of budget during the five-year period from 2019-20 to 2023-24 is given in **Chart 3.4**

Chart 3.4 Budget utilization during 2019-20 to 2023-24



Source: Appropriation Accounts of respective years

As can be seen from **Chart 3.4**, utilisation of budget has exceeded 80 *per cent* in 2022-23. During 2023-24, 80 *per cent* of the budget provision was utilised. Large amount of savings in allocated funds indicate faulty budgeting with inaccurate assessment of resource mobilisation.

Trends in the original budget, revised estimates, actual expenditure for the period 2019-20 to 2023-24 are given in **Table 3.13**

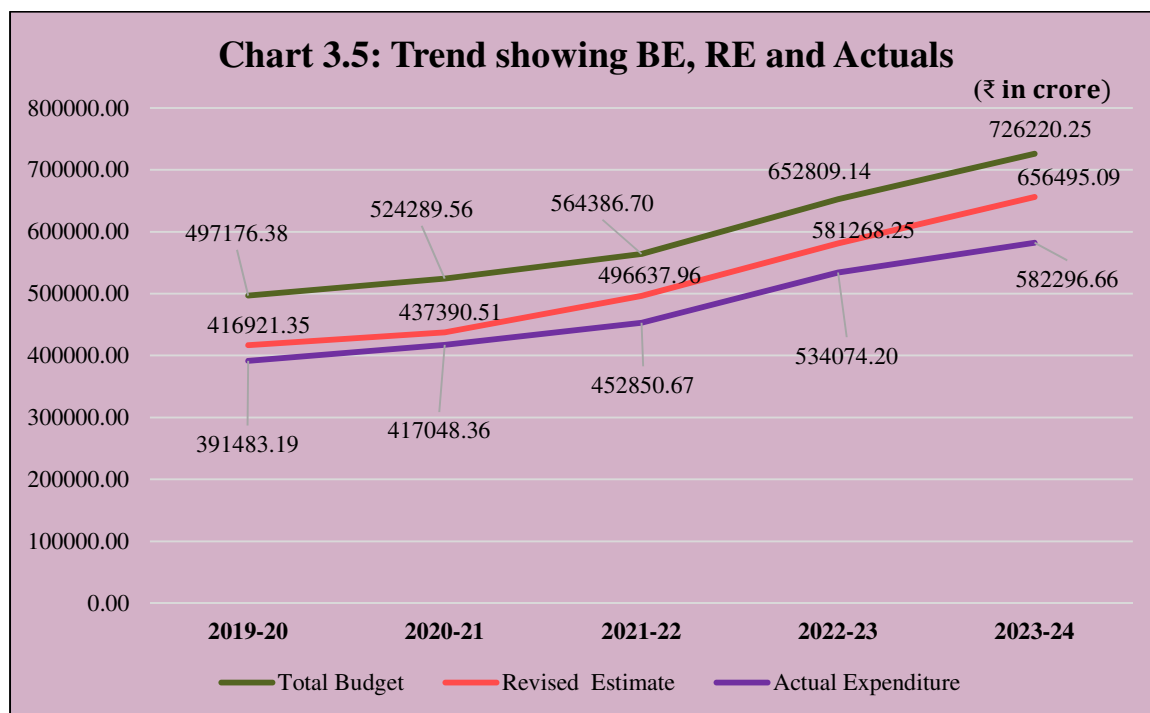
Table 3.13: Original Budget, Revised Estimate and Actual Expenditure

	(₹ in crore)				
	2019-20	2020-21	2021-22	2022-23	2023-24
Original Budget	431554.81	452136.69	503688.31	568270.63	620847.10
Supplementary Budget	65621.57	72152.87	60698.39	84538.52	105373.15
Total Budget (TB)	497176.38	524289.56	564386.70	652809.15	726220.25
Revised Estimate (RE)	416921.35	437390.51	496637.96	581268.25	656495.09
Actual Expenditure (AE)	391483.19	417048.36	452850.67	534074.20	582296.66
Savings (-)	(-)105693.19	(-)107241.20	(-)111536.03	(-)118734.95	(-)143923.59
Supplementary to the original provision (in <i>per cent</i>)	15.21	15.96	12.05	14.88	16.97
Overall saving to the overall provision (in <i>per cent</i>)	21.26	20.45	19.76	18.19	19.82
TB-RE	80255.03	86899.05	67748.74	71540.90	69725.16
RE-AE	25438.16	20342.15	43787.29	47194.05	74198.43
TB-RE as percentage of TB (in <i>per cent</i>)	16.14	16.57	12.00	10.96	9.60
RE-AE as percentage of TB (in <i>per cent</i>)	5.12	3.88	7.76	7.23	10.22

Source: Appropriation Accounts of the respective years

As seen from above table the supplementary provision of ₹ 1,05,373.15 crore during 2023-24 constituted 16.97 *per cent* of the original provision as against 14.88 *per cent* in the previous year (2022-23). The savings of budget during the last five years ranged from 18 *per cent* to 22 *per cent*.

Chart 3.5 shows the trends in BE, RE and AE during 2019-20 to 2023-24.



Source: Appropriation Accounts of the respective years

From the above **Chart 3.5**, it was noticed that during 2019-20 to 2023-24, the Revised Estimate (RE) was always lower than the total budget (TB) of the State. The supplementary provisions during 2019-20 to 2023-24 proved unnecessary since the expenditure did not come up even to the level of original budget provisions.

3.5.1.1 Missing/ Incomplete Explanation for Variation from Budget

Apart from showing the expenditure against the approved budget, Appropriation Accounts also provide explanation for cases where the expenditure varies significantly from the budgeted provision (Original *plus* Supplementary). The limit beyond which such variation at the Sub-Head/ Unit of Appropriation-level are to be explained in the Appropriation Accounts is set by the Public Accounts Committee (PAC).

Principal Accountant General (Accounts and Entitlement) provides the draft Appropriation Accounts to the Controlling Officers of the Departments and seeks the reasons/ explanations for the variations in expenditure with reference to approved budgetary allocation in keeping with the limits set by the PAC.

The PAC of Maharashtra State Legislative Assembly (Fourteenth Assembly) for 2021-22 in its First Report, suggested the following norms for making notes and comments on saving and excess in this Accounts as follows.

Savings	(a) Overall saving: If a Grant/Appropriation has an overall saving of less than five <i>per cent</i> of the total provision made there under, no notes or comments on saving are necessary under individual Sub-heads. (b) Individual Sub-heads: - The saving under a Sub-head would attract comments if it were ₹ 100 lakh or 10 <i>per cent</i> of the total provision under the Sub-head, whichever is higher.
Excess	All excess expenditure requires regularisation by the Legislative Assembly (vide Articles 204 and 205 of the Constitution of India) on the recommendations of the Public Accounts Committee. (b) Excess under the Sub-head is commented if it is ₹ 50 lakh or 10 <i>per cent</i> of the total provision under the Sub-head, whichever is less. However, no comment is necessary where the excess is less than ₹ 50 lakh irrespective of the percentage of the excess over provision.

According to Paragraph 165 of the Maharashtra Budget Manual, the orders sanctioning re-appropriation of funds which involve some distinct or unusual feature should briefly specify the reasons for the additions to and deductions from the sub-heads affected by them. However, on scrutiny of the re-appropriation orders issued by the Finance Department revealed that in respect of 456 (19 *per cent*) out of 2,401 items commented in the Appropriation Accounts, no reasons for additional provision/withdrawal of provision were mentioned. This goes against the principle of transparency stipulated in Section 6 of Fiscal Responsibility and Budgetary Management Act.

3.5.2 Budgetary flow and review of Grants

3.5.2.1 Rush of Expenditure

Uniform flow of expenditure during the year is the primary requirement for proper budgetary control. According to the Bombay Financial Rules, 1959, rush of expenditure in the closing month of the financial year should be avoided. Contrary to the provisions of the Rule, in 12 Grants as listed in **Table 3.14**, 75 *per cent* of the total expenditure exceeding ₹ 100 crore was incurred in March 2024.

Table 3.14: Flow of expenditure in March 2024

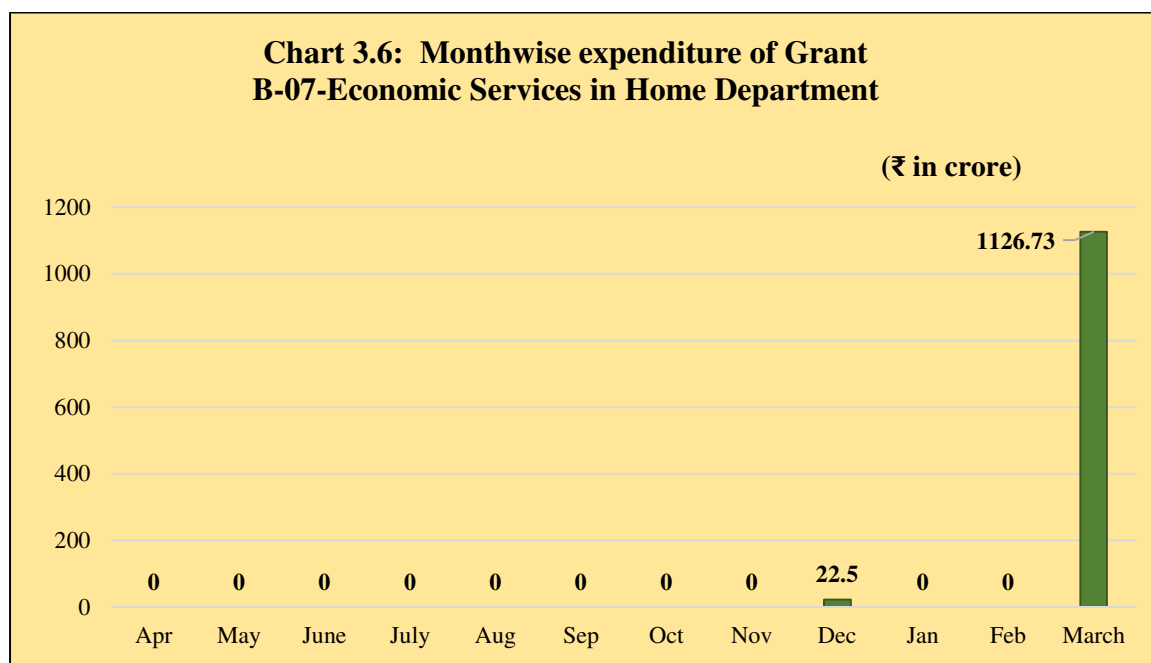
(₹ in crore)					
Sr. No.	Grant No.	Grant Description	Total Expenditure under the Grant during 2023-24	Expenditure incurred during March 2024	Percentage of expenditure in March with respect to Total expenditure
1.	O15	District Plan - Mumbai City	112.21	134.39 ³	119.78
2.	B07	Economic Services	1149.23	1126.73	98.04
3.	O09	Census, Survey and Statistics	2076.05	2011.69	96.90
4.	O50	District Plan – Parbhani	231.18	200.28	86.63
5.	O17	District Plan - Mumbai Suburban	134.07	113.15	84.40
6.	ZE01	Minorities Development	876.27	733.25	83.68

³ In respect of Grant O-15 'District Plan- Mumbai City' Under Major Head 4210, as Minor head 911- Deduct recoveries for overpayment' was not available under the Major head, negative expenditure of (-) ₹ 35.18 crore was shown during the Second Quarter. Hence expenditure in the month of March is more than the total expenditure.

Sr. No.	Grant No.	Grant Description	Total Expenditure under the Grant during 2023-24	Expenditure incurred during March 2024	Percentage of expenditure in March with respect to Total expenditure
7.	O55	District Plan – Beed	124.01	103.72	83.63
8.	K06	Energy	12034.58	9346.79	77.67
9.	F05	Capital Expenditure on Social Services	8051.00	6117.26	75.98
10.	B10	Capital Expenditure on Economic Services	3247.80	2461.31	75.78
11.	U04	Ecology and Environment	287.99	216.16	75.06
12.	O02	Social Security and Welfare	220.74	165.29	74.88
Source: Monthly Civil Accounts of March 2024					

In respect of 101 Grants (excluding ‘Interest payments’) as shown in **Appendix 3.9** expenditure more than ₹ 100 crore was incurred in the fourth quarter and the expenditure ranged between 50 *per cent* and 100 *per cent* of the total expenditure within that grant.

Month-wise expenditure of Grant B 7- ‘Economic Services’ in Home Department having high percentage of expenditure in March 2024 is given below in **Chart 3.6**.



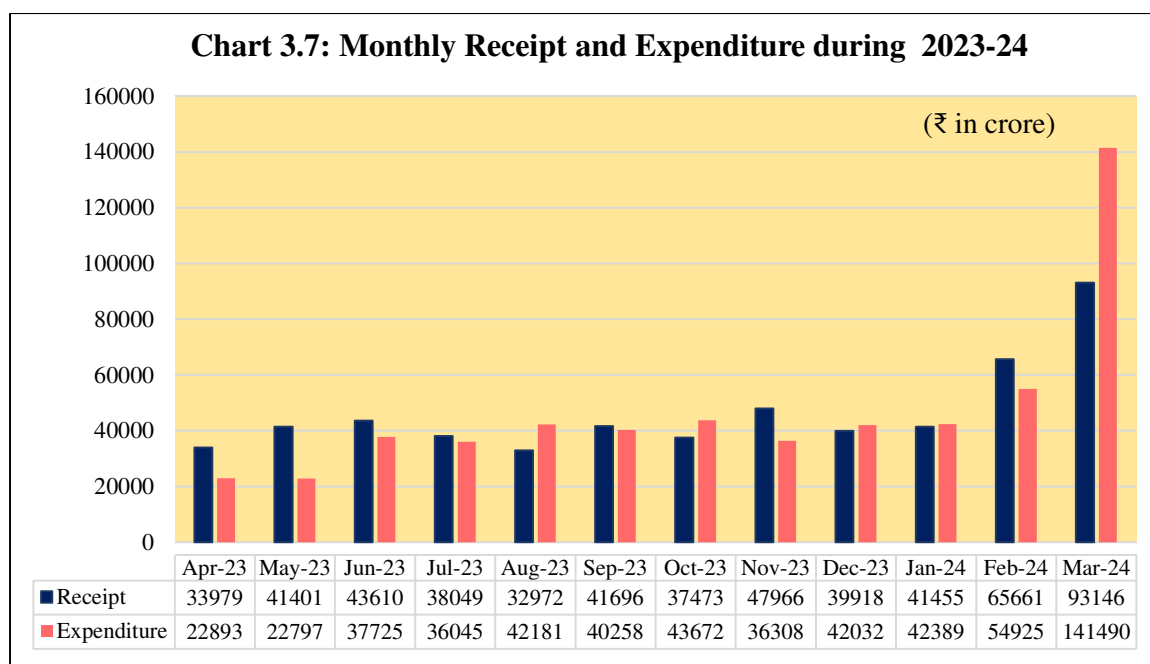
Source: Monthly Civil Accounts 2023-24.

It was observed that under Grant B-7, 98.04 *per cent* expenditure (₹ 1,126.73 crore) of the total expenditure of ₹ 1,149.23 crore was incurred in March 2024. Huge expenditure in the last month of the financial year is inconsistent with prudent financial management and indicates a weak internal control system and lack of budgetary control/management.

3.5.2.2 Flow of Receipt and Expenditure

Government funds should be spent evenly throughout the year. The rush of expenditure towards the end of the financial year is regarded as a breach of financial propriety.

According to the Bombay Financial Rules 1959, rush of expenditure in the closing month of the financial year should be avoided. The monthly flow of receipts into the state exchequer and disbursement during 2023-24 is shown in **Chart 3.7**.



Source: Monthly Civil Accounts 2023-24.

Chart 3.7 shows that during 2023-24, receipts were comparatively higher than expenditure during the months of April, May, June, July, September, November and February. However, both receipt and expenditure increased substantially in the month of March 2024 in comparison to the remaining months of the year. Further, scrutiny of the pattern of expenditure during 2023-24 revealed that the State Government incurred an expenditure of ₹ 1,41,489.70 crore constituting about 25.14 *per cent* of the total expenditure of ₹ 5,62,714.85 crore in the month of March 2024 alone.

3.5.3 Review of selected Grants

The Maharashtra Budget Manual 1959 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 ensuring that the grant placed at their disposal is spent only on the objects for which it has been provided and to surrender savings if not required.

A review of budgetary procedure and control over expenditure in respect of two selected grants-Grant ZE01 Minorities Development and Grant C01- Revenue and District Administration was conducted wherein magnitude of variation in original grants, supplementary demands and actual expenditure were analyzed.

Audit test checked the records of the administrative department/Controlling Officer of these Grants for the period 2020-21 to 2023-24 to ascertain how far the authorities were adhering to these instructions.

Audit paragraphs are in the succeeding paragraph.

3.5.3.1 Grant C-01 – Revenue and District Administration

(i) Introduction

Under this Grant, provision is made for revenue expenditure on Direction and Administration of Commissioner Office and for modernisation programme of National Land Records. These are covered under five Major Heads namely 2029-Land Revenue, 2045-Other Taxes and Duties on Commodities and Services, 2053-District Administration, 2070-Other Administrative Services and 2853-Non-ferrous Mining and Metallurgical Industries.

(ii) Budget and Expenditure

The overall budget provision, actual expenditure and savings under this grant from 2021-22 to 2023-24 is given in **Table 3.15**

Table 3.15 Detail of budgetary provisions and actual expenditure under Grant No. C-01

(₹ in crore)

Year	Original provision	Supplementary provision	Total Grant or Appropriation	Actual Expenditure	Saving	Percentage of saving
2021-22	2928.39	50.42	2978.81	2437.05	541.76	18.18
2022-23	3148.50	61.02	3209.52	2781.27	428.25	13.34
2023-24	3440.51	700.93	4141.45	3072.94	1068.51	25.80

Source: Appropriation Accounts of the respective years

Table 3.15 shows savings ranging between 13.34 *per cent* and 25.80 *per cent* under Grant C-01 (Voted) during the year 2021-22 to 2023-24. Supplementary provisions made during 2021-22 to 2023-24 proved unnecessary as the actual expenditure did not reach the level of the original provision during any of the three years.

(iii) Surrender of entire provision

Scrutiny of Appropriation Accounts for the year 2023-24 revealed that the entire provision under two sub-heads amounting to ₹ 2.84 crore under Grant C-01 were surrendered in the month of March 2024 as detailed in **Table 3.16**.

Table 3.16 Details showing surrender of entire provision under Grant. C-01

(₹ in crore)

Sr. No.	Description	Original and Supplementary Grant	Amount Re-appropriated	Total Grant	Actual Expenditure
1	2029-102-(00)(06) National Land records Modernization Programme- 50 <i>per cent</i> Centrally sponsored scheme (50 <i>per cent</i> State share)	1.42	0	1.42	0
The Scanning works in the districts were completed but the payments bills were not received. Hence the entire provision of ₹ 1.42 crore from the sub-head was surrendered.					
2	2029-102-(00)(08) Survey and Settlement Operations- Settlement Commissioner and	1.42	0	1.42	0

Sr. No.	Description	Original and Supplementary Grant	Amount Re-appropriated	Total Grant	Actual Expenditure
	Director of National Land records- National Land records Modernization Programme 50 per cent Centrally sponsored scheme (50 per cent State share)				
As the funds for re-survey were allocated to the Modern Records Office by the Central Government, the entire provision under the above sub-head was surrendered.					
Source: Appropriation Accounts 2023-24					

(iv) Substantial Savings under sub-heads

During 2023-24, in 17 Sub-Heads under Grant No. C-01 savings of ₹ 10 crore and above and ranging between 11.28 per cent and 88.90 per cent of the total provision was noticed as shown in **Appendix 3.10**. Four out of the 18 Sub-Heads registered savings of more than ₹ 50 crore in each case as shown in **Table 3.17**.

Table 3.17: Sub-head wise substantial saving under Grant C-01

(₹ in crore)						
Sr. No.	Cross Reference Code	Description	Total Grant	Actual	Savings	Percentage of Saving
1	2029-103-(02)(01)	Director of Land Records	494.78	435.38	59.40	12.00
2	2053-093-(01)(01)	Commissioner, Konkan	195.47	141.67	53.80	27.51
3	2053-094-(03)(03)	Commissioner, Pune	261.60	209.84	51.76	19.79
In the above three sub-heads, funds were surrendered due to restrictions on expenditure by the Finance Department, postponement of payment of second instalment of 7th pay commission arrears and due to non- filling of vacant posts.						
4	2853-102-(00)(01)	Expenditure for excavation, storage and transportation etc. of sand	488.91	54.26	434.65	88.90
Under the above subhead, the provision of ₹ 488.90 crore was obtained through supplementary provision, of which, ₹ 434.64 crore was surrendered as there were no demand for funds from the Controlling Officers.						
Source: Appropriation Accounts 2023-24						

3.5.3.2 Grant ZE-01 Minorities Development Department (Voted)

(i) Introduction

Under this Grant, provision is made for revenue expenditure on minority development related schemes, which covers six major heads namely (2052) Secretariat – General Services, (2053) District Administration, (2075) Miscellaneous General Services, (2205) Arts and Culture (2235) Social Security and Welfare and (2406) Forestry and Wild Life.

(ii) Budget and Expenditure

The overall position of budget provision, actual expenditure and savings under the Grant for the years 2020-21 to 2023-24 is given in **Table 3.18**.

Table 3.18: Details of budgetary provisions and actual expenditure under Grant Nos: ZE 01

(₹ in crore)						
Year	Original provision	Supplementary provision	Total Grant /Appropriation	Actual Expenditure	Savings	Percentage of savings
ZE 01- Minorities Development						
2020-21	612.03	0.15	612.18	196.98	415.20	67.82
2021-22	665.35	200.00	865.35	510.27	355.08	41.03
2022-23	784.28	0.20	784.48	406.64	377.84	48.16
2023-24	851.19	510.00	1361.19	876.27	484.92	35.62
Source: Appropriation Accounts of respective years						

From the above table it was evident that there were persistent savings ranging between 35.62 per cent and 67.82 per cent in Grant No. ZE 01 during 2020-21 to 2023-24.

(iii) Substantial Savings under sub-heads

During 2023-24, in six sub-heads under Grant No. ZE-01, savings of ₹ 10 crore and above and ranging between 38.25 per cent and 95.14 per cent of the total provision were noticed as shown in **Table 3.19**.

Table 3.19 Sub-head wise substantial saving under Grant ZE 01

(₹ in crore)						
Sr. No.	Cross Reference Code	Description	Total Grant	Actual	Savings	Percentage
ZE-1 Minority Development Department (Voted)						
1	2235-200(01)(14)	Pradhanmantri Jan Vikas Karyakram (PMJVK)(State Share)	80.00	3.89	76.11	95.14
Surrender of provision of ₹ 76.11 crore in March 2024 was attributed to non-receipt of complete proposals for second phase and due to non receipt of new proposals from the Districts under the Scheme.						
2	2235-200(00)(16)	Starting of Second and Third Shift in existing ITIs for Minority Students	59.94	20.36	39.58	66.03
Surrender of provision of ₹ 39.46 crore in March 2024 attributed to non-receipt of proposals under the scheme.						
3	2235-200(01)(21)	Grant-in-aid for providing Basic Infrastructure to Minorities Schools	20.00	3.74	16.26	81.30
Surrender of provision of ₹ 16.26 crore in March 2024 attributed to non-receipt of proposals under the scheme.						
4	2235-200(01)(08)	Grant-in-aid for Hostels for Girls from the Minority Communities in Cities	21.76	2.92	18.84	86.58
Surrender of provision of ₹ 18.84 crore in March 2024 was attributed to review of estimates of construction of hostel at Ahmednagar in accordance with the Administrative Approval.						
5	2235-200(00)(15)	Grant-in-aid for Starting New Polytechnic for Minority Students	20.00	4.00	16.00	80.00
Surrender of provision of ₹ 16 crore in March 2024 was attributed to non-acceptance of proposal for disbursement of remaining funds on BDS by Planning Department owing to Finance Department circular dated 27 March.						
6	2235-200(01)(30)	Commencement of Second Shift in Existing Government Polytechnics for Minority Students	29.25	18.06	11.19	38.26
Surrender of provision of ₹ 11.19 crore in March 2024 was attributed to non-supply of computers ordered for 14 existing Polytechnics as per Administrative approval by the suppliers under the scheme.						
Source: Appropriation Accounts 2023-24						

(iv) Surrender of entire provision

Budget provision of ₹ 217.58 crore made under the following six Head of Accounts, under Grant No. ZE-1 for the year 2023-24 remained unutilised at the end of the year. Scheme-wise details are given in **Table 3.20**.

Table 3.20: Details showing surrender of entire provision under Grant nos. ZE-01**(₹ in crore)**

Sr. No.	Description	Original and Supplementary Grant	Amount Re-appropriated	Total Grant	Actual Expenditure	Reason for surrender
ZE-01 – Minority Development						
1	2235-200(00)(17) Pradhanmantri Jan Vikas Karyakram for Minority Concentrated Areas-Centrally Sponsored Scheme (Central Share)	120.00	120.00	0.00	0.00	Surrender of entire provision of ₹ 130 crore in March 2024 was made without assigning any specific reason.
2	2235-200(00)(20) Dharmakshetra and Premises Development Plans for Minorities	10.00	10.00	0.00	0.00	
3	2235-200(01)(09) Grant in aid for Skill Development Training Programme for Minorities for Minorities	60.00	60.00	0.00	0.00	Surrender of entire provision of ₹ 60 crore in March 2024 was attributed to no demand for funds under the scheme.
4	2235-200(01)(06) Grant-in-aid for Grants to the Industrial Training Institutions in Minority Concentrated Areas	12.58	12.58	0.00	0.00	Surrender of entire provision of ₹ 2.58 crore in March 2024 was attributed to non-approval of revised Administrative approval for construction of Industrial Training Institutes at Mumbra-Kausa and Mandvi during the year.
5	2235-200(01)(19) Grant-in-aid to Haj Committee	10.00	10.00	0.00	0.00	Surrender of entire provision of ₹ 10 crore in March 2024 was attributed to non-release of funds by the Finance Department, for installation of Escalator and beautification of Haj House at Nagpur.
6	2235-200(01)(01) Grant-in-Aid for Free Coaching and Allied Scheme)	5.00	5.00	0.00	0.00	Surrender of entire provision of ₹ 5 crore in March 2024 was attributed to non-implementation of the scheme during the year.

Source: Appropriation Accounts 2023-24

3.6 Conclusion

- Budgetary assumptions of Government of Maharashtra continued to be unrealistic and overestimated during 2023-24, as the State Government incurred an expenditure of ₹ 5,82,296.66 crore, against a total budget provision of ₹ 7,26,220.25 crore in 299 grants/appropriations, resulting in an overall savings of ₹ 1,43,923.59 crore, off set by an excess expenditure of ₹ 35.88 crore as against the overall savings of ₹ 1,18,734.95 crore during the previous year. These savings stood at 19.82 *per cent* of total budget provisions made for the year. The savings and excesses were intimated by the office of the Principal Accountant General (Accounts and Entitlement)-I, Maharashtra regularly to the Controlling Officers through Monthly Reports on expenditure. The Controlling Officers did not provide any reasons for the significant variations (June 2024).
- There was excess expenditure in 13 voted grants and two charged appropriations amounting to ₹ 35.58 crore, which required regularization as per Article 205 of the Constitution of India. Moreover, excess expenditure amounting to ₹ 2,990.18 crore for the year 2017-18 to 2022-23 in respect of 48 grants and 17 appropriations was pending for regularization as of March 2024.
- Supplementary provisions of ₹ 1,05,373.15 crore obtained during 2023-24, which constituted 16.97 *per cent* of the original provisions, proved unnecessary as the actual expenditure (₹ 5,82,296.66 crore) did not reach the levels of the original provision

3.7 Recommendations

- (i) The State Government should formulate a realistic budget based on reliable assumptions considering the needs of the Departments and their capacity to utilise the allocated resources.
- (ii) An appropriate control mechanism needs to be instituted by the Government to enforce proper implementation and monitoring of budget to ensure that savings are curtailed, large savings within the Grant/Appropriation are controlled and anticipated savings are identified and surrendered within the specified timeframe.
- (iii) Priority should be accorded to all cases of pending regularisation of excess expenditure over the budget provision.

